

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 1 Apr 2016 to 30 Jun 2016	2nd Qtr 1 Apr 2015 to 30 Jun 2015	Increase / (Decrease)	6M16 1 Jan 2016 to 30 Jun 2016	6M15 1 Jan 2015 to 30 Jun 2015	Increase/ (Decrease)
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%
Total Revenue	17,545	17,340	1.2%	32,382	33,454	-3.2%
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
Profit Before Tax	2,374	2,149	10.5%	3,145	4,167	-24.5%
Less: Income Tax Expense	(560)	(404)	38.6%	(774)	(818)	-5.4%
Profit After Tax	1,814	1,745	4.0%	2,371	3,349	-29.2%
Other Comprehensive Income						
Items that may be classified subsequently to						
Foreign Currency Translation	(1,346)	(1,349)	-0.2%	(2,065)	(2,120)	-2.6%
Other Comprehensive Income for the Period	(1,346)	(1,349)	-0.2%	(2,065)	(2,120)	-2.6%
Total Comprehensive Income for the Period	468	396	18.2%	306	1,229	-75.1%
PROFIT AFTER TAX ATTRIBUTABLE TO:						
Owners of the Parent	1,814	1,745	4.0%	2,371	3,349	-29.2%
Non-Controlling Interests	-	-	NM	-	-	NM
Profit After Tax	1,814	1,745	4.0%	2,371	3,349	-29.2%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the Parent	468	396	18.2%	306	1,229	-75.1%
Non-Controlling Interests	-	-	NM	-	-	NM
Total Comprehensive Income for the Period	468	396	18.2%	306	1,229	-75.1%
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
NON-CURRENT ASSETS					
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	-	-
		67,970	70,867	86,799	86,787
CURRENT ASSETS					
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
		29,120	36,894	11,438	11,409
Less:					
CURRENT LIABILITIES					
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
		13,601	18,712	2,887	4,022
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)
NET ASSETS		69,407	72,975	85,958	84,031
FINANCED BY:					
Equity attributable to owners of the parent					
Share capital		37,554	37,554	37,554	37,554
Reserves		31,853	35,421	48,404	46,477
TOTAL EQUITY		69,407	72,975	85,958	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 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 1 Apr 2016 to 30 Jun 2016	2nd Qtr 1 Apr 2015 to 30 Jun 2015	6M16 1 Jan 2016 to 30 Jun 2016	6M15 1 Jan 2015 to 30 Jun 2015
CASH FLOWS FROM OPERATING ACTIVITIES				
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
Operating profit before working capital changes	3,056	3,004	4,566	5,816
(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)
Cash generated from / (used in) operations	779	1,698	(769)	4,902
Interest expense paid	(80)	(69)	(158)	(137)
Income tax paid	(494)	(870)	(1,542)	(1,367)
Net cash generated from / (used in) operating activities	205	759	(2,469)	3,398
CASH FLOW FROM INVESTING ACTIVITIES				
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
Net cash used in investing activities	(527)	(649)	(1,203)	(1,228)
CASH FLOW FROM FINANCING ACTIVITIES				
Dividends paid	(3,873)	(1,937)	(3,873)	(1,937)
Repayment of bank borrowings	(750)	(750)	(750)	(750)
Net cash used in financing activities	(4,623)	(2,687)	(4,623)	(2,687)
Net decrease in cash and cash equivalents	(4,945)	(2,577)	(8,295)	(517)
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)
CASH AND CASH EQUIVALENTS AT END (30 JUNE)	12,457	13,482	12,457	13,482

- 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)	(248)	60,751	72,974
Total comprehensive income for the period	-	(720)	-	1	557	(162)
Balance at 31 March 2016	37,554	(13,234)	(12,569)	(247)	61,308	72,813
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 at 30 June 2016	37,554	(14,579)	(12,569)	(0)	59,001	69,407
Balance as at 1 January 2015	37,554	(10,816)	(12,569)	(290)	55,965	69,844
Total comprehensive income for the period	-	(802)	-	31	1,605	833
Balance as at 31 March 2015	37,554	(11,618)	(12,569)	(259)	57,569	70,677
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)
Balance as at 30 June 2015	37,554	(12,979)	(12,569)	(247)	57,378	69,136

COMPANY	Share capital	Exchange translation reserve	Premium paid on acquisition of Non-Controlling Interests	Share option capital reserve	Retained earnings	Total
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
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 at 30 June 2016	37,554	-	-	-	48,404	85,958
Balance as at 1 January 2015	37,554	-	-	634	42,194	80,382
Total comprehensive income for the period	-	-	-	-	1,029	1,029
Balance as at 31 March 2015	37,554	-	-	634	43,223	81,411
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)
Balance as at 30 June 2015	37,554	-	-	634	44,395	82,582

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**