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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 2020

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended 31 December 2020 remained stable at approximately HK\$37.4 million as compared to the last period (six months ended 31 December 2019: HK\$37.5 million).
- Profit attributable to equity holders of the Company for the six months ended 31 December 2020 amounted to approximately HK\$19.7 million, representing an increase of approximately 16.6% from approximately HK\$16.9 million for the six months ended 31 December 2019.
- On 23 February 2021, 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 2020 to the Company's shareholders whose names appear on the register of members of the Company on 19 March 2021.

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 condensed consolidated interim results of the Group for the six months ended 31 December 2020, which has been reviewed by the Company’s audit committee, together with the unaudited comparative figures for the corresponding period ended 31 December 2019 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2020

		Six months ended	
		31 December	
	<i>Note</i>	2020	2019
		HK\$’000	HK\$’000
		(unaudited)	(unaudited)
Revenue from contracts with customers	5	37,424	37,526
Other income	6	3,183	764
Other gains/(losses), net		854	(35)
Employee benefit expenses		(11,712)	(12,620)
Operating lease rentals		(53)	(2,738)
Other operating expenses		(6,012)	(3,087)
Operating profit		23,684	19,810
Finance income		44	564
Finance cost		(119)	–
Share of profit/(loss) of a joint venture		57	(426)
Profit before income tax	7	23,666	19,948
Income tax expense	8	(3,959)	(3,057)
Profit for the period		19,707	16,891
Other comprehensive income			
<i>Item that may be reclassified to profit or loss</i>			
Changes in the fair value of debt instruments at fair value through other comprehensive income		(100)	–
Currency translation differences		(37)	(9)
<i>Item that will not be reclassified to profit or loss</i>			
Changes in the fair value of equity instruments at fair value through other comprehensive income		(1,999)	–
Other comprehensive income for the period, net of tax		(2,136)	(9)

		Six months ended	
		31 December	
		2020	2019
	<i>Note</i>	HK\$'000	<i>HK\$'000</i>
		(unaudited)	(unaudited)
Total comprehensive income for the period		17,571	16,882
		<u><u>17,571</u></u>	<u><u>16,882</u></u>
Profit and total comprehensive income for the period attributable to equity holders of the Company		17,571	16,882
		<u><u>17,571</u></u>	<u><u>16,882</u></u>
Earnings per share attributable to equity holders of the Company (<i>expressed in HK cents per share</i>)			
Basic and diluted	9	HK4.93 cents	HK4.22 cents
		<u><u>HK4.93 cents</u></u>	<u><u>HK4.22 cents</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

		31 December 2020	30 June 2020
	<i>Note</i>	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	<i>11</i>	3,746	4,870
Right-of-use assets	<i>12</i>	3,428	5,096
Investment in a joint venture		355	412
Prepayments and deposits	<i>14</i>	12,125	11,444
Financial assets at fair value through other comprehensive income		27,860	–
Financial assets at fair value through profit or loss		62,014	28,449
Deferred income tax assets		203	203
		109,731	50,474
Current assets			
Inventories		886	930
Trade receivables	<i>13</i>	35,872	24,240
Prepayments, deposits and other receivables	<i>14</i>	5,818	4,353
Amounts due from related companies		114	249
Cash and cash equivalents	<i>15</i>	42,617	101,633
		85,307	131,405
Total assets		195,038	181,879
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of the Company			
Share capital	<i>18</i>	4,000	4,000
Share premium		39,123	39,123
Reserves		119,372	110,148
		162,495	153,271
Non-controlling interests		–	2
Total equity		162,495	153,273

		31 December	30 June
		2020	2020
	<i>Note</i>	HK\$'000	HK\$'000
		(unaudited)	(audited)
Non-current liabilities			
Lease liabilities	12	<u>1,605</u>	<u>2,740</u>
Current liabilities			
Trade payables	16	21,656	12,750
Accruals and other payables	17	4,804	4,450
Lease liabilities	12	2,386	3,019
Tax payable		<u>2,092</u>	<u>5,647</u>
		<u>30,938</u>	<u>25,866</u>
Total liabilities		<u>32,543</u>	<u>28,606</u>
Total equity and liabilities		<u>195,038</u>	<u>181,879</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2020

