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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2018

FINANCIAL HIGHLIGHTS

- Revenue for the year ended 30 June 2018 amounted to approximately HK$81.4 million, representing an increase of approximately 30.2% from approximately HK$62.5 million recorded for the year ended 30 June 2017.
- Profit before income tax for the year ended 30 June 2018 amounted to approximately HK$51.0 million, representing an increase of approximately 28.1% from approximately HK$39.8 million recorded for the year ended 30 June 2017.
- Profit attributable to equity holders of the Company for the year ended 30 June 2018 amounted to approximately HK$42.2 million, representing an increase of approximately 29.4% from approximately HK$32.6 million recorded for the year ended 30 June 2017.
- Proposed final dividend of HK2.50 cents per ordinary share for the year ended 30 June 2018 (2017: HK5.00 cents per ordinary share).

FINANCIAL RESULTS

The board of directors (the "**Board**" or the "**Directors**") 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 2018 (the "**Year**") (which have been reviewed by the Company's audit committee), together with the comparative figures for the year ended 30 June 2017 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2018

	Note	2018 HK$'000	2017 HK$'000
Revenue	4	**81,359**	62,476
Other income	5	**3,965**	4,251
Employee benefit expenses	7	**(21,125)**	(14,551)
Operating lease rentals		**(3,202)**	(1,386)
Depreciation		**(523)**	(486)
Other expenses	6	**(8,601)**	(10,782)
Operating profit		**51,873**	39,522
Finance income	8	**367**	264
Share of losses of an associate		**(1,016)**	–
Share of losses of a joint venture		**(257)**	–
Profit before income tax		**50,967**	39,786
Income tax expense	9	**(8,746)**	(7,175)
Profit for the year attributable to equity holders of the Company		**42,221**	32,611
Earnings per share attributable to equity holders of the Company for the year (expressed in HK cents per share)			
Basic and diluted	10	**HK10.56 cents**	HK8.15 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2018

	2018 *HK$'000*	2017 *HK$'000*
Profit for the year	**42,221**	32,611
Other comprehensive income		
Item that may be reclassified to profit or loss		
Currency translation differences	**2**	–
Total comprehensive income for the year	**42,223**	32,611
Total comprehensive income for the year attributable to equity holders of the Company	**42,223**	32,611

CONSOLIDATED BALANCE SHEET

As at 30 June 2018

	Note	2018 HK$'000	2017 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**1,609**	1,254
Advance to an associate		**1,984**	–
Investment in a joint venture		**2,245**	–
Prepayments and deposits	14	**1,387**	441
		7,225	1,695
Current assets			
Inventories	12	**84**	142
Trade receivables	13	**43,929**	22,198
Prepayments, deposits and other receivables	14	**4,197**	1,440
Amount due from a related company		**10**	–
Short-term bank deposits		**–**	36,138
Cash and cash equivalents		**96,806**	63,118
		145,026	123,036
Total assets		**152,251**	124,731
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		**77,394**	55,171
Total equity		**120,517**	98,294
Non-current liabilities			
Deferred income tax liabilities		**119**	150
Current liabilities			
Trade payables	15	**17,571**	14,412
Accruals and other payables	16	**3,898**	3,863
Tax payable		**10,146**	8,012
		31,615	26,287
Total liabilities		**31,734**	26,437
Total equity and liabilities		**152,251**	124,731

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

	Attributable to equity holders of the Company				
	Share capital *HK$'000*	**Share premium** *HK$'000*	**Translation reserve** *HK$'000*	**Retained earnings** *HK$'000*	**Total** *HK$'000*
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
At 1 July 2017	**4,000**	**39,123**	**–**	**55,171**	**98,294**
Profit for the year	**–**	**–**	**–**	**42,221**	**42,221**
Currency translation differences	**–**	**–**	**2**	**–**	**2**
Total comprehensive income	**–**	**–**	**2**	**42,221**	**42,223**
Transaction with owners					
Dividends relating to 2017 *(Note 11)*	**–**	**–**	**–**	**(20,000)**	**(20,000)**
At 30 June 2018	**4,000**	**39,123**	**2**	**77,392**	**120,517**

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 thousands of units of Hong Kong dollars ("HK$'000"), unless otherwise stated.

