



Bamboos Health Care Holdings Limited
百本醫護控股有限公司



INTERIM REPORT

2018 / 2019 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 2018 amounted to approximately HK\$35.3 million, representing a decrease of approximately 3.8% from approximately HK\$36.7 million for the six months ended 31 December 2017.
- Profit before income tax for the six months ended 31 December 2018 amounted to approximately HK\$17.0 million, representing a decrease of approximately 26.1% from approximately HK\$23.0 million for the six months ended 31 December 2017.
- Profit attributable to equity holders of the Company for the six months ended 31 December 2018 amounted to approximately HK\$15.3 million, representing a decrease of approximately 22.3% from approximately HK\$19.7 million for the six months ended 31 December 2017.
- The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2018.

FINANCIAL RESULTS

The board of directors (the "Board" or the "Directors") of Bamboos Health Care Holdings Limited (the "Company", together with its subsidiaries, the "Group") hereby announces the unaudited consolidated interim results of the Group for the six months ended 31 December 2018, which has been reviewed by the Company's audit committee, together with the unaudited comparative figures for the corresponding period ended 31 December 2017 as follows:

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2018

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

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 31 December 2018

		Six Months ended 31 December	
<i>Note</i>	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	
	15,322	19,662	
	HK3.83 cents	HK4.92 cents	

Profit and total comprehensive income for the period attributable to equity holders of the Company

Earnings per share attributable to equity holders of the Company (expressed in HK cents per share)

Basic and diluted 9

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

		31 December 2018	30 June 2018
	<i>Note</i>	HK\$'000	<i>HK\$'000</i>
		(unaudited)	(audited)
ASSETS			
Non-current assets			
Property, plant and equipment	11	1,393	1,609
Investment in a joint venture		1,667	2,245
Interests in an associate		1,231	1,984
Prepayments and deposits	13	5,484	1,387
		9,775	7,225
Current assets			
Inventories		246	84
Trade receivables	12	33,820	43,929
Prepayments, deposits and other receivables	13	7,805	4,197
Amounts due from related companies		121	10
Cash and cash equivalents	14	98,904	96,806
		140,896	145,026
Total assets		150,671	152,251
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of the Company			
Share capital	17	4,000	4,000
Share premium		39,123	39,123
Reserves		82,716	77,394
Total equity		125,839	120,517

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2018

	31 December 2018 HK\$'000 (unaudited)	30 June 2018 HK\$'000 (audited)
<i>Note</i>		
Non-current liabilities		
Deferred income tax liabilities	192	119
Current liabilities		
Trade payables	16,522	17,571
Accruals and other payables	4,681	3,898
Amount due to a related company	44	–
Tax payable	3,393	10,146
	24,640	31,615
Total liabilities	24,832	31,734
Total equity and liabilities	150,671	152,251

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2018

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

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2018

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

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

Bamboos Health Care Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 23 November 2012 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is PO Box 309, Ugland House, Grand Cayman, 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 consolidated interim results (the “Interim Financial Information”) of the Group for the six months ended 31 December 2018 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

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

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

2 BASIS OF PREPARATION (CONTINUED)

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

The Interim Financial Information 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 2018, 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 2018.

- (a) New standards, amendments to standards and interpretation that are mandatory for the financial year beginning on 1 July 2018:

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

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

3 ACCOUNTING POLICIES (CONTINUED)

- (b) The following new standards, amendments to standards and interpretation have been issued but not yet effective for the financial year beginning on 1 July 2018 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
HKFRS 3 (amendments)	Definition of a Business	1 January 2020
HKFRS 9 (amendments)	Prepayment Features with Negative Compensation	1 January 2019
HKFRS 10 and HKAS 28 (2011) (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
HKFRS 16	Leases	1 January 2019
HKFRS 17	Insurance Contracts	1 January 2021
HKAS 1 and HKAS 8 (amendments)	Definition of Material	1 January 2020
HKAS 19 (amendments)	Plan Amendments, Curtailment or Settlement	1 January 2019
HKAS 28 (amendments)	Long-term Interests in Associates and Joint Ventures	1 January 2019
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle	1 January 2019

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

4 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group is principally engaged in the provision of healthcare staffing solution services to private and institutional customers in which placement of healthcare personnel is made according to the specific request from these customers, and resources are allocated based on what is most beneficial to the Group in enhancing the value as a whole, instead of any specific unit.

In addition, the Group's chief operating decision-maker assesses the performance of the Group based on the profit before income tax of the Group as a whole. Accordingly, management considers there is only one operating segment under the requirements of HKFRS 8.

