

# BOARDROOM LIMITED

(Registration No. 200003902Z)

## SECOND QUARTER FINANCIAL STATEMENT ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2016

### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS

- 1(a) An income statement and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

#### STATEMENT OF COMPREHENSIVE INCOME

|  | GROUP                                      |  |              |   |   |               |
|--|--|--|--------------|---|---|---------------|
|  | S\$'000                                    |  | %            | S\$'000                                 |   | %             |
|  | 2nd Qtr<br>1 Apr 2016<br>to<br>30 Jun 2016 | 2nd Qtr<br>1 Apr 2015<br>to<br>30 Jun 2015 |              | 6M16<br>1 Jan 2016<br>to<br>30 Jun 2016 | 6M15<br>1 Jan 2015<br>to<br>30 Jun 2015 |               |
| Corporate Secretarial Fees                         | 5,775                                      | 5,984                                      | -3.5%        | 10,333                                  | 10,903                                  | -5.2%         |
| Share Registry Fees                                | 7,771                                      | 7,537                                      | 3.1%         | 14,191                                  | 14,532                                  | -2.3%         |
| Accounting & Payroll Fees                          | 3,999                                      | 3,819                                      | 4.7%         | 7,858                                   | 8,019                                   | -2.0%         |
| <b>Total Revenue</b>                               | <b>17,545</b>                              | <b>17,340</b>                              | <b>1.2%</b>  | <b>32,382</b>                           | <b>33,454</b>                           | <b>-3.2%</b>  |
| Other Income                                       | 113  | 127  | -11.0%       | 489                                     | 376                                     | 30.1%         |
| Employee Benefits Expense                          | (11,093)                                   | (10,919)                                   | 1.6%         | (21,101)                                | (21,204)                                | -0.5%         |
| Operating Expenses                                 | (3,453)                                    | (3,472)                                    | -0.5%        | (7,068)                                 | (6,733)                                 | 5.0%          |
| Interest on Borrowings                             | (80)                                       | (69)                                       | 15.9%        | (158)                                   | (137)                                   | 15.3%         |
| Depreciation & Amortisation                        | (635)                                      | (824)                                      | -22.9%       | (1,304)                                 | (1,649)                                 | -20.9%        |
| (Loss) / Gain on Foreign Exchange                  | (23)                                       | (34)                                       | -32.4%       | (95)                                    | 60                                      | NM            |
| <b>Profit Before Tax</b>                           | <b>2,374</b>                               | <b>2,149</b>                               | <b>10.5%</b> | <b>3,145</b>                            | <b>4,167</b>                            | <b>-24.5%</b> |
| Less: Income Tax Expense                           | (560)                                      | (404)                                      | 38.6%        | (774)                                   | (818)                                   | -5.4%         |
| <b>Profit After Tax</b>                            | <b>1,814</b>                               | <b>1,745</b>                               | <b>4.0%</b>  | <b>2,371</b>                            | <b>3,349</b>                            | <b>-29.2%</b> |
| <b>Other Comprehensive Income</b>                  |  |  |              |   |   |               |
| Items that may be classified subsequently to       |  |  |              |   |   |               |
| Foreign Currency Translation                       | (1,346)                                    | (1,349)                                    | -0.2%        | (2,065)                                 | (2,120)                                 | -2.6%         |
| <b>Other Comprehensive Income for the Period</b>   | <b>(1,346)</b>                             | <b>(1,349)</b>                             | <b>-0.2%</b> | <b>(2,065)</b>                          | <b>(2,120)</b>                          | <b>-2.6%</b>  |
| <b>Total Comprehensive Income for the Period</b>   | <b>468</b>                                 | <b>396</b>                                 | <b>18.2%</b> | <b>306</b>                              | <b>1,229</b>                            | <b>-75.1%</b> |
| <b>PROFIT AFTER TAX ATTRIBUTABLE TO:</b>           |  |  |              |   |   |               |
| Owners of the Parent                               | 1,814                                      | 1,745                                      | 4.0%         | 2,371                                   | 3,349                                   | -29.2%        |
| Non-Controlling Interests                          | -  | -  | NM           | -                                       | -                                       | NM            |
| <b>Profit After Tax</b>                            | <b>1,814</b>                               | <b>1,745</b>                               | <b>4.0%</b>  | <b>2,371</b>                            | <b>3,349</b>                            | <b>-29.2%</b> |
| <b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b> |  |  |              |   |   |               |
| Owners of the Parent                               | 468  | 396  | 18.2%        | 306                                     | 1,229                                   | -75.1%        |
| Non-Controlling Interests                          | -  | -  | NM           | -                                       | -                                       | NM            |
| <b>Total Comprehensive Income for the Period</b>   | <b>468</b>                                 | <b>396</b>                                 | <b>18.2%</b> | <b>306</b>                              | <b>1,229</b>                            | <b>-75.1%</b> |
| NM: Not Meaningful                                 |  |  |              |   |   |               |