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 ("HKFRSs"). The consolidated financial statements have been prepared on a historical cost basis.

The preparation of consolidated financial statements in conformity with HKFRSs 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) Amended standards adopted by the Group

The following amended standards are mandatory for the accounting period beginning on 1 July 2017 and are adopted by the Group during the year:

HKAS 7 (amendments)	Disclosure Initiative
HKAS 12 (amendments)	Recognition of Deferred Tax Assets for Unrealised Losses
HKFRS 12 (amendments)	Annual Improvement 2014-2016 Cycle

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

(b) ***New standards, amendments to standards and interpretations not yet adopted***

The following new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2018 and have not been applied in preparing these consolidated financial statements:

		Effective for annual periods beginning on or after
HKFRS 1 and HKAS 28 (amendments)	Annual Improvements 2014-2016 Cycle	1 January 2018
HKFRS 2 (amendments)	Classification and Measurement of Share-based Payment Transactions	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 9 (amendments)	Prepayment Features with Negative Compensation	1 January 2019
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
HKFRS 17	Insurance Contracts	1 January 2021
HKAS 28 (amendments)	Investments in Associates and Joint Ventures	1 January 2019
HKAS 40 (amendments)	Transfer of Investment Property	1 January 2018
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

The Group's assessment of the impact of these new standards, amendments to standards and interpretation is set out below:

HKFRS 9, "Financial Instruments"

Nature of change

HKFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

Impact

The Group has reviewed its financial assets and liabilities and does not expect the new guidance to affect the classification and measurement of its financial assets and financial liabilities.

The new impairment model requires the recognition of impairment provisions based on expected credit losses ("ECL") rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets under HKFRS 15 "Revenue from Contracts with Customers", lease receivables, loan commitments and certain financial guarantee contracts. Based on the assessments undertaken up to date, the Group does not expect the new model to have material impact on the recognition of the Group's credit losses.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

Date of adoption by the Group

HKFRS 9 is mandatory for financial years commencing on or after 1 January 2018. The Group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 July 2018 and that comparatives will not be restated.

HKFRS 15, "Revenue from Contracts with Customers"

Nature of Change

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.

Impact

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, and

- 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.

Based on the assessments undertaken up to date, the Group does not expect the new standard to have any material impact on the Group's consolidated financial statements.

Date of adoption by the Group

HKFRS 15 is mandatory for financial years commencing on or after 1 January 2018. The Group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 July 2018 and that comparatives will not be restated.

HKFRS 16, "Leases"

Nature of change

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 income statement for the current year with the related operating lease commitments being separately disclosed in the 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 balance sheet. 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 balance sheet. 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 derecognition of prepaid operating leases, increase in right-of-use assets and increase in lease liabilities in the consolidated balance sheet. In the consolidated income statement, 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.

Impact

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of HK$10,040,000 and account for 31.5% of the total liabilities of the Group as at 30 June 2018. Management expects that the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Group's financial position.

Date of adoption by Group

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 and most of its non-current assets are located in Hong Kong. During the years ended 30 June 2018 and 2017, all revenue was earned from external customers in Hong Kong.

