# 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)**

## INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

**FINANCIAL HIGHLIGHTS**

- Revenue for the six months ended 31 December 2018 amounted to approximately HK$35.3 million, representing a decrease of approximately 3.8% from approximately HK$36.7 million recorded for the six months ended 31 December 2017.

- Profit before income tax for the six months ended 31 December 2018 amounted to approximately HK$17.0 million, representing a decrease of approximately 26.1% from approximately HK$23.0 million recorded for the six months ended 31 December 2017.

- Profit attributable to equity holders of the Company for the six months ended 31 December 2018 amounted to approximately HK$15.3 million, representing a decrease of approximately 22.3% from approximately HK$19.7 million recorded for the six months ended 31 December 2017.

- The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2018.

## 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") hereby announces the unaudited consolidated interim results of the Group for the six months ended 31 December 2018, which has been reviewed by the Company's audit committee, together with the unaudited comparative figures for the corresponding period ended 31 December 2017 as follows:

## UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the six months ended 31 December 2018*

| | | Six Months ended 31 December | |
|---|---|---|---|
| | | **2018** | 2017 |
| | *Note* | ***HK$'000*** | *HK$'000* |
| | | **(unaudited)** | (unaudited) |
| Revenue | 5 | **35,297** | 36,714 |
| Other income | 6 | **1,361** | 1,814 |
| Employee benefit expenses | | **(9,916)** | (9,878) |
| Operating lease rentals | | **(2,565)** | (1,020) |
| Other operating expenses | | **(6,269)** | (4,746) |
| **Operating profit** | | **17,908** | 22,884 |
| Finance income | | **424** | 172 |
| Share of losses of an associate | | **(753)** | (36) |
| Share of losses of a joint venture | | **(582)** | – |
| **Profit before income tax** | 7 | **16,997** | 23,020 |
| Income tax expense | 8 | **(1,679)** | (3,358) |
| **Profit for the period** | | **15,318** | 19,662 |
| **Other comprehensive income** | | | |
| *Item that may be reclassified to profit or loss* | | | |
| Currency translation differences | | **4** | – |
| **Total comprehensive income for the period, net of tax** | | **15,322** | 19,662 |
| **Profit and total comprehensive income for the period attributable to equity holders of the Company** | | **15,322** | 19,662 |
| **Earnings per share attributable to equity holders of the Company (expressed in HK cents per share)** | | | |
| Basic and diluted | 9 | **HK$3.83 cents** | HK$4.92 cents |

## UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 December 2018*

| | Note | **31 December 2018 HK$'000 (unaudited)** | 30 June 2018 HK$'000 (audited) |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | | **1,393** | 1,609 |
| Investment in a joint venture | | **1,667** | 2,245 |
| Interests in an associate | | **1,231** | 1,984 |
| Prepayments and deposits | 12 | **5,484** | 1,387 |
| | | **9,775** | 7,225 |
| **Current assets** | | | |
| Inventories | | **246** | 84 |
| Trade receivables | 11 | **33,820** | 43,929 |
| Prepayments, deposits and other receivables | 12 | **7,805** | 4,197 |
| Amounts due from related companies | | **121** | 10 |
| Cash and cash equivalents | | **98,904** | 96,806 |
| | | **140,896** | 145,026 |
| **Total assets** | | **150,671** | 152,251 |
| **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 | | **82,716** | 77,394 |
| **Total equity** | | **125,839** | 120,517 |
| **Non-current liabilities** | | | |
| Deferred income tax liabilities | | **192** | 119 |
| **Current liabilities** | | | |
| Trade payables | 13 | **16,522** | 17,571 |
| Accruals and other payables | 14 | **4,681** | 3,898 |
| Amount due to a related company | | **44** | – |
| Tax payable | | **3,393** | 10,146 |
| | | **24,640** | 31,615 |
| **Total liabilities** | | **24,832** | 31,734 |
| **Total equity and liabilities** | | **150,671** | 152,251 |

## UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the six months ended 31 December 2018*

| | Attributable to equity holders of the Company | | | | |
|---|---|---|---|---|---|
| | Share capital | Share premium | Translation reserve | Retained earnings | Total |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| At 1 July 2017 (audited) | 4,000 | 39,123 | – | 55,171 | 98,294 |
| Total comprehensive income | | | | | |
| Profit for the period | – | – | – | 19,662 | 19,662 |
| Transactions with owners | | | | | |
| Dividends relating to 2017 | – | – | – | (20,000) | (20,000) |
| At 31 December 2017 (unaudited) | 4,000 | 39,123 | – | 54,833 | 97,956 |
| At 1 July 2018 (audited) | **4,000** | **39,123** | **2** | **77,392** | **120,517** |
| Total comprehensive income | | | | | |
| Profit for the period | **–** | **–** | **–** | **15,318** | **15,318** |
| Currency translation differences | **–** | **–** | **4** | **–** | **4** |
| Transactions with owners | | | | | |
| Dividends relating to 2018 | **–** | **–** | **–** | **(10,000)** | **(10,000)** |
| At 31 December 2018 (unaudited) | **4,000** | **39,123** | **6** | **82,710** | **125,839** |

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**

*For the six months ended 31 December 2018*

| | Six months ended 31 December | |
|---|---|---|
| | **2018** | 2017 |
| | ***HK$*** | *HK$* |
| | **(unaudited)** | (unaudited) |
| Net cash generated from operating activities | **12,256** | 11,020 |
| Net cash (used in)/generated from investing activities | **(158)** | 33,260 |
| Net cash used in financing activities | **(10,000)** | (20,000) |
| Net increase in cash and cash equivalents | **2,098** | 24,280 |
| Cash and cash equivalents at the beginning of the period | **96,806** | 63,118 |
| Cash and cash equivalents at the end of the period | **98,904** | 87,398 |

# NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 1 GENERAL INFORMATION

Bamboos Health Care Holdings Limited (the "Company") was incorporated in the Cayman Islands on 23 November 2012 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is PO Box 309, Ugland House, Grand Cayman, KYI-1104, Cayman Islands and its principal place of business is 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.

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of healthcare staffing solution services.

## 2 BASIS OF PREPARATION

The unaudited consolidated interim results (the "Interim Financial Information) of the Group for the six months ended 31 December 2018 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Interim Financial Information is presented in Hong Kong dollars ("HK$"), unless otherwise stated.

The Interim Financial Information has been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 30 June 2018, except for the accounting policy changes that are expected to be reflected in the annual financial statements for the year ending 30 June 2019 and they should be read in conjection with the consolidated financial statements for the year ended 30 June 2018. Details of any changes in accounting policies are set out in note 3.

The preparation of the Interim Financial Information in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The Interim Financial Information contains unaudited consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the year ended 30 June 2018. The Interim Financial Information and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The Interim Financial Information have not been audited or reviewed by the auditors pursuant to the Hong Kong Standards on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA.

## 3 ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 June 2018, as described in those annual financial statements, except for the adoption of new and amendments to HKFRSs effective on 1 July 2018.

(a) New amendments and interpretation of HKFRSs mandatory for the financial year beginning on 1 July 2018:

| | |
|---|---|
| HKFRS 1 and HKAS 28 (amendments) | Annual Improvements 2014–2016 Cycle |
| HKFRS 2 (amendments) | Classification and Measurement of Share-based Payment Transactions |
| HKFRS 4 (amendments) | Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts |
| HKFRS 9 | Financial Instruments |
| HKFRS 15 | Revenue from Contracts with Customers |
| HKFRS 15 (amendments) | Clarifications to HKFRS 15 |
| HKAS 40 (amendments) | Transfer of Investment Property |
| HK(IFRIC) – Int 22 | Foreign Currency Transactions and Advance Consideration |

The adoption of the above new standard, amendments and improvements beginning on 1 July 2018 did not give rise to any significant impact on the Group's results of operations and financial position for the six months ended 31 December 2018.

(b) The following are new standards and amendments to HKFRSs that have been issued but are not yet effective for the financial year beginning on 1 July 2019 and have not been early adopted by the Group:

| | | **Effective for annual periods beginning on or after** |
|---|---|---|
| HKFRS 3 (amendments) | Definition of a Business | 1 January 2020 |
| 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 16 | Leases | 1 January 2019 |
| HKFRS 17 | Insurance Contracts | 1 January 2021 |
| HKAS 1 and HKAS 8 (amendments) | Definition of Material | 1 January 2020 |
| HKAS 19 (amendments) | Plan Amendments, Curtailment or Settlement | 1 January 2019 |
| HKAS 28 (amendments) | Investments in Associates and Joint Ventures | 1 January 2019 |
| HK(IFRIC) – Int 23 | Uncertainty over Income Tax Treatments | 1 January 2019 |
| Amendments to HKFRSs | Annual Improvement to HKFRSs 2015–2017 Cycle | 1 January 2019 |

The Directors of the Company anticipate that the adoption of HKFRS 16 will have impact on the Group's consolidated financial statements. The management is in the process of making an assessment of the full impact of this new HKFRS, and the result is consistent with assessment the management made and disclosed in the annual financial statements for the year ended 30 June 2018. It is expected that the adoption of other new and revised HKFRSs will have no significant impact on the financial performance and the financial position of the Group.