	Attributable to equity holders of the Company							Non-controlling interests	Total
	Share capital	Share premium	Share-based compensation reserve	Financial assets at FVOCI	Translation reserve	Retained earnings	Sub-total		
Note	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 July 2019 (audited)	4,000	39,123	549	–	(3)	106,312	149,981	–	149,981
Total comprehensive income									
Profit for the period	–	–	–	–	–	16,891	16,891	–	16,891
Currency translation differences	–	–	–	–	(9)	–	(9)	–	(9)
Total comprehensive income for the period	–	–	–	–	(9)	16,891	16,882	–	16,882
Transaction with owners									
Dividends relating to 2019 <i>10(ii)</i>	–	–	–	–	–	(20,000)	(20,000)	–	(20,000)
Employee share scheme									
Transfer of share option	–	–	1,541	–	–	–	1,541	–	1,541
Reverse upon forfeiture of share options	–	–	(171)	–	–	171	–	–	–
At 31 December 2019 (unaudited)	<u>4,000</u>	<u>39,123</u>	<u>1,919</u>	<u>–</u>	<u>(12)</u>	<u>103,374</u>	<u>148,404</u>	<u>–</u>	<u>148,404</u>
At 1 July 2020 (audited)	4,000	39,123	3,086	–	59	107,003	153,271	2	153,273
Total comprehensive income									
Profit for the period	–	–	–	–	–	19,707	19,707	–	19,707
Currency translation differences	–	–	–	–	(37)	–	(37)	–	(37)
Changes in the fair value of debt instruments at FVOCI	–	–	–	(100)	–	–	(100)	–	(100)
Changes in the fair value of equity instruments at FVOCI	–	–	–	(1,999)	–	–	(1,999)	–	(1,999)
Total comprehensive income for the period	–	–	–	(2,099)	(37)	19,707	17,571	–	17,571
Transfer of gain on disposal of equity instruments at FVOCI to retained earnings	–	–	–	(226)	–	226	–	–	–
Transaction with owners									
Dividends relating to 2020 <i>10(ii)</i>	–	–	–	–	–	(10,000)	(10,000)	–	(10,000)
Employee share scheme									
Transfer of share option	–	–	1,653	–	–	–	1,653	–	1,653
Reverse upon forfeiture of share options	–	–	(135)	–	–	135	–	–	–
Acquisition of non-controlling interests	–	–	–	–	–	–	–	(2)	(2)
At 31 December 2020 (unaudited)	<u>4,000</u>	<u>39,123</u>	<u>4,604</u>	<u>(2,325)</u>	<u>22</u>	<u>117,071</u>	<u>162,495</u>	<u>–</u>	<u>162,495</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2020

	Six months ended	
	31 December	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Net cash generated from operating activities	16,839	17,581
Net cash used in investing activities	(64,016)	(2,500)
Net cash used in financing activities	(11,886)	(20,000)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(59,063)	(4,919)
Cash and cash equivalents at the beginning of the period	101,633	118,703
Effects of exchange rate changes on cash and cash equivalents	47	–
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	42,617	113,784
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NOTES TO THE CONDENSED 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 Act (as revised) of the Cayman Islands. The address of its registered office is PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands and its principal place of business is 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”) (stock code: 2293).

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 condensed consolidated interim results (the “Interim Financial Information”) of the Group for the six months ended 31 December 2020 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 “Listing Rules”).

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 2020, except for the accounting policy changes that are expected to be reflected in the annual financial statements for the year ending 30 June 2021 and they should be read in conjunction with the consolidated financial statements for the year ended 30 June 2020. 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 condensed 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 2020. 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 2020, 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 2020.

- (a) New standards and amendments to standards that are mandatory for the financial year beginning on 1 July 2020:

HKFRS 3 (Amendments)	Definition of Business
HKAS 1 and HKAS 8 (Amendments)	Definition of Material
HKAS 39, HKFRS 7 and HKFRS 9 (Amendments)	Interest Rate Benchmark Reform
HKFRS 16 (Amendment)	COVID-19-Related Rent Concessions
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting

The adoption of the above new standards and amendments to standards beginning on 1 July 2020 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 2020.