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

**STATEMENT OF FINANCIAL POSITION**

|  |   | GROUP         |               | COMPANY       |               |
|--|---|---------------|---------------|---------------|---------------|
|  |   | S\$'000       |               | S\$'000       |               |
|  |   | 30 JUN 2016   | 31 DEC 2015   | 30 JUN 2016   | 31 DEC 2015   |
| <b>NON-CURRENT ASSETS</b>                          |   |               |               |               |               |
| Property, plant and equipment                      |   | 1,715         | 1,820         | 185           | 118           |
| Computer software                                  |   | 3,881         | 3,201         | 311           | 366           |
| Investments in subsidiaries                        |   | -             | -             | 86,303        | 86,303        |
| Intangible assets                                  | 1 | 62,118        | 64,751        | -             | -             |
| Deferred tax assets                                |   | 256           | 1,095         | -             | -             |
|  |   | <b>67,970</b> | <b>70,867</b> | <b>86,799</b> | <b>86,787</b> |
| <b>CURRENT ASSETS</b>                              |   |               |               |               |               |
| Trade and other receivables                        |   | 16,855        | 15,803        | 2,637         | 1,845         |
| Unbilled disbursements                             |   | (198)         | 101           | -             | -             |
| Loans to a subsidiary                              |   | -             | -             | 3,154         | 3,119         |
| Amount due from subsidiaries (non-trade)           |   | -             | -             | 3,803         | 4,361         |
| Derivative assets                                  |   | 6             | -             | 6             | -             |
| Cash and cash equivalents                          |   | 12,457        | 20,990        | 1,838         | 2,084         |
|  |   | <b>29,120</b> | <b>36,894</b> | <b>11,438</b> | <b>11,409</b> |
| Less:  |   |               |               |               |               |
| <b>CURRENT LIABILITIES</b>                         |   |               |               |               |               |
| Trade and other payables                           |   | 10,402        | 13,910        | 681           | 1,679         |
| Disbursements billed in advance                    |   | 27            | 28            | -             | -             |
| Bank borrowings                                    |   | 1,500         | 1,500         | 1,500         | 1,500         |
| Amount due to subsidiaries (non-trade)             |   | -             | -             | -             | 26            |
| Amounts due to customers for work-in-progress      |   | 1,307         | 2,383         | -             | -             |
| Derivative liabilities                             |   | -             | 30            | -             | 30            |
| Current tax payable                                |   | 365           | 861           | 706           | 787           |
|  |   | <b>13,601</b> | <b>18,712</b> | <b>2,887</b>  | <b>4,022</b>  |
| Net Current Assets / (Liabilities)                 |   | 15,519        | 18,182        | 8,551         | 7,387         |
| Bank borrowings                                    |   | (9,250)       | (10,000)      | (9,250)       | (10,000)      |
| Provision for employee benefits                    |   | (355)         | (363)         | -             | -             |
| Deferred tax liabilities                           |   | (4,477)       | (5,711)       | (143)         | (143)         |
| <b>NET ASSETS</b>                                  |   | <b>69,407</b> | <b>72,975</b> | <b>85,958</b> | <b>84,031</b> |
| <b>FINANCED BY:</b>                                |   |               |               |               |               |
| <b>Equity attributable to owners of the parent</b> |   |               |               |               |               |
| Share capital                                      |   | 37,554        | 37,554        | 37,554        | 37,554        |
| Reserves   |   | 31,853        | 35,421        | 48,404        | 46,477        |
| <b>TOTAL EQUITY</b>                                |   | <b>69,407</b> | <b>72,975</b> | <b>85,958</b> | <b>84,031</b> |

**Notes:**

- Intangible Assets represent primarily goodwill arising from acquisitions of Arthur Andersen's Corporate Secretarial and Accounting Business, Hong Kong, Malaysian, Australian and China subsidiaries. Any excess of the consideration over the fair value of the net assets as at the date of the acquisition represents goodwill.

