



Bamboos Health Care Holdings Limited

百本醫護控股有限公司



INTERIM REPORT

2017 / 2018 中期報告

(Incorporated in the Cayman Islands with limited liability 於開曼群島註冊成立的有限公司)
Stock Code 股份代號：2293

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended 31 December 2017 amounted to approximately HK\$36.7 million, representing an increase of approximately 23.2% as compared with that of approximately HK\$29.8 million for the six months ended 31 December 2016.
- Profit before income tax for the six months ended 31 December 2017 amounted to approximately HK\$23.0 million, representing an increase of approximately 20.4% as compared with that of approximately HK\$19.1 million for the six months ended 31 December 2016.
- Profit attributable to equity holders of the Company for the six months ended 31 December 2017 amounted to approximately HK\$19.7 million, representing an increase of approximately 26.3% as compared with that of approximately HK\$15.6 million for the six months ended 31 December 2016.
- The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2017.

FINANCIAL RESULTS

The board of directors (the “Board” or the “Directors”) of Bamboos Health Care Holdings Limited (the “Company”) is pleased to present the unaudited condensed consolidated interim financial information of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 31 December 2017 (which has been reviewed by the Company’s audit committee), together with the comparative unaudited figures for the corresponding period in 2016 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2017

		Six Months ended 31 December	
Note	2017	2016	
	HK\$'000	HK\$'000	
	(unaudited)	(unaudited)	
Revenue	4	36,714	29,844
Other income	5	1,814	1,895
Employee benefit expenses		(9,878)	(7,049)
Operating lease rentals		(1,020)	(664)
Other operating expenses		(4,746)	(5,035)
Operating profit		22,884	18,991
Finance income		172	94
Share of results of an associate		(36)	–
Profit before income tax	6	23,020	19,085
Income tax expense	7	(3,358)	(3,533)
Profit and total comprehensive income for the period attributable to equity holders of the Company		19,662	15,552
Earnings per ordinary share attributable to equity holders of the Company			
Basic and diluted (unaudited)	8	HK\$4.92 cents	HK\$3.89 cents

The notes are an integral part of these unaudited condensed consolidated interim financial information.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 December 2017

	Note	31 December 2017 HK\$'000 (unaudited)	30 June 2017 HK\$'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	10	1,048	1,254
Prepayments and deposits	11	549	441
Interest in an associate and a joint venture	12	2,964	–
		4,561	1,695
Current assets			
Inventories		83	142
Trade receivables	13	29,193	22,198
Prepayments, deposits and other receivables	11	2,431	1,440
Short-term bank deposits	14	–	36,138
Cash and bank equivalents	14	87,398	63,118
		119,105	123,036
Total assets		123,666	124,731
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of the Company			
Share capital	15	4,000	4,000
Share premium		39,123	39,123
Reserves		54,833	55,171
Total Equity		97,956	98,294
Non-current liabilities			
Deferred income tax liabilities		128	150

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 31 December 2017

		31 December 2017 HK\$'000 (unaudited)	30 June 2017 HK\$'000 (audited)
Current liabilities			
Trade payables	16	16,957	14,412
Accruals and other payables	17	3,878	3,863
Tax payable		4,747	8,012
		25,582	26,287
Total liabilities		25,710	26,437
Total equity and liabilities		123,666	124,731

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2017

	Attributable to equity holders of the Company			
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 1 July 2016 (audited)	4,000	39,123	37,560	80,683
Total comprehensive income				
Profit for the period	–	–	15,552	15,552
At 31 December 2016 (unaudited)	4,000	39,123	53,112	96,235
At 31 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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2017

	Six months ended 31 December	
	2017 HK\$ (unaudited)	2016 HK\$ (unaudited)
Net cash generated from operating activities	11,020	12,299
Net cash generated from investing activities	33,260	84
Net cash used in financing activities	(20,000)	–
Net increase in cash and bank balances	24,280	12,383
Cash and bank balance at the beginning of the period	63,118	80,690
Cash and bank balance at the end of the period	87,398	93,073

NOTES TO THE UNAUDITED 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 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 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 condensed consolidated interim financial information for the six months ended 31 December 2017 comprises the Company and its subsidiaries.

The unaudited condensed consolidated interim financial information is presented in Hong Kong dollars (“HK\$”) which is the same as the functional currency of the Company.

The unaudited condensed consolidated interim financial information of the Group for the six months ended 31 December 2017 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 requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The unaudited condensed consolidated interim financial information has been prepared under the historical cost convention. This unaudited condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 30 June 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

2 BASIS OF PREPARATION (CONTINUED)

The Group has adopted the following revised HKFRSs for the first time for the current period's interim financial statements:

Amendments to HKAS 7	<i>Disclosure Initiative</i>
Amendments to HKAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>

The adoption of the above revised HKFRSs has had no significant financial effect on the interim financial statements.

