

BOARDROOM LIMITED

(Registration No. 200003902Z)

FIRST QUARTER FINANCIAL STATEMENT ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2018

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 2018 to 31 Mar 2018	1st Qtr 1 Jan 2017 to 31 Mar 2017 (Restated*)	Increase / (Decrease)
Corporate Secretarial Fees	5,761	4,799	20.0%
Share Registry Fees	9,139	7,621	19.9%
Accounting & Payroll Fees	4,150	4,130	0.5%
Total Revenue	19,050	16,550	15.1%
Other Income	371	313	18.5%
Employee Benefits Expense	(10,697)	(10,555)	1.3%
Operating Expenses	(5,331)	(4,453)	19.7%
Interest on Bank Borrowings	(60)	(64)	-6.3%
Depreciation & Amortisation	(821)	(653)	25.7%
Impairment of Goodwill	-	-	NM
Loss on Foreign Exchange	(56)	(18)	211.1%
Share of associate's loss, net of tax	(2)	-	NM
Profit Before Tax	2,454	1,120	119.1%
Less: Income Tax Expense	(522)	(262)	99.2%
Profit After Tax	1,932	858	125.2%
Other Comprehensive Income:			
Items that may be classified subsequently to profit or loss			
Foreign Currency Translation (Loss)/Gain	(1,797)	250	-818.8%
Other Comprehensive (Loss)/Income for the Period	(1,797)	250	-818.8%
Total Comprehensive Income for the Period	135	1,108	-87.8%
PROFIT AFTER TAX ATTRIBUTABLE TO:			
Owners of the Parent	1,932	858	125.2%
Non-Controlling Interests	-	-	NM
Profit After Tax	1,932	858	125.2%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the Parent	135	1,108	-87.8%
Non-Controlling Interests	-	-	NM
Total Comprehensive Income for the Period	135	1,108	-87.8%

NM : Not Meaningful

* : The comparative figures for the financial period ended 31 March 2017 have been restated to take into account the retrospective adjustments arising from the adoption of SFRS(I) 15 – Revenue From Contracts with Customers.

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 2018	31 Dec 2017	31 Mar 2018	31 Dec 2017
NON-CURRENT ASSETS					
Property, plant and equipment		2,723	2,859	449	489
Computer software		5,887	5,789	209	236
Investments in subsidiaries		-	-	86,493	86,493
Intangible assets	1	64,789	63,696	-	-
Investment in associate	2	1,177	-	-	-
Deferred tax assets		270	299	9	9
		74,846	72,643	87,160	87,227
CURRENT ASSETS					
Trade and other receivables		20,039	20,402	1,035	1,736
Unbilled disbursements		135	107	-	-
Amounts due from subsidiaries (non-trade)		-	-	3,405	4,272
Income Tax receivable		-	-	-	-
Cash and cash equivalents		18,770	20,899	5,752	4,037
		38,944	41,408	10,192	10,045
Less:					
CURRENT LIABILITIES					
Trade and other payables		13,409	15,301	1,553	1,550
Disbursements billed in advance		295	76	-	-
Bank borrowings		1,500	1,500	1,500	1,500
Amounts due to customers for work-in-progress		2,855	2,301	-	-
Amount due to subsidiaries (non-trade)		-	-	-	30
Income tax payable		685	275	98	105
		18,744	19,453	3,151	3,185
Net current assets		20,200	21,955	7,041	6,860
Bank borrowings		(7,000)	(7,000)	(7,000)	(7,000)
Provision for employees benefits		(158)	(254)	-	-
Deferred tax liabilities		(5,670)	(5,261)	-	-
NET ASSETS		82,218	82,083	87,201	87,087
FINANCED BY:					
Equity attributable to owners of the parent					
Share capital		37,554	37,554	37,554	37,554
Reserves		44,664	44,529	49,647	49,533
TOTAL EQUITY		82,218	82,083	87,201	87,087

Notes:

- Intangible Assets represent primarily goodwill arising from acquisitions in Hong Kong, Malaysia and Australia subsidiaries. Any excess of the consideration over the fair value of the net assets as at the date of the acquisition represents goodwill.
- Investment in associate represent investment made in Australia to acquire Definitiv Group.