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.****Amount repayable in one year or less, or on demand**

| As at 30/06/2016 |           | As at 31/12/2015 |           |
|------------------|-----------|------------------|-----------|
| Secured          | Unsecured | Secured          | Unsecured |
| S\$'000          | S\$'000   | S\$'000          | S\$'000   |
| NIL              | 1,500     | NIL              | 1,500     |

**Amount repayable after one year**

| As at 30/06/2016 |           | As at 31/12/2015 |           |
|------------------|-----------|------------------|-----------|
| Secured          | Unsecured | Secured          | Unsecured |
| S\$'000          | S\$'000   | S\$'000          | S\$'000   |
| NIL              | 9.250     | NIL              | 10,000    |

**Details of any collateral**

NIL

- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

### CONSOLIDATED STATEMENT OF CASH FLOWS

|  | GROUP                                      |  |   |   |
|--|--|--|---|---|
|  | S\$'000                                    |  |   |   |
|  | 2nd Qtr<br>1 Apr 2016<br>to<br>30 Jun 2016 | 2nd Qtr<br>1 Apr 2015<br>to<br>30 Jun 2015 | 6M16<br>1 Jan 2016<br>to<br>30 Jun 2016 | 6M15<br>1 Jan 2015<br>to<br>30 Jun 2015 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |  |  |   |   |
| Profit before tax  | 2,374                                      | 2,149                                      | 3,145                                   | 4,167                                   |
| Adjustments for :  |  |  |   |   |
| Depreciation and amortisation  | 635  | 824  | 1,304                                   | 1,649                                   |
| Loss from disposal of property, plant and equipment                                    | 3  | 1  | 3                                       | 1                                       |
| Exchange difference  | 30   | 17   | 88                                      | (39)                                    |
| Interest income  | (65)                                       | (56)                                       | (132)                                   | (99)                                    |
| Interest expense   | 80   | 69   | 158                                     | 137                                     |
| <b>Operating profit before working capital changes</b>                                 | <b>3,056</b>                               | <b>3,004</b>                               | <b>4,566</b>                            | <b>5,816</b>                            |
| (Increase) / Decrease in operating receivables and prepayments                         | (1,075)                                    | 43   | (1,058)                                 | 1,819                                   |
| Increase / (Decrease) in operating payable   | 504  | 373  | (3,305)                                 | (1,158)                                 |
| Increase in amounts due to customers for work-in-progress                              | (1,706)                                    | (1,722)                                    | (971)                                   | (1,575)                                 |
| <b>Cash generated from / (used in) operations</b>                                      | <b>779</b>                                 | <b>1,698</b>                               | <b>(769)</b>                            | <b>4,902</b>                            |
| Interest expense paid  | (80)                                       | (69)                                       | (158)                                   | (137)                                   |
| Income tax paid  | (494)                                      | (870)                                      | (1,542)                                 | (1,367)                                 |
| <b>Net cash generated from / (used in) operating activities</b>                        | <b>205</b>                                 | <b>759</b>                                 | <b>(2,469)</b>                          | <b>3,398</b>                            |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>   |  |  |   |   |
| Acquisition of property, plant and equipment   | (244)                                      | (334)                                      | (381)                                   | (601)                                   |
| Acquisition of computer software   | (351)                                      | (371)                                      | (961)                                   | (726)                                   |
| Proceeds from disposal of property, plant and equipment                                | 3  | -  | 7                                       | -                                       |
| Interest received  | 65   | 56   | 132                                     | 99                                      |
| <b>Net cash used in investing activities</b>   | <b>(527)</b>                               | <b>(649)</b>                               | <b>(1,203)</b>                          | <b>(1,228)</b>                          |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>   |  |  |   |   |
| Dividends paid   | (3,873)                                    | (1,937)                                    | (3,873)                                 | (1,937)                                 |
| Repayment of bank borrowings   | (750)                                      | (750)                                      | (750)                                   | (750)                                   |
| <b>Net cash used in financing activities</b>   | <b>(4,623)</b>                             | <b>(2,687)</b>                             | <b>(4,623)</b>                          | <b>(2,687)</b>                          |
| <b>Net decrease in cash and cash equivalents</b>                                       | <b>(4,945)</b>                             | <b>(2,577)</b>                             | <b>(8,295)</b>                          | <b>(517)</b>                            |
| Cash and cash equivalents at beginning of period                                       | 17,642                                     | 16,233                                     | 20,990                                  | 14,222                                  |
| Exchange loss arising from translation of foreign currencies cash and cash equivalents | (240)                                      | (174)                                      | (238)                                   | (223)                                   |
| <b>CASH AND CASH EQUIVALENTS AT END (30 JUNE)</b>                                      | <b>12,457</b>                              | <b>13,482</b>                              | <b>12,457</b>                           | <b>13,482</b>                           |

