



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

2019 / 2020 INTERIM REPORT



2019 / 2020 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 2019 amounted to approximately HK\$37.5 million, representing an increase of approximately 6.2% from approximately HK\$35.3 million for the six months ended 31 December 2018.
- Profit before income tax for the six months ended 31 December 2019 amounted to approximately HK\$19.9 million, representing an increase of approximately 17.1% from approximately HK\$17.0 million for the six months ended 31 December 2018.
- Profit attributable to equity holders of the Company for the six months ended 31 December 2019 amounted to approximately HK\$16.9 million, representing an increase of approximately 10.5% from approximately HK\$15.3 million for the six months ended 31 December 2018.
- On 17 February 2020, the Board resolved to declare an interim dividend of HK\$10,000,000 (HK2.50 cents per ordinary share) for the six months ended 31 December 2019 to the Company's shareholders whose names appear on the register of members of the Company on 2 March 2020.

FINANCIAL RESULTS

The board of directors (the "Board" or the "Directors") of Bamboos Health Care Holdings Limited (the "Company", together with its subsidiaries, the "Group") hereby announces the unaudited consolidated interim results of the Group for the six months ended 31 December 2019, which has been reviewed by the Company's audit committee, together with the unaudited comparative figures for the corresponding period ended 31 December 2018 as follows:

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2019

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

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

For the six months ended 31 December 2019

		Six months ended 31 December	
		2019	2018
<i>Note</i>		HK\$'000 (unaudited)	<i>HK\$'000</i> <i>(unaudited)</i>
Profit and total comprehensive income for the period attributable to equity holders of the Company		16,882	15,322
Earnings per share attributable to equity holders of the Company (expressed in HK cents per share)			
Basic and diluted	9	HK4.22 cents	HK3.83 cents

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Note	31 December 2019 HK\$'000 (unaudited)	30 June 2019 HK\$'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	11	6,158	4,897
Right of use assets	12	6,435	–
Investment in a joint venture		599	1,033
Investment in and advance to an associate		–	–
Prepayments and deposits	14	9,719	7,399
		22,911	13,329
Current assets			
Inventories		1,032	947
Trade receivables	13	39,385	41,426
Prepayments, deposits and other receivables	14	4,395	5,714
Amounts due from related companies		590	892
Cash and cash equivalents	15	113,784	118,703
		159,186	167,682
Total assets		182,097	181,011
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of the Company			
Share capital	18	4,000	4,000
Share premium		39,123	39,123
Reserves		105,281	106,858
Total equity		148,404	149,981

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2019

	Note	31 December 2019 HK\$'000 (unaudited)	30 June 2019 HK\$'000 (audited)
Non-current liabilities			
Lease liabilities	12	4,059	–
Deferred income tax liabilities		159	192
		4,218	192
Current liabilities			
Trade payables	16	16,844	16,260
Accruals and other payables	17	7,366	4,666
Lease liabilities	12	2,376	–
Tax payable		2,889	9,912
		29,475	30,838
Total liabilities		33,693	31,030
Total equity and liabilities		182,097	181,011

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2019

		Attributable to equity holders of the Company					
	Note	Share capital	Share premium	Share-based compensation reserve	Translation reserve	Retained earnings	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 July 2018 (audited)		4,000	39,123	-	2	77,392	120,517
Total comprehensive income							
Profit for the period		-	-	-	-	15,318	15,318
Currency 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
At 1 July 2019 (audited)		4,000	39,123	549	(3)	106,312	149,981
Total comprehensive income							
Profit for the period		-	-	-	-	16,891	16,891
Currency translation differences		-	-	-	(9)	-	(9)
Transaction with owners							
Dividends relating to 2019	10(ii)	-	-	-	-	(20,000)	(20,000)
Employee share scheme							
Transfer of share option		-	-	1,541	-	-	1,541
Reverse upon forfeiture of share options		-	-	(171)	-	171	-
At 31 December 2019 (unaudited)		4,000	39,123	1,919	(12)	103,374	148,404

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2019

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

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

Bamboos Health Care Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 23 November 2012 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and its principal place of business is Room 204, 2/F, Wing On Plaza, 62 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong.

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

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

2 BASIS OF PREPARATION

The unaudited consolidated interim results (the “Interim Financial Information”) of the Group for the six months ended 31 December 2019 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

The Interim Financial Information has been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 30 June 2019, except for the accounting policy changes that are expected to be reflected in the annual financial statements for the year ending 30 June 2020 and they should be read in conjunction with the consolidated financial statements for the year ended 30 June 2019. Details of any changes in accounting policies are set out in note 3.

