

BOARDROOM LIMITED

(Registration No. 200003902Z)

THIRD QUARTER FINANCIAL STATEMENT ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015

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		%
	3rd Qtr 1 Jul 2015 to 30 Sep 2015	5th Qtr 1 Jul 2014 to 30 Sep 2014	Increase/ (Decrease)	9M15 1 Jan 2015 to 30 Sep 2015	9M14 1 Jan 2014 to 30 Sep 2014	Increase/ (Decrease)
Corporate Secretarial Fees	4,787	4,612	3.8%	15,690	14,783	6.1%
Share Registry Fees	8,587	8,876	-3.3%	23,119	23,665	-2.3%
Accounting & Payroll Fees	3,529	3,635	-2.9%	11,548	10,868	6.3%
Total Revenue	16,903	17,123	-1.3%	50,357	49,316	2.1%
Other income	100	216	-53.7%	476	654	-27.2%
Staff Cost	(10,572)	(10,265)	3.0%	(31,776)	(29,268)	8.6%
Operating Expenses	(3,494)	(3,793)	-7.9%	(10,227)	(10,533)	-2.9%
Interest on Borrowings	(75)	(75)	0.0%	(212)	(247)	-14.2%
Depreciation and Amortisation	(737)	(825)	-10.7%	(2,386)	(2,437)	-2.1%
Gain / (Loss) on Foreign Exchange	101	98	3.1%	161	(169)	NM
Profit Before Tax	2,226	2,479	-10.2%	6,393	7,316	-12.6%
Less: Income Tax	(496)	(550)	-9.8%	(1,314)	(1,663)	-21.0%
Profit After Tax	1,730	1,929	-10.3%	5,079	5,653	-10.2%
Other Comprehensive Income						
Items that may be reclassified subsequently to profit or loss						
Foreign Currency Translation	(942)	(1,981)	NM	(3,062)	(425)	NM
Other Comprehensive Income for the Period	(942)	(1,981)	NM	(3,062)	(425)	NM
Total Comprehensive Income for the Period	788	(52)	NM	2,017	5,228	NM
PROFIT AFTER TAX ATTRIBUTABLE TO:						
Owners of the Parent	1,730	1,929	-10.3%	5,079	5,653	-10.2%
Non-Controlling Interests	-	-	NM	-	-	NM
Profit After Tax	1,730	1,929	-10.3%	5,079	5,653	-10.2%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the Parent	788	(52)	NM	2,017	5,228	NM
Non-Controlling Interests	-	-	NM	-	-	NM
Total Comprehensive Income for the Period	788	(52)	NM	2,017	5,228	NM

NM: Not Meaningful

Notes:

In 2014, the Company has changed its financial year end from 30 June to 31 December (please refer to the announcement reference no. SG140623OTHRGCO dated 23 June 2014). The comparative results in this announcement covered the period from 1 July 2015 to 30 September 2015 ("3Q15") against 1 July 2014 to 30 September 2014 ("5Q14").

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 SEP 2015	31 DEC 2014	30 SEP 2015	31 DEC 2014
NON-CURRENT ASSETS					
Property, Plant & Equipment		1,915	2,278	152	268
Computer Software		2,880	1,570	394	472
Interest in Subsidiaries		-	-	86,788	86,303
Intangible Assets	1	64,457	68,680	-	-
Deferred Income Tax Assets		1,075	1,192	-	-
		70,327	73,720	87,334	87,043
CURRENT ASSETS					
Trade Receivables		12,416	14,098	-	-
Unbilled Disbursements		211	157	-	-
Other Receivables		3,807	3,591	2,671	1,774
Loans to Subsidiaries		-	-	3,101	2,764
Amount due from Subsidiaries (non-trade)		-	-	4,029	4,546
Derivatives Assets		104	93	104	93
Cash & Cash Equivalents		15,756	14,222	776	2,794
		32,294	32,161	10,681	11,971
Less:					
CURRENT LIABILITIES					
Trade Payables		10,597	10,604	1,460	1,244
Disbursements Billed in Advance		19	41	-	-
Term Loan - Current Portion		1,500	1,500	1,500	1,500
Other Payables		1,436	1,493	48	47
Amount owing to Subsidiaries (non-trade)		-	-	677	4,171
Excess of Progress Billings over Work-In-Progress		1,653	2,990	-	-
Provision for Taxation		706	1,048	333	6
		15,911	17,676	4,018	6,968
Net Current Assets / (Liabilities)		16,383	14,485	6,663	5,003
Term Loan		(10,750)	(11,500)	(10,750)	(11,500)
Provision for Employees Benefits		(340)	(273)	-	-
Deferred Taxation		(5,695)	(6,588)	(164)	(164)
NET ASSETS		69,925	69,844	83,083	80,382
FINANCED BY:					
Equity attributable to owners of the parent					
Share Capital		37,554	37,554	37,554	37,554
Reserves		32,371	32,290	45,529	42,828
TOTAL EQUITY		69,925	69,844	83,083	80,382

