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BAMBOOS HEALTH CARE HOLDINGS LIMITED
百 本 醫 護 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2293)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended 31 December 2019 amounted to approximately HK$37.5 million, representing an increase of approximately 6.2% from approximately HK$35.3 million for the six months ended 31 December 2018.

- Profit before income tax for the six months ended 31 December 2019 amounted to approximately HK$19.9 million, representing an increase of approximately 17.1% from approximately HK$17.0 million for the six months ended 31 December 2018.

- Profit attributable to equity holders of the Company for the six months ended 31 December 2019 amounted to approximately HK$16.9 million, representing an increase of approximately 10.5% from approximately HK$15.3 million for the six months ended 31 December 2018.

- On 17 February 2020, the Board resolved to declare an interim dividend of HK$10,000,000 (HK2.50 cents per ordinary share) for the six months ended 31 December 2019 to the Company's shareholders whose names appear on the register of members of the Company on 2 March 2020.

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 2019, which has been reviewed by the Company's audit committee, together with the unaudited comparative figures for the corresponding period ended 31 December 2018 as follows:

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2019

		Six months ended 31 December	
		2019	2018
	Note	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue from contracts with customers	5	**37,526**	35,297
Other income	6	**764**	1,361
Other loss		**(35)**	–
Employee benefit expenses		**(12,620)**	(9,916)
Operating lease rentals		**(2,738)**	(2,565)
Other operating expenses		**(3,087)**	(6,269)
Operating profit		**19,810**	17,908
Finance income		**564**	424
Share of losses of an associate		**–**	(753)
Share of losses of a joint venture		**(426)**	(582)
Profit before income tax	7	**19,948**	16,997
Income tax expense	8	**(3,057)**	(1,679)
Profit for the period		**16,891**	15,318
Other comprehensive income			
Item that may be reclassified to profit or loss			
Currency translation differences		**(9)**	4
Total comprehensive income for the period, net of tax		**16,882**	15,322
Profit and total comprehensive income for the period attributable to equity holders of the Company		**16,882**	15,322
Earnings per share attributable to equity holders of the Company (expressed in HK cents per share)			
Basic and diluted	9	**HK4.22 cents**	HK3.83 cents

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Note	31 December 2019 HK$'000 (unaudited)	30 June 2019 HK$'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	11	**6,158**	4,897
Right of use assets	12	**6,435**	–
Investment in a joint venture		**599**	1,033
Investment in and advance to an associate		**–**	–
Prepayments and deposits	14	**9,719**	7,399
		22,911	13,329
Current assets			
Inventories		**1,032**	947
Trade receivables	13	**39,385**	41,426
Prepayments, deposits and other receivables	14	**4,395**	5,714
Amounts due from related companies		**590**	892
Cash and cash equivalents	15	**113,784**	118,703
		159,186	167,682
Total assets		**182,097**	181,011
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of the Company			
Share capital	17	**4,000**	4,000
Share premium		**39,123**	39,123
Reserves		**105,281**	106,858
Total equity		**148,404**	149,981
Non-current liabilities			
Lease liabilities	12	**4,059**	–
Deferred income tax liabilities		**159**	192
		4,218	192
Current liabilities			
Trade payables	16	**16,844**	16,260
Accruals and other payables	17	**7,366**	4,666
Lease liabilities	12	**2,376**	–
Tax payable		**2,889**	9,912
		29,475	30,838
Total liabilities		**33,693**	31,030
Total equity and liabilities		**182,097**	181,011

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2019

		Attributable to equity holders of the Company					
		Share capital	Share premium	Share-based compensation reserve	Translation reserve	Retained earnings	Total
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
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 transaction differences		–	–	–	4	–	4
Transaction with owners							
Dividends relating to 2018	10(ii)	–	–	–	–	(10,000)	(10,000)
At 31 December 2018 (unaudited)		4,000	39,123	–	6	82,710	125,839
At 1 July 2019 (audited)		**4,000**	**39,123**	**549**	**(3)**	**106,312**	**149,981**
Total comprehensive income							
Profit for the period		**–**	**–**	**–**	**–**	**16,891**	**16,891**
Currency translation differences		**–**	**–**	**–**	**(9)**	**–**	**(9)**
Transaction with owners							
Dividends relating to 2019	10(ii)	**–**	**–**	**–**	**–**	**(20,000)**	**(20,000)**
Employee share scheme							
Transfer of share option		**–**	**–**	**1,541**	**–**	**–**	**1,541**
Reserve upon forfeiture of share options		**–**	**–**	**(171)**	**–**	**171**	**–**
At 31 December 2019 (unaudited)		**4,000**	**39,123**	**1,919**	**(12)**	**103,374**	**148,404**

