

BOARDROOM LIMITED

(Registration No. 200003902Z)

SECOND QUARTER FINANCIAL STATEMENT ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 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		%
	2nd Qtr 1 Apr 2015 to 30 Jun 2015	4th Qtr 1 Apr 2014 to 30 Jun 2014	Increase/ (Decrease)	6M15 1 Jan 2015 to 30 Jun 2015	6M14 1 Jan 2014 to 30 Jun 2014	Increase/ (Decrease)
Corporate Secretarial Fees	5,984	6,104	-2.0%	10,903	10,171	7.2%
Share Registry Fees	7,537	8,273	-8.9%	14,532	14,789	-1.7%
Accounting & Payroll Fees	3,819	3,693	3.4%	8,019	7,233	10.9%
Total Revenue	17,340	18,070	-4.0%	33,454	32,193	3.9%
Other income	127	202	-37.1%	376	438	-14.2%
Staff Cost	(10,919)	(10,319)	5.8%	(21,204)	(19,003)	11.6%
Operating Expenses	(3,472)	(3,368)	3.1%	(6,733)	(6,740)	-0.1%
Interest on Borrowings	(69)	(82)	-15.9%	(137)	(172)	-20.3%
Depreciation and Amortisation	(824)	(832)	-1.0%	(1,649)	(1,612)	2.3%
(Loss)/ Gain on Foreign Exchange	(34)	(92)	NM	60	(267)	NM
Profit Before Tax	2,149	3,579	-40.0%	4,167	4,837	-13.9%
Less: Income Tax	(404)	(612)	-34.0%	(818)	(1,113)	-26.5%
Profit After Tax	1,745	2,967	-41.2%	3,349	3,724	-10.1%
Other Comprehensive Income						
Items that may be reclassified subsequently to profit or loss						
Foreign Currency Translation	(1,349)	231	NM	(2,120)	1,556	NM
Other Comprehensive Income for the Period	(1,349)	231	NM	(2,120)	1,556	NM
Total Comprehensive Income for the Period	396	3,198	-87.6%	1,229	5,280	-76.7%
PROFIT AFTER TAX ATTRIBUTABLE TO:						
Owners of the Parent	1,745	2,967	-41.2%	3,349	3,724	-10.1%
Non-Controlling Interests	-	-	NM	-	-	NM
Profit After Tax	1,745	2,967	-41.2%	3,349	3,724	-10.1%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the Parent	396	3,198	-87.6%	1,229	5,280	-76.7%
Non-Controlling Interests	-	-	NM	-	-	NM
Total Comprehensive Income for the Period	396	3,198	-87.6%	1,229	5,280	-76.7%

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. SG1406230THRRGCO dated 23 June 2014). The comparative results in this announcement covered the period from 1 April 2015 to 30 June 2015 ("2Q15") against 1 April 2014 to 30 June 2014 ("4Q14").

