Financial Statements and Related Announcement::Third Quarter Results

Issuer & Securities

Issuer/ Manager	BOARDROOM LIMITED
Securities	BOARDROOM LIMITED - SG1J08885589 - B10
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Announcement Details

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For Financial Period Ended	30/09/2018

Attachments	Boardroom-Q3 FY18_5Nov2018.pdf Total size =125K

BOARDROOM LIMITED
(Registration No. 200003902Z)

THIRD QUARTER FINANCIAL STATEMENT ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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$'000		%	S$'000		%
	3rd Qtr 1 Jul 2018 to 30 Sep 2018	3rd Qtr 1 Jul 2017 to 30 Sep 2017 (Restated*)	Increase / (Decrease)	9M18 1 Jan 2018 to 30 Sep 2018	9M17 1 Jan 2017 to 30 Sep 2017 (Restated*)	Increase / (Decrease)
Corporate Secretarial Fees	6,524	5,131	27.1%	19,810	16,156	22.6%
Share Registry Fees	11,436	11,192	2.2%	32,024	29,783	7.5%
Accounting & Payroll Fees	4,420	3,882	13.9%	12,679	11,603	9.3%
Total Revenue	**22,380**	**20,205**	**10.8%**	**64,513**	**57,542**	**12.1%**
Other Income	484	75	545.3%	1,123	501	124.2%
Employee Benefits Expense	(12,134)	(11,485)	5.7%	(34,096)	(32,413)	5.2%
Operating Expenses	(7,422)	(5,631)	31.8%	(19,472)	(16,241)	19.9%
Interest on Bank Borrowings	(264)	(61)	332.8%	(402)	(183)	119.7%
Depreciation & Amortisation	(811)	(741)	9.4%	(2,409)	(2,062)	16.8%
(Loss)/Gain on Foreign Exchange	(382)	22	-1,836.4%	(465)	(4)	11,525.0%
Share of associate's profit, net of tax	10	-	NM	17	-	NM
Profit Before Tax	**1,861**	**2,384**	**-21.9%**	**8,809**	**7,140**	**23.4%**
Less: Income Tax Expense	(827)	(716)	15.5%	(2,225)	(1,646)	35.2%
Profit After Tax	**1,034**	**1,668**	**-38.0%**	**6,584**	**5,494**	**19.8%**
Other Comprehensive Income: **Items that may be classified subsequently to profit or loss**						
Foreign Currency Translation (Loss)/Gain	(1,078)	52	-2,173.1%	(2,013)	(679)	196.5%
Other Comprehensive (Loss)/Income for the Period	**(1,078)**	**52**	**-2,173.1%**	**(2,013)**	**(679)**	**196.5%**
Total Comprehensive Income for the Period	**(44)**	**1,720**	**-102.6%**	**4,571**	**4,815**	**-5.1%**
PROFIT AFTER TAX ATTRIBUTABLE TO:						
Owners of the Parent	1,034	1,668	-38.0%	6,584	5,494	19.8%
Non-Controlling Interests	-	-	NM	-	-	NM
Profit After Tax	**1,034**	**1,668**	**-38.0%**	**6,584**	**5,494**	**19.8%**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the Parent	(44)	1,720	-102.6%	4,571	4,815	-5.1%
Non-Controlling Interests	-	-	NM	-	-	NM
Total Comprehensive Income for the Period	**(44)**	**1,720**	**-102.6%**	**4,571**	**4,815**	**-5.1%**