The Group has not applied the following new and revised HKFRSs that have been issued but are not yet effective, in these interim financial statements:

		Effective for annual periods beginning on or after
HKAS 28 (Amendments)	Investments in associates and joint ventures	1 January 2018
HKFRS 1 (Amendments)	First time adoption of HKFRS	1 January 2018
HKFRS 2 (Amendments)	Share-based payment	1 January 2018
HKFRS 4 (Amendments)	Applying HKFRS 9 financial instruments with HKFRS 4 insurance contracts	1 January 2018
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined
HKFRS 15	Revenue from contracts with customers	1 January 2018
HKFRS 15 (Amendments)	Clarifications to HKFRS 15	1 January 2018
HKFRS 16	Leases	1 January 2019
HK(IFRIC) -Int 22	Foreign currency transactions and advance consideration	1 January 2018
HK (IFRIC) -Int 23	Uncertainty over income tax treatments	1 January 2019

The Directors of the Company anticipate that the adoption of HKFRS 9, HKFRS 15 and 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 these new HKFRSs, and the result is consistent with assessment the management made and disclosed in the annual financial statements for the year ended 30 June 2017. 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.

3 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group is principally engaged in the provision of healthcare staffing solution services to private and institutional customers in which placement of healthcare personnel is made according to the specific demand 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 considers that the performance assessment of the Group should be based on the profit before income tax of the Group as a whole. Accordingly, management considers there is only one operating segment under the requirements of HKFRS 8.

The Group primarily operates in Hong Kong with all of its non-current assets located at and capital expenditure incurred in Hong Kong. During the six months ended 31 December 2017 and 2016, all revenue was from external customers in Hong Kong.

4 REVENUE

	Six months ended 31 December	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Revenue from provision of healthcare staffing solution services	34,534	28,195
Revenue from provision of outreach case assessment related services	2,180	1,649
	36,714	29,844

4 REVENUE (CONTINUED)

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	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Gross fee	135,290	112,982
Cost attributable to healthcare personnel	(100,756)	(84,787)
	34,534	28,195

Gross fee does not represent the Group's revenue.

5 OTHER INCOME

	Six months ended 31 December	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Other income		
– Activities income	239	163
– Advertising income	758	923
– Sales of goods	281	345
– Sales of magazines	6	–
– Others	530	464
	1,814	1,895

6 PROFIT BEFORE INCOME TAX

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

		Six months ended 31 December	
		2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
(a)	Finance income		
	Interest income on short-term bank deposits	(172)	(94)
(b)	Staff costs (including directors' remuneration)		
	Wages, salaries and bonus	9,262	6,677
	Pension costs – defined contribution plan	271	139
	Other staff welfare	345	233
		9,878	7,049
(c)	Other items		
	Auditor's remuneration	498	498
	Cost of inventories	79	46
	Depreciation for property, plant and equipment	256	243
	Professional service in respect of transfer of listing preparation	–	1,178
	Legal and professional fee	883	875
	Advertising and promotional expenses	354	368

7 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the six months ended 31 December 2017 and 2016.

	Six months ended 31 December	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Current income tax		
– Hong Kong profits tax	3,379	3,529
Deferred income tax	(21)	4
	3,358	3,533

8 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 2017 and 2016.

	Six months ended 31 December	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Profit attributable to equity holders of the Company (HK\$'000)	19,662	15,552
Weighted average number of ordinary shares in issue ('000)	400,000	400,000
Basic earnings per share (HK cents)	4.92	3.89

No adjustment has been made to the basic earnings per share amount for the six months ended 31 December 2017 and 2016 as the Group had no potentially dilutive ordinary shares in issue during the respective periods.

9 DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2017.

On 25 August 2017, the Board resolved to declare a final dividend of HK5.00 cents per ordinary share in the Company for the year ended 30 June 2017, which is payable in cash on or about 3 November 2017 to shareholders whose names appear on the register of members of the Company on Tuesday, 24 October 2017.

On 7 February 2017, the Board resolved to declare an interim dividend of HK3.75 cents per ordinary share in the Company for the six months ended 31 December 2016, which is payable in cash on or about Tuesday, 7 March 2017 to shareholders whose names appear on the register of members of the Company on Tuesday, 28 February 2017.

10 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2017, the Group acquired property, plant and equipment of approximately HK\$50,000 (for the six months ended 31 December 2016: HK\$10,000). The Group's depreciation expenses during the six months ended 31 December 2017 amounted to approximately HK\$256,000 was included in other operating expenses (for the six months ended 31 December 2016: HK\$243,000).