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 2015	31 DEC 2014	30 JUN 2015	31 DEC 2014
NON-CURRENT ASSETS					
Property, Plant & Equipment		2,106	2,278	186	268
Computer Software		2,718	1,570	421	472
Interest in Subsidiaries		-	-	86,788	86,303
Intangible Assets	1	65,396	68,680	-	-
Deferred Income Tax Assets		1,107	1,192	-	-
		71,327	73,720	87,395	87,043
CURRENT ASSETS					
Trade Receivables		13,249	14,098	-	-
Unbilled Disbursements		186	157	-	-
Other Receivables		2,313	3,591	1,830	1,774
Loans to Subsidiaries		-	-	3,083	2,764
Amount due from Subsidiaries (non-trade)		-	-	4,513	4,546
Derivatives Assets		39	93	39	93
Cash & Cash Equivalents		13,482	14,222	1,555	2,794
		29,269	32,161	11,020	11,971
Less:					
CURRENT LIABILITIES					
Trade Payables		9,240	10,604	977	1,244
Disbursements Billed in Advance		42	41	-	-
Term Loan - Current Portion		1,500	1,500	1,500	1,500
Other Payables		1,268	1,493	48	47
Amount owing to Subsidiaries (non-trade)		-	-	2,048	4,171
Excess of Progress Billings over Work-In-Progress		1,459	2,990	-	-
Provision for Taxation		697	1,048	346	6
		14,206	17,676	4,919	6,968
Net Current Assets / (Liabilities)		15,063	14,485	6,101	5,003
Term Loan		(10,750)	(11,500)	(10,750)	(11,500)
Provision for Employees Benefits		(497)	(273)	-	-
Deferred Taxation		(6,006)	(6,588)	(164)	(164)
NET ASSETS		69,137	69,844	82,582	80,382
FINANCED BY:					
Equity attributable to owners of the parent					
Share Capital		37,554	37,554	37,554	37,554
Reserves		31,583	32,290	45,028	42,828
TOTAL EQUITY		69,137	69,844	82,582	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 30/06/2015		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 30/06/2015		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			
	2nd Qtr 1 Apr 2015 to 30 Jun 2015	4th Qtr 1 Apr 2014 to 30 Jun 2014	6M15 1 Jan 2015 to 30 Jun 2015	6M14 1 Jan 2014 to 30 Jun 2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit Before Tax	2,149	3,579	4,167	4,837
Adjustments for:				
- Depreciation and Amortisation	824	832	1,649	1,612
- Loss from Disposal of Property, Plant and Equipment	1	-	1	1
- Exchange Difference	17	66	(39)	463
- Interest Income	(56)	(24)	(99)	(46)
- Interest On Borrowings	69	82	137	172
Operating Profit Before Working Capital Changes	3,004	4,535	5,816	7,039
Increase / (Decrease) in Operating Receivables	43	(1,588)	1,819	(1,398)
Increase / (Decrease) in Operating Payables	373	2,546	(1,158)	2,471
(Decrease) / Increase in Excess of Progress Billings over Work-In-Progress	(1,722)	(2,049)	(1,575)	1,502
Cash Generated from Operations	1,698	3,444	4,902	9,614
Interest Paid	(69)	(86)	(137)	(177)
Payment of Income Tax	(870)	(527)	(1,367)	(1,709)
Net Cash Generated from Operating Activities	759	2,831	3,398	7,728
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of Property, Plant and Equipment	(334)	(492)	(601)	(640)
Acquisition of Computer Software	(371)	(88)	(726)	(131)
Proceeds from Disposal of Property, Plant and Equipment	-	-	-	2
Interest Received	56	24	99	46
Net Cash Used in Investing Activities	(649)	(556)	(1,228)	(723)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from Exercise of Employee Share Options	-	1	-	20
Dividends Paid	(1,937)	-	(1,937)	(1,875)
Repayment of Borrowings	(750)	(7,900)	(750)	(8,650)
Proceeds from Loans & Borrowings	-	4,400	-	5,400
Net Cash Used in Financing Activities	(2,687)	(3,499)	(2,687)	(5,105)
Net (Decrease)/ Increase in Cash and Cash Equivalents	(2,577)	(1,224)	(517)	1,900
Cash and Cash Equivalents at beginning	16,233	11,031	14,222	7,807
Exchange (Loss) / Gain Arising from Translation of Foreign Currency Cash & Cash Equivalents	(174)	29	(223)	129
CASH AND CASH EQUIVALENTS AT END (30 JUNE)	13,482	9,836	13,482	9,836

- 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						Non-Controlling Interests	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	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	-	(802)	-	31	1,605	-	834	
Balance at 31 March 2015	37,554	(11,618)	(12,569)	(259)	57,570	-	70,678	
Total Comprehensive Income for the period	-	(1,361)	-	12	1,745	-	396	
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	
Balance at 1 January 2014	34,325	(9,673)	(12,569)	(327)	52,417	-	64,173	
Total Comprehensive Income for the period	-	1,357	-	(32)	757	-	2,082	
Issue of shares (under Boardroom Share Option Scheme)	19	-	-	-	-	-	19	
2014 interim tax-exempt cash dividend of S\$0.010 per share	-	-	-	-	(1,875)	-	(1,875)	
Balance at 31 March 2014	34,344	(8,316)	(12,569)	(359)	51,299	-	64,399	
Total Comprehensive Income for the period	-	239	-	(8)	2,967	-	3,198	
Issue of shares (under Boardroom Share Option Scheme)	1	-	-	-	-	-	1	
Balance at 30 June 2014	34,345	(8,077)	(12,569)	(367)	54,266	-	67,598	

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	-	-	-	-	1,029	1,029
Balance 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 at 30 June 2015	37,554	-	-	634	44,394	82,582

Balance at 1 January 2014	34,325	-	-	634	42,591	77,550
Total Comprehensive Income for the period	-	-	-	-	1,370	1,370
Issue of shares (under Boardroom Share Option Scheme)	19	-	-	-	-	19
2014 interim tax-exempt cash dividend of S\$0.010 per share	-	-	-	-	(1,875)	(1,875)
Balance at 31 March 2014	34,344	-	-	634	42,086	77,064
Total Comprehensive Income for the period	-	-	-	-	1,591	1,591
Issue of shares (under Boardroom Share Option Scheme)	1	-	-	-	-	1
Balance at 30 June 2014	34,345	-	-	634	43,677	78,656

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 Jun 2015 remained the same as of 31 March 2015.

As at 30 June 2015, there are no more unissued ordinary shares (as at 30 June 2014: 62,000) 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 June 2015 and 30 June 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 June 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 JUN 2015	30 JUN 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	1.73 cents	2.00 cents
(b) On a fully diluted basis	1.73 cents	2.00 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 2014 – 186,034,666).
- 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 2014 – 186,060,794).

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 2015	31 DEC 2014	30 JUN 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	35.70 cents	36.07 cents	42.64 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 June 2015

The Group's revenue for the three months ended 30 June 2015 ("2Q15") amounted to \$17.3 million against previous corresponding quarter ended 30 June 2014 ("4Q14") of \$18.1 million. The decrease of 4.0% was mainly attributed to lower revenue from the Share Registry Services business.