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

# STATEMENT OF CHANGES IN EQUITY

| GROUP   | Attributable to Owners of the Parent |                              |  |                              |                   | Total         |
|---|--------------------------------------|------------------------------|--|------------------------------|-------------------|---------------|
|   | Share capital                        | Exchange translation reserve | Premium paid on acquisition of Non-Controlling Interests | Share option capital reserve | Retained earnings |               |
|   | S\$'000                              | S\$'000                      | S\$'000  | S\$'000                      | S\$'000           | S\$'000       |
| <b>Balance at 1 January 2016</b>                          | <b>37,554</b>                        | <b>(12,514)</b>              | <b>(12,569)</b>  | <b>(248)</b>                 | <b>60,751</b>     | <b>72,974</b> |
| Total comprehensive income for the period                 | -                                    | (720)                        | -  | 1                            | 557               | (162)         |
| <b>Balance at 31 March 2016</b>                           | <b>37,554</b>                        | <b>(13,234)</b>              | <b>(12,569)</b>  | <b>(247)</b>                 | <b>61,308</b>     | <b>72,813</b> |
| Total comprehensive income for the period                 | -                                    | (1,345)                      | -  | (1)                          | 1,814             | 468           |
| Expiry of employee share options                          | -                                    | -                            | -  | 248                          | (248)             | (0)           |
| 2015 final tax-exempt cash dividend of S\$0.020 per share | -                                    | -                            | -  | -                            | (3,873)           | (3,873)       |
| <b>Balance at 30 June 2016</b>                            | <b>37,554</b>                        | <b>(14,579)</b>              | <b>(12,569)</b>  | <b>(0)</b>                   | <b>59,001</b>     | <b>69,407</b> |
| <b>Balance as at 1 January 2015</b>                       | <b>37,554</b>                        | <b>(10,816)</b>              | <b>(12,569)</b>  | <b>(290)</b>                 | <b>55,965</b>     | <b>69,844</b> |
| Total comprehensive income for the period                 | -                                    | (802)                        | -  | 31                           | 1,605             | 833           |
| <b>Balance as at 31 March 2015</b>                        | <b>37,554</b>                        | <b>(11,618)</b>              | <b>(12,569)</b>  | <b>(259)</b>                 | <b>57,569</b>     | <b>70,677</b> |
| Total comprehensive income for the period                 | -                                    | (1,361)                      | -  | 12                           | 1,745             | 395           |
| 2014 final tax-exempt cash dividend of S\$0.010 per share | -                                    | -                            | -  | -                            | (1,937)           | (1,937)       |
| <b>Balance as at 30 June 2015</b>                         | <b>37,554</b>                        | <b>(12,979)</b>              | <b>(12,569)</b>  | <b>(247)</b>                 | <b>57,378</b>     | <b>69,136</b> |