11 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	31 December 2017 HK\$'000 (unaudited)	30 June 2017 HK\$'000 (audited)
Current		
Prepayments	548	737
Deposits	1,710	516
Other receivables	173	187
	2,431	1,440
Non-current		
Prepayments	10	30
Deposits	539	411
	549	441
Total	2,980	1,881

The carrying amounts of prepayments, deposits and other receivables of the Group are denominated in Hong Kong dollars.

12 INTEREST IN AN ASSOCIATE AND A JOINT VENTURE

	31 December 2017 HK\$'000 (unaudited)	30 June 2017 HK\$'000 (audited)
Investment in an associate	1	–
Loans to associate (<i>Note</i>)	2,963	–
	2,964	–

Note: The shareholders' loans shall bear interest rate of 2% per annum for a term of not less than five years.

Movement of interest in an associate during the six months ended 31 December 2017 and year ended 30 June 2017 is analysed as below:

	31 December 2017 HK\$'000 (unaudited)	30 June 2017 HK\$'000 (audited)
At 1 July 2016 and 2017	–	–
Capital injection to associated company	3,000	–
Share of loss of an associate	(36)	–
	2,964	–

The Group's investment in an associate represent the 30% equity interest in Garden Medical Centre Limited ("Garden Medical"), which is an entity established in Hong Kong.

On 14 August 2017, Achiever Ventures Limited ("Achiever Ventures"), a direct wholly-owned subsidiary of the Company, has entered into an agreement with Dr. Chan Hau Ngai ("Dr. Chan HN") and Dr. Chan Chiu Lung ("Dr. Chan CL") to form a joint venture company, Garden Medical. This joint venture company is intended to be principally engaged in operation of plastic surgery clinic(s) in Hong Kong. Upon incorporation, the joint venture company will be owned as to 30% by Achiever Ventures, as to 50% by Dr. Chan HN and as to 20% by Dr. Chan CL. Achiever Ventures, Dr. Chan HN and Dr. Chan CL each agrees to advance to the joint venture company by way of shareholders' loans in the amount of HK\$3 million, HK\$5 million and HK\$2 million, respectively. The shareholders' loan shall bear interest rate of 2% per annum for a term of not less than five years. No demand of repayment of the principal and/or interest of the shareholders' loans or any part thereof shall be made until the anniversary of three years of the advance of the shareholders' loans.

The associate as listed below has share capital consisting solely of ordinary shares, which is held directly by the subsidiary of the Company; the country of incorporation or registration is also their principal place of business.

Nature of investment in an associate as at 31 December 2017 and 30 June 2017:

Name of company	Place of incorporation and kind of legal entity	Principal activities and place of operation	% of ownership		Measurement Method
			As at 31 December 2017	As at 30 June 2017	
Garden Medical Centre Limited	Hong Kong, limited liability company	Principally engaged in operation of plastic surgery clinic(s) in Hong Kong	30%	-	Equity

Garden Medical Centre Limited is private company and there is no quoted market share price available for their shares.

There are no contingent liabilities relating to the Group's interest in an associate.

On 15 December 2017, the Company through its subsidiary, Achiever Vantage Limited, embarked on a joint venture, namely Bamboos Professional Nursing Services PTE Limited, with Northville Global Limited, an investment holding company and a wholly-owned subsidiary of Lippo China Resources Limited. It is principally engaged in the provision of customised healthcare staffing solution services to individuals, institutional clients and healthcare institutions and the placing of healthcare personnel (in their capacity as self-employed persons) on appropriate vacancies and duty assignments in Singapore. Each party holds as to 50% of the joint venture company and a total of HK\$10 million is to be contributed by the two parties in proportion to their respective shareholdings in the joint venture company.

As at 31 December 2017, the Group's interest in a joint venture amounted to approximately HK\$12 (30 June 2017: Nil).

13 TRADE RECEIVABLES

	31 December 2017 HK\$'000 (unaudited)	30 June 2017 HK\$'000 (audited)
Trade receivables	29,193	22,198

During the six months ended 31 December 2017 and 30 June 2017, the Group's trade receivables have no credit term and payment is immediately due upon presentation of invoices to customers. As at 31 December 2017 and 30 June 2017, 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. The ageing analysis of trade receivables by the date on which the respective sales invoices were issued is as follow:

	31 December 2017 HK\$'000 (unaudited)	30 June 2017 HK\$'000 (audited)
Less than 60 days	26,826	21,313
60 days to 180 days	2,214	780
Over 180 days	153	105
	29,193	22,198

The credit quality of trade receivables neither past due nor impaired has been assessed by reference to historical information about the counterparty default rates. The existing counterparties do not have significant defaults in the past.

As at 31 December 2017 and 30 June 2017, no collateral has been received from these counterparties.

