

BOARDROOM LIMITED

(Registration No. 200003902Z)

FIRST QUARTER FINANCIAL STATEMENT ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 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		%
	1st Qtr 1 Jan 2016 to 31 Mar 2016	1st Qtr 1 Jan 2015 to 31 Mar 2015	Increase/ (Decrease)
Corporate Secretarial Fees	4,558	4,918	-7.3%
Share Registry Fees	6,420	6,995	-8.2%
Accounting & Payroll Fees	3,859	4,202	-8.2%
Total Revenue	14,837	16,115	-7.9%
Other Income	376	249	51.0%
Employee Benefits Expense	(10,008)	(10,285)	-2.7%
Operating Expenses	(3,615)	(3,262)	10.8%
Interest on Borrowings	(78)	(68)	14.7%
Depreciation and Amortisation	(669)	(825)	-18.9%
(Loss) / Gain on Foreign Exchange	(72)	94	-176.6%
Profit Before Tax	771	2,018	-61.8%
Less: Income Tax Expense	(214)	(414)	-48.3%
Profit After Tax	557	1,604	-65.3%
Other Comprehensive Income Items that may be reclassified subsequently to profit or loss			
Foreign Currency Translation	(719)	(771)	-6.7%
Other Comprehensive Income for the Period	(719)	(771)	-6.7%
Total Comprehensive Income for the Period	(162)	833	-119.4%
PROFIT AFTER TAX ATTRIBUTABLE TO:			
Owners of the Parent	557	1,604	-65.3%
Non-Controlling Interests	-	-	NM
Profit After Tax	557	1,604	-65.3%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the Parent	(162)	833	NM
Non-Controlling Interests	-	-	NM
Total Comprehensive Income for the Period	(162)	833	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	
		31 MAR 2016	31 DEC 2015	31 MAR 2016	31 DEC 2015
NON-CURRENT ASSETS					
Property, plant and equipment		1,717	1,820	107	118
Computer software		3,693	3,201	339	366
Investments in subsidiaries		-	-	86,303	86,303
Intangible assets	1	63,626	64,751	-	-
Deferred tax assets		254	1,095	-	-
		69,290	70,867	86,749	86,787
CURRENT ASSETS					
Trade and other receivables		15,680	15,803	2,071	1,845
Unbilled disbursements		81	101	-	-
Loans to a subsidiary		-	-	2,922	3,119
Amount due from subsidiaries (non-trade)		-	-	4,088	4,361
Cash and cash equivalents		17,642	20,990	2,453	2,084
		33,403	36,894	11,534	11,409
Less:					
CURRENT LIABILITIES					
Trade and other payables		10,054	13,910	989	1,679
Disbursements billed in advance		29	28	-	-
Bank borrowings		1,500	1,500	1,500	1,500
Amounts due to subsidiaries (non-trade)		-	-	-	26
Amounts due to customers for work-in-progress		3,011	2,383	-	-
Derivative liabilities		29	30	29	30
Current tax payable		167	861	536	787
		14,790	18,712	3,054	4,022
Net Current Assets		18,613	18,182	8,480	7,387
Bank borrowings		(10,000)	(10,000)	(10,000)	(10,000)
Provision for employees benefits		(377)	(363)	-	-
Deferred tax liabilities		(4,713)	(5,711)	(143)	(143)
NET ASSETS		72,813	72,975	85,086	84,031
FINANCED BY:					
Equity attributable to owners of the parent					
Share capital		37,554	37,554	37,554	37,554
Reserves		35,259	35,421	47,532	46,477
TOTAL EQUITY		72,813	72,975	85,086	84,031

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 31/03/2016		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 31/03/2016		As at 31/12/2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
NIL	10,000	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	
	1st Qtr 1 Jan 2016 to 31 Mar 2016	1st Qtr 1 Jan 2015 to 31 Mar 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	771	2,018
Adjustments for:		
- Depreciation and amortisation	669	825
- Loss from disposal of property, plant and equipment	-	1
- Exchange differences	59	(56)
- Interest income	(67)	(43)
- Interest expense	78	68
Operating profit before working capital changes	1,510	2,813
Decrease in operating receivables	17	1,776
Decrease in operating payables	(3,810)	(1,531)
Increase in amounts due to customers for work-in-progress	734	147
Cash (used in) / generated from operations	(1,549)	3,205
Interest expense paid	(78)	(68)
Income tax paid	(1,048)	(497)
Net cash (used in) / generated from operating activities	(2,675)	2,640
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(137)	(267)
Acquisition of computer software	(610)	(356)
Proceeds from disposal of property, plant and equipment	4	-
Interest received	67	43
Net cash used in investing activities	(676)	(580)
Net (decrease) / increase in cash and cash equivalents	(3,351)	2,060
Cash and cash equivalents at beginning	20,990	14,222
Exchange gain / (loss) arising from translation of foreign currency cash and cash equivalents	3	(49)
CASH AND CASH EQUIVALENTS AT END (31 MARCH)	17,642	16,233