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2019

	Six months ended 31 December	
	2019	2018
	HK$	*HK$*
	(unaudited)	(unaudited)
Net cash generated from operating activities	**17,581**	12,256
Net cash used in investing activities	**(2,500)**	(158)
Net cash used in financing activities	**(20,000)**	(10,000)
Net (decrease)/increase in cash and cash equivalents	**(4,919)**	2,098
Cash and cash equivalents at the beginning of the period	**118,703**	96,806
Cash and cash equivalents at the end of the period	**113,784**	98,904

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, KY1-1104, Cayman Islands and its principal place of business is Room 204, 2/F, Wing On Plaza, 62 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong.

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

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

2 BASIS OF PREPARATION

The unaudited consolidated interim results (the "Interim Financial Information) of the Group for the six months ended 31 December 2019 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 2019, except for the accounting policy changes that are expected to be reflected in the annual financial statements for the year ending 30 June 2020 and they should be read in conjunction with the consolidated financial statements for the year ended 30 June 2019. 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 2019. 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 has 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 2019, as described in those annual financial statements, except for the adoption of new standards, amendments to standards and interpretation that are effective on 1 July 2019.

(a) New standards, amendments to standards and interpretation that are mandatory for the financial year beginning on 1 July 2019:

HKFRS 9 (amendments)	Prepayment features with negative compensation
HKFRS 16	Lease
HKAS 19 (amendments)	Plan Amendments, curtailment or settlement
HK(IFRIC) 23	Uncertainty over income tax treatments
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 cycle

The adoption of the above new standards, amendments to standards and interpretation beginning on 1 July 2019 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 2019.

The Group's leasing activities and how these are accounted for

The Group is a lessee of its offices, which are currently classify as operating leases. Rental contracts are typically made for fixed periods of 3 years.

Under the 2018/2019 financial year, leases were classified as operating leases. Payments made under operating leases were charged to income statement on a straight-line basis over the period of the lease.

From 1 July 2019, leases are recognized as a right-of use assets and a corresponding liability at the date at which the leased asset is available for use by the Group.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liabilities;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in income statement. Short-term leases are leases with a lease term of 12 months or less.

(b) The following new standards, amendments to standards and interpretation have been issued but 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 10 and HKAS 28 (2011) (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
HKFRS 17	Insurance Contracts	1 January 2021
HKAS 1 and HKAS 8 (amendments)	Definition of Material	1 January 2020

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 2019 and 2018, all revenue was earned from external customers in Hong Kong.

5 REVENUE FROM CONTRACTS WITH CUSTOMERS

	Six months ended 31 December	
	2019	2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Revenue from provision of healthcare staffing solution services	**34,623**	32,633
Revenue from provision of outreach case assessment related services	**2,335**	2,664
Revenue from operation of aesthetic clinic	**568**	–
	37,526	35,297
Timing of revenue recognition		
– At a point in time	**35,191**	32,633
– Over time	**2,335**	2,664
	37,526	35,297

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	
	2019	2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Gross fee	**132,171**	125,404
Cost attributable to healthcare personnel	**(97,548)**	(92,771)
Revenue from provision of healthcare staffing solution services	**34,623**	32,633

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

6 OTHER INCOME

	Six months ended 31 December	
	2019	2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Advertising income	**77**	401
Activity income	**–**	223
Sales of goods	**77**	184
Others	**610**	553
	764	1,361