The Group primarily operates in Hong Kong and most of its non-current assets are located in Hong Kong. During the six months ended 31 December 2018 and 2017, all revenue was earned from external customers in Hong Kong.

5 REVENUE

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

5 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	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Gross fee	125,404	135,290
Cost attributable to healthcare personnel	(92,771)	(100,756)
Revenue from provision of healthcare staffing solution services	32,633	34,534

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

6 OTHER INCOME

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

7 PROFIT BEFORE INCOME TAX

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

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

8 INCOME TAX EXPENSE

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

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

9 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the six months ended 31 December 2018 and 2017.

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

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

10 DIVIDENDS

- (i) The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2018 (31 December 2017: HK\$Nil per share).
- (ii) Dividends payable to the Company's shareholders attributable to the previous financial year, approved and paid during the respective periods:

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

11 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2018, the Group purchased property, plant and equipment of approximately HK\$82,000 (for the six months ended 31 December 2017: HK\$50,000). The Group's depreciation expenses during the six months ended 31 December 2018 amounted to approximately HK\$298,000 was included in other operating expenses (for the six months ended 31 December 2017: HK\$256,000).

12 TRADE RECEIVABLES

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

The Group's trade receivables had no credit term and payment was immediately due upon presentation of invoices to customers. As at 31 December 2018 and 30 June 2018, all trade receivables were past due but not considered to be impaired because these mainly relate to a number of customers with limited history of default.

12 TRADE RECEIVABLES (CONTINUED)

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

The credit quality of trade receivables past due but not impaired has been assessed by reference to historical information about the counterparty default rates. The existing counterparties do not have significant defaults in the past.

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

13 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

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

14 CASH AND CASH EQUIVALENTS

	31 December 2018 HK\$'000 (unaudited)	30 June 2018 HK\$'000 (audited)
Cash at banks	28,435	59,726
Cash on hand	5	8
Bank deposits	70,464	37,072
Total cash and cash equivalents	98,904	96,806

The effective interest rate on the bank deposits was 2% per annum (30 June 2018: 1%). These deposits had original maturity of three months or less.

15 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 2018 HK\$'000 (unaudited)	30 June 2018 HK\$'000 (audited)
Less than 30 days	16,522	17,571

16 ACCRUALS AND OTHER PAYABLES

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

17 SHARE CAPITAL

	Number of shares	Ordinary shares of HK\$0.01 each HK\$'000
Authorised:		
At 1 July 2017, 30 June 2018, 1 July 2018 and 31 December 2018 (Unaudited)	2,000,000,000	20,000
Issued and fully paid:		
At 1 July 2017, 30 June 2018, 1 July 2018 and 31 December 2018 (Unaudited)	400,000,000	4,000

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 2018 and 2017, 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.

18 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related party

During the six months ended 31 December 2018 and 2017, the Group carried out the following significant transactions with its related party:

	Six months ended 31 December	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Bamboos Group Limited		
– Operating lease rental	2,400	890
– Management fee	144	130

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

As at 31 December 2018, the Group also has a rental deposit placed with Bamboos Group Limited amounted to approximately HK\$1,274,000 (30 June 2018: HK\$1,274,000).

(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	
	2018 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)
Fees	165	180
Basic salaries, bonuses, other allowances and benefits in kind	2,100	1,800
Retirement benefit costs – defined contribution plan	18	18
	2,283	1,998

19 COMMITMENTS

(a) Capital commitments contracted but not provided for:

	31 December 2018 HK\$'000 (unaudited)	30 June 2018 HK\$'000 (audited)
Capital injection to Bamboos Professional Nursing Services PTE. Limited	2,500	2,500
Acquisition of property, plant and equipment	186	–

(b) Operating lease commitments

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

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

	31 December 2018 HK\$'000 (unaudited)	30 June 2018 HK\$'000 (audited)
No later than 1 year	5,643	6,135
Later than 1 year and no later than 5 years	620	3,905
	6,263	10,040

20 APPROVAL OF INTERIM FINANCIAL REPORT

The interim financial report was approved by the Board on 28 February 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

The Group is dedicated to the provision of healthcare staffing solution services to individuals and institutional clients including hospitals and social service organisations in Hong Kong. The Group offers duty opportunities to self-employed healthcare personnel registered with it. Through an outreach team of healthcare professionals, the Group also provides outreach case assessment related services.

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

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

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

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

FINANCIAL REVIEW

Revenue

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

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

Revenue from institutional staffing solution services was approximately HK\$16.6 million for the six months ended 31 December 2018, representing an increase of approximately HK\$2.1 million or approximately 14.5%, from approximately HK\$14.5 million for the six months ended 31 December 2017. Such increase was primarily attributable to the increase in demand for healthcare staffing solution services from institutional clients, amongst all, there was notable increase in service demand from hospitals requiring placement service.