| COMPANY   | Share capital | Exchange translation reserve | Premium paid on acquisition of Non-Controlling Interests | Share option capital reserve | Retained earnings | Total         |
|---|---------------|------------------------------|--|------------------------------|-------------------|---------------|
|   | S\$'000       | S\$'000                      | S\$'000  | S\$'000                      | S\$'000           | S\$'000       |
| <b>Balance at 1 January 2016</b>                          | <b>37,554</b> | <b>-</b>                     | <b>-</b>   | <b>634</b>                   | <b>45,843</b>     | <b>84,031</b> |
| Total comprehensive income for the period                 | -             | -                            | -  | -                            | 1,055             | 1,055         |
| <b>Balance at 31 March 2016</b>                           | <b>37,554</b> | <b>-</b>                     | <b>-</b>   | <b>634</b>                   | <b>46,898</b>     | <b>85,086</b> |
| Total comprehensive income for the period                 | -             | -                            | -  | -                            | 4,745             | 4,745         |
| Expiry of employee share options                          | -             | -                            | -  | (634)                        | 634               | -             |
| 2015 final tax-exempt cash dividend of S\$0.020 per share | -             | -                            | -  | -                            | (3,873)           | (3,873)       |
| <b>Balance at 30 June 2016</b>                            | <b>37,554</b> | <b>-</b>                     | <b>-</b>   | <b>-</b>                     | <b>48,404</b>     | <b>85,958</b> |
| <b>Balance as at 1 January 2015</b>                       | <b>37,554</b> | <b>-</b>                     | <b>-</b>   | <b>634</b>                   | <b>42,194</b>     | <b>80,382</b> |
| Total comprehensive income for the period                 | -             | -                            | -  | -                            | 1,029             | 1,029         |
| <b>Balance as at 31 March 2015</b>                        | <b>37,554</b> | <b>-</b>                     | <b>-</b>   | <b>634</b>                   | <b>43,223</b>     | <b>81,411</b> |
| Total comprehensive income for the period                 | -             | -                            | -  | -                            | 3,108             | 3,108         |
| 2014 final tax-exempt cash dividend of S\$0.010 per share | -             | -                            | -  | -                            | (1,937)           | (1,937)       |
| <b>Balance as at 30 June 2015</b>                         | <b>37,554</b> | <b>-</b>                     | <b>-</b>   | <b>634</b>                   | <b>44,395</b>     | <b>82,582</b> |

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

The Company's share capital of \$37,553,746 as at 30 June 2016 remained the same as of 31 December 2015.

The Company no longer has any share option scheme. There were no shares held as treasury shares as at 30 June 2016 and 30 June 2015.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares excluding treasury shares was 193,660,184 as at 30 June 2016 and 31 December 2015.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

These figures have not been audited nor reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the audited financial statements for the financial year ended 31 December 2015.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Nil.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

|   | GROUP       |             |
|---|-------------|-------------|
|   | 30 Jun 2016 | 30 Jun 2015 |
| Earnings per ordinary share for the period attributable to owners of the parent after deducting any provision for preference dividends :- |             |             |
| (a) Based on weighted average number of ordinary shares on issue; and   | 1.22 cents  | 1.73 cents  |
| (b) On a fully diluted basis  | 1.22 cents  | 1.73 cents  |

**Notes:**

1. The earnings per share is calculated on the profit after tax attributable to owners of the parent on the weighted average number of shares in issue of 193,660,184 (30 June 2015 – 193,660,184).
2. The diluted earnings per share is calculated on the profit after tax attributable to owners of the parent on the number of shares in issue adjusted for the effect of dilutive potential ordinary shares. The total number of shares amounted to 193,660,184 (30 June 2015 – 193,660,184).

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-:**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

|   | GROUP       |             | COMPANY     |             |
|---|-------------|-------------|-------------|-------------|
|   | 30 Jun 2016 | 31 Dec 2015 | 30 Jun 2016 | 31 Dec 2015 |
| Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on | 35.84 cents | 37.68 cents | 44.39 cents | 43.39 cents |

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

## **REVIEW OF PERFORMANCE OF THE GROUP**

### **3 months to 30 June 2016**

The Group's revenue for the three months ended 30 June 2016 ("2Q16") totaled \$17.5 million, compared to the previous corresponding three months ended 30 June 2015 ("2Q15") of \$17.3 million. This is a 1.2% increase representing \$205,000. This comprises a revenue increase of \$512,000 or 3.0%, in constant currency terms, and a \$308,000 or 1.8% unfavourable foreign exchange impact.

Other income decreased 11.0% to \$113,000 (2Q15: \$127,000) mainly due to timing differences.

Total expenses remained at \$15.3 million for 2Q16 and 2Q15. At constant currency, this is a \$219,000 or 2.0% increase in total expenses, fully offset by a favourable foreign exchange impact. The increase is mainly due to an increase in allowance for doubtful debts. The Group continues to be vigilant of the environment and is monitoring services and collections closely.

