

BOARDROOM LIMITED

(Registration No. 200003902Z)

FIRST QUARTER FINANCIAL STATEMENT ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2017

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		%
	1st Qtr 1 Jan 2017 to 31 Mar 2017	1st Qtr 1 Jan 2016 to 31 Mar 2016	Increase / (Decrease)
Corporate Secretarial Fees	4,799	4,558	5.3%
Share Registry Fees	6,346	6,420	-1.2%
Accounting & Payroll Fees	4,087	3,859	5.9%
Total Revenue	15,232	14,837	2.7%
Other Income	313	376	-16.8%
Employee Benefits Expense	(10,555)	(10,008)	5.5%
Operating Expenses	(3,135)	(3,615)	-13.3%
Interest on Bank Borrowings	(64)	(78)	-17.9%
Depreciation & Amortisation	(653)	(669)	-2.4%
Impairment of Goodwill	-	-	NM
Loss on Foreign Exchange	(18)	(72)	-75.0%
Profit Before Tax	1,120	771	45.3%
Less: Income Tax Expense	(262)	(214)	22.4%
Profit After Tax	858	557	54.0%
Other Comprehensive Income:			
Items that may be classified subsequently to profit or loss			
Foreign Currency Translation Gain/(Loss)	250	(719)	134.8%
Other Comprehensive Income/(Loss) for the Period	250	(719)	134.8%
Total Comprehensive Income for the Period	1,108	(162)	NM
PROFIT AFTER TAX ATTRIBUTABLE TO:			
Owners of the Parent	858	557	54.0%
Non-Controlling Interests	-	-	NM
Profit After Tax	858	557	54.0%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the Parent	1,108	(162)	NM
Non-Controlling Interests	-	-	NM
Total Comprehensive Income for the Period	1,108	(162)	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 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
NON-CURRENT ASSETS					
Property, plant and equipment		2,057	1,972	693	495
Computer software		5,140	4,734	230	257
Investments in subsidiaries	1	-	-	85,793	84,793
Intangible assets	2	63,963	64,205	-	-
Deferred tax assets		246	260	-	-
		71,406	71,171	86,716	85,545
CURRENT ASSETS					
Trade and other receivables		15,350	17,169	1,524	1,536
Unbilled disbursements		72	45	-	-
Amounts due from subsidiaries (non-trade)		-	-	4,368	3,432
Income Tax receivable		-	156	-	-
Cash and cash equivalents		20,730	20,185	4,019	5,386
		36,152	37,555	9,911	10,354
Less:					
CURRENT LIABILITIES					
Trade and other payables		11,129	13,221	834	1,129
Disbursements billed in advance		118	52	-	-
Bank borrowings		1,500	1,500	1,500	1,500
Amounts due to customers for work-in-progress		2,213	2,327	-	-
Income tax payable		593	714	631	559
		15,553	17,814	2,965	3,188
Net current assets		20,599	19,741	6,946	7,166
Bank borrowings		(8,500)	(8,500)	(8,500)	(8,500)
Provision for employees benefits		(338)	(351)	-	-
Deferred tax liabilities		(4,834)	(4,836)	(143)	(143)
NET ASSETS		78,333	77,225	85,019	84,068
FINANCED BY:					
Equity attributable to owners of the parent					
Share capital		37,554	37,554	37,554	37,554
Reserves		40,779	39,671	47,465	46,514
TOTAL EQUITY		78,333	77,225	85,019	84,068

Notes:

- Increase in investments in subsidiaries contributed to additional investments in Boardroom Executive Services.
- 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 Mar 2017		As at 31 Dec 2016	
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 Mar 2017		As at 31 Dec 2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
NIL	8,500	NIL	8,500

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	
	1st Qtr 1 Jan 2017 to 31 Mar 2017	1st Qtr 1 Jan 2016 to 31 Mar 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,120	771
Adjustments for:		
Depreciation & amortisation	653	669
Allowance for impairment of trade receivables	198	111
Exchange differences	196	59
Interest income	(63)	(67)
Interest expense	64	78
Operating profit before working capital changes	2,168	1,621
Decrease/(increase) in operating receivables and prepayments	1,521	(94)
Decrease in operating payable	(2,021)	(3,810)
(Decrease)/increase in amounts due to customers for work-in-progress	(18)	734
Cash generated from/(used in) operations	1,650	(1,549)
Interest expense paid	(64)	(78)
Income tax paid	(334)	(1,048)
Net cash generated from/(used in) operating activities	1,252	(2,675)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(294)	(137)
Acquisition of computer software	(405)	(610)
Proceeds from sale of property, plant and equipment	-	4
Interest received	63	67
Net cash used in investing activities	(636)	(676)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	-	-
Repayment of bank borrowings	-	-
Net cash used in financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	616	(3,351)
Cash and cash equivalents at beginning of the period	20,185	20,990
Exchange (loss)/gain arising from translation of foreign currencies cash and cash equivalents	(71)	3
CASH AND CASH EQUIVALENTS AT PERIOD END	20,730	17,642

- 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.