- (b) The following new standards and amendments to standards have been issued but not yet effective for the financial year beginning on 1 July 2020 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-Current	1 January 2022
HKAS 16 (Amendments)	Property, Plant and Equipment: Proceeds Before Intended Use	1 January 2022
HKAS 37 (Amendments)	Onerous Contracts – Cost of Fulfilling a contract	1 January 2022
HKFRS 3 (Amendments)	Reference to the Conceptual Framework	1 January 2022
HKFRS 17	Insurance Contracts	1 January 2023
Annual Improvements Project	Annual Improvements to HKFRS 2018–2020 Cycle	1 January 2022
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	To be announced

The directors of the Company expect that the adoption of the above new standards and amendments to standards 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 2020 and 2019, all revenue was earned from external customers in Hong Kong.

5 REVENUE FROM CONTRACTS WITH CUSTOMERS

	Six months ended 31 December	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Revenue from provision of healthcare staffing solution services	35,378	34,623
Revenue from provision of outreach case assessment related services	2,039	2,335
Revenue from operation of aesthetic clinic	7	568
	<u>37,424</u>	<u>37,526</u>
Timing of revenue recognition		
– At a point in time	35,385	35,191
– Over time	2,039	2,335
	<u>37,424</u>	<u>37,526</u>

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	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Gross fee	129,016	132,171
Cost attributable to healthcare personnel	(93,638)	(97,548)
Revenue from provision of healthcare staffing solution services	<u>35,378</u>	<u>34,623</u>

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

6 OTHER INCOME

	Six months ended 31 December	
	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (unaudited)
Advertising income	54	77
Dividend income	349	–
Interest income from debt instruments	1,073	–
Government grant*	985	–
Sales of goods	366	77
Others	356	610
	<u>3,183</u>	<u>764</u>

* There are no unfulfilled conditions or contingencies relating to this income.

7 PROFIT BEFORE INCOME TAX

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

	Six months ended 31 December	
	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (unaudited)
(a) Finance income		
Interest income from bank deposits	<u>(44)</u>	<u>(564)</u>
(b) Employee benefit expenses (including directors' remuneration)		
Wages, salaries and bonus	9,304	9,770
Pension costs – defined contribution plan	383	470
Share-based payments to directors and employees	1,653	1,541
Other staff welfare	372	839
	<u>11,712</u>	<u>12,620</u>
(c) Other items		
Cost of inventories sold	70	216
Depreciation of property, plant and equipment	1,087	1,113
Depreciation of right-of-use assets	1,662	–
Loss of written off property, plant and equipment	54	35
Legal and professional fee	1,067	1,404
Net fair value gains on financial assets at FVTPL	<u>(1,247)</u>	<u>–</u>

8 INCOME TAX EXPENSE

	Six months ended 31 December	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Current income tax		
– Hong Kong profits tax	3,959	3,090
Deferred tax	–	(33)
	<u>3,959</u>	<u>3,057</u>

The provision for Hong Kong profits tax is calculated at 16.5% of estimated assessable profits for the six months ended 31 December 2020 and 2019 which is a qualifying entity under two-tiered profit tax rates regime. The first HK\$2,000,000 (2019: HK\$2,000,000) of estimated assessable profits of this subsidiary is tax at 8.25% and the remaining estimated assessable profits are taxed at 16.5%.

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 2020 and 2019.

	Six months ended 31 December	
	2020 (unaudited)	2019 (unaudited)
Profit attributable to equity holders of the Company (HK\$'000)	<u>19,707</u>	<u>16,891</u>
Weighted average number of ordinary shares in issue (thousands)	<u>400,000</u>	<u>400,000</u>
Basic earnings per share (HK cents)	<u>4.93</u>	<u>4.22</u>

Diluted earnings per share for the six months ended 31 December 2020 and 2019 were the same as basic earnings per share. During the six months ended 31 December 2020 and 2019, the exercise of the outstanding share options would be anti-dilutive.