4 REVENUE

	2018	2017
	HK$'000	*HK$'000*
Revenue from provision of healthcare staffing solution services	**77,578**	59,570
Revenue from provision of outreach case assessment related services	**3,781**	2,906
	81,359	62,476

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

	2018	2017
	HK$'000	*HK$'000*
Gross fee	**298,937**	236,497
Cost attributable to healthcare personnel	**(221,359)**	(176,927)
Revenue from provision of healthcare staffing solution services	**77,578**	59,570

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

5 OTHER INCOME

	2018	2017
	HK$'000	*HK$'000*
Other income		
– Advertising income	**1,603**	1,590
– Sales of goods	**948**	971
– Activity income	**313**	441
– Others	**1,101**	1,249
Total	**3,965**	4,251

6 OTHER EXPENSES

	2018	2017
	HK$'000	*HK$'000*
Auditor's remuneration	**880**	1,000
Legal and professional fee	**1,688**	3,809
Advertising and promotion expenses	**1,079**	1,118
Rates and management fee	**784**	244
Postage, utilities and general office expenses	**749**	728
Printing costs	**669**	929
Travelling and transportation expenses	**636**	497
Entertainment	**311**	81
Insurance expenses	**301**	352
Cost of inventories sold	**289**	183
Activity expenses	**228**	242
Sponsorship	**226**	10
Bank charges	**218**	204
Donation	**170**	1,188
Other expenses	**373**	197
	8,601	10,782

7 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2018	2017
	HK$'000	*HK$'000*
Wages, salaries and bonus	**19,555**	13,350
Pension costs – defined contribution plan	**522**	432
Other staff welfare	**1,048**	769
	21,125	14,551

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 subsidiaries of the Group and their 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

	2018	2017
	HK$'000	*HK$'000*
Interest income on bank deposits	**367**	264

9 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profit for the year arising in or derived from Hong Kong.

	2018	2017
	HK$'000	*HK$'000*
Current income tax:		
– Current tax on profits for the year	**8,789**	7,065
– (Over)/under provision in prior years	**(12)**	6
Deferred income tax (credit)/expense	**(31)**	104
	8,746	7,175

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.

	2018	2017
Profit attributable to equity holders of the Company (HK$'000)	**42,221**	32,611
Weighted average number of ordinary shares in issue (thousands)	**400,000**	400,000
Basic earnings per share (HK cents)	**10.56**	8.15

Diluted earnings per share for the years ended 30 June 2018 and 2017 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 24 August 2018, the Board resolved to declare a final dividend of HK$10,000,000 (HK2.50 cents per ordinary share) for the year ended 30 June 2018 to the Company's shareholders whose names appear on the register of members of the Company on 12 October 2018. This proposed dividend is not reflected as dividend payable in these consolidated financial statements.

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 24 October 2017.

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.

12 INVENTORIES

	2018	2017
	HK$'000	*HK$'000*
Trading merchandise	**84**	142

Cost of inventories sold recognised as expenses and included in "other expenses" amounted to HK$289,000 (2017: HK$183,000).

13 TRADE RECEIVABLES

	2018	2017
	HK$'000	*HK$'000*
Trade receivables	**43,929**	22,198

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

As at 30 June 2018, balances due from the top five customers accounted for 26% (2017: 22%) 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.

The Group's trade receivables had no credit term and payment was immediately due upon presentation of invoices to customers. As at 30 June 2018 and 2017, all trade receivables were past due but not considered to be impaired because these mainly related 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 was as follows:

	2018	2017
	HK$'000	*HK$'000*
Less than 60 days	**37,031**	21,313
60 to 90 days	**5,045**	763
91 to 180 days	**1,631**	17
Over 180 days	**222**	105
	43,929	22,198

The credit quality of trade receivables past due but not 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 2018 and 2017, no collateral has been received from these counterparties.