7 PROFIT BEFORE INCOME TAX

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

	Six months ended 31 December	
	2019	2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
(a) Finance income		
Interest income from bank deposits	**(564)**	(424)
(b) Employee benefit expenses (including directors' remuneration)		
Wages, salaries and bonus	**9,770**	9,235
Pension costs – defined contribution plan	**470**	360
Share-based payments to directors and employees	**1,541**	–
Other staff welfare	**839**	321
	12,620	9,916
(c) Other items		
Cost of inventories sold	**216**	175
Depreciation of property, plant and equipment	**1,113**	298
Loss of written off property, plant and equipment	**35**	–
Legal and professional fee	**1,404**	894

8 INCOME TAX EXPENSE

	Six months ended 31 December	
	2019	2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Current income tax		
– Hong Kong profits tax	**3,090**	1,606
Deferred tax	**(33)**	73
	3,057	1,679

The provision for Hong Kong profits tax is calculated at 8.25% (six months ended 31 December 2018: 8.25%) of the estimated assessable profits up to HK$2,000,000 and 16.5% (six months ended 31 December 2018: 16.5%) of any part of estimated assessable profits over HK$2,000,000 for the six months ended 31 December 2019.

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 2019 and 2018.

	Six months ended 31 December	
	2019	2018
	(unaudited)	(unaudited)
Profit attributable to equity holders of the Company *(HK$'000)*	**16,891**	15,318
Weighted average number of ordinary shares in issue *('000)*	**400,000**	400,000
Basic earnings per share *(HK cents)*	**4.22**	3.83

Diluted earnings per share for the six months ended 31 December 2019 and 2018 were the same as basic earnings per share. During the six months ended 31 December 2019, the exercise of the outstanding share options would be anti-dilutive. During the six months ended 31 December, 2018, the Group had no potentially dilutive ordinary shares in issue.

10 DIVIDENDS

(i) On 17 February 2020, the Board resolved to declare an interim dividend of HK$10,000,000 (HK2.50 cents per ordinary share) for the six months ended 31 December 2019 to the Company's shareholders whose names appear on the register of members of the Company on 2 March 2020 (31 December 2018: HK$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	
	2019	2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Final dividend in respect of the previous financial year of HK5.00 cents per share (six months ended 31 December 2018: HK2.50 cents per share)	**20,000**	10,000

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2019, the Group purchased property, plant and equipment of approximately HK$2,409,000 (for the six months ended 31 December 2018: HK$82,000). The Group's depreciation expenses during the six months ended 31 December 2019 amounted to approximately HK$1,113,000 was included in other operating expenses (for the six months ended 31 December 2018: HK$298,000).

12. LEASE

As at 31 December 2019

Right of use assets	6,435
Current	
Lease Liabilities	2,376
Non Current	
Lease Liabilities	4,059

13 TRADE RECEIVABLES

	31 December	30 June
	2019	2019
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade receivables	**39,385**	41,426

The Group's trade receivables had no credit term and payment was immediately due upon presentation of invoices to customers. As at 31 December 2019 and 30 June 2019, 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 follows:

	31 December 2019 *HK$'000* **(unaudited)**	30 June 2019 *HK$'000* (audited)
Less than 61 days	**33,352**	33,041
61 days to 90 days	**2,085**	4,630
91 days to 180 days	**2,546**	1,827
Over 180 days	**1,402**	1,928
	39,385	41,426

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 2019 and 30 June 2019, no collateral has been received from these counterparties.

14 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	31 December 2019 *HK$'000* **(unaudited)**	30 June 2019 *HK$'000* (audited)
Current		
Deposits	**3,333**	3,779
Prepayments	**760**	1,206
Other receivables	**302**	729
	4,395	5,714
Non-current		
Deposits	**9,421**	6,127
Prepayments	**298**	1,272
	9,719	7,399
Total	**14,114**	13,113

15 CASH AND CASH EQUIVALENTS

	31 December 2019	30 June 2019
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Cash at banks	**56,910**	43,930
Bank deposits	**56,855**	74,741
Cash on hand	**19**	32
Total cash and cash equivalents	**113,784**	118,703

The effective interest rate on the bank deposits was 2% per annum (30 June 2019: 2%). These deposits had original maturity of three months or less.

