

BOARDROOM LIMITED

(Registration No. 200003902Z)

SECOND QUARTER FINANCIAL STATEMENT ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2017

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.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP					
	S\$'000		%	S\$'000		%
	2nd Qtr 1 Apr 2017 to 30 Jun 2017	2nd Qtr 1 Apr 2016 to 30 Jun 2016		6M17 1 Jan 2017 to 30 Jun 2017	6M16 1 Jan 2016 to 30 Jun 2016	
Corporate Secretarial Fees	6,449	5,775	11.7%	11,248	10,333	8.9%
Share Registry Fees	8,085	7,771	4.0%	14,431	14,191	1.7%
Accounting & Payroll Fees	3,623	3,999	-9.4%	7,710	7,858	-1.9%
Total Revenue	18,157	17,545	3.5%	33,389	32,382	3.1%
Other Income	113	113	0%	426	489	-12.9%
Employee Benefits Expense	(10,373)	(11,093)	-6.5%	(20,928)	(21,101)	-0.8%
Operating Expenses	(3,527)	(3,453)	2.1%	(6,662)	(7,068)	-5.7%
Interest on Bank Borrowings	(58)	(80)	-27.5%	(122)	(158)	-22.8%
Depreciation & Amortisation	(668)	(635)	5.2%	(1,321)	(1,304)	1.3%
Impairment of Goodwill	-	-	NM	-	-	NM
Loss on Foreign Exchange	(8)	(23)	-65.2%	(26)	(95)	-72.6%
Profit Before Tax	3,636	2,374	53.2%	4,756	3,145	51.2%
Less: Income Tax Expense	(668)	(560)	19.3%	(930)	(774)	20.2%
Profit After Tax	2,968	1,814	63.6%	3,826	2,371	61.4%
Other Comprehensive Income:						
Items that may be classified subsequently to profit or loss						
Foreign Currency Translation Loss	(981)	(1,346)	-27.1%	(731)	(2,065)	-64.6%
Other Comprehensive Loss for the Period	(981)	(1,346)	-27.1%	(731)	(2,065)	-64.6%
Total Comprehensive Income for the Period	1,987	468	NM	3,095	306	NM
PROFIT AFTER TAX ATTRIBUTABLE TO:						
Owners of the Parent	2,968	1,814	63.6%	3,826	2,371	61.4%
Non-Controlling Interests	-	-	NM	-	-	NM
Profit After Tax	2,968	1,814	63.6%	3,826	2,371	61.4%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the Parent	1,987	468	NM	3,095	306	NM
Non-Controlling Interests	-	-	NM	-	-	NM
Total Comprehensive Income for the Period	1,987	468	NM	3,095	306	NM

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

	Note	GROUP		COMPANY	
		S\$'000		S\$'000	
		30 Jun 2017	31 Dec 2016	30 Jun 2017	31 Dec 2016
NON-CURRENT ASSETS					
Property, plant and equipment		1,938	1,972	678	495
Computer software		5,343	4,734	203	257
Investments in subsidiaries	1	-	-	85,893	84,793
Intangible assets	2	62,868	64,205	-	-
Deferred tax assets		234	260	-	-
		70,383	71,171	86,774	85,545
CURRENT ASSETS					
Trade and other receivables		16,840	17,169	1,689	1,536
Unbilled disbursements		227	45	-	-
Amounts due from subsidiaries (non-trade)		-	-	3,693	3,432
Income Tax receivable		-	156	-	-
Cash and cash equivalents		16,767	20,185	1,341	5,386
		33,834	37,555	6,723	10,354
Less:					
CURRENT LIABILITIES					
Trade and other payables		11,707	13,221	615	1,129
Disbursements billed in advance		6	52	-	-
Bank borrowings		1,500	1,500	1,500	1,500
Amount due to subsidiaries (non-trade)				993	-
Amounts due to customers for work-in-progress		1,002	2,327	-	-
Income tax payable		864	714	799	559
		15,079	17,814	3,907	3,188
Net current assets		18,755	19,741	2,816	7,166
Bank borrowings		(7,750)	(8,500)	(7,750)	(8,500)
Provision for employees benefits		(283)	(351)	-	-
Deferred tax liabilities		(4,658)	(4,836)	(143)	(143)
NET ASSETS		76,447	77,225	81,697	84,068
FINANCED BY:					
Equity attributable to owners of the parent					
Share capital		37,554	37,554	37,554	37,554
Reserves		38,893	39,671	44,143	46,514
TOTAL EQUITY		76,447	77,225	81,697	84,068