14 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2018	2017
	HK$'000	*HK$'000*
Current		
Prepayments	**841**	737
Deposits	**2,835**	516
Other receivables	**521**	187
	4,197	1,440
Non-current		
Prepayments	**–**	30
Deposits	**1,387**	411
	1,387	441
Total	**5,584**	1,881

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 based on invoice date was as follows:

	2018	2017
	HK$'000	*HK$'000*
Less than 30 days	**17,571**	14,412

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

16 ACCRUALS AND OTHER PAYABLES

	2018	2017
	HK$'000	*HK$'000*
Accrued expenses	**2,710**	2,739
Other payables	**1,157**	612
Deferred income	**31**	512
	3,898	3,863

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

17 COMMITMENTS

(a) Capital commitment

Capital injection to Bamboos Professional Nursing Services PTE. Limited contracted for at the end of the year but not yet incurred is as follows:

	2018	2017
	HK$'000	*HK$'000*
Capital injection	**2,500**	–

(b) Operating lease commitments

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

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	HK$'000	*HK$'000*
No later than 1 year	**6,135**	1,560
Later than 1 year and no later than 5 years	**3,905**	2,340
	10,040	3,900

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

The 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. The Group offers duty opportunities to self-employed healthcare personnel registered with us. Through an outreach team of healthcare professionals, the Group also provides outreach case assessment related services.

During the Year, the Group's revenue was approximately HK$81.4 million (2017: HK$62.5 million), representing an increase of approximately 30.2% from the year ended 30 June 2017. Profit attributable to equity holders of the Company for the Year was approximately HK$42.2 million, representing an increase of approximately 29.4% as compared with approximately HK$32.6 million for the year ended 30 June 2017.

Revenue from the provision of healthcare staffing solution services and outreach case assessment related services increased by approximately HK$18.0 million and HK$0.9 million, respectively. The growth in the provision of healthcare staffing solution services was mainly attributable to, amongst other factors, (i) the effect of upward price adjustment in August 2017 for all ranks of healthcare personnel for both institutional and individual clients; and (ii) the increase in demand for healthcare staffing solution services from both institutional and individual clients, in which the rise in demand from hospitals requiring placement service of Registered Nurses and Enrolled Nurses was most notable. The growth in the provision of outreach case assessment related services was mainly attributable to the increase in demand for medical and health assessment services. The Group had expanded the outreach team by engaging two more registered nurses during the Year to cater for such needs.

To maintain a vast and diversified pool of registered healthcare personnel to better seize the opportunities for growth, the Group offered various member benefits to attract and retain healthcare personnel registered with the Group. There were over 19,000 healthcare personnel registered with the Group as at 30 June 2018 (approximately 17,700 as at 30 June 2017), representing an increase of approximately 7.3% when compared to that of the year ended 30 June 2017.

In view of the ever-increasing ageing population, numerous on-going hospital development plans and escalating demand for services in both institutional and private healthcare staffing solution, the Board remains optimistic towards the continuous growth of the core business of the Group in the medium and long term.

During the Year, the Board had been taking initiatives to cooperate or form alliance with strategic partners to pursue new business ventures with a view to diversifying the business of the Group beyond its existing dimension and geographical location, which is in line with the Group's business strategy for sustainable development to optimise its business growth and return to the stakeholders. These business endeavours included: (1) the setting up of a company with two doctors, namely Garden Medical Centre Limited, to principally engage in the operation of plastic surgery clinic(s) in Hong Kong; (2) the embarking on a joint venture (namely Bamboos Professional Nursing Services PTE. Limited) in Singapore with Northville Global Limited, an investment holding company and a wholly-owned subsidiary of Lippo China Resources Limited, to principally engage in the provision of customised healthcare staffing solution services to individuals, institutional clients and healthcare institutions and placing of healthcare personnel on appropriate vacancies and duty assignments; and (3) collaborating with Easylink Payment Network (HK) Company Limited, a subsidiary owned by Guangzhou UnionPay Network Payment, in the promotion of the latter's UnionPay's mobile point of sale (POS) machines.

FINANCIAL REVIEW

Revenue

The revenue of the Group for the Year comprised revenue from the provision of healthcare staffing solution services and revenue from outreach case assessment related services. The revenue was approximately HK$81.4 million for the Year, representing an increase of approximately 30.2% from approximately HK$62.5 million for the year ended 30 June 2017.