Other Income for 2Q15 decreased by 37.1% to \$127,000 (4Q14: \$202,000) due to higher receipt of Productivity and Innovation Credit ("PIC") claims from the Singapore tax authority in 4Q14.

Staff costs increased by 5.8% to \$10.9 million in 2Q15 (4Q14: \$10.3 million) mainly due to tight labour market across the Group. The increase was also attributed to salary increments and increased headcounts to attract and retain staff in the highly competitive labour markets across the region. Operating expenses increased by 3.1% to \$3.5 million in 2Q15 (4Q14: \$3.4 million).

Interest on borrowings decreased by 15.9% to \$69,000 in 2Q15 (4Q14: \$82,000), as the term loan amount was reduced to \$12.3 million as at 30 June 2015 (\$13.0 million as at 30 June 2014) with scheduled loan repayments and more competitive interest rate offered by the bank.

Depreciation and amortisation charges for 2Q15 decreased marginally by 1.0% to \$824,000 (4Q14: \$832,000). The decrease in foreign exchange loss of \$34,000 recorded in 2Q15 (4Q14: \$92,000) was attributed primarily to realized gains for Australia dollar denominated forward contracts.

The Group's profit before tax for 2Q15 decreased by 40.0% to \$2.1 million (4Q14: \$3.6 million) mainly due to decrease in revenue coupled with an increase in staff costs.

Income tax for 2Q15 decreased by 34.0% to \$404,000 (4Q14: \$612,000) in tandem with the decrease in profit before tax figures.

The Group's net profit after tax for 2Q15 of \$1.7 million compared to 4Q14's \$3.0 million declined by 41.2%.

Other comprehensive loss of \$1.3 million for 2Q15 (4Q14: \$231,000 gain) was a result that arose from the translation of financial statements of foreign subsidiaries as the Australian dollar, Hong Kong dollar and Malaysian ringgit weakened against the Singapore dollar in 2Q15.

6 months to 30 June 2015

The Group recorded a marginal increase in revenue by 3.9% or \$1.3 million from \$32.2 million for the six months ended 30 June 2014 ("6M14") to \$33.5 million for the six months ended 30 June 2015 ("6M15"). All business units recorded an increase in revenue except for the Share Registry Services business. Growth in the Accounting and Payroll and Corporate Secretarial Services businesses contributed significantly to this revenue growth.

Other income decreased by 14.2% to \$376,000 (6M14: \$438,000) mainly due to higher receipt of Productivity and Innovation Credit ("PIC") claims from the Singapore tax authority in 4Q14 compared to 2Q15.

Staff cost increased by 11.6% to \$21.2 million (6M14: \$19.0 million) mainly due to tight labour market across the Group. The increase was also attributed to salary increments and increased headcounts as the Group looked to retain and hire staff to maintain the high level of quality services that are provided to our clients across the region.

Operating expenses remained relatively constant at \$6.7 million for the six months ended 30 June 2015 and 30 June 2014.

Interest on borrowings decreased by 20.3% as the term loan amount was reduced by the scheduled loan repayments and more competitive interest rate offered by the bank, compared to 6M14. Depreciation and amortisation charge increased marginally by 2.3 % to \$1.7 million (6M14: \$1.6 million).

A gain on foreign exchange of \$60,000 was recorded in 6M15 compared to a loss of \$267,000 in 6M14. The foreign exchange gain arose mainly from realized gains for Australia dollar denominated forward contracts.

Income tax decreased by 26.5% to \$818,000 (6M14: \$1.1 million) mainly due to the lower taxable profits of our Australia operations and an additional provision made in 3Q14 for taxes of \$143,000 which was not provided for previously.

The Group's profit after tax for 6M15 amounted to \$3.4 million (6M14: \$3.7 million), represented by a decrease of 10.1% compared to 6M14. This was mainly due to higher staff cost offset by the increase in revenue.

Other comprehensive loss for 6M15 was attributed to the losses from the translation of financial statements of foreign subsidiaries. The translation loss of \$2.1 million recorded for 6M15, compared to a translation gain of \$1.6 million for 6M14, was mainly due to the weakening of Australian dollar, Hong Kong dollar and Malaysian ringgit against the Singapore dollar in 6M15.

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 \$2.7 million as of 30 June 2015.

Net Current Assets Position of the Group

The Group reported a higher net current assets position of \$15.1 million as of 30 June 2015, compared to \$14.5 million as of 31 December 2014, mainly due to the decrease in excess of progress billings over work-in progress.

Term Loan

Term loan balance reduced to \$12.3 million as at 30 June 2015 compared to \$13.0 million as at 30 June 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 2nd Quarter 2015 was in line with the statement (Paragraph 10) in the Company's announcement on the 1st Quarter 2015 performance dated 13 May 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 continues to be challenging in an increasingly competitive market environment. In addition, movement in the foreign exchange market is expected to remain volatile given the risks in the global economy and this will add to the uncertainties ahead.

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 second quarter ended 30 June 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
6 August 2015