## 4 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 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 six months ended 31 December 2018 and 2017, all revenue was earned from external customers in Hong Kong.

## 5 REVENUE

| | Six months ended 31 December | |
|---|---|---|
| | **2018** | 2017 |
| | ***HK$'000*** | *HK$'000* |
| | **(unaudited)** | (unaudited) |
| Revenue from provision of healthcare staffing solution services | **32,633** | 34,534 |
| Revenue from provision of outreach case assessment related services | **2,664** | 2,180 |
| | **35,297** | 36,714 |

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

| | Six months ended 31 December | |
|---|---|---|
| | **2018** | 2017 |
| | ***HK$'000*** | *HK$'000* |
| | **(unaudited)** | (unaudited) |
| Gross fee | **125,404** | 135,290 |
| Cost attributable to healthcare personnel | **(92,771)** | (100,756) |
| Revenue from provision of healthcare staffing solution services | **32,633** | 34,534 |

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

## 6 OTHER INCOME

| | Six months ended 31 December | |
|---|---|---|
| | **2018** | 2017 |
| | ***HK$'000*** | *HK$'000* |
| | **(unaudited)** | (unaudited) |
| Other income | | |
| – Advertising income | **401** | 758 |
| – Activity income | **223** | 239 |
| – Sales of goods | **184** | 281 |
| – Others | **553** | 536 |
| | **1,361** | 1,814 |

## 7 PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after (crediting)/charging the followings:

| | Six months ended 31 December | |
|---|---|---|
| | **2018** | 2017 |
| | ***HK$'000*** | *HK$'000* |
| | **(unaudited)** | (unaudited) |
| (a) **Finance income** | | |
| Interest income from bank deposits | **(424)** | (172) |
| (b) **Employee benefit expenses (including directors' remuneration)** | | |
| Wages, salaries and bonus | **9,235** | 9,262 |
| Retirement benefit costs – defined contribution plan | **360** | 271 |
| Other staff welfare | **321** | 345 |
| | **9,916** | 9,878 |
| (c) **Other items** | | |
| Cost of inventories sold | **175** | 79 |
| Depreciation of property, plant and equipment | **298** | 256 |
| Legal and professional fee | **894** | 883 |

## 8 INCOME TAX EXPENSE

| | Six months ended 31 December | |
|---|---|---|
| | **2018** | 2017 |
| | ***HK$'000*** | *HK$'000* |
| | **(unaudited)** | (unaudited) |
| Current income tax | | |
| – Hong Kong profits tax | **1,606** | 3,379 |
| Deferred tax | **73** | (21) |
| | **1,679** | 3,358 |

The provision for Hong Kong profits tax is calculated at 8.25% (six months ended 31 December 2017: 16.5%) of the estimated assessable profits up to $2,000,000 and 16.5% (six months ended 31 December 2017: 16.5%) of any part of estimated assessable profits over $2,000,000 for the six months ended 31 December 2018.

## 9 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 six months ended 31 December 2018 and 2017.

| | **Six months ended 31 December** | |
|---|---|---|
| | **2018** | 2017 |
| | ***HK$'000*** | *HK$'000* |
| | **(unaudited)** | (unaudited) |
| Profit attributable to equity holders of the Company (HK$'000) | **15,318** | 19,662 |
| Weighted average number of ordinary shares in issue ('000) | **400,000** | 400,000 |
| Basic earnings per share (HK cents) | **3.83** | 4.92 |

Diluted earnings per share for the six months ended 31 December 2018 and 2017 were the same as basic earnings per share as the Group had no potentially dilutive ordinary shares in issue during the respective periods.

## 10 DIVIDENDS

(i) The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2018 (31 December 2017: HK$Nil per share).