16 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 was as follows:

	31 December 2019	30 June 2019
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Less than 31 days	**16,807**	16,149
31 to 60 days	**–**	53
61 to 90 days	**–**	58
Over 91 days	**37**	–
	16,844	16,260

17 ACCRUALS AND OTHER PAYABLES

	31 December 2019	30 June 2019
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Accrued expenses	**5,633**	3,103
Other payables	**1,310**	1,270
Contract liabilities	**423**	293
	7,366	4,666

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 2019 (the "Period") under review, the Group's revenue was approximately HK$37.5 million (six months ended 31 December 2018: HK$35.3 million), representing an increase of approximately 6.2%. The increase in revenue from the provision of healthcare staffing solution services was approximately HK$2.0 million. There was a slight decrease of approximately HK$0.4 million in revenue from the provision of outreach case assessment related services, which contributed to approximately HK$2.3 million in revenue for the six months ended 31 December 2019 (six months ended 31 December 2018: HK$2.7 million).

Profit attributable to equity holders of the Company for the Period was approximately HK$16.9 million, representing an increase of approximately 10.5% as compared with approximately HK$15.3 million for the six months ended 31 December 2018.

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 2019.

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.

During the year ended 30 June 2019, the Group diversified its business through the acquisition of 70% of the total issued share capital of Garden Medical Centre Limited ("GMC"), which is an associate of the Group before the completion of the acquisition. The acquisition was completed on 30 April 2019, and GMC has become a wholly-owned subsidiary of the Company following the completion of the acquisition.

FINANCIAL REVIEW

Revenue

Revenue of the Group for the six months ended 31 December 2019 was approximately HK$37.5 million, representing an increase of approximately 6.2% as compared with that of approximately HK$35.3 million for the six months ended 31 December 2018. Among this, revenue generated from the provision of healthcare staffing solution services was approximately HK$34.6 million for the six months ended 31 December 2019, representing an increase of approximately HK$2.0 million, or approximately 6.1% from approximately HK$32.6 million for the six months ended 31 December 2018.

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 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 26.2% for the Period from approximately 26.0% for the six months ended 31 December 2018.

Revenue from the provision of outreach case assessment related services was approximately HK$2.3 million for the six months ended 31 December 2018, representing a slight decrease of approximately HK$0.3 million or approximately 14.8%, from approximately HK$2.7 million for the six months ended 31 December 2018.

Other income

Other income amounted to approximately HK$0.8 million for the Period (six months ended 31 December 2018: HK$1.4 million) which mainly comprised advertising income, sales of goods and others.

Expenses

Employee benefit expenses was approximately HK$12.6 million for the Period, representing an increase of approximately HK$2.7 million as compared to the last period (six months ended 31 December 2018: HK$9.9 million). The increase was due to a share-based payment of approximately HK$1.5 million provided to the director and certain employees for the Period.

Operating lease rental for the Period was approximately HK$2.7 million, which remained similar as compared to the six months ended 31 December 2018.

Other operating expenses amounted to approximately HK$3.1 million for the Period, representing a decrease of approximately HK$3.2 million when compared to the last period (six months ended 31 December 2018: HK$6.3 million).

Finance income

Finance income represented the interest income on short-term bank deposits. Finance income increased from approximately HK$424,000 for the six months ended 31 December 2018 to approximately HK$564,000 for the Period, representing an increase of approximately HK$140,000 or approximately 33.0%.

Share of results of a joint venture

The Group's 50% interest in a joint venture, Bamboos Professional Nursing Services PTE. Limited, commenced its operation of healthcare staffing solution services in Singapore since March 2018 and a share of loss of approximately HK$426,000 for the Period, representing a decreases loss of approximately HK$156,000 or approximately 26.8% as compared to the last peiod (six months ended 31 December 2018: HK$582,000).

Profit for the period attributable to equity holders of the Company

Profit attributable to equity holders of the Company amounted to approximately HK$16.9 million for the Period, representing an increase of approximately HK$1.6 million or approximately 10.5% as compared with that of approximately HK$15.3 million for the six months ended 31 December 2018.