Notes:

- Intangible Assets represent primarily goodwill arising from acquisitions of Arthur Andersen's Corporate Secretarial and Accounting Business, Aspire CS Pte Ltd (formerly known as Chorpee Corporate Services Pte Ltd), 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 30/09/2015		As at 31/12/2014	
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 30/09/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
NIL	10,750	NIL	11,500

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			
	3rd Qtr 1 Jul 2015 to 30 Sep 2015	5th Qtr 1 Jul 2014 to 30 Sep 2014	9M15 1 Jan 2015 to 30 Sep 2015	9M14 1 Jan 2014 to 30 Sep 2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit Before Tax	2,226	2,479	6,393	7,316
Adjustments for:				
- Depreciation and Amortisation	737	825	2,386	2,437
- Loss from Disposal of Property, Plant and Equipment	1	9	2	10
- Exchange Difference	(234)	(373)	(272)	91
- Interest Income	(32)	(24)	(131)	(70)
- Interest On Borrowings	75	75	212	247
Operating Profit Before Working Capital Changes	2,773	2,991	8,590	10,031
(Increase) / Decrease in Operating Receivables	(763)	44	1,056	(1,354)
Increase / (Decrease) in Operating Payables	1,399	(965)	241	1,505
Increase / (Decrease) in Excess of Progress Billings over Work-In-Progress	45	370	(1,530)	1,873
Cash Generated from Operations	3,454	2,440	8,357	12,055
Interest Paid	(28)	(42)	(165)	(219)
Payment of Income Tax	(598)	(491)	(1,965)	(2,201)
Net Cash Generated from Operating Activities	2,828	1,907	6,227	9,635
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of Property, Plant and Equipment	(140)	(38)	(741)	(678)
Acquisition of Computer Software	(330)	(402)	(1,057)	(533)
Proceeds from Disposal of Property, Plant and Equipment	-	-	-	2
Interest Received	32	24	131	70
Net Cash Used in Investing Activities	(438)	(416)	(1,667)	(1,139)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from Exercise of Employee Share Options	-	-	-	20
Dividends Paid	-	-	(1,937)	(1,875)
Repayment of Borrowings	-	(1,125)	(750)	(9,775)
Proceeds from Loans & Borrowings	-	-	-	5,400
Net Cash Used in Financing Activities	0	(1,125)	(2,687)	(6,230)
Net Increase in Cash and Cash Equivalents	2,390	366	1,873	2,266
Cash and Cash Equivalents at beginning	13,482	9,836	14,222	7,807
Exchange (Loss) / Gain Arising from Translation of Foreign Currency Cash & Cash Equivalents	(116)	(133)	(339)	(4)
CASH AND CASH EQUIVALENTS AT END (30 SEPTEMBER)	15,756	10,069	15,756	10,069

- 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	Capital Reserve	Retained Earnings	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	

Balance at 1 January 2015	37,554	(10,816)	(12,569)	(290)	55,965	69,844
Total Comprehensive Income for the period	-	(2,163)	-	43	3,350	1,230
Issue of shares (under Boardroom Share Option Scheme)	-	-	-	-	-	0
2014 final tax-exempt cash dividend of S\$0.010 per share	-	-	-	-	(1,937)	(1,937)
Balance at 30 June 2015	37,554	(12,979)	(12,569)	(247)	57,378	69,137
Total Comprehensive Income for the period	-	(972)	-	30	1,730	788
Balance at 30 September 2015	37,554	(13,951)	(12,569)	(217)	59,108	69,925