10 DIVIDENDS

- (i) The Board declared an interim dividend of HK2.5 cents per ordinary Share for the six months ended 31 December 2020 (for the six months ended 31 December 2019: HK2.5 cents) to be paid by cash on Friday, 26 March 2021, to Shareholders whose names appear on the register of members of the Company on Friday, 19 March 2021.
- (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	
	2020	2019
	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 2019: HK5.00 cents per share)	10,000	20,000

11 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2020, the Group purchased property, plant and equipment of approximately HK\$17,000 (for the six months ended 31 December 2019: HK\$2,409,000). The Group's depreciation expenses during the six months ended 31 December 2020 amounted to approximately HK\$1,087,000 was included in other operating expenses (for the six months ended 31 December 2019: HK\$1,113,000).

12 LEASE

	31 December	30 June
	2020	2020
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Non-current asset		
Right of use assets	3,428	5,096
Current liability		
Lease Liabilities	2,386	3,019
Non-current liability		
Lease Liabilities	1,605	2,740

13 TRADE RECEIVABLES

	31 December 2020 HK\$'000 (unaudited)	30 June 2020 HK\$'000 (audited)
Trade receivables	<u>35,872</u>	<u>24,240</u>

The Group's trade receivables had no credit term and payment was immediately due upon presentation of invoices to customers. As at 31 December 2020 and 30 June 2020, 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 2020 HK\$'000 (unaudited)	30 June 2020 HK\$'000 (audited)
Less than 61 days	32,326	20,539
61 days to 90 days	2,806	2,034
91 days to 180 days	556	885
Over 180 days	184	782
	<u>35,872</u>	<u>24,240</u>

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 2020 and 30 June 2020, no collateral has been received from these counterparties.

14 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	31 December 2020 HK\$'000 (unaudited)	30 June 2020 HK\$'000 (audited)
Current		
Prepayments	332	467
Deposits	3,168	3,648
Other receivables	2,318	238
	<u>5,818</u>	<u>4,353</u>
Non-current		
Prepayments	335	335
Deposits	11,790	11,109
	<u>12,125</u>	<u>11,444</u>
Total	<u>17,943</u>	<u>15,797</u>

15 CASH AND CASH EQUIVALENTS

	31 December 2020 HK\$'000 (unaudited)	30 June 2020 HK\$'000 (audited)
Cash at banks	42,589	41,364
Bank deposits	–	60,233
Cash on hand	28	36
	<u>42,617</u>	<u>101,633</u>

The effective interest rate on the bank deposits was 1% per annum (30 June 2020: 1%). 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 2020 <i>HK\$'000</i> (unaudited)	30 June 2020 <i>HK\$'000</i> (audited)
Less than 31 days	21,656	12,750

17 ACCRUALS AND OTHER PAYABLES

	31 December 2020 <i>HK\$'000</i> (unaudited)	30 June 2020 <i>HK\$'000</i> (audited)
Accrued expenses	1,403	1,954
Other payables	2,153	1,635
Contract liabilities	1,248	861
	4,804	4,450

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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 2020 (the “Period”) under review, the Group’s revenue was remained stable at approximately HK\$37.4 million (six months ended 31 December 2019: HK\$37.5 million). The increase in revenue from the provision of healthcare staffing solution services was approximately HK\$0.8 million. There was a slight decrease of approximately HK\$0.3 million in revenue from the provision of outreach case assessment related services, which contributed to approximately HK\$2.0 million in revenue for the Period (six months ended 31 December 2019: HK\$2.3 million).

Profit attributable to equity holders of the Company for the Period was approximately HK\$19.7 million, representing an increase of approximately 16.6% as compared with approximately HK\$16.9 million for the six months ended 31 December 2019.

During the Period, the Group has utilised our idle cash balances by acquiring non-physical gold amounting to approximately HK\$38.4 million and securities and bonds amounting to approximately HK\$34.2 million (“Acquisitions”). The purpose of the Acquisitions is to enhance the efficiency of use of idle cash without affecting the daily operation of the principal business development of the Group or adversely affecting the interests of the investors of the Company. The Directors consider that the Acquisitions provide the Group with the opportunity to balance and diversify its investment portfolio. Having considered, among other factors, the low interest-rate environment and the instability of economic environment, the Directors consider that the Acquisitions are stable investments that could protect the Group from currency debasements and inflation in times of uncertainty.