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

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 2019. The Interim Financial Information and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

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

3 ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 June 2019, as described in those annual financial statements, except for the adoption of new standards, amendments to standards and interpretation that are effective on 1 July 2019.

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

HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation
HKFRS 16	Leases
HKAS 19 (Amendments)	Plan Amendments, Curtailment or Settlement
HKAS 28 (Amendments)	Long-term Interests in Associates and Joint Ventures
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle

Except for HKFRS 16, the adoption of the above new standards, amendments to standards and interpretation beginning on 1 July 2019 did not give rise to any significant impact on the Group’s results of operations and financial position for the six months ended 31 December 2019.

3 ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

From 1 July 2019, leases are recognized as a right-of-use assets and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

3 ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

		Effective for annual periods beginning on or after
HKFRS 3 (Amendments)	Definition of a Business	1 January 2020
HKFRS 10 and HKAS 28 (2011) (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
HKFRS 17	Insurance Contracts	1 January 2021
HKAS 1 and HKAS 8 (Amendments)	Definition of Material	1 January 2020
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting	1 January 2020

3 ACCOUNTING POLICIES (CONTINUED)

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

The directors of the Company expect that the adoption of the above new standards and amendments to standards will have no significant impact on the financial performance and the financial position of the Group.

4 SEGMENT INFORMATION

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

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

The Group primarily operates in Hong Kong and most of its non-current assets are located in Hong Kong. During the six months ended 31 December 2019 and 2018, all revenue was earned from external customers in Hong Kong.

5 REVENUE FROM CONTRACTS WITH CUSTOMERS

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

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

	Six months ended 31 December	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Gross fee	132,171	125,404
Cost attributable to healthcare personnel	(97,548)	(92,771)
Revenue from provision of healthcare staffing solution services	34,623	32,633

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

6 OTHER INCOME

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

7 PROFIT BEFORE INCOME TAX

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

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

8 INCOME TAX EXPENSE

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

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

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

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

10 DIVIDENDS

- (i) On 17 February 2020, the Board resolved to declare an interim dividend of HK\$10,000,000 (HK2.50 cents per ordinary share) for the six months ended 31 December 2019 to the Company's shareholders whose names appear on the register of members of the Company on 2 March 2020 (31 December 2018: HK\$Nil per share).
- (ii) Dividends payable to the Company's shareholders attributable to the previous financial year, approved and paid during the respective periods:

	Six months ended 31 December	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Final dividend in respect of the previous financial year of HK5.00 cents per share (six months ended 31 December 2018: HK2.50 cents per share)	20,000	10,000

11 PROPERTY, PLANT AND EQUIPMENT

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

12 LEASE

As at 31 December 2019

Non-current asset	
Right of use assets	<u>6,435</u>
Current liability	
Lease Liabilities	<u>2,376</u>
Non-current liability	
Lease Liabilities	<u>4,059</u>

13 TRADE RECEIVABLES

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

The Group's trade receivables had no credit term and payment was immediately due upon presentation of invoices to customers. As at 31 December 2019 and 30 June 2019, all trade receivables were past due but not considered to be impaired because these mainly relate to a number of customers with limited history of default.

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

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

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

As at 31 December 2019 and 30 June 2019, no collateral has been received from these counterparties.

14 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

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

15 CASH AND CASH EQUIVALENTS

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

The effective interest rate on the bank deposits was 2% per annum (30 June 2019: 1%). These deposits had original maturity of three months or less.

16 TRADE PAYABLES

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

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

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

17 ACCRUALS AND OTHER PAYABLES

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

18 SHARE CAPITAL

	Number of shares	Ordinary shares of HK\$0.01 each <i>HK\$'000</i>
Authorised:		
At 1 July 2018, 30 June 2019, 1 July 2019 and 31 December 2019 (Unaudited)	2,000,000,000	20,000
Issued and fully paid:		
At 1 July 2018, 30 June 2019, 1 July 2019 and 31 December 2019 (Unaudited)	400,000,000	4,000

19 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 2019 and 2018, except for The Hong Kong Health Care Federation Limited (being an entity in which Ms. Hai Hiu Chu and Mr. Kwan Chi Hong (resigned as an executive director of the Company with effect from 5 January 2019) 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.