The Group's Profit Before Tax increased by 10.5% from \$2.1 million (2Q15) to \$2.4 million (2Q16) due to the higher revenue.

The Group has an impending tax appeal in Singapore seeking tax exemption on historical foreign dividend income paid by a subsidiary to the Company. In 2Q16, the Group made a provision for the tax expense amounting to \$136,000. In line with this and the increase in profit before tax, income tax expense increased by 38.6% to \$560,000 (2Q15: \$404,000).

Net profit after tax increased 4.0% to \$1.8 million (2Q15: \$1.7 million) due to the increase in revenue.

Other comprehensive loss of \$1.3 million (2Q15: \$1.3 million) arose from translation of financial statements of foreign subsidiaries.

### **6 months to 30 June 2016**

The Group's revenue for the six months ended 30 June 2016 ("6M16") totaled \$32.4 million, compared to the previous corresponding six months ended 30 June 2015 ("6M15") of \$33.5 million. This is a 3.2% decrease representing approximately \$1.1 million. This comprises a revenue drop of \$448,000 or 1.3%, in constant currency terms, and a \$624,000 or 1.9% unfavourable foreign exchange impact.

The Group continues to face challenges in the slowing business environment in the region and continued price erosion in its core businesses.

Other income for 6M16 increased by 30.1% to \$489,000 (6M15: \$376,000) mainly due to higher receipt from Wage Credit Scheme claims from the Singapore tax authority.

Total expenses remained at \$29.7 million for 6M16 and 6M15. At constant currency, this was a \$605,000 or 2.0% increase in total expenses fully offset by a favourable foreign exchange impact. The increase was mainly due to the increase in allowance for doubtful debts by \$488,000 to \$501,000 (6M15: \$13,000).

The Group's Profit Before Tax decreased by 24.5% from \$4.2 million (6M15) to \$3.1 million (6M16) due to the lower revenue. Income tax expense decreased by 5.4% to \$774,000 (6M15: \$818,000) in line with the decrease in profit before tax. Net profit after tax decreased 29.2% to \$2.4 million (6M15: \$3.3 million).

Other comprehensive loss of \$2.1 million (6M15: \$2.1 million) arose from translation of financial statements of foreign subsidiaries.

The Group has an impending tax appeal in Singapore seeking tax exemption on historical foreign dividend income paid by a subsidiary to the Company. We have made an appropriate provision accordingly. The Group continues to be vigilant of the environment and is monitoring services and collections closely.



## **Statement of Financial Position**

### **Computer Software**

Investment in developing an enhanced share registration system by Boardroom Australia was the main reason for the increase in capitalised computer software cost from \$3.2 million as of 31 December 2015 to \$3.9 million as of 30 June 2016.

### **Net Current Assets Position of the Group**

The Group reported a lower net current assets position of \$15.5 million as of 30 June 2016, compared to \$18.2 million as of 31 December 2015 due to lower cash balance from the final 2015 dividend payout amounting to \$3.9 million.

### **Term Loan**

Term loan balance decreased from \$11.5 million at 31 December 2015 to \$10.8 million at 30 June 2016 in line with the on-going scheduled payments of the loan.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

None.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Performance for the 6 months was lower than the corresponding period last year. This reflects the current weaker economic conditions and volatility in exchange rates.

The Group expects these challenges to continue over the next few quarters. We will continue to focus on driving revenue growth by expanding our services offerings and will remain vigilant on cost savings initiatives.

Overall, the Group's performance is expected to remain satisfactory in a weaker economic environment.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

None.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect.**

Not applicable

- 13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have an interested person transaction mandate.

- 14. Negative Confirmation By The Board Pursuant To Rule 705(5).**

We, Goh Geok Khim and Kim Teo Poh Jin being two directors of Boardroom Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial statements for the second quarter ended 30 June 2016 to be false or misleading in any material aspect.

- 15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

On behalf of the Board of Directors

Goh Geok Khim  
Chairman

Kim Teo Poh Jin  
Chief Executive Officer

**BY ORDER OF THE BOARD**

**Kim Teo Poh Jin**  
**Chief Executive Officer**  
**11 August 2016**