14 CASH AND BANK BALANCES

(a) Cash and cash equivalents

	31 December 2017 HK\$'000 (unaudited)	30 June 2017 HK\$'000 (audited)
Cash at banks	87,315	63,062
Cash on hand	83	56
Total cash and cash equivalents	87,398	63,118

(b) Short-term bank deposits

	31 December 2017 HK\$'000 (unaudited)	30 June 2017 HK\$'000 (audited)
Time deposits with original maturity over 3 months	–	36,138
Total short-term bank deposits	–	36,138

No effective interest rate on the short-term bank deposits for 31 December 2017 (30 June 2017: 1%).

The carrying amounts of cash and cash equivalents and bank deposits are denominated in Hong Kong dollars.

15 SHARE CAPITAL

	Number of shares	Ordinary shares of HK\$0.01 each <i>HK\$'000</i>
Authorised:		
At 1 July 2016, 30 June 2017, 1 July 2017 and 31 December 2017 (Unaudited)	2,000,000,000	20,000
Issued and fully paid:		
At 1 July 2016, 30 June 2017, 1 July 2017 and 31 December 2017 (Unaudited)	400,000,000	4,000

16 TRADE PAYABLES

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

The ageing analysis of trade payables as at the balance sheet date is as follow:

	31 December 2017 HK\$'000 (unaudited)	30 June 2017 HK\$'000 (audited)
Less than 30 days	16,957	14,412

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

17 ACCRUALS AND OTHER PAYABLES

	31 December 2017 HK\$'000 (unaudited)	30 June 2017 HK\$'000 (audited)
Accrued expenses	2,883	2,739
Deferred income	70	512
Other payables	925	612
	3,878	3,863

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

18 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. During the six months ended 31 December 2017 and 2016, except for The Hong Kong Health Care Federation Limited (being an entity in which Ms. Hai Hiu Chu and Mr. Kwan Chi Hong individually hold directorship), Bamboos Education-School for Talents Limited and Bamboos Group Limited (both being an entity of which the equity interest was 90% controlled by Ms. Hai Hiu Chu and 10% controlled by Mr. Kwan Chi Hong), the equity interests of all other related parties involving in transactions or having balances with the Group are controlled by Ms. Hai Hiu Chu.

(a) Transactions with related parties

During the six months ended 31 December 2017 and 2016, the Group carried out the following significant transactions with its related parties:

	Six months ended 31 December 2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Operating lease rental to Bamboos Limited	–	432
Operating lease rental to Bamboos Group Limited	1,020	–

18 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties (Continued)

Operating lease rental is charged in accordance with the agreement entered into between the relevant parties, whereas those transactions with related companies are entered into upon mutually agreed terms between the relevant parties.

As at 31 December 2017, the Group also has a rental deposit placed with a related company amounted to approximately HK\$773,000 (30 June 2017: HK\$645,000).

(b) Key management compensation

Key management includes directors. The compensation paid or payable to key management for employee services is shown below:

	Six months ended 31 December	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Basic salaries, bonuses, other allowances and benefits in kind	1,977	1,344
Pension costs- defined contribution plan	18	18
	1,995	1,362

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 also provides 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 2017 (the "Period") under review, the Group's revenue was approximately HK\$36.7 million (six months ended 31 December 2016: HK\$29.8 million), representing an increase of approximately 23.2%. Profit attributable to equity holders of the Company for the Period was approximately HK\$19.7 million, representing an increase of approximately 26.3% as compared with approximately HK\$15.6 million for the six months ended 31 December 2016. The increase in revenue from the provision of healthcare staffing solution services contributed to approximately HK\$34.5 million, representing 22.3% of the revenue growth. The growth in the provision of healthcare staffing solution services was mainly attributable to, among other factors, the increase in demand for services from both institutional and individual clients and, in particular, there was a notable increase in demand from hospitals for placement service.

There was also a growth in revenue from the provision of outreach case assessment related services, which contributed to approximately HK\$2.2 million in revenue for the six months ended 31 December 2017, representing approximately 37.5% of the revenue growth. To cater for the increase in demand for medical and health assessment services, as well as to widen the access to our services, the Group had expanded the outreach team by engaging two more registered nurses during the six months ended 31 December 2017, which make it up to five registered nurses and one medical doctor.

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. The number of healthcare personnel registered with the Group increased from approximately 17,700 as at 30 June 2017 to approximately 18,800 as at 31 December 2017.

