

BOARDROOM LIMITED

(Registration No. 200003902Z)

FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP					
	S\$'000		%	S\$'000		%
	3rd Qtr 1 Jul 2016 to 30 Sep 2016	3rd Qtr 1 Jul 2015 to 30 Sep 2015	Increase / (Decrease)	9M16 1 Jan 2016 to 30 Sep 2016	9M16 1 Jan 2015 to 30 Sep 2015	Increase / (Decrease)
Corporate Secretarial Fees	4,885	4,787	2.0%	15,218	15,690	-3.0%
Share Registry Fees	8,261	8,587	-3.8%	22,452	23,119	-2.9%
Accounting & Payroll Fees	3,579	3,529	1.4%	11,437	11,548	-1.0%
Total Revenue	16,725	16,903	-1.1%	49,107	50,357	-2.5%
Other Income	53	100	-47.0%	542	476	13.9%
Employee Benefits Expense	(10,800)	(10,572)	2.2%	(31,901)	(31,776)	0.4%
Operating Expenses	(3,404)	(3,494)	-2.6%	(10,472)	(10,227)	2.4%
Interest on Bank Borrowings	(77)	(75)	2.7%	(235)	(212)	10.8%
Depreciation & Amortization	(667)	(737)	-9.5%	(1,971)	(2,386)	-17.4%
Gain/(Loss) on Foreign Exchange	71	101	-29.7%	(24)	161	-114.9%
Profit Before Tax	1,901	2,226	-14.6%	5,046	6,393	-21.1%
Less: Income Tax Expenses	(464)	(496)	-6.5%	(1,238)	(1,314)	-5.8%
Profit After Tax	1,437	1,730	-16.9%	3,808	5,079	-25.0%
Other Comprehensive Income:						
Items that may be classified subsequently to profit or loss						
Foreign Currency Translation Gain/(Loss)	1,572	(942)	266.9%	(493)	(3,062)	83.9%
Other Comprehensive Income/(Loss) for the Period	1,572	(942)	266.9%	(493)	(3,062)	83.9%
Total Comprehensive Income for the Period	3,009	788	281.9%	3,315	2,017	64.4%
PROFIT AFTER TAX ATTRIBUTABLE TO:						
Owners of the Parent	1,437	1,730	-16.9%	3,808	5,079	-25.0%
Non-Controlling Interests	-	-	NM	-	-	NM
Profit After Tax	1,437	1,730	-16.9%	3,808	5,079	-25.0%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the Parent	3,009	788	281.9%	3,315	2,017	64.4%
Non-Controlling Interests	-	-	NM	-	-	NM
Total Comprehensive Income for the Period	3,009	788	281.9%	3,315	2,017	64.4%