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	S\$'000
Balance as at 1 January 2017	37,554	(11,637)	(12,569)	-	63,877	77,225
Total comprehensive income for the period	-	250	-	-	858	1,108
Balance as at 31 March 2017	37,554	(11,387)	(12,569)	-	64,735	78,333
Balance as 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 as at 31 March 2016	37,554	(13,234)	(12,569)	(246)	61,308	72,813

COMPANY	Share capital	Exchange translation reserve	Premium paid on acquisition of non-controlling interest	Share option capital reserve	Retained earnings	Total
Balance as at 1 January 2017	37,554	-	-	-	46,514	84,068
Total comprehensive income for the period	-	-	-	-	951	951
Balance as at 31 March 2017	37,554	-	-	-	47,465	85,019
Balance as at 1 January 2016	37,554	-	-	634	45,843	84,031
Total comprehensive income for the period	-	-	-	-	1,055	1,055
Balance as at 31 March 2016	37,554	-	-	634	46,898	85,086

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 2017 remained the same as of 31 December 2016.

The Company no longer has any share option scheme. There were no shares held as treasury shares as at 31 March 2017 and 31 March 2016.

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 2017 and 31 December 2016.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There are no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There are no sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period.

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).

There is no auditors' report as these figures have not been audited nor reviewed by the Company's auditors.

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 2016.

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 2017	31 Mar 2016
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	0.44 cents	0.29 cents
(b) On a fully diluted basis	0.44 cents	0.29 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 2016 – 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 2016 – 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 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on	40.45 cents	39.88 cents	43.90 cents	43.41 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 2017

The Group's revenue for the three months ended 31 March 2017 ("1Q17") totaled \$15.2 million compared to previous corresponding quarter ended 31 March 2016 ("1Q16") of \$14.8 million. The 2.7% increase was due to higher revenue of approximately S\$220,000 and a favourable foreign exchange impact of approximately \$174,000.

Other income for 1Q17 decreased by 16.8% to \$313,000 (1Q16: \$376,000) mainly due to lower receipt of Wage Credit Scheme claims from the Singapore tax authority.

Total Expenses decreased \$17,000 or 0.1 %. This comprise a total cost saving of approximately \$173,000 or 1.2%, in constant currency terms, offset by a \$155,000 or 1.1% negative foreign exchange impact.

The Group's profit before tax for 1Q17 increased by 45.3% to \$1.1 million (1Q16: \$0.7 million) mainly due to higher revenue from Singapore and higher productivity with costs containment initiatives. Income tax expense for 1Q17 increased by 22.4% to \$262,000 (1Q16: \$214,000) in tandem with the increase in profit before tax.

The Group's net profit after tax for 1Q17 of \$858,000 was 54.0% (\$301,000) higher compared to 1Q16's \$557,000 and was in line with higher profit before tax.

Other comprehensive income of \$250,000 for 1Q17 (1Q16: \$719,000 loss) arose from the translation of financial statements of foreign subsidiaries.

Statement of Financial Position

Computer Software

Investment in developing an operational system by Boardroom Australia and payroll software system by Boardroom Business Solutions Singapore was the main reason for the increase in capitalised computer software cost from \$4.7 million as of 31 December 2016 to \$5.1 million as of 31 March 2017.

Net Current Assets Position of the Group

The Group reported a higher net current assets position of \$20.6 million as of 31 March 2017, compared to \$19.7 million as of 31 December 2016 mainly due to lower cost accruals.

Term Loan

Term loan balance decreased from \$11.5 million at 31 March 2016 to \$10.0 million at 31 March 2017 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.

The efforts to contain costs and drive productivity have started to bear fruit. However, the Group continues to operate in an increasingly competitive market environment. We will continue to focus on driving revenue growth by expanding our services offerings and will remain vigilant on cost containment initiatives.

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.

No dividend has been declared/recommendeded for the current financial period and the corresponding period of the immediately preceding financial year.

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 2017 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
12 May 2017