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

During the six months ended 31 December 2017, the Board had been taking initiatives to co-operate or form alliance with strategic partners to pursue new business ventures with a view to diversifying the business of the Group beyond its existing dimension and geographical location, which is in line with the Group's business strategy for sustainable development to optimize its business growth and return to the stakeholders. These business endeavours include: (1) the formation of a joint venture company with two doctors, namely Garden Medical Centre Limited, to principally engaged in the operation of plastic surgery clinic(s) in Hong Kong; (2) the embarking on a joint venture (namely

Bamboos Professional Nursing Services PTE Limited) in Singapore with Northville Global Limited, an investment holding company and a wholly-owned subsidiary of Lippo China Resources Limited, to principally engaged in the provision of customized healthcare staffing solution services to individuals, institutional clients and healthcare institutions and placing of healthcare personnel on appropriate vacancies and duty assignments; (3) collaborating with Easylink payment network (HK) Company Limited, a subsidiary owned by Guangzhou UnionPay Network Payment, in the promotion of the latter's UnionPay's mobile point of sale (POS) machines.

FINANCIAL REVIEW

Revenue

Revenue of the Group for the six months ended 31 December 2017 was approximately HK\$36.7 million, representing an increase of approximately 23.2% as compared with that of approximately HK\$29.8 million for the six months ended 31 December 2016. Among this, revenue generated from the provision of healthcare staffing solution services was approximately HK\$34.5 million for the six months ended 31 December 2017, representing an increase of approximately HK\$6.3 million, or approximately 22.3% from approximately HK\$28.2 million for the six months ended 31 December 2016.

Revenue from the provision of private nursing staffing services was approximately HK\$20.0 million for the six months ended 31 December 2017, representing an increase of approximately HK\$1.4 million or approximately 7.5% from approximately HK\$18.6 million for the six months ended 31 December 2016. Revenue from institutional staffing solution services was approximately HK\$14.5 million for the six months ended 31 December 2017, representing an increase of approximately HK\$4.9 million or approximately 51.0%, from approximately HK\$9.6 million for the six months ended 31 December 2016. Such increase was primarily attributable to the increase in demand for healthcare staffing solution services from institutional and individual clients, amongst all, there was notable service demand increase from hospitals requiring placement service.

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 25.5% for the six months ended 31 December 2017 from approximately 25.0% for the six months ended 31 December 2016.

Revenue from the provision of outreach case assessment related services was approximately HK\$2.2 million for the six months ended 31 December 2017, representing an increase in approximately HK\$531,000 or approximately 37.5%, from approximately HK\$1.6 million for the six months ended 31 December 2016.

Other income

Other income mainly comprised advertising income, sales of goods, activities income and others. Other income decreased slightly from approximately HK\$1.9 million for the six months ended 31 December 2016 to approximately HK\$1.8 million for the six months ended 31 December 2017, representing a decrease of approximately HK\$81,000 or approximately 5.3%.

Expenses

Employee benefit expenses increased by approximately HK\$2.9 million or approximately 41.4%, from approximately HK\$7.0 million for the six months ended 31 December 2016 to approximately HK\$9.9 million for the six months ended 31 December 2017. Such increase was mainly attributable to increase in headcounts and increase in remuneration package for both general employees and Directors.

Other operating expenses slightly decreased from approximately HK\$5.0 million for the six months ended 31 December 2016 to approximately HK\$4.7 million for the six months ended 31 December 2017, representing a decrease of approximately HK\$289,000 or approximately 6.0%.

Operating lease rental increased by approximately HK\$356,000 or approximately 42.9%, from approximately HK\$0.7 million for the six months ended 31 December 2016 to approximately HK\$1.0 million for the six months ended 31 December 2017. It was mainly attributable to the increase in lease rental of the headquarters of the Group during the six months ended 31 December 2017.

Finance income

Finance income represented the interest income on short-term bank deposits. Finance income increased from approximately HK\$94,000 for the six months ended 31 December 2016 to approximately HK\$172,000 for the six months ended 31 December 2017, representing an increase in approximately HK\$78,000 or approximately 83.0%.

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 six months ended 31 December 2017, representing an increase of approximately HK\$4.1 million or approximately 26.3% as compared with that of approximately HK\$15.6 million for the six months ended 31 December 2016. The increase 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 2017. The working capital needs and other capital requirements have been met through a combination of shareholders' equity and cash generated from operations. Going forwards, the Company intends to finance the Group's future operations and capital expenditures

with cash flow from operating activities and the balance of the net proceeds from the initial listing of the Company's share on GEM by way of placing in 2014. Its primary uses of cash have been and are expected to continue to be operating costs and capital expenditure.

Current assets of the Group primarily comprise cash and cash equivalents, short-term bank deposit, trade receivables, prepayments, deposits and other receivables and inventories; current liabilities primarily comprise trade payables, tax payable, accruals and other payables.

As at 31 December 2017, the Group maintained cash and cash equivalents amounting to approximately HK\$87.4 million (30 June 2017: HK\$63.1 million). Net current assets decreased from approximately HK\$96.7 million as at 30 June 2017 to approximately HK\$93.5 million as at 31 December 2017, which was mainly due to the advances paid to an associate during the six months ended 31 December 2017.