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 Sep 2016	31 Dec 2015	30 Sep 2016	31 Dec 2015
NON-CURRENT ASSETS					
Property, plant and equipment		1,738	1,820	202	118
Computer software		4,336	3,201	284	366
Investments in subsidiaries		-	-	86,303	86,303
Intangible assets	1	63,257	64,751	-	-
Deferred tax assets		254	1,095	-	-
		69,585	70,867	86,789	86,787
CURRENT ASSETS					
Trade and other receivables		15,545	15,803	1,411	1,845
Unbilled disbursements		299	101	-	-
Loan to subsidiaries		-	-	3,172	3,119
Amounts due from subsidiaries (non-trade)		-	-	4,262	4,361
Derivative assets		-	-	-	-
Tax recoverable		141	-	-	-
Cash and cash equivalents		17,745	20,990	3,639	2,084
		33,730	36,894	12,484	11,409
Less:					
CURRENT LIABILITIES					
Trade and other payables		12,643	13,910	847	1,679
Disbursements billed in advance		41	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		1,485	2,383	-	-
Derivative liabilities		-	30	-	30
Current tax payable		1,099	861	713	787
		16,768	18,712	3,060	4,022
Net current assets		16,962	18,182	9,424	7,387
Bank borrowings		(9,250)	(10,000)	(9,250)	(10,000)
Provision for employees benefits		(366)	(363)	-	-
Deferred tax liabilities		(4,514)	(5,711)	(143)	(143)
NET ASSETS		72,417	72,975	86,820	84,031
FINANCED BY:					
Equity attributable to owners of the parent					
Share capital		37,554	37,554	37,554	37,554
Reserves		34,863	35,421	49,266	46,477
TOTAL EQUITY		72,417	72,975	86,820	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 Sep 2016		As at 31 Dec 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 Sep 2016		As at 31 Dec 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			
	3rd Qtr 1 Jul 2016 to 30 Sep 2016	3rd Qtr 1 Jul 2015 to 30 Sep 2015	9M16 1 Jan 2016 to 30 Sep 2016	9M16 1 Jan 2015 to 30 Sep 2015
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax	1,901	2,226	5,046	6,393
Adjustments for:				
Depreciation & amortisation	667	737	1,971	2,386
Loss from disposal of property, plant and equipment	-	1	3	2
Exchange differences	28	(234)	116	(272)
Interest income	(60)	(32)	(192)	(131)
Interest expense	77	75	235	212
Operating profit before working capital changes	2,613	2,773	7,179	8,590
Decrease/(increase) in operating receivables and prepayments	1,004	(763)	(54)	1,056
Increase/(decrease) in operating payable	2,112	1,399	(1,193)	241
Increase/(decrease) in amounts due to customers for work-in-progress	152	45	(819)	(1,530)
Cash generated from operations	5,881	3,454	5,113	8,357
Interest expense paid	(77)	(28)	(235)	(165)
Income tax paid	16	(598)	(1,526)	(1,965)
Net cash generated from operating activities	5,820	2,828	3,352	6,227
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	(235)	(140)	(616)	(741)
Acquisition of computer software	(526)	(330)	(1,487)	(1,057)
Proceeds from sale of property, plant and equipment	6	-	13	-
Interest received	60	32	192	131
Net cash used in investing activities	(695)	(438)	(1,898)	(1,667)
CASH FLOW FROM FINANCING ACTIVITIES				
Dividends paid	-	-	(3,873)	(1,937)
Repayment of bank borrowings	-	-	(750)	(750)
Net cash used in financing activities	-	-	(4,623)	(2,687)
Net increase/(decrease) in cash and cash equivalents	5,125	2,390	(3,169)	1,873
Cash and cash equivalents at beginning of the period	12,458	13,482	20,990	14,222
Exchange gain/(loss) arising from translation of foreign currencies cash and cash equivalents	162	(116)	(76)	(339)
CASH AND CASH EQUIVALENTS AT PERIOD END	17,745	15,756	17,745	15,756

- 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 interest	Share option capital reserve	Retained earnings	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Balance as at 1 January 2016	37,554	(12,513)	(12,569)	(248)	60,751	72,975
Total comprehensive income for the period	-	(2,065)	-	-	2,371	306
Expiry of employee share options	-	-	-	248	(248)	-
2015 final tax-exempt cash dividends of S\$0.020 per share	-	-	-	-	(3,873)	(3,873)
Balance as at 30 June 2016	37,554	(14,578)	(12,569)	-	59,001	69,408
Total comprehensive income for the period	-	1,572	-	-	1,437	3,009
Balance as at 30 September 2016	37,554	(13,006)	(12,569)	-	60,438	72,417
Balance as 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
2014 final tax-exempt cash dividends 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	69,137
Total comprehensive income for the period	-	(972)	-	30	1,730	788
Balance as at 30 September 2015	37,554	(13,951)	(12,569)	(217)	59,108	69,925
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 2016	37,554	-	-	634	45,843
Total comprehensive income for the period	-	-	-	-	5,800	5,800
Expiry of employee share options	-	-	-	(634)	634	-
2015 final tax-exempt cash dividends of S\$0.020 per share	-	-	-	-	(3,873)	(3,873)
Balance as at 30 June 2016	37,554	-	-	-	48,404	85,958
Total comprehensive income for the period	-	-	-	-	862	862
Balance as at 30 September 2016	37,554	-	-	-	49,266	86,820
Balance as 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 dividends of S\$0.010 per share	-	-	-	-	(1,937)	(1,937)
Balance as at 30 June 2015	37,554	-	-	634	44,394	82,582
Total comprehensive income for the period	-	-	-	-	501	501
Balance as at 30 September 2015	37,554	-	-	634	44,895	83,083