(ii) Dividends payable to the Company's shareholders attributable to the previous financial year, approved and paid during the respective periods.

| | **Six months ended 31 December** | |
|---|---|---|
| | **2018** | 2017 |
| | ***HK$'000*** | *HK$'000* |
| | **(unaudited)** | (unaudited) |
| Final dividend in respect of the previous financial year of HK2.50 cents per share (six months ended 31 December 2017: HK5.00 cents per share) | **10,000** | 20,000 |

## 11 TRADE RECEIVABLES

| | **31 December** | 30 June |
|---|---|---|
| | **2018** | 2018 |
| | ***HK$'000*** | *HK$'000* |
| | **(unaudited)** | (audited) |
| Trade receivables | **33,820** | 43,929 |

The Group's trade receivables had no credit term and payment was immediately due upon presentation of invoices to customers. As at 31 December 2018 and 30 June 2018, 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.

As of the end of the reporting period, the ageing analysis of trade receivables by the date on which the respective sales invoices were issued was as follow:

| | **31 December 2018** *HK$'000* **(unaudited)** | 30 June 2018 *HK$'000* (audited) |
|---|---|---|
| Less than 60 days | **28,513** | 37,031 |
| 61 days to 90 days | **2,534** | 5,045 |
| 91 days to 180 days | **2,749** | 1,631 |
| Over 180 days | **24** | 222 |
| | **33,820** | 43,929 |

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 31 December 2018 and 30 June 2018, no collateral has been received from these counterparties.

## 12 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

| | **31 December 2018** *HK$'000* **(unaudited)** | 30 June 2018 *HK$'000* (audited) |
|---|---|---|
| Current | | |
| Deposits | **6,221** | 2,835 |
| Prepayments | **1,050** | 841 |
| Other receivables | **534** | 521 |
| | **7,805** | 4,197 |
| Non-current | | |
| Deposits | **5,433** | 1,387 |
| Prepayments | **51** | – |
| | **5,484** | 1,387 |
| Total | **13,289** | 5,584 |

## 13 TRADE PAYABLES

Payment term with majority of the healthcare personnel is 30 days.

As of the end of the reporting period, the ageing analysis of trade payables based on the invoice date is as follow:

| | **31 December 2018** *HK$'000* **(unaudited)** | 30 June 2018 *HK$'000* (audited) |
|---|---|---|
| Less than 30 days | **16,522** | 17,571 |

## 14 ACCRUALS AND OTHER PAYABLES

| | **31 December 2018** *HK$'000* **(unaudited)** | 30 June 2018 *HK$'000* (audited) |
|---|---|---|
| Accrued expenses | **4,197** | 2,710 |
| Other payables | **453** | 1,157 |
| Deferred income | **31** | 31 |
| | **4,681** | 3,898 |

## 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 it. Through an outreach team of healthcare professionals, the Group also provides outreach case assessment related services.

During the six months ended 31 December 2018 (the "Period") under review, the Group's revenue was approximately HK$35.3 million (six months ended 31 December 2017: HK$36.7 million), representing a decrease of approximately 3.8%. The decrease in revenue from the provision of healthcare staffing solution services was approximately HK$1.9 million, representing 5.5% of decrease in revenue. The drop in the provision of healthcare staffing solution services was mainly attributable to, among other factors, the decrease in demand for services from individual clients, and partially offset by the increase in demand from hospitals for placement service. In contrast, there was a slight growth of approximately HK$500,000 in revenue from the provision of outreach case assessment related services, which contributed to approximately HK$2.7 million in revenue for the six months ended 31 December 2018 (six months ended 31 December 2017: HK$2.2 million).

Profit attributable to equity holders of the Company for the Period was approximately HK$15.3 million, representing a decrease of approximately 22.3% as compared with approximately HK$19.7 million for the six months ended 31 December 2017.

To maintain a vast and diversified pool of registered healthcare personnel to better seize all possible business opportunities, as and when they arise, the Group had offered various member benefits to attract, incentivise and retain healthcare personnel registered with the Group. There were over 20,000 healthcare personnel registered with the Group as at 31 December 2018.

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 continued growth of the core business of the Group in the medium and long term.

## FINANCIAL REVIEW

### Revenue

Revenue of the Group for the six months ended 31 December 2018 was approximately HK$35.3 million, representing a decrease of approximately 3.8% as compared with that of approximately HK$36.7 million for the six months ended 31 December 2017. Among this, revenue generated from the provision of healthcare staffing solution services was approximately HK$32.6 million for the six months ended 31 December 2018, representing a decrease of approximately HK$1.9 million, or approximately 5.5% from approximately HK$34.5 million for the six months ended 31 December 2017.