Notes:

1. Increase in investments in subsidiaries contributed to additional investments in Boardroom Executive Services.
2. 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 Jun 2017		As at 31 Dec 2016	
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 Jun 2017		As at 31 Dec 2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
NIL	7,750	NIL	8,500

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 1 Apr 2017 to 30 Jun 2017	2nd Qtr 1 Apr 2016 to 30 Jun 2016	6M17 1 Jan 2017 to 30 Jun 2017	6M16 1 Jan 2016 to 30 Jun 2016
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax	3,636	2,374	4,756	3,145
Adjustments for:				
Depreciation & amortisation	668	635	1,321	1,304
Loss from disposal of property, plant and equipment	-	3	-	3
(Write-back of)/allowance for impairment of trade receivables	(39)	390	159	501
Exchange differences	(158)	30	38	88
Interest income	(55)	(65)	(118)	(132)
Interest expense	58	80	122	158
Operating profit before working capital changes	4,110	3,447	6,278	5,067
Increase in operating receivables and prepayments	(1,731)	(1,466)	(210)	(1,560)
Increase/(decrease) in operating payable	381	504	(1,640)	(3,305)
Decrease in amounts due to customers for work-in-progress	(1,162)	(1,706)	(1,180)	(971)
Cash generated from/(used in) operations	1,598	779	3,248	(769)
Interest expense paid	(58)	(80)	(122)	(158)
Income tax paid	(377)	(494)	(711)	(1,542)
Net cash generated from/(used in) operating activities	1,163	205	2,415	(2,469)
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	(141)	(244)	(435)	(381)
Acquisition of computer software	(352)	(351)	(757)	(961)
Proceeds from sale of property, plant and equipment	1	3	1	7
Interest received	55	65	118	132
Net cash used in investing activities	(437)	(527)	(1,073)	(1,203)
CASH FLOW FROM FINANCING ACTIVITIES				
Dividends paid	(3,873)	(3,873)	(3,873)	(3,873)
Repayment of bank borrowings	(750)	(750)	(750)	(750)
Net cash used in financing activities	(4,623)	(4,623)	(4,623)	(4,623)
Net decrease in cash and cash equivalents	(3,897)	(4,945)	(3,281)	(8,295)
Cash and cash equivalents at beginning of the period	20,730	17,642	20,185	20,990
Exchange loss arising from translation of foreign currencies cash and cash equivalents	(66)	(240)	(137)	(238)
CASH AND CASH EQUIVALENTS AT PERIOD END	16,767	12,457	16,767	12,457

- 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.

GROUP	Attributable to Owners of the Parent					Total
	Share capital	Exchange translation reserve	Premium paid on acquisition of non-controlling interest	Share option capital reserve	Retained earnings	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2017	37,554	(11,637)	(12,569)	-	63,877	77,225
Total comprehensive income for the period	-	250	-	-	858	1,108
Balance as at 31 March 2017	37,554	(11,387)	(12,569)	-	64,735	78,333
Total comprehensive income for the period	-	(981)	-	-	2,968	1,987
2016 final tax-exempt cash dividend of S\$0.020 per share	-	-	-	-	(3,873)	(3,873)
Balance as at 30 June 2017	37,554	(12,368)	(12,569)	-	63,830	76,447

Balance as at 1 January 2016	37,554	(12,514)	(12,569)	(248)	60,751	72,974
Total comprehensive income for the period	-	(720)	-	1	557	(162)
Balance as at 31 March 2016	37,554	(13,234)	(12,569)	(247)	61,308	72,812
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)
Balance as at 30 June 2016	37,554	(14,579)	(12,569)	(0)	59,001	69,407

COMPANY	Share capital	Exchange translation reserve	Premium paid on acquisition of non-controlling interest	Share option capital reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2017	37,554	-	-	-	46,514	84,068
Total comprehensive income for the period	-	-	-	-	951	951
Balance as at 31 March 2017	37,554	-	-	-	47,465	85,019
Total comprehensive income for the period	-	-	-	-	551	551
2016 final tax-exempt cash dividend of S\$0.020 per share	-	-	-	-	(3,873)	(3,873)
Balance as at 30 June 2017	37,554	-	-	-	44,143	81,697

Balance as at 1 January 2016	37,554	-	-	634	45,843	84,031
Total comprehensive income for the period	-	-	-	-	1,055	1,055
Balance as at 31 March 2016	37,554	-	-	634	46,898	85,086
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)
Balance as at 30 June 2016	37,554	-	-	-	48,404	85,958

- 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 2017 remained the same as of 31 December 2016.