The revenue from the provision of healthcare staffing solution services as a percentage of gross fee is determined with reference to the mark-up ratio between the charge-out rate to our clients and the pay-out rate to different ranks of healthcare personnel placed by us and the number of service hours performed by respective rank of healthcare personnel. Revenue generated from the provision of healthcare staffing solution services as a percentage of gross fee slightly increased to approximately 26.0% for the six months ended 31 December 2018 from approximately 25.5% for the six months ended 31 December 2017.

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

Other income

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

Expenses

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

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

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

Finance income

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

Share of results of an associate/a joint venture

The Group's 30% interest in an associate, Garden Medical Centre Limited, commenced its operation of plastic surgery clinic in Hong Kong since January 2018 and a share of loss of approximately HK\$753,000 was recognized during the Period.

The Group's 50% interest in a joint venture, Bamboos Professional Nursing Services PTE. Limited, commenced its operation of healthcare staffing solution services in Singapore since March 2018 and a share of loss of approximately HK\$582,000 was recorded primarily attributable to pre-operating expenses incurred during the Period.

Profit for the period attributable to equity holders of the Company

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

LIQUIDITY AND FINANCIAL RESOURCES

The Group remained in a healthy and sound liquidity position as at 31 December 2018. The working capital needs and other capital requirements have been met through a combination of shareholders' equity and cash generated from operations. Going forward, the Group intends to finance its future operations and capital expenditures with cash flow generated from operating activities and the balance of the net proceeds from the initial listing of the Company's shares on GEM Board of the Stock Exchange by way of placing in 2014. The primary uses of cash have been and are expected to continue to be operating costs and capital expenditure.

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

As at 31 December 2018, the Group had net current assets of approximately HK\$116.3 million, as compared to approximately HK\$113.4 million as at 30 June 2018, which was mainly due to net cash generated from operating activities.

FOREIGN EXCHANGE EXPOSURE RISKS

The Group's exposure to currency risk is insignificant as the Group mainly operates in Hong Kong with most of the transactions denominated and settled in Hong Kong dollars. As at 31 December 2018, the Group has not used any forward contracts, currency borrowings, derivative financial instruments or other means to hedge foreign exchange risk (30 June 2018: Nil).

CAPITAL STRUCTURE

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

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 consolidated statement of financial position) plus net debt. As at 31 December 2018 and 30 June 2018, the Group had no outstanding bank and other borrowings.

CAPITAL COMMITMENTS

As at 31 December 2018, the Group has capital commitments of HK\$2.5 million to Bamboos Professional Nursing Services PTE. Limited (the joint venture company set up in Singapore) (30 June 2018: HK\$2.5 million) and approximately HK\$186,000 on acquisition of property, plant and equipment (30 June 2018: HK\$Nil).

PLEDGE OF ASSETS

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

CONTINGENT LIABILITIES

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

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

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

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

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

EMPLOYEES, REMUNERATION POLICIES AND RETIREMENT BENEFITS

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. Other benefits include medical schemes, contributions to statutory mandatory provident fund schemes for Hong Kong employees and social insurance together with housing provident funds for employees in The People's Republic of China.

As at 31 December 2018, the Group engaged a total of 52 employees (30 June 2018: 38). Total staff costs including Directors' remuneration for the six months ended 31 December 2018 amounted to approximately HK\$9.9 million (six months ended 31 December 2017: HK\$9.9 million). The Group's remuneration policies are in line with the prevailing market practices.

The Company has conditionally adopted a share option scheme on 24 June 2014 (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 2018 and 30 June 2018, no options had been granted under the Share Option Scheme.

USE OF NET 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 in 2014 (the "Placing") were approximately HK\$39.8 million. As at 31 December 2018, the Company had utilised approximately HK\$34.4 million of net proceeds from the Placing. As disclosed in the Company's announcement dated 25 August 2017 and for the reasons stated therein, 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 2018 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	3.9	1.5	1.5
Strengthening brand awareness and expanding healthcare personnel pool	5.8	13.7	8.7
Enhancing healthcare staffing solution services	15.2	9.7	9.7
Developing outreach services team	7.9	7.9	7.5
Repayment of indebtedness	4.8	4.8	4.8
General working capital	2.2	2.2	2.2
	39.8	39.8	34.4

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 interests of the Company and the shareholders taken as a whole.