19 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related party

During the six months ended 31 December 2018 and 2019, the Group had the following significant transactions with its related party:

	Six months ended 31 December	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Bamboos Group Limited		
– Operating lease rental	1,600	2,400
– Management fee	96	144

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 2019, the Group also has a rental deposit placed with Bamboos Group Limited amounted to approximately HK\$1,274,000 (30 June 2019: 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	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Fees	300	165
Basic salaries, bonuses, other allowances and benefits in kind	947	2,100
Pension costs – defined contribution plan	10	18
Share-based payment	587	–
	1,844	2,283

20 COMMITMENTS

Capital commitments contracted but not provided for:

	31 December 2019 HK\$'000 (unaudited)	30 June 2019 HK\$'000 (audited)
Capital injection to Bamboos Professional Nursing Services PTE. Limited	2,500	2,500
Property, plant and equipment contracted but not provided for	–	350

21 APPROVAL OF INTERIM FINANCIAL INFORMATION

The interim financial information was approved by the Board on 17 February 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

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

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

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

To maintain a vast and diversified pool of registered healthcare personnel to better seize all possible business opportunities, as and when they arise, the Group had offered various member benefits to attract, incentivise and retain healthcare personnel registered with the Group. There were over 20,000 healthcare personnel registered with the Group as at 31 December 2019.

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

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

FINANCIAL REVIEW

Revenue

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

The revenue from the provision of healthcare staffing solution services as a percentage of gross fee is determined with reference to the mark-up ratio between the charge-out rate to the clients and the pay-out rate to different ranks of healthcare personnel placed by the Group and the number of service hours performed by respective rank of healthcare personnel. The revenue generated from the provision of healthcare staffing solution services as a percentage of gross fee slightly increased to approximately 26.2% for the Period from approximately 26.0% for the six months ended 31 December 2018.

The revenue from the provision of outreach case assessment related services was approximately HK\$2.3 million for the six months ended 31 December 2018, representing a slight decrease of approximately HK\$0.4 million or approximately 14.8% from approximately HK\$2.7 million for the six months ended 31 December 2018.

Other income

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

Expenses

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

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

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

Finance income

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

Profit for the period attributable to equity holders of the Company

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

LIQUIDITY AND FINANCIAL RESOURCES

The Group remained in a healthy and sound liquidity position as at 31 December 2019. The working capital needs and other capital requirements have been met through a combination of shareholders' equity and cash generated from operations. Going forward, the Group intends to finance its future operations and capital expenditures with cash flow generated from operating activities and the balance of the net proceeds from the initial listing of the Company's shares on the Growth Enterprise Market of the Stock Exchange by way of placing in 2014 (the "GEM Listing"). The primary uses of cash have been and are expected to continue to be operating costs and capital expenditure.

As at 31 December 2019, the Group maintained cash and cash equivalents amounting to approximately HK\$113.8 million (30 June 2019: HK\$118.7 million). The Group had no bank loans and overdrafts as at 31 December 2019 (30 June 2019: Nil).

As at 31 December 2019, the Group had net current assets of approximately HK\$129.7 million, as compared to approximately HK\$136.8 million as at 30 June 2019, which was mainly due to net cash generated from operating activities.

FOREIGN EXCHANGE EXPOSURE RISKS

The Group's exposure to currency risk is insignificant as the Group mainly operates in Hong Kong with most of the transactions denominated and settled in Hong Kong dollars. As at 31 December 2019, the Group has not used any forward contracts, currency borrowings, derivative financial instruments or other means to hedge foreign exchange risk (30 June 2019: Nil).

CAPITAL STRUCTURE

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

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 2019 and 30 June 2019, the Group had no outstanding bank and other borrowings.

CAPITAL COMMITMENTS

As at 31 December 2019, the Group has capital commitment of HK\$2.5 million to Bamboos Professional Nursing Services PTE. Limited (the joint venture company set up in Singapore) (30 June 2019: HK\$2.5 million). Also, the Group has capital commitment of approximately HK\$0.4 million for property, plant and equipment contracted but not provided for as at 30 June 2019.

PLEDGE OF ASSETS

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

CONTINGENT LIABILITIES

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

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have other plans for material investments or capital assets as at 31 December 2019 (30 June 2019: Nil).

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

The Group did not hold any significant investment in equity interest in any other company and there were no material acquisitions or disposal of subsidiaries and affiliated companies by the Group during the Period and the year ended 30 June 2019.

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.

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.

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

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 30 June 2019, the Company had utilised approximately HK\$36.8 million of the net proceeds from the GEM Listing and approximately HK\$3.0 million remained unused (the "Remaining Net Proceeds"). Please refer to the annual report of the Company for the year ended 30 June 2019 for details.

As at 31 December 2019, the utilisation of the Remaining Net Proceeds brought forward from the previous financial year of the Company is set out below:

	Remaining Net Proceeds as at 1 July 2019 <i>HK\$ million</i>	Utilisation for the Period <i>HK\$ million</i>	Balance of Remaining Net Proceeds to be carried forward <i>HK\$ million</i>
Strengthening brand awareness and expanding healthcare personnel pool	3.0	1.4	1.6

The actual usage of the Remaining Net Proceeds during the Period was consistent with the usage as intended and previously disclosed by the Company.