Revenue from the provision of private nursing staffing services was approximately HK$16.0 million for the six months ended 31 December 2018, representing a decrease of approximately HK$4.0 million or approximately 20.0% from approximately HK$20.0 million for the six months ended 31 December 2017. Such decrease was primarily attributable to the decrease in demand for healthcare staffing solution services from individual clients.

Revenue from institutional staffing solution services was approximately HK$16.6 million for the six months ended 31 December 2018, representing an increase of approximately HK$2.2 million or approximately 15.3%, from approximately HK$14.4 million for the six months ended 31 December 2017. Such increase was primarily attributable to the increase in demand for healthcare staffing solution services from institutional clients, amongst all, there was notable increase in service demand from hospitals requiring placement service.

The revenue from 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. Revenue generated from the provision of healthcare staffing solution services as a percentage of gross fee slightly increased to approximately 26.0% for the six months ended 31 December 2018 from approximately 25.5% for the six months ended 31 December 2017.

Revenue from the provision of outreach case assessment related services was approximately HK$2.7 million for the six months ended 31 December 2018, representing an increase of approximately HK$500,000 or approximately 22.7%, from approximately HK$2.2 million for the six months ended 31 December 2017.

### Other income

Other income amounted to HK$1.4 million for the Period (six months ended 31 December 2017: HK$1.8 million) which mainly comprised advertising income, sales of goods, activities income and others.

**Expenses**

Employee benefit expenses remained similar for the six months ended 31 December 2018 and 2017 as approximately HK$9.9 million.

Operating lease rentals amounted to HK$2.6 million for the Period representing an increase of HK$1.6 million when compared to last period (six months ended 31 December 2017: HK$1.0 million), which was mainly attributable to the increase in rentals of the Group's headquarters during the Period.

Other operating expenses amounted to HK$6.3 million for the Period, representing an increase of HK$1.6 million when compared to last period (six months ended 31 December 2017: HK$4.7 million).

**Finance income**

Finance income represented the interest income on short-term bank deposits. Finance income increased from approximately HK$172,000 for the six months ended 31 December 2017 to approximately HK$424,000 for the Period, representing an increase of approximately HK$252,000 or approximately 146.5%.

**Profit for the period attributable to equity holders of the Company**

Profit attributable to equity holders of the Company amounted to approximately HK$15.3 million for the Period, representing a decrease of approximately HK$4.4 million or approximately 22.3% as compared with that of approximately HK$19.7 million for the six months ended 31 December 2017. The decrease was mainly attributable to the operating performance analysed above.

## LIQUIDITY AND FINANCIAL RESOURCES

The Group remained in a healthy and sound liquidity position as at 31 December 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 balance of the net proceeds from the initial listing of the Company's shares on GEM by way of placing in 2014. The primary uses of cash have been and are expected to continue to be operating costs and capital expenditure.

As at 31 December 2018, the Group maintained cash and cash equivalents amounting to approximately HK$98.9 million (30 June 2018: HK$96.8 million). The Group had no bank loans and overdrafts as at 31 December 2018 (30 June 2018: Nil).

As at 31 December 2018, the Group had net current assets of approximately HK$113.4 million, as compared to approximately HK$116.3 million as at 31 December 2018, 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. As at 31 December 2018, the Group has not used any derivative financial instruments to hedge foreign exchange risk (30 June 2018: Nil).

## CAPITAL STRUCTURE

During the six months ended 31 December 2018 and the year ended 30 June 2018, the Group mainly relied on its equity and internally generated cash flows to finance its operations.

## CAPITAL COMMITMENTS

As at 31 December 2018, the Group has capital commitments of HK$2.5 million to Bamboos Professional Nursing Services PTE. Limited (the joint venture company set up in Singapore) (30 June 2018: HK$2.5 million) and approximately HK$200,000 on acquisition of property, plant and equipment (30 June 2018: HK$Nil).

## PLEDGE OF ASSETS

As at 31 December 2018, there was no significant pledge on the Group's assets (30 June 2018: Nil).

## CONTINGENT LIABILITIES

As at 31 December 2018, the Group had no significant contingent liabilities (30 June 2018: Nil).

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have other plans for material investments or capital assets as at 31 December 2018 (30 June 2018: Nil).

## SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group did not hold any significant investment in equity interest in any other company and there were no material acquisitions or disposal of subsidiaries and affiliated companies by the Group during the six months ended 31 December 2018 and the year ended 30 June 2018.