CAPITAL STRUCTURE

As at 31 December 2017, the Company's issued and fully paid capital and total equity attributable to equity holders of the Company amounted to approximately HK\$4.0 million and approximately HK\$98.0 million respectively.

FOREIGN EXCHANGE EXPOSURE RISKS

The Group's exposure to currency risk is insignificant as the Group operates in Hong Kong with all of its cash and cash equivalents and transactions denominated and settled in Hong Kong Dollar. As at 31 December 2017, the Group has not used any derivative financial instruments to hedge foreign exchange risk (30 June 2017: Nil).

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 unaudited condensed consolidated balance sheet) plus net debt. The Group had no outstanding bank and other borrowings as at 31 December 2017 and 30 June 2017.

CAPITAL COMMITMENTS

As at 31 December 2017, the Group had no significant capital commitments (30 June 2017: Nil).

PLEDGE OF ASSETS

As at 31 December 2017, there was no significant pledge on the Group's assets (30 June 2017: Nil).

CONTINGENT LIABILITIES

As at 31 December 2017, the Group had no significant contingent liabilities (30 June 2017: 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 2017.

INVESTMENT, ACQUISITIONS AND DISPOSALS OF ASSETS OR SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have significant investment, material acquisition or disposal of assets or subsidiaries during the year ended 31 December 2017.

On 14 August 2017, Achiever Ventures Limited (“Achiever Ventures”), a direct wholly-owned subsidiary of the Company, entered into an agreement with Dr. Chan Hau Ngai (“Dr. Chan HN”) and Dr. Chan Chiu Lung (“Dr. Chan CL”) to form a joint venture company, Garden Medical Centre Limited. This joint venture company is intended to be principally engaged in the operation of plastic surgery clinic(s) in Hong Kong. Upon incorporation, the joint venture company will be owned as to 30% by Achiever Ventures, as to 50% by Dr. Chan HN and as to 20% by Dr. Chan CL. Please refer to the Company’s announcement dated 21 August 2017 for further details of the formation of the above joint venture in Hong Kong.

As at 31 December 2017, the Group’s interest in associate amounted to HK\$3.0 million (30 June 2017: Nil).

On 15 December 2017, the Company, through its wholly-owned subsidiary, Achiever Vantage Limited, embarked on a joint venture, namely Bamboos Professional Nursing Services PTE Limited, with Northville Global Limited, an investment holding company and a wholly-owned subsidiary of Lippo China Resources Limited. The joint venture is principally engaged in (i) the provision of customised healthcare staffing solution services to individuals, institutional clients and healthcare institutions and (ii) the placing of healthcare personnel (in their capacity as self-employed persons) on appropriate vacancies and duty assignments in Singapore. Each party holds as to 50% of the joint venture company and a total of HK\$10 million is to be contributed by the two parties in proportion to their respective shareholdings in the joint venture company. Please refer to the Company’s announcement dated 15 December 2017 for further details of the formation of the above joint venture in Singapore.

EMPLOYEES AND REMUNERATION POLICIES

The remuneration package of the staff includes salary and discretionary bonus. Employees' remuneration is determined based on the individual's qualifications, experience, position, job responsibilities and market conditions. Salary adjustments and staff promotion are based on evaluation of staff performance by way of annual review, and discretionary bonuses are paid to staff with reference to the Group's financial performance of the preceding financial year and performance of individual staff.

As at 31 December 2017, the Group engaged a total of 59 employees (30 June 2017: 43). Total staff costs including Directors' remuneration for the six months ended 31 December 2017 amounted to approximately HK\$9.9 million (for the six months ended 31 December 2016: HK\$7.0 million). The Group's remuneration policies are in line with the prevailing market practices.

The Company has adopted a share option scheme (the "Share Option Scheme") under which eligible participants (including, among others, full-time employees) may be granted options to subscribe for shares in the Company. As at 31 December 2017, no options had been granted under the Share Option Scheme.

The Group operates a defined contribution mandatory provident fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all of the Group's employees in Hong Kong in accordance with the rules of the MPF Scheme.

USE OF PROCEEDS

The net proceeds from the placing of a total of 100,000,000 new shares in the Company at the placing price of HK\$0.5 each (the "Placing") were approximately HK\$39.8 million. As at 31 December 2017, the Company had utilised approximately HK\$28.3 million of net proceeds from the Placing. As disclosed in the Company's announcement dated 25 August 2017, the Board had resolved to change the proposed use of the net proceeds from the Placing. Details of the original allocation of the net proceeds (the "Original Allocation"), the revised allocation of the net proceeds (the "Revised Allocation") and the utilisation of the net proceeds (the "Utilisation") as at 31 December 2017 are set out below:

	Original Allocation <i>HK\$'million</i>	Revised Allocation <i>HK\$'million</i>	Utilisation <i>HK\$'million</i>
Enhancing business operation efficiency <i>(Note)</i>	3.9	1.5	1.5
Strengthening brand awareness and expanding healthcare personnel pool <i>(Note)</i>	5.8	13.7	6.6
Enhancing healthcare staffing solution services <i>(Note)</i>	15.2	9.7	8.3
Developing outreach services team	7.9	7.9	4.9
Repayment of indebtedness	4.8	4.8	4.8
General working capital	2.2	2.2	2.2
	39.8	39.8	28.3

To the extent that the net proceeds from the Placing are not immediately required for the above purposes, they had been placed on short-term interest bearing deposits with authorised financial institutions in Hong Kong.