During the Period, the Company had not undertaken any fund raising activity.

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 Period.

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 shareholder	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	Provision of healthcare related training service in Hong Kong	Ms. Hai Hiu Chu is a director of BEST

The controlling shareholder of the Company (namely Ms. Hai Hiu Chu) had confirmed to the Company that, during the six months ended 31 December 2019, she and her 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 2019, 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:

(1) Long position in the ordinary shares (each a "Share") of HK\$0.01 each in the Company

Name of Director	Nature of interest	Number of Shares	Percentage of shareholding (%) <i>(Note 2)</i>
Ms. Hai Hiu Chu	Interest of a controlled corporation	270,000,000 <i>(Note 1)</i>	67.5%
Mr. Wong Kon Man Jason	Beneficial owner	250,000	0.06%

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.
- All the interests stated above represent long positions. The percentage of shareholding is calculated on the basis of 400,000,000 shares of the Company in issue as at 31 December 2019.

(2) Interests in share options granted by the Company under its share option scheme

Name of Director	Date of grant	Exercise/ vesting period	Exercise price per Share	Number of underlying Shares subject to outstanding share options	Approximate percentage of shareholding (Note 2)
Ms. Hai Hiu Chu	29 April 2019	Note 1	HK\$1.44	1,850,000	0.4625%
Mr. Wong Kon Man Jason	29 April 2019	Note 1	HK\$1.44	250,000	0.0625%

Notes:

1. 50% of the share options shall be vested from 30 April 2020 to 29 April 2029 (both dates inclusive) and the remaining 50% of the share options shall be vested from 30 April 2021 to 29 April 2029 (both dates inclusive), being Type 1 Share Options referred to in the Company's announcement dated 29 April 2019.
2. The percentage of shareholding is calculated on the basis of 400,000,000 Shares in issue as at 31 December 2019.

Save as disclosed above, as at 31 December 2019, none of the Directors or the chief executives of the Company had an 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 2019, 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 3)</i>
Gold Empress	Beneficial owner	270,000,000 <i>(Note 1)</i>	67.5%
HRnet Group Limited	Beneficial owner	32,000,000 <i>(Note 2)</i>	8.0%

Notes:

1. 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 her holding of the entire issued share capital of Gold Empress.
2. HRnet Group Limited is a corporation incorporated in Singapore whose issued shares are listed on the Main Board of the Singapore Exchange Securities Trading Limited.
3. All the interests stated above represent long positions. The percentage of shareholding is calculated on the basis of 400,000,000 shares of the Company in issue as at 31 December 2019.

Save as disclosed above, as at 31 December 2019, no other person/entities 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.

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 31 December 2019 and up to the date of this interim 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 for Securities Transactions by Directors of Listed Issuers (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 2019.

CORPORATE GOVERNANCE

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

The Company's corporate governance practices are based on the principles of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules. During the six month ended 31 December 2019 and up to the date of this interim report, the Company had complied with the applicable code provisions set out in the CG Code, except for the deviation from Code provision A.2.1 which is explained below.

Code provision A.2.1

Under Code provision A.2.1, the roles of the chairman and the chief executive officer should be segregated and should not be performed by the same individual.

Since 18 August 2018, Ms. Hai Hiu Chu (“Ms. Hai”) has been acting as the Chairman of the Board and the Chief Executive Officer of the Company. Ms. Hai is the founder of the Group and has extensive experience in the medical field and the pharmaceutical industry. Ms. Hai is responsible for the effective running of the Board and for the formulating business strategies. The Board considers that Ms. Hai, by serving the dual roles, is able to lead the Board in major business decision making for the Group. The management structure enables the Board’s decision to be more effectively made and facilitates the implementation of business strategies under the leadership of Ms. Hai, which is conducive to the effective management and the business development of the Group.

The Board will continue to review the effectiveness of the Group’s corporate governance structure to assess whether changes, including the separation of the roles of the chairman and the chief executive officer, are necessary.

AUDIT COMMITTEE

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

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

The Company’s interim results for the Period have not been audited but the Company’s audit committee has reviewed the unaudited consolidated financial results and the interim report of the Company for the Period and agreed to the accounting principles and practices adopted by the Company.

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

On 17 February 2020, the Board resolved to declare an interim dividend of HK2.50 cents per ordinary share for the six months ended 31 December 2019 (2018: HK\$Nil). The interim dividend will be paid in cash. Based on the number of shares in issue as at the date of this interim report, a total amount of dividend of approximately HK\$10,000,000 will be distributed.

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

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

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