Revenue from the provision of healthcare staffing solution services for the Year was approximately HK$77.6 million (2017: HK$59.6 million). Among those, revenue from the institutional staffing solution services amounted to approximately HK$38.1 million (2017: HK$22.2 million), representing an increase of approximately 71.6%; and the revenue from the private nursing staffing services was approximately HK$39.5 million (2017: HK$37.4 million), representing an increase of approximately 5.6%. The increase was mainly attributable to the combined effect of (i) the effect of upward price adjustment in August 2017 for all ranks of healthcare personnel for both institutional and individual clients; and (ii) the increase in demand for healthcare staffing solution services from both institutional and individual clients.

The 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 the clients and the pay-out rate to different ranks of healthcare personnel placed by the Group and the number of service hours performed by respective rank of healthcare personnel. The revenue from the provision of healthcare staffing solution services as a percentage of gross fee slightly increased to approximately 26.0% for the Year from approximately 25.2% for the year ended 30 June 2017.

Revenue from the provision of outreach case assessment related services was approximately HK$3.8 million for the Year (2017: HK$2.9 million), representing an increase of approximately 31.0%. The growth was mainly due to the increase in demand for medical and health assessment services provided by the medical doctor and registered nurses in the outreach service team.

Other income

Other income mainly comprised advertising income, sales of goods and activity income. Other income decreased from approximately HK$4.3 million for the year ended 30 June 2017 to approximately HK$4.0 million for the Year, representing a slight decrease of approximately HK$0.3 million or approximately 7.0%.

Expenses

The employee benefit expenses increased from approximately HK$14.6 million for the year ended 30 June 2017 to approximately HK$21.1 million for the Year, which was mainly attributable to (i) increase in headcounts of our customer service ("**CS**"), back office and outreach team, and (ii) general employee remuneration package enhancement.

The operating lease rentals increased from approximately HK$1.4 million for the year ended 30 June 2017 to approximately HK$3.2 million for the Year. It was mainly attributable to the increase in lease rental of the headquarters of the Group during the Year.

Other expenses decreased from approximately HK$10.8 million for the year ended 30 June 2017 to approximately HK$8.6 million for the Year, which was mainly attributable to the one-off professional service fees incurred for the transfer of listing of the Company's shares from the Growth Enterprise Market ("**GEM**") to the Main Board (the "**Transfer of Listing**") of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") for the year ended 30 June 2017 and the decrease in charitable donation for the Year.

Finance income

Finance income represented the interest income on short-term bank deposits. Finance income increased from approximately HK$0.3 million for the year ended 30 June 2017 to approximately HK$0.4 million for the Year, representing an increase of approximately HK$0.1 million or 33.3%.

Income tax expense

Income tax expense amounted to approximately HK$8.7 million for the Year, representing an increase of approximately 20.8%, from approximately HK$7.2 million for the year ended 30 June 2017. The Group's effective tax rate slightly decreased from approximately 18.0% for the year ended 30 June 2017 to approximately 17.2% for the Year.

Profit for the Year and net profit margin

Profit for the Year amounted to approximately HK$42.2 million, increased by approximately HK$9.6 million, or 29.4%, from approximately HK$32.6 million for the year ended 30 June 2017, mainly resulted from the increase in revenue by approximately 30.2% from approximately HK$62.5 million for the year ended 30 June 2017 to approximately HK$81.4 million for the Year and the operating performance analysed above, together with the absence of the one-off professional service fees incurred for the Transfer of Listing during the year ended 30 June 2017. There was a slight decrease in net profit margin from approximately 52.2% for the year ended 30 June 2017 to approximately 51.9% for the Year.

Trade receivables

Trade receivables had a significant increase of approximately HK$21.7 million from approximately HK$22.2 million as at 30 June 2017 to approximately HK$43.9 million as at 30 June 2018. The Group generally does not grant credit terms to clients and payment is immediately due upon presentation of invoices to customers. As at 30 June 2018 and 2017, all trade receivables were past due but not considered to be impaired because these mainly related to a number of independent customers with limited history of default. During the year ended 30 June 2018 and 2017, the Group did not recognise any provision for trade receivables.