In the event that any part of the business plans of the Group does not materialise or proceed as planned, the Directors will carefully evaluate the situation and may reallocate the intended funding to other business plans and/or to new projects of the Group and/or to hold the funds as short-term interest bearing deposits so long as the Directors consider it to be in the best interest of the Company and the shareholders taken as a whole.

Note:

As disclosed in the Company's announcement dated 25 August 2017, as at 30 June 2017, the aggregated actual costs of the case management system synchronization and maintenance and introducing experienced healthcare professional to the management team were less than planned, with unutilised net proceeds for enhancing business operation efficiency amounted to HK\$2.4 million. In addition, as the hire care permit required for the commencement of the point-to-point pick-up service had not been obtained and the point-to-point pick-up service had not commenced, the related expenditure was less than the planned use of net proceeds for enhancing healthcare staffing solution services through introducing point-to-point pick-up service, with unutilised net proceeds amounted to HK\$7.9 million.

In order to better capture business opportunities, the Board had resolved to cease the point-to-point pick-up service, and reallocate the above-mentioned aggregated unutilised net proceeds of approximately HK\$10.3 million to (i) strengthening brand awareness and expanding healthcare personnel pool, and (ii) enhancing healthcare staffing solution services through strengthening its Customer Service Department and other back office support as well as enhancing office facilities, acquire computer equipment, furniture and fixture.

COMPETING INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDERS AND THEIR RESPECTIVE CLOSE ASSOCIATES

Save as disclosed in the Company's prospectus issued on 30 June 2014 (the "Prospectus") and summarised below, none of the Directors, controlling shareholders of the Company or their respective close associates (as defined under the Listing Rules) had any business or interest in a business which competes or may compete with the business of the Group and any other conflict of interest with the Group during the six months ended 31 December 2017.

Name of entity which is considered to compete or likely to compete with the business of the Group	Shareholding in the company attributable to the Directors or controlling shareholders named below	Nature of business	Remarks
Bamboos Medicine Limited ("BML")	100% by Ms. Hai Hiu Chu	Provision of Chinese medicine consultation and treatment services in Hong Kong	Ms. Hai Hiu Chu is a director of BML
Bamboos Education – School for Talents Limited ("BEST")	90% by Ms. Hai Hiu Chu and 10% by Mr. Kwan Chi Hong	Provision of healthcare related training service in Hong Kong	Both Ms. Hai Hiu Chu and Mr. Kwan Chi Hong are directors of BEST

The controlling shareholders of the Company (namely Mr. Kwan Chi Hong, Ms. Hai Hiu Chu, Gold Empress Limited and Gold Beyond Limited) had confirmed to the Company that, during the six months ended 31 December 2017, they and their respective close associates (as defined under the Listing Rules) had complied with the undertakings contained in the deed of non-competition undertaking dated 24 June 2014 given by them in favour of the Company (for itself and as trustee for and on behalf of each of its subsidiaries) as disclosed in the Prospectus.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 31 December 2017 and the date of this interim report, the interests of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance ("SFO"), as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have taken under such provisions of the SFO), as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuer ("Model Code") set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange were as follows:

Name of Director	Nature of interest	Number of Shares	Percentage of shareholding (Note 4) (%)
Ms. Hai Hiu Chu	Interest of a controlled corporation	270,000,000 (Note 1)	75%
	Deemed interest	30,000,000 (Note 3)	
Mr. Kwan Chi Hong	Interest of a controlled corporation	30,000,000 (Note 2)	75%
	Deemed interest	270,000,000 (Note 3)	

Notes:

- Ms. Hai Hiu Chu is deemed to be interested in the Shares held by Gold Empress Limited ("Gold Empress") by virtue of the SFO as Gold Empress is wholly owned by Ms. Hai Hiu Chu.
- Mr. Kwan Chi Hong is deemed to be interested in the Shares held by Gold Beyond Limited ("Gold Beyond") by virtue of the SFO as Gold Beyond is wholly owned by Mr. Kwan Chi Hong.
- Ms. Hai Hiu Chu and Mr. Kwan Chi Hong, being the executive Directors, are deemed to be parties acting in concert under the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). As such, Ms. Hai Hiu Chu, Mr. Kwan Chi Hong, Gold Empress and Gold Beyond are all regarded as parties acting in concert under the Takeovers Code and are therefore deemed to be interested in the Shares held by each other.
- All the interests stated above represent long positions. The percentage of shareholding is calculated on the basis of 400,000,000 shares in the Company in issue as at 31 December 2017 and the date of this interim report.