- 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 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 September 2016 and 30 September 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 September 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 Sep 2016	30 Sep 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	1.97 cents	2.62 cents
(b) On a fully diluted basis	1.97 cents	2.62 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 September 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 September 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 Sep 2016	31 Dec 2015	30 Sep 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	37.39 cents	37.68 cents	44.83 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 September 2016

The Group's revenue for the three months ended 30 September 2016 ("3Q16") totaled \$16.7 million, compared to the previous corresponding three months ended 30 September 2015 ("3Q15") of \$16.9 million. There is a 1.1% decrease representing approximately \$178,000.

Other income decreased 47.0% to \$53,000 (3Q15: \$100,000) mainly due to reclassification of sundry income of \$36,000 to revenue.

Expenses totaled \$14.9 million for 3Q16 (3Q15: 14.8 million). At constant currency, this was a \$129,000 or 0.9% increase in total expenses, partially offset by a favourable foreign exchange impact of 0.2%. The increase is mainly due to provisions for doubtful debts of \$63,000 (3Q15: -\$23k). The Group continues to be vigilant of the environment and is monitoring services and collections closely.

The Group's profit before tax decreased by 14.6% from \$2.2 million (3Q15) to \$1.9 million (3Q16) due to lower revenue and higher operating expenses.

Net profit after tax decreased 16.9% to \$1.4 million (3Q15: \$1.7 million).

Other comprehensive gain of \$1.6 million (3Q15: loss of \$0.9 million) arose from translation of financial statements of foreign subsidiaries.

9 months to 30 September 2016

The Group's revenue for the nine months ended 30 September 2016 ("9M16") totaled \$49.1 million, compared to the previous corresponding nine months ended 30 September 2015 ("9M15") of \$50.4 million. There is a 2.5% decrease representing approximately \$1.25 million. This comprises a revenue drop of \$592,000 or 1.2% in constant currency terms, and a \$658,000 or 1.3% 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 9M16 increased by 13.9% to \$542,000 (9M15: \$476,000) mainly due to higher receipt from Wage Credit Scheme claims from the Singapore tax authority.

Expenses totaled \$44.6 million for 9M16 (9M15: \$44.4 million). At constant currency, this was a \$739,000 or 1.7% increase in total expenses partially offset by a favourable foreign exchange impact of 1.3% or approximately \$576,000. The main increase was due to provisions for doubtful debts of \$565,000 (9M15: - \$10,000).

The Group's Profit Before Tax decreased by 21.1% from \$6.4 million (9M15) to \$5.0 million (9M16) due mainly to lower revenue. Income tax expense decreased by 5.8% to \$1.2 million (9M15: \$1.3 million) in line with the decrease in profit before tax. Net profit after tax decreased 25.0% to \$3.8 million (9M15: \$5.1 million).

Other comprehensive loss of \$0.5 million (9M15: \$3.1 million) arose from translation of financial statements of foreign subsidiaries.

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 \$4.3 million as of 30 September 2016.

Net Current Assets Position of the Group

The Group reported a lower net current assets position of \$17.0 million as of 30 September 2016, compared to \$18.2 million as of 31 December 2015 due to lower cash balance from the final 2015 dividend payout in May this year 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 September 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.

We have not seen any significant change in the business climate since the last quarter, reflecting our lower overall performance for the 9 months compared to the corresponding period last year. The Group expects the weaker economic conditions to continue over the next quarter.

Our focus is to keep driving revenue growth by expanding our service offerings while looking at reasonable cost containment. We have embarked on several regional initiatives to drive our Boardroom service offerings to a wider client base. The initial outcome looks encouraging.

On a separate note, we wish to disclose that a claim form has recently been filed in the BVI Courts against our entities which provide trust services. However, our entities have not been officially served. We shall provide updates as and when appropriate.

Overall, we expect the Group's performance to remain satisfactory in light of the challenging economies in which we operate.

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 third quarter ended 30 September 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
10 November 2016