## SHARE OPTION SCHEME

The Company's share option scheme was conditionally approved and adopted by a resolution of the shareholders passed on 24 June 2014 and became unconditional on 8 July 2014, being the date on which the Company's shares were first listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The share option scheme is valid and effective for a period of 10 years from 8 July 2014, after which no further options will be granted or offered.

There was no option outstanding, granted, cancelled, exercised or lapsed during the six months ended 31 December 2018 and up to the date of this announcement.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 31 December 2018 and up to the date of this announcement, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities.

## 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 (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 six months ended 31 December 2018.

## 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 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 six month ended 31 December 2018 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 deviations which are 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. Since 18 August 2018, Ms. Hai Hiu Chu ("Ms. Hai") has been acting 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 the formulation of business strategies. The Board considers that Ms. Hai, by serving the dual roles, 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 facilitates 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 chairman and chief executive officer, are necessary.

## MATTERS AFTER THE REPORTING PERIOD

### Change in composition of the Board

Following the resignation on 5 January 2019 of (i) Mr. Lam Cheung Wai as independent non-executive Director, the chairman of the audit committee and a member of each of the remuneration committee and nomination committee of the Board and (ii) Dr. Luk Yim Fai as independent non-executive Director, the chairman of the remuneration committee and a member of each of the audit committee and the compliance committee of the Board, the number of independent non-executive Directors and members of the Audit Committee fell below the requirements under Rules 3.10 and 3.21 of the Listing Rules.

On 9 January 2019, the Company has appointed Mr. Wong Kon Man Jason as an independent non-executive Director, the chairman of the audit committee and a member of each of the remuneration committee and the compliance committee of the Board. Following the appointment, the Company has satisfied the minimum number of independent non-executive directors required under, and complied with, Rule 3.10(1) of the Listing Rules.

As at the date of this announcement, the Company is taking steps to identify suitable candidate with appropriate qualifications or accounting or related management expertise as required under Rule 3.10(2) of the Listing Rules to fill the vacancy of independent non-executive Director who will also serve as a member of audit committee of the Board so as to comply with Rules 3.10(2) and 3.21 of the Listing Rules as soon as practicable.

**Suspected Misappropriation of Funds**

As announced by the Board on 4 February 2019, the management of the Company discovered and reported to the Board that the operations manager (the "Operations Manager") of a subsidiary of the Company is suspected to have misappropriated certain funds of the subsidiaries of the Company. Based on the information available to the Company, the amount of misappropriated funds ascertained at the moment is approximately HK$3,000,000 (the "Suspected Misappropriation").

The subsidiary of the Company has summarily dismissed the Operations Manager with immediate effect and reported the matter to the Hong Kong Police. In relation to the Suspected Misappropriation, the Board has engaged professionals to conduct an investigation on the Group's cash movements and uses and a review on how to improve the internal control systems and procedures of the Group to prevent similar incidents from happening again. The Company will continue its investigation on the Suspected Misappropriation.

The Board's current assessment is that the Suspected Misappropriation does not impact on the day-to-day operations of the Group and would not have a material adverse effect on its cash flow, financial position and business operations. The Board will continue to evaluate the impact of the Suspected Misappropriation to the financial position and business operations of the Group.

## AUDIT COMMITTEE

The Board established the audit committee with written terms of reference which are of no less exacting terms than those set out in the CG Code. As at the date of this announcement, the audit committee comprises two independent non-executive Directors, namely Dr. Leung Yu Lung and Mr. Wong Kon Man Jason. Mr. Wong Kon Man Jason is the chairman of the audit committee. The audit committee had reviewed and discussed with the management of the Company the accounting principles and practices adopted by the Group and the unaudited condensed consolidated interim results of the Group for the six months ended 31 December 2018, as well as internal controls, risk management and other financial reporting matters.

## INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2018 (31 December 2017: Nil).

## PUBLICATION OF INTERIM REPORT

The interim report of the Company for the six months ended 31 December 2018 will be despatched to the shareholders and will be available on the website of the Stock Exchange (http://www.hkex.com.hk) and the website of the Company (http://www.bamboos.com.hk) before the end of March 2019.

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, 28 February 2019

*As at the date of this announcement, the Board comprises one executive Director, namely Ms. Hai Hiu Chu (Chairman and Chief Executive Officer) and three independent non-executive Directors, namely Dr. Ko Wing Man, Dr. Leung Yu Lung and Mr. Wong Kon Man Jason.*