LIQUIDITY AND FINANCIAL RESOURCES

The Group remained in a healthy and sound liquidity position as at 31 December 2019. 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 Board of the Stock Exchange 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 2019, the Group maintained cash and cash equivalents amounting to approximately HK$113.8 million (30 June 2019: HK$118.7 million). The Group had no bank loans and overdrafts as at 31 December 2019 (30 June 2019: Nil).

As at 31 December 2019, the Group had net current assets of approximately HK$129.7 million, as compared to approximately HK$136.8 million as at 30 June 2019, 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 2019, the Group has not used any forward contracts, currency borrowings, derivative financial instruments or other means to hedge foreign exchange risk (30 June 2019: Nil).

CAPITAL STRUCTURE

During the six months ended 31 December 2019 and the year ended 30 June 2019, the Group mainly relied on its equity and internally generated cash flows to finance its operations.

CAPITAL COMMITMENTS

As at 31 December 2019, 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).

PLEDGE OF ASSETS

As at 31 December 2019, there was no significant pledge on the Group's assets (30 June 2019: Nil).

CONTINGENT LIABILITIES

A claim was lodged by GMC, a wholly-owned subsidiary of the Group, in June 2019 asserting that the defendant has beached certain clauses in an employment agreement. The defendant has filed a defense and counterclaim in relation to the case for the reliefs to recover the compensation of employee. The matter is currently being considered by the court and the date of hearing has not been scheduled. The Group considers the litigation is on early stage, the evidences are not sufficient for the judgement, therefore no provision is recognised in relation to this claim. The potential undiscounted amount of the counterclaim that the Group could be required to make if there was an adverse decision related to the lawsuit is estimated to be approximately HK$2,138,000, although the quantum of damages thereunder may be completely set-off by the alleged damage to GMC.

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 2019 (30 June 2019: 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 Period and the year ended 30 June 2019.

SHARE OPTION SCHEME

The Company's Share Option Scheme was conditionally approved and adopted by a resolution of the shareholders of the Company 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.

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.

On 29 April 2019, share options were granted by the Company under the share option scheme to selected grantees to subscribe for an aggregate of 8,000,000 ordinary shares in the Company. During the six months ended 31 December 2019, no options has been exercised.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 31 December 2019 and up to the date of this interim results 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 2019.

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 2019 and up to the date of this interim results 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.

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. 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.

As at the date of this interim results announcement, the audit committee comprises three independent non-executive Directors, namely Mr. Wong Kon Man Jason, Ms. Chhoa Peck Lim Bella and Dr. Chan Kai Yue Jason . Mr. Wong Kon Man Jason is the chairman of the audit committee.

The Company's audit committee has reviewed the unaudited consolidated financial results and the interim results announcement of the Company for the six months ended 31 December 2019 and agreed to the accounting principles and practices adopted by the Company.

INTERIM DIVIDEND

On 17 February 2020, the Board resolved to declare an interim dividend of HK2.50 cents per ordinary share (2018: HK$Nil). The interim dividend will be paid in cash. Based on the number of shares in issue as at the date of this announcement, a total amount of dividend of approximately HK$10,000,000 will be distributed.

The interim dividend will be distributed to shareholders of the Company whose names appear on the register of members of the Company at the close of business on Monday, 2 March 2020. The register of members of the Company will be closed from Tuesday, 3 March 2020 to Thursday, 5 March 2020 (both days inclusive), during such period no share transfer will be registered. To qualify for the interim dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Union Registrars Limited, Suites 3301–04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, no later than 4:00 p.m. on Monday, 2 March 2020. The interim dividend will be payable on or about Thursday, 12 March 2020.

PUBLICATION OF INTERIM REPORT

The interim report of the Company for the six months ended 31 December 2019 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 2020.

By order of the Board
Bamboos Health Care Holdings Limited
Hai Hiu Chu
Chairman

Hong Kong, 17 February 2020

As at the date of this announcement, the executive Director is Ms. Hai Hiu Chu and the independent non-executive Directors are Dr. Chan Kai Yue Jason, Ms. Chhoa Peck Lim Bella, Dr. Ko Wing Man and Mr. Wong Kon Man Jason.