During the Period, the impact of the COVID-19 pandemic on our operations performance, financial resources and liquidity position was not material. However, it is difficult to estimate how long the COVID-19 pandemic will persist and its effects on the business environment are uncertain. The Group will continue to pay close attention to the COVID-19 pandemic and to evaluate its impact on our operations and financial position.

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 23,000 healthcare personnel registered with the Group as at 31 December 2020.

OUTLOOK

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.

Although the COVID-19 vaccine is expected to be available in Hong Kong in the first quarter of 2021, the economic outlook remains uncertain. Moreover, the Directors consider that global and local stock markets are expected to be volatile. In spite of this challenging environment, the Directors will continue to remain committed to our core business and strategies in the provision of healthcare staffing solution services. Furthermore, the Directors are also committed to diversifying our business practices in healthcare and related industries and identifying suitable business partners for acquisitions and partnerships.

FINANCIAL REVIEW

Revenue

The revenue of the Group for the Period was remained stable at approximately HK\$37.4 million as compared to the last period (six months ended 31 December 2019: HK\$37.5 million). Among this, the revenue generated from the provision of healthcare staffing solution services was approximately HK\$35.4 million for the Period, representing an increase of approximately HK\$0.8 million or approximately 2.0% from approximately HK\$34.6 million for the six months ended 31 December 2019.

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 generated from the provision of healthcare staffing solution services as a percentage of gross fee slightly increased to approximately 27.42% for the Period from approximately 26.2% for the six months ended 31 December 2019.

The revenue from the provision of outreach case assessment related services was approximately HK\$2.0 million for the Period, representing a slight decrease of approximately HK\$0.3 million or approximately 13.0% from approximately HK\$2.3 million for the six months ended 31 December 2019.

The increase in trade receivables as at 31 December 2020 as compared to 30 June 2020 was contributed by the revenue generated from the provision of healthcare staffing solution services in December 2020.

Other income and other gains/(losses), net

Other income mainly comprised advertising income, dividend income, interest income from debt instruments, government grant and sales of goods. Other income amounted to approximately HK\$3.1 million for the Period (six months ended 31 December 2019: HK\$0.8 million), representing an increase of approximately HK\$2.3 million as compared to the last period. The increase was partially contributed by interest income from debt instruments and government grant of approximately HK\$1.1 million and HK\$1.0 million respectively.

Other gains, net was approximately HK\$0.9 million for the Period (six months ended 31 December 2019: other losses, net of HK\$35,000) which mainly represented the net fair value gains on financial assets at fair value through profit or loss of approximately HK\$1.2 million and partially offset by net foreign exchange losses of approximately HK\$0.3 million.

Expenses

Employee benefit expenses was approximately HK\$11.7 million for the Period, representing a decrease of approximately HK\$0.9 million as compared to the last period (six months ended 31 December 2019: HK\$12.6 million).

Operating lease rental and depreciation of right-of-use assets for the Period was approximately HK\$1.7 million, represents a decrease of approximately HK\$1.0 million when compared to the six months ended 31 December 2019.

Other operating expenses (excluding depreciation of right-of-use assets) amounted to approximately HK\$4.4 million for the Period, representing an increase of approximately HK\$1.3 million when compared to the last period (six months ended 31 December 2019: HK\$3.1 million).

Finance income

Finance income represented the interest income on short-term bank deposits. Finance income decreased from approximately HK\$564,000 for the six months ended 31 December 2019 to approximately HK\$44,000 for the Period, representing a decrease of approximately HK\$520,000 or approximately 92.2%.

Profit for the period attributable to equity holders of the Company

Profit attributable to equity holders of the Company amounted to approximately HK\$19.7 million for the Period, representing an increase of approximately HK\$2.8 million or approximately 16.6% as compared with that of approximately HK\$16.9 million for the six months ended 31 December 2019.