Balance at 1 January 2014	34,325	(9,673)	(12,569)	(327)	52,417	64,173
Total Comprehensive Income for the period	-	1,596	-	(40)	3,724	5,280
Issue of shares (under Boardroom Share Option Scheme)	20	-	-	-	-	20
2014 interim tax-exempt cash dividend of S\$0.010 per share	-	-	-	-	(1,875)	(1,875)
Balance at 30 June 2014	34,345	(8,077)	(12,569)	(367)	54,266	67,598
Total Comprehensive Income for the period	-	(2,032)	-	51	1,929	(52)
Balance at 30 September 2014	34,345	(10,109)	(12,569)	(316)	56,195	67,546

COMPANY	Share Capital	Exchange Translation Reserve	Premium paid on acquisition of Non- Controlling Interests	Capital Reserve	Retained Earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000

Balance at 1 January 2015	37,554	-	-	634	42,194	80,382
Total Comprehensive Income for the period	-	-	-	-	4,137	4,137
2014 final tax-exempt cash dividend of S\$0.010 per share	-	-	-	-	(1,937)	(1,937)
Balance at 30 June 2015	37,554	-	-	634	44,394	82,582
Total Comprehensive Income for the period	-	-	-	-	501	501
Balance at 30 September 2015	37,554	-	-	634	44,895	83,083

Balance at 1 January 2014	34,325	-	-	634	42,591	77,550
Total Comprehensive Income for the period	-	-	-	-	2,961	2,961
Issue of shares (under Boardroom Share Option Scheme)	20	-	-	-	-	20
2014 interim tax-exempt cash dividend of S\$0.010 per share	-	-	-	-	(1,875)	(1,875)
Balance at 30 June 2014	34,345	-	-	634	43,677	78,656
Total Comprehensive Income for the period	-	-	-	-	970	970
Balance at 30 September 2014	34,345	-	-	634	44,647	79,626

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 September 2015 remained the same as of 30 June 2015.

As at 30 September 2015, there are no more unissued ordinary shares (as at 30 September 2014: 46,000) being exercisable options granted under the Boardroom Share Option Scheme, i.e all share options lapsed. There were no shares held as treasury shares as at 30 September 2015 and 30 September 2014.

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 September 2015 and 31 December 2014.

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.

Nil.

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 2014.

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 SEP 2015	30 SEP 2014
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	2.62 cents	3.04 cents
(b) On a fully diluted basis	2.62 cents	3.04 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 September 2014 – 185,981,565).
- 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 September 2014 – 186,000,904).

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 SEP 2015	31 DEC 2014	30 SEP 2015	31 DEC 2014
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on	36.11 cents	36.07 cents	42.90 cents	41.51 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 September 2015

The Group's revenue for the three months ended 30 September 2015 ("3Q15") totaled \$16.9 million compared to previous corresponding quarter ended 30 September 2014 ("5Q14") of \$17.1 million. The 1.3% decrease is due to a combination of lower revenues from the Share Registry and Accounting and Payroll Services. On a constant currency basis, the Group would have grown its 3Q revenue by 3.5%.

Other income for 3Q15 decreased by 53.7% to \$100,000 (5Q14: \$216,000) compared to 5Q14. In 5Q14, there were higher Productivity and Innovation Credit ("PIC") claims from the Singapore tax authority and grants received from SPRING Singapore (Capability Development Grant) as part of our initiative to improve business efficiency in Singapore.

Staff costs increased by 3.0% to \$10.6 million (5Q14: \$10.3 million). This was attributed to increased headcount as well as higher salaries to attract staff in the highly competitive labour markets in which we operate in. Operating expenses registered a decrease of 7.9% to \$3.5 million (5Q14: \$3.8 million) mainly due to the reversal of bad and doubtful debts provision as a result of better collections during 3Q15.

Depreciation and amortisation charges for 3Q15 decreased by 10.7% to \$737,000 (5Q14: \$825,000) while foreign exchange gain increased by 3.1% to \$101,000 (5Q14: \$98,000), attributed primarily to the unrealized mark-to-market gain on the Australian dollar denominated forward contracts.

The Group's profit before tax for 3Q15 decreased by 10.2% to \$2.2 million (5Q14: \$2.5 million) mainly due to lower revenue. Income tax for 3Q15 decreased by 9.8% to \$496,000 (5Q14: \$550,000) in tandem with the decrease in profit before tax.