Trade payables

Trade payables slightly increased to approximately HK$17.6 million as at 30 June 2018 from approximately HK$14.4 million as at 30 June 2017, which was mainly due to the increased costs payable to healthcare personnel placed by the Group during the Year.

LIQUIDITY AND FINANCIAL RESOURCES

The Group remained in a healthy and sound liquidity position as at 30 June 2018. The working capital needs and other capital requirements have been met through a combination of shareholders' equity and cash generated from operations. Going forward, the Group intends to finance its future operations and capital expenditures with cash flow generated from operating activities and the net proceeds from the Placing. The primary uses of cash have been and are expected to continue to be operating costs and capital expenditure.

The current assets primarily comprise cash and cash equivalents, short-term bank deposits, trade receivables, prepayments, deposits and other receivables, amount due from a related company and inventories.

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

As at 30 June 2018, the Group maintained cash and cash equivalents amounting to approximately HK$96.8 million (2017: HK$63.1 million). Net current assets increased to approximately HK$113.4 million as at 30 June 2018 from approximately HK$96.7 million as at 30 June 2017, which was mainly due to net cash generated from operating activities.

FOREIGN EXCHANGE EXPOSURE RISKS

The Group's exposure to currency risk is insignificant as the Group mainly operates in Hong Kong with most of the transactions denominated and settled in Hong Kong dollars.

USE OF NET PROCEEDS

The net proceeds from the listing of the Company's shares on GEM by way placing of a total of 100,000,000 new shares of the Company at the placing price of HK$0.5 each (the "**Placing**") in 2014 were approximately HK$39.8 million. As at 30 June 2018, the Company had utilised approximately HK$32.1 million of net proceeds from the Placing. During the year ended 30 June 2017, the 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 the 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 2018 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	7.7
Enhancing healthcare staffing solution services	15.2	9.7	9.5
Developing outreach services team	7.9	7.9	6.4
Repayment of indebtedness	4.8	4.8	4.8
General working capital	2.2	2.2	2.2
	39.8	39.8	32.1

Reasons for the change of use of net proceeds during the year ended 30 June 2017

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 approximately HK$2.4 million. In addition, as the hire car 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 approximately HK$7.9 million. In order to better capture business opportunities, the Board considered and resolved to cease the point-to-point pick-up service. The 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 the CS Department and other back office support as well as enhancing office facilities, computer equipment, furniture and fixture.

The Board considered that the change of use of net proceeds is fair and reasonable and is in line with the interests of the Company and its shareholders as a whole.

CAPITAL STRUCTURE

During the Year, the Group mainly relied on its equity and internally generated cash flows to finance its operations.

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 2018 and 30 June 2017, the Group had no outstanding bank and other borrowings.

CAPITAL COMMITMENTS

There was a capital commitment for HK$2.5 million to Bamboos Professional Nursing Services PTE. Limited (the joint venture company set up in Singapore) as at 30 June 2018 (2017: Nil).

PLEDGE OF ASSETS

As at 30 June 2018, there was no significant pledge on the Group’s assets (2017: Nil).

CONTINGENT LIABILITIES

As at 30 June 2018, the Group had no significant contingent liabilities (2017: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the 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 WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as the code for securities transactions by Directors. The Directors, after specific enquiries by the Company, confirmed their compliance with the required standards set out in the Model Code throughout 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 the 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 safeguarding the overall interests of the Company and its shareholders (the "**Shareholders**").

The Company's corporate governance practices are based on the principles of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules. During the Year and up to the date of this announcement, the Company had complied with the applicable code provisions set out in the CG Code, except for the deviation from Code provision A.2.1 which is explained below.