LIQUIDITY AND FINANCIAL RESOURCES

The Group remained in a healthy and sound liquidity position as at 31 December 2020. 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. The primary uses of cash have been and are expected to continue to be operating costs and capital expenditure.

As at 31 December 2020, the Group maintained cash and cash equivalents amounting to approximately HK\$42.6 million (30 June 2020: HK\$101.6 million). The Group had no bank loans and overdrafts as at 31 December 2020 (30 June 2020: Nil).

As at 31 December 2020, the Group had net current assets of approximately HK\$54.4 million, as compared to approximately HK\$105.5 million as at 30 June 2020, which was mainly due to idle cash balances utilised by acquiring non-physical gold, securities and bonds.

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 2020, the Group has not used any forward contracts, currency borrowings, derivative financial instruments or other means to hedge foreign exchange risk (30 June 2020: Nil).

CAPITAL STRUCTURE

During the Period and the year ended 30 June 2020, 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 condensed consolidated statement of financial position) plus net debt. As at 31 December 2020 and 30 June 2020, the Group had no outstanding bank and other borrowings.

CAPITAL COMMITMENTS

As at 31 December 2020, the Group has capital commitment of HK\$2.5 million to Bamboos Professional Nursing Services PTE. Limited (the joint venture company set up in Singapore) (30 June 2020: HK\$2.5 million). Also, the Group has capital commitment of approximately HK\$0.5 million for intangible asset contracted but not provided for as at 31 December 2020 (30 June 2020: HK\$0.5 million).

PLEDGE OF ASSETS

As at 31 December 2020, there was no significant pledge on the Group's assets (30 June 2020: Nil).

CONTINGENT LIABILITIES

A claim was lodged by Garden Medical Centre Limited ("GMC"), a wholly-owned subsidiary of the Group, in June 2019 asserting that the founder and ex-director of GMC (the "defendant") has breached 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 employee's compensation. The matter is currently being processed in the court and the date of hearing has not been scheduled. The Group considers the litigation is in early stage, and the evidences are not sufficient for the court judgment, therefore no provision is recognised in relation to this claim.

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 2020 (30 June 2020: 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 2020.

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 and 26 June 2020, share options were granted by the Company under the Share Option Scheme to selected grantees to subscribe for an aggregate of 8,000,000 and 10,000,000 ordinary shares in the Company respectively. During the Period, no options has been exercised.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 31 December 2020 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 as set out in Appendix 10 to the Listing Rules as the code for securities transactions by Directors on terms no less exacting than the required standards of the Model Code. The Directors, after specific enquiries by the Company, confirmed their compliance with the required standards set out in the Model Code throughout the Period.

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 Period 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 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.

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 for the formulating 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 the implementation of business strategies under the leadership of Ms. Hai, which is conducive to the 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

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 the audit committee are available on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.bamboos.com.hk.

The primary duties of the audit committee are to oversee the Company's financial reporting system, risk management and internal control systems, make recommendations to the Board on the appointment, re-appointment and removal of the external auditors and to approve their terms of engagement and remuneration, review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, meet with external auditor regularly and provide advice and recommendations to the Board.

The Company's interim results for the Period have not been audited but the Company's audit committee, which comprises three independent non-executive Directors, namely Mr. Wong Kon Man Jason, Dr. Chan Kai Yue Jason and Ms. Chhoa Peck Lim Bella, has reviewed the unaudited consolidated financial results and the interim report of the Company for the Period and agreed to the accounting principles and practices adopted by the Company.

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

On 23 February 2021, the Board resolved to declare an interim dividend of HK2.50 cents per ordinary share for the Period (2019: HK2.50 cents). The interim dividend will be paid in cash. Based on the number of shares in issue as at the date of this interim results 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 appeared on the register of members of the Company at the close of business on Friday, 19 March 2021. The register of members of the Company will be closed from Wednesday, 17 March 2021 to Friday, 19 March 2021 (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, at 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 Tuesday, 16 March 2021. The interim dividend will be payable on or about Friday, 26 March 2021.

PUBLICATION OF INTERIM REPORT

The interim report of the Company for the six months ended 31 December 2020 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 2021.

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

Hong Kong, 23 February 2021

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.