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

Save as disclosed in this interim report and summarised below, none of the Directors, controlling shareholders of the Company or their respective close associates (as defined under the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange")) 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 2018.

Name of company 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	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 Ms. Hai Hiu Chu, Mr. Kwan Chi Hong, Gold Empress Limited and Gold Beyond Limited) had confirmed to the Company that, during the six months ended 31 December 2018, they and their respective close associates (as defined under the Listing Rules) have complied with the undertakings contained in the deeds of non-competition undertaking dated 24 June 2014 and 21 February 2017 in favour of the Company (for itself and as trustee for and on behalf of each of its subsidiaries).

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 2018, the interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the "SFO")) held by the Directors and chief executives of the Company which have been 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 were taken or deemed to have taken under such provisions of the SFO), or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuer (the "Model Code") as set out in Appendix 10 to the Listing Rules were as follows:

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

Notes:

- Ms. Hai Hiu Chu is deemed to be interested in the 270,000,000 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 30,000,000 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 during the six months ended 31 December 2018, are deemed to be parties acting in concert under the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). Accordingly, 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 of them.
- 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 2018.

Save as disclosed above, as at 31 December 2018, none of the Directors or the chief executive of the Company had any interest or short position 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 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 were taken or deemed to have taken under such provisions of the SFO) or which were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware of, as at 31 December 2018, other than the Directors and chief executives of the Company, the following persons/entities had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be 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 (%) <i>(Note 4)</i>
Gold Empress	Beneficial owner	270,000,000 <i>(Note 1)</i>	75%
	Deemed interest	30,000,000 <i>(Note 3)</i>	
Gold Beyond	Beneficial owner	30,000,000 <i>(Note 2)</i>	75%
	Deemed interest	270,000,000 <i>(Note 3)</i>	

Notes:

- Under the SFO, Ms. Hai Hiu Chu is deemed to be interested in the 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 the 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 during the six months ended 31 December 2018, 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 of them.
- 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 2018.

Save as disclosed above, as at 31 December 2018, no other person had any interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO.

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.

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 31 December 2018 and up to the date of this interim report, 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. The Directors, after specific enquiries by the Company, confirmed their compliance with the required standards set out in the Model Code throughout the six months ended 31 December 2018.

CORPORATE GOVERNANCE

The Board is committed to ensuring and upholding a high standard of corporate governance, transparency and business practices, which are fundamental to achieving the Group's vision of becoming or continuing to be a leading, most respected and fast growing provider of healthcare staffing solution services in Hong Kong and safeguarding the overall interests of the Company and the shareholders.

The Company's corporate governance practices are based on the principles of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules. During the six month ended 31 December 2018 and up to the date of this interim report, the Company had complied with the applicable code provisions set out in the CG Code, except for the deviations which are explained below.

Code provision A.2.1

Under Code provision A.2.1, the roles of the chairman and the chief executive officer should be segregated and should not be performed by the same individual. Since 18 August 2018, Ms. Hai Hiu Chu ("Ms. Hai") has been acting as the Chairman of the Board and the Chief Executive Officer of the Company. Ms. Hai is the founder of the Group and has extensive experience in the medical field and the pharmaceutical industry. Ms. Hai is responsible for the effective running of the Board and the formulation of business strategies. The Board considers that Ms. Hai, by serving the dual roles, is able to lead the Board in major business decision making for the Group. The management structure enables the Board's decision to be more effectively made and facilitates implementation of business strategies under the leadership of Ms. Hai, which is conducive to effective management and the business development of the Group. The Board will continue to review the effectiveness of the Group's corporate governance structure to assess whether changes, including the separation of the roles of chairman and chief executive officer, are necessary.

MATTERS AFTER THE REPORTING PERIOD

Change in composition of the Board

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

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

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

Suspected misappropriation of funds

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

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

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

AUDIT COMMITTEE

The Board established the audit committee with written terms of reference which are of no less exacting terms than those set out in the CG Code. The full terms of reference setting out details of duties of our audit committee are available on the Stock Exchange’s website at www.hkexnews.hk and our Company’s website at www.bamboos.com.hk.

As at the date of this interim report, the audit committee comprises two independent non-executive Directors, namely Dr. Leung Yu Lung and Mr. Wong Kon Man Jason. Mr. Wong Kon Man Jason is the chairman of the audit committee. The audit committee had reviewed and discussed with the management of the Company the accounting principles and practices adopted by the Group and the unaudited consolidated interim results of the Group for the six months ended 31 December 2018, as well as internal controls, risk management and other financial reporting matters.

INTERIM DIVIDEND

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

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



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