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 2018		As at 31 Dec 2017	
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 2018		As at 31 Dec 2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
NIL	7,000	NIL	7,000

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	
	1st Qtr 1 Jan 2018 to 31 Mar 2018	1st Qtr 1 Jan 2017 to 31 Mar 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	2,454	1,120
Adjustments for:		
Depreciation & amortisation	821	653
(Reversal)/allowance for impairment of trade receivables	(211)	198
Exchange differences	122	196
Interest income	(184)	(63)
Interest expense	60	64
Share of associate's loss	2	-
Operating profit before working capital changes	3,064	2,168
Decrease in operating receivables and prepayments	272	1,521
Decrease in operating payable	(1,723)	(2,021)
Increase/(decrease) in amounts due to customers for work-in-progress	613	(18)
Cash generated from operations	2,226	1,650
Interest expense paid	(60)	(64)
Income tax paid	(138)	(334)
Net cash generated from operating activities	2,028	1,252
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(169)	(294)
Acquisition of computer software	(395)	(405)
Acquisition of a subsidiary (note A)	(2,430)	-
Acquisition of an associate	(1,210)	
Interest received	184	63
Net cash used in investing activities	(4,020)	(636)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	-	-
Repayment of bank borrowings	-	-
Net cash used in financing activities	-	-
Net (decrease)/increase in cash and cash equivalents	(1,992)	616
Cash and cash equivalents at beginning of the period	20,899	20,185
Exchange loss arising from translation of foreign currencies cash and cash equivalents	(137)	(71)
CASH AND CASH EQUIVALENTS AT PERIOD END	18,770	20,730

Note A:**Acquisition of Subsidiary**

The Group acquired a subsidiary. The fair value of the identifiable assets acquired and liabilities assumed of the subsidiary as at acquisition date were as follows:

	Fair value Recognised on Acquisition S\$,000
Intangible assets	2,430
Deferred tax liabilities	(729)
Total identifiable net assets at fair value	1,701
Goodwill arising from acquisition	729
	2,430
<u>CONSIDERATION TRANSFERRED FOR THE ACQUISITION</u>	
Cash paid	2,430
<u>EFFECT OF THE ACQUISITION ON CASH FLOWS</u>	
Consideration settled in cash	2,430
CASH OUTFLOW ON ACQUISITION	2,430

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 2018, as previously reported	37,554	(13,479)	(12,569)	-	70,577	82,083
Effect of transition to SFRS(I)s	-	11,637	-	-	(11,637)	-
Balance as at 1 January 2018, restated	37,554	(1,842)	(12,569)	-	58,940	82,083
Total comprehensive income for the period	-	(1,797)	-	-	1,932	135
Balance as at 31 March 2018	37,554	(3,639)	(12,569)	-	60,872	82,218

Balance as at 1 January 2017, as previously reported	37,554	(11,637)	(12,569)	-	63,877	77,225
Effect of transition to SFRS(I)s	-	11,637	-	-	(11,637)	-
Balance as at 1 January 2017, restated	37,554	-	(12,569)	-	52,240	77,225
Total comprehensive income for the period	-	250	-	-	858	1,108
Balance as at 31 March 2017	37,554	250	(12,569)	-	53,098	78,333

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 2018	37,554	-	-	-	49,533	87,087
Total comprehensive income for the period	-	-	-	-	114	114
Balance as at 31 March 2018	37,554	-	-	-	49,647	87,201

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

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 2018 remained the same as of 31 December 2017.

The Company no longer has any share option scheme. There were no shares held as treasury shares as at 31 March 2018 and 31 March 2017.

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 2018 and 31 December 2017.

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 2017, except as disclosed in paragraph 5.

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.

Singapore-incorporated companies listed on the Singapore Exchange are required to apply a new financial reporting framework identical to the IFRS, Singapore Financial Reporting Standards (International) (SFRS(I)s), for annual periods beginning on or after 1 January 2018.

The Group has adopted SFRS(I)s on 1 January 2018 and has prepared its first set of financial information under SFRS(I) for the quarter ended 31 March 2018.