The Group's net profit after tax for 3Q15 of \$1.7 million was 10.3% (\$199,000) lower compared to 5Q14's \$1.9 million in line with lower profit before tax.

Other comprehensive loss of \$942,000 for 3Q15 (5Q14: \$2.0 million) arose from the translation of financial statements of foreign subsidiaries as the Australian dollar and Malaysian ringgit weakened against the Singapore dollar, offset partially by the strengthening of Hong Kong dollar.

9 months to 30 September 2015

The Group recorded a marginal increase in revenue by 2.1% (\$1.0 million) to \$50.3 million for the nine months ended 30 September 2015 ("9M15") compared to last year corresponding period of \$49.3 million. All business units registered revenue growth except for the Share Registry Services. On a constant currency basis, the Group would have grown its 9M revenue by 6.2%.

Other income decreased by 27.2% to \$476,000 (9M14: \$654,000) mainly due to the higher receipt of Productivity and Innovation Credit ("PIC") claims from the Singapore tax authority and Capability Development Grant from SPRING Singapore during last year (9M14).

Staff cost increased by 8.6% to \$31.8 million (9M14: \$29.3 million). This was attributed to increased headcount as well as higher salaries to attract staff in the highly competitive labour markets in which we operate in.

Operating expenses decreased by 2.9% to \$10.2 million (9M14: \$10.5 million) mainly due to the reversal of bad and doubtful debts provision as a result of better collections and lower computer running costs in 9M15.

Interest on borrowings decreased by 14.2% to \$212,000 (9M14: \$247,000) due to scheduled loan repayment and more competitive interest rate offered by the bank, compared to 9M14. Depreciation and amortisation charges remained constant at \$2.4 million for 9M15 and 9M14.

A gain on foreign exchange of \$161,000 was recorded in 9M15 compared to a loss of \$169,000 in 9M14. The foreign exchange gain arose mainly from realized and unrealized mark-to-market gains for Australian dollar denominated forward contracts.

The Group's profit before tax for 9M15 decreased by 12.6% to \$6.4 million (9M14: \$7.3 million) mainly due to higher staff costs offsetting the increase in revenue.

Income tax decreased by 21.0% to \$1.3 million (9M14: \$1.7 million) mainly due to the lower taxable profits of our Australia operations and an additional tax provision made in 3Q14 for \$143,000 which was not provided for previously.

The Group's profit after tax for 9M15 amounted to \$5.1 million (9M14: \$5.7 million), represented by a decrease of 10.2% compared to 9M14 in line with lower profit before tax.

Other comprehensive loss for 9M15 of \$3.1 million (9M14: \$425,000), was attributed to translation of financial statements of foreign subsidiaries as the Australian dollar and Malaysian ringgit weakened against the Singapore dollar, offset partially by the strengthening of Hong Kong dollar.

Balance Sheet

Computer Software

Investment in developing an operational system by Boardroom Australia was the main reason for the increase in capitalised computer software cost from \$1.6 million as of 31 December 2014 to \$2.9 million as of 30 September 2015.

Net Current Assets Position of the Group

The Group reported a higher net current assets position of \$16.5 million as of 30 September 2015, compared to \$14.5 million as of 31 December 2014 due to lower current liabilities. The advance billing balances decreased due to recognition of revenue as services were being performed.

Term Loan

Term loan balance reduced to \$12.3 million as at 30 September 2015 compared to \$13.0 million as at 31 December 2014 due to scheduled loan repayment.

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

The Group's performance for the 3rd Quarter 2015 was in line with the statement (Paragraph 10) in the Company's announcement on the 2nd Quarter 2015's performance dated 6 August 2015.

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.

The operating environment of the Group's business is expected to remain challenging given the overall economic slow-down in its key operating markets. It is noteworthy that currently 60% of the Group's revenues are derived outside Singapore. This geographic diversification has strengthened the Group. However, significant movements in the foreign exchange market do have a great impact on the overall results.

The Group will continue to focus on developing our market presence in the region and managing our operating costs to improve operating performance.

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/recommendeded, 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 third quarter ended 30 September 2015 to be false or misleading in any material aspect.

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
12 November 2015