- 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

Balance at 1 January 2016	37,554	(12,514)	(12,569)	(247)	60,751	72,975
Total Comprehensive Income for the period	-	(720)	-	1	557	(162)
Balance at 31 March 2016	37,554	(13,234)	(12,569)	(246)	61,308	72,813

Balance at 1 January 2015	37,554	(10,816)	(12,569)	(290)	55,965	69,844
Total Comprehensive Income for the period	-	(802)	-	31	1,604	833
Balance at 31 March 2015	37,554	(11,618)	(12,569)	(259)	57,569	70,677

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

Balance at 1 January 2016	37,554	-	-	634	45,843	84,031
Total Comprehensive Income for the period	-	-	-	-	1,055	1,055
Balance at 31 March 2016	37,554	-	-	634	46,898	85,086

Balance at 1 January 2015	37,554	-	-	634	42,194	80,382
Total Comprehensive Income for the period	-	-	-	-	1,029	1,029
Balance at 31 March 2015	37,554	-	-	634	43,223	81,411

- 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 31 March 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 31 March 2016 and 31 March 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 31 March 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	
	31 Mar 2016	31 Mar 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	0.29 cents	0.83 cents
(b) On a fully diluted basis	0.29 cents	0.83 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 (31 March 2015 – 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 (31 March 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	
	31 Mar 2016	31 Dec 2015	31 Mar 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	37.60 cents	37.68 cents	43.94 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 31 March 2016

The Group's revenue for the three months ended 31 March 2016 ("1Q16") totaled \$14.8 million, compared to the previous corresponding quarter ended 31 March 2015 ("1Q15") of \$16.1million. A 7.9% decrease amounting to \$1.27 million. This comprises of a revenue drop of \$961,000 or 5.9%, in constant currency terms, and a \$317,000 or 2.0% negative foreign exchange impact.

The two main factors responsible for the drop in constant currency revenue are a slowing business environment in the regions in which we operate and an extremely keen price competitive landscape.

Other income for 1Q16 increased by 51.0% to \$376,000 (1Q15: \$249,000) mainly due to higher receipt from Wage Credit Scheme claims from the Singapore Tax Authority for the qualifying year 2015 paid in 1Q16 as compared to the qualifying year 2014 paid in 1Q15.

The Group has continued to reposition itself given the slower regional environment. We continue to work through several initiatives, which we believe will allow us to navigate the negative macro as well as micro economic headwinds. To this end, operating expenses have edged up, registering an increase of 10.8% to \$3.6 million, in part attributable to our operating entities in Australia and Hong Kong.

Total expenses increased \$243,000 or 1.8% aided by a positive foreign exchange impact. In constant currency terms, our total expenses increased 3.8%.

The Group's profit before tax for 1Q16 decreased by 61.8% to \$771,000 (1Q15: \$2.0 million) due to the lower revenue and an increase in operating expenses. Income tax expense for 1Q16 decreased by 48.3% to \$214,000 (1Q15: \$414,000) in tandem with the decrease in profit before tax.

The Groups net profit after tax for 1Q16 of \$557,000 was 65.3% (\$1.0 million) lower compared to 1Q15's \$1.6 million and was in line with lower profit before tax.

Other comprehensive loss of \$719,000 for 1Q16 (1Q15: \$771,000) arose from the translation of financial statements of foreign subsidiaries

There is an impending income tax appeal in Singapore seeking tax exemption on historical foreign dividend income paid by a subsidiary to the Company. We have not made any provision relating to this appeal (approximately \$250,000) in the current financials but expect to receive the final outcome in 2Q16.

Statement of Financial Position

Computer Software

Investment in developing an operational 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 \$3.7 million as of 31 March 2016.

Net Current Assets Position of the Group

The Group reported a higher net current assets position of \$18.6 million as of 31 March 2016, compared to \$18.2 million as of 31 December 2015 due to lower current liabilities.

Term Loan

Term loan balance remained at \$11.5 million as at 31 March 2016 and 31 December 2015.

- 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 quarter was lower than the previous quarter and 1Q15, reflecting 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 first quarter ended 31 March 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
13 May 2016