Code provision A.2.1

Under Code provision A.2.1, the roles of the chairman and the chief executive officer should be segregated and should not be performed by the same individual.

With effect from 18 August 2018, Ms. Hai Hiu Chu ("**Ms. Hai**") acted as the Chairman of the Board and the Chief Executive Officer of the Company. Ms. Hai is the founder of the Group and has extensive experience in the medical field and the pharmaceutical industry. Ms. Hai is responsible for the effective running of the Board and for formulating business strategies. The Board considers that Ms. Hai, by serving as the Chairman of the Board and the Chief Executive Officer of the Company, is able to lead the Board in major business decision making for the Group. The management structure enables the Board's decision to be more effectively made and facilities implementation of business strategies under the leadership of Ms. Hai, which is conducive to effective management and the business development of the Group.

The Board will continue to review the effectiveness of the Group's corporate governance structure to assess whether changes, including the separation of the roles of the chairman and the chief executive officer, are necessary.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

Currently, the audit committee of the Company 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 the audit committee.

During the Year, the audit committee had approved the nature and scope of the statutory audits, and reviewed the 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. The audit committee also initiated internal control measures and reviewed the semi-annual internal audit reports conducted by the Company's internal audit officer and evaluated the effectiveness of the internal audit system of the Group. During the Year, the audit committee adopted risk management policy and relevant risk management review process of the Group.

The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 30 June 2018 as set out in the preliminary announcement have been agreed by the Group'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 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, 4 October 2018. A notice convening the AGM will be published and despatched to the Shareholders in due course.

DIVIDEND

On 24 August 2018, the Board resolved to declare a final dividend of HK$10,000,000 (HK2.50 cents per ordinary share) for the year ended 30 June 2018 (2017: HK5.00 cents per ordinary share, totally HK$20,000,000), to the Company's shareholders whose names appear on the register of members of the Company on Friday, 12 October 2018. Subject to the approval of the Company's shareholders at the AGM, the final dividend, which is payable in cash, is expected to be paid on or about Monday, 22 October 2018.

The Board did not recommend the payment of an interim dividend for the six months ended 31 December 2017 (for the six months ended 31 December 2016: HK3.75 cents per ordinary share, totalling HK$15,000,000).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders' qualification to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 28 September 2018 to Thursday, 4 October 2018 (both days inclusive) during which period no transfer of Shares may be effected. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificate(s) should be lodged for registration with Union Registrars Limited (the "**Hong Kong Branch Share Registrar**"), at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong by no later than 4:00 p.m. on Thursday, 27 September 2018.

For the purpose of ascertaining Shareholders' entitlement to the recommended final dividend for the year ended 30 June 2018, the register of members of the Company will be closed on Thursday, 11 October 2018 and Friday,12 October 2018 during which period no transfer of the Shares may be effected. In order to qualify for the final dividend, all transfer documents accompanied by the relevant share certificate(s) should be lodged for registration with the Hong Kong Branch Share Registrar at the above address by no later than 4:00 p.m. on Wednesday, 10 October 2018.

PUBLICATION OF ANNUAL RESULTS ON THE WEBSITES OF THE COMPANY AND OF THE STOCK EXCHANGE

This annual results announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.bamboos.com.hk). The annual report for the year ended 30 June 2018 containing all the information required by the Listing Rules will be despatched to shareholders of the Company and available on the same websites in due course.

By Order of the Board
Bamboos Health Care Holdings Limited
百本醫護控股有限公司
Hai Hiu Chu
Chairman

Hong Kong, 24 August 2018

As at the date of this announcement, the Board comprises two executive Directors, namely, Ms. Hai Hiu Chu (Chairman and Chief Executive Officer) and Mr. Kwan Chi Hong; and four independent non-executive Directors, namely, Mr. Lam Cheung Wai, Dr. Leung Yu Lung, Dr. Luk Yim Fai and Dr. Ko Wing Man.

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.