NM : Not Meaningful

*** : The comparative figures for the financial period ended 30 September 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 S$'000		COMPANY S$'000	
		30 Sep 2018	31 Dec 2017	30 Sep 2018	31 Dec 2017
NON-CURRENT ASSETS					
Property, plant and equipment		2,325	2,859	390	489
Computer software		7,433	5,789	138	236
Investments in subsidiaries		-	-	99,273	86,493
Intangible assets	1	110,662	63,696	-	-
Investment in associate	2	3,194	-	-	-
Deferred tax assets		568	299	9	9
		124,182	**72,643**	**99,810**	**87,227**
CURRENT ASSETS					
Trade and other receivables		23,582	20,402	1,434	1,736
Contract assets		304	107	-	-
Amounts due from subsidiaries (non-trade)		-	-	43,520	4,272
Short-term investments		953	-	-	-
Tax recoverable		353	-	-	-
Cash and cash equivalents		21,598	20,899	1,178	4,037
		46,790	**41,408**	**46,132**	**10,045**
Less:					
CURRENT LIABILITIES					
Trade and other payables		16,940	15,301	2,264	1,550
Bank borrowings	3	5,887	1,500	5,300	1,500
Contract liabilities		2,438	2,377	-	-
Derivative liabilities		301	-	301	-
Amount due to subsidiaries (non-trade)		-	-	48	30
Income tax payable		1,929	275	81	105
		27,495	**19,453**	**7,994**	**3,185**
Net current assets		19,295	21,955	38,138	6,860
Bank borrowings	3	(43,700)	(7,000)	(43,700)	(7,000)
Provision for employees benefits		(170)	(254)	-	-
Deferred tax liabilities		(5,315)	(5,261)	-	-
NET ASSETS		**94,292**	**82,083**	**94,248**	**87,087**
FINANCED BY:					
Equity attributable to owners of the parent					
Share capital	4	50,034	37,554	50,034	37,554
Reserves		44,258	44,529	44,214	49,533
TOTAL EQUITY		**94,292**	**82,083**	**94,248**	**87,087**

Notes:

1. 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.
2. Investment in associate represents investment made in Australia to acquire Definitiv Group.
3. Bank borrowings increased from $8.5 million as at 31 December 2017 to $49.6 million as at 30 September 2018 mainly due to drawdown of new loan facility for the acquisition of Malaysian Issuing House Sdn Bhd, Symphony Share Registrars Sdn Bhd, Symphony Corporatehouse Sdn Bhd and Sky Corporate Services Sdn Bhd ("the Symphony companies")
4. 16,000,000 new ordinary shares were issued as part of the purchase consideration for the acquisition of the Symphony companies. In accordance to SFRS(I) 3 Business Combinations, these shares were fair valued at $0.78 per share based on the last traded share price as at 28 August 2018 which was the completion date of the acquisition.

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 2018		As at 31 Dec 2017	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
NIL	5,887	NIL	1,500

Amount repayable after one year

As at 30 Sep 2018		As at 31 Dec 2017	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
NIL	43,700	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			
	3rd Qtr 1 Jul 2018 to 30 Sep 2018	3rd Qtr 1 Jul 2017 to 30 Sep 2017	9M18 1 Jan 2018 to 30 Sep 2018	9M17 1 Jan 2017 to 30 Sep 2017
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax	1,841	2,384	8,789	7,140
Adjustments for:				
Depreciation & amortisation	811	741	2,409	2,062
Allowance for impairment of trade receivables	275	268	79	427
Exchange differences	677	(14)	845	24
Interest income	(169)	(59)	(575)	(177)
Interest expense	264	61	402	183
Share of associate's profit	(10)	-	(17)	-
Operating profit before working capital changes	**3,689**	**3,381**	**11,932**	**9,659**
Decrease/(Increase) in operating receivables and prepayments	540	(1,637)	(183)	(1,847)
Increase/(Decrease) in operating payable	1,345	1,872	(1,088)	232
Decrease in contract liabilities	336	606	(183)	(574)
Cash generated from operations	5,910	4,222	10,478	7,470
Interest expense paid	(264)	(61)	(402)	(183)
Income tax paid	(383)	(489)	(1,072)	(1,200)
Net cash generated from operating activities	**5,263**	**3,672**	**9,004**	**6,087**
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	(108)	(255)	(404)	(690)
Acquisition of computer software	(500)	(377)	(1,400)	(1,133)
Acquisition of a subsidiary (note A)	(37,490)	(1,921)	(39,920)	(1,921)
Acquisition of an associate	(1,973)	-	(3,234)	-
Interest received	169	59	575	177
Net cash used in investing activities	**(39,902)**	**(2,494)**	**(44,383)**	**(3,567)**
CASH FLOW FROM FINANCING ACTIVITIES				
Dividends paid	-	-	(4,842)	(3,873)
Repayment of bank borrowings	(614)	-	(1,364)	(750)
Proceeds from bank borrowings (note B)	41,250	-	42,451	-
Net cash generated from/(used in) financing activities	**40,636**	**-**	**36,245**	**(4,623)**
Net increase/(decrease) in cash and cash equivalents	**5,997**	**1,178**	**866**	**(2,103)**
Cash and cash equivalents at beginning of the period	15,759	16,767	20,899	20,185
Exchange loss arising from translation of foreign currencies cash and cash equivalents	(158)	2	(167)	