Save as disclosed above, as at 31 December 2017, none of the Directors or the chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have taken under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

So far as the Directors or the chief executive of the Company are aware of, as at 31 December 2017, the following corporations had interests or short positions in the Shares or underlying Shares, which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of shareholder	Capacity	Number of Shares held	Percentage of shareholding (Note 4) (%)
Gold Empress	Beneficial owner	270,000,000 (Note 1)	75%
	Deemed interest	30,000,000 (Note 3)	
Gold Beyond	Beneficial owner	30,000,000 (Note 2)	75%
	Deemed interest	270,000,000 (Note 3)	

Notes:

- Under the SFO, Ms. Hai Hiu Chu is deemed to be interested in 270,000,000 Shares held by Gold Empress by virtue of Ms. Hai Hiu Chu holding the entire issued share capital of Gold Empress.
- Under the SFO, Mr. Kwan Chi Hong is deemed to be interested in 30,000,000 Shares held by Gold Beyond by virtue of Mr. Kwan Chi Hong holding the entire issued share capital of Gold Beyond.
- Ms. Hai Hiu Chu and Mr. Kwan Chi Hong, being the executive Directors, are deemed to be parties acting in concert under the Takeovers Code. As such, Ms. Hai Hiu Chu, Mr. Kwan Chi Hong, Gold Empress and Gold Beyond are all regarded as parties acting in concert under the Takeovers Code and are therefore deemed to be interested in the Shares held by each other.
- All the interests stated above represent long positions. The percentage of shareholding is calculated on the basis of 400,000,000 shares in the Company in issue as at 31 December 2017 and the date of this interim report.

Save as disclosed above, so far as the Directors or the chief executive of the Company are aware of as at 31 December 2017, no corporation/person (not being a Director or the chief executive of the Company) had any interests or short position in the Shares or underlying Shares, which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which was recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

The Company's Share Option Scheme was conditionally approved 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.

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 2017.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the six months ended 31 December 2017, neither the Company nor any of the subsidiaries had purchased, redeemed or sold any of the Company's listed securities.

COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings as set out in the Model Code in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard of dealings and the Company's code of conduct regarding Directors' securities transactions during the six months ended 31 December 2017.

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 protecting the overall interests of the Company and the shareholders. During the six months ended 31 December 2017, the Company had complied with all the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules on the Stock Exchange.

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 audit committee comprises three independent non-executive Directors, namely Mr. Lam Cheung Wai, Dr. Luk Yim Fai and Dr. Leung Yu Lung. Mr. Lam Cheung Wai 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 financial information of the Group for the six months ended 31 December 2017, as well as internal controls, risk management and other financial reporting matters.

CHANGE IN THE INFORMATION OF DIRECTORS

Ms. Hai Hiu Chu, an executive Director, was appointed as an independent non-executive director of Hans Energy Company Limited, a company whose shares are listed on Main Board of the Stock Exchange (Stock code: 554), with effect from 23 October 2017.

Mr. Kwan Chi Hong, an executive Director, was appointed as an independent non-executive director of Prosten Health Holdings Limited, a company whose shares are listed on GEM Board of the Stock Exchange (Stock code: 8026), with effect from 12 February 2018.

Mr. Kwan Chi Hong, an executive Director, has become entitled to receive an increased director's fee of HK\$1,800,000 per annum (from HK\$1,400,000 per annum).

Ms. Hai Hiu Chu, an executive Director, has become entitled to receive an increased director's fee of HK\$1,800,000 per annum (from HK\$1,400,000 per annum).

Mr. Wong Kam Pui, a non-executive Director, has become entitled to receive an increased director's fee of HK\$ 120,000 per annum (from HK\$96,000 per annum).

Dr. Leung Yu Lung, an independent non-executive Director, has become entitled to receive an increased director's fee of HK\$120,000 per annum (from HK\$96,000 per annum).

Dr. Luk Yim Fai, an independent non-executive Director, has become entitled to receive an increased director's fee of HK\$120,000 per annum (from HK\$96,000 per annum).

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2017 (31 December 2016: HK\$3.75 cents per share).

By order of the Board
Bamboos Health Care Holdings Limited
百本醫護控股有限公司
Kwan Chi Hong
Chairman

關懷備至·專業實幹·全心全意
Care · Competence · Commitment