The Company no longer has any share option scheme. There were no shares held as treasury shares as at 30 June 2017 and 30 June 2016.

- 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 2017 and 31 December 2016.

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

There are no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period.

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

There are no sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period.

- 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).**

There is no auditors' report as these figures have not been audited nor reviewed by the Company's auditors.

- 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 2016.

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 2017	30 Jun 2016
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	1.98 cents	1.22 cents
(b) On a fully diluted basis	1.98 cents	1.22 cents

Notes:

- 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 2016 – 193,660,184).
- 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 2016 – 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 2017	31 Dec 2016	30 Jun 2017	31 Dec 2016
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on	39.47 cents	39.88 cents	42.19 cents	43.41 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 2017

The Group's revenue for the three months ended 30 June 2017 ("2Q17") totaled \$18.1 million compared to previous corresponding three months ended 30 June 2016 ("2Q16") of \$17.5 million. The 3.5% increase was due to higher revenue of approximately S\$472,000 and a favourable foreign exchange impact of approximately \$140,000.

Total expenses decreased \$650,000 or 4.3%. This comprise of total cost savings of approximately \$770,000 or 5.0%, in constant currency terms, offset by a \$120,000 or 0.8% negative foreign exchange impact. The savings were mainly from lower staff costs.

The Group's profit before tax for 2Q17 increased by 53.2% to \$3.6 million (2Q16: \$2.4 million) mainly due to higher revenue and higher productivity with cost(s) containment initiatives. Income tax expense for 2Q17 increased by 19.3% to \$668,000 (2Q16: \$560,000) in line with the increase in profit before tax.

The Group's net profit after tax for 2Q17 of \$2.9 million was 63.6% (\$1.1 million) higher compared to 2Q16's \$1.8 million.

Other comprehensive income of \$981,000 loss for 2Q17 (2Q16: \$1.3 million loss) arose from the translation of financial statements of foreign subsidiaries.

6 months to 30 June 2017

The Group's revenue for the six months ended 30 June 2017 ("6M17") totaled \$33.4 million compared to previous corresponding six months ended 30 June 2016 ("6M16") of \$32.4 million. The 3.1% increase was due to higher revenue of approximately S\$694,000 and a favourable foreign exchange impact of approximately \$313,000.

Other income for 6M17 decreased by 12.9% to \$426,000 (6M16: \$489,000) mainly due to lower receipt of Wage Credit Scheme claims from the Singapore tax authority.

Total expenses decreased \$668,000 or 2.2 %. This comprise of total cost savings of approximately \$943,000 or 3.2%, in constant currency terms, offset by a \$275,000 or 0.9% negative foreign exchange impact.

The Group's profit before tax for 6M17 increased by 51.2% to \$4.8 million (6M16: \$3.1 million) mainly due to higher revenue and higher productivity with cost(s) containment initiatives. Income tax expense for 6M17 increased by 20.2% to \$930,000 (6M16: \$774,000) in line with the increase in profit before tax.

The Group's net profit after tax for 6M17 of \$3.8 million was 61.4% (\$1.4 million) higher compared to 6M16's \$2.4 million.

Other comprehensive loss of \$731,000 for 6M17 (6M16: \$2.1 million loss) arose from the translation of financial statements of foreign subsidiaries.

Statement of Financial Position

Computer Software

Investment in developing an operational system by Boardroom Australia and payroll software system by Boardroom Business Solutions Singapore was the main reason for the increase in capitalised computer software cost from \$4.7 million as of 31 December 2016 to \$5.3 million as of 30 June 2017.

Net Current Assets Position of the Group

The Group reported a lower net current assets position of \$18.8 million as of 30 June 2017, compared to \$19.7 million as of 31 December 2016 mainly due to lower cash balance after the final 2016 dividend payout amounting to \$3.9 million.

Term Loan

Term loan balance decreased from \$10.0 million at 31 December 2016 to \$9.3 million at 30 June 2017 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.

Management is generally pleased with the outcome of the productivity drive undertaken in previous periods as currently reflected in the Group's financial performance. We remain cautious on the competitive environment in our business and are vigilant in adapting to market changes which may affect the overall profitability of our businesses.

Overall, the Group's performance is expected to remain satisfactory.

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.

No dividend has been declared/recommended for the current financial period and the corresponding period of the immediately preceding financial year.

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 2017 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
7 August 2017