In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of IFRS. In addition, the Group has concurrently applied SFRS(I) 15 Revenue from Contracts with Customers, which is relevant to its operations and effective for annual periods beginning on or after 1 January 2018.

The adoption of these amendments did not have any significant impact on the financial performance or position of the Group except for the following:

a) Application of SFRS(I) 1 First Time Adoption of SFRS(I)

The Group has elected to set the cumulative exchange differences for all foreign operations to be zero as at the date of transition to SFRS(I) on 1 January 2017. As a result, exchange translation reserve and retained earnings as at 1 January 2017 was increased/reduced by \$11,637,000 respectively.

b) Adoption of SFRS(I) 15 Revenue from Contracts with Customers

In accordance with the requirements of SFRS(I) 1, the Group will adopt SFRS(I) 15 retrospectively. The Group does not expect any significant impact to arise from the SFRS(I) 15 application with the exception of the out-of-pocket reimbursements. Out-of-pocket reimbursements are expenses that are often incurred by service providers while performing work for their customers. It is common in service arrangements for the parties to agree that the customer will reimburse the service provider for some or all of the out-of-pocket expenses. Under SFRS(I) 15, the Group is the principal in these situations because it controls the specified good or service before it transfers to the customer and should recognise reimbursements for out-of-pocket expenses as revenue.

On the adoption of SFRS(I) 15, the Group recorded an adjustment to increase revenue, with a corresponding increase in other operating expenses for the financial period ended 31 March 2018. Same adjustments have been recorded to restate revenue and other operating expenses for the financial period ended 31 March 2017. No impact on the profit before tax and profit after tax for the both financial periods upon the adoption of the standard.

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 2018	31 Mar 2017
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	1.00 cents	0.44 cents
(b) On a fully diluted basis	1.00 cents	0.44 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 (31 December 2017 – 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 (31 December 2017 – 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 2018	31 Dec 2017	31 Mar 2018	31 Dec 2017
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on	42.45 cents	42.39 cents	45.03 cents	44.97 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 2018

The Group's revenue for the three months ended 31 March 2018 ("1Q18") totaled \$19.1 million compared to previous corresponding restated quarter ended 31 March 2017 ("1Q17") of \$16.6 million. The 15.1% increase was due to higher revenue of approximately \$2.88 million in constant currency terms, offset by a \$383,000 negative foreign exchange impact.

Other income increased to \$371,000 (1Q17: \$313,000) mainly due to higher interest income.

Total expenses increased by \$1.2 million or 7.8%. In constant currency terms, our total expenses increased \$1.55 million or 9.9%, offset by \$327,000 or 2.1% favorable foreign currency exchange impact. The increase was mainly due to higher depreciation expenses arising from new fixed assets purchased in 4Q17 and higher disbursement expenses as a result of higher revenue generated during the quarter ended 31 March 2018.

The Group's profit before tax for 1Q18 increased by 119.1% to \$2.5 million (1Q17: \$1.1 million) mainly due to higher revenue. Income tax expenses for 1Q18 increased by 99.2% to \$522,000 (1Q17: \$262,000) in tandem with the increase in profit before tax.

The Group's net profit after tax of \$1.9 million was 125.2% or \$1.07 million higher compared to 1Q17's \$858,000.

Other comprehensive loss of \$1.8 million for 1Q18 (1Q17: \$250,000 gain) arose from the translation of financial statements of foreign subsidiaries.

Statement of Financial Position

Non-current assets

Increase in intangible assets from \$63.7 million as at 31 December 2017 to \$64.8 million as at 31 March 2018 was mainly due to the customer relationships and goodwill arising from the acquisition of Corporate Counsel by Boardroom Australia.

Net Current Assets Position of the Group

The Group reported a lower net current assets position of \$20.2 million as at 31 March 2018, compared to \$22.0 million as at 31 December 2017 mainly due to lower cash and bank balances.

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 continue to benefit from the overall drive for higher productivity. We hope to continue building on this momentum for the rest of FY2018. Management is looking for higher growth through acquisitions and further investments so as to strengthen our position. These initiatives will bring synergies to our overall Group strategy.

Overall, we expect the Group's performance 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/recommended, a statement to that effect.

No dividend has been declared/recommended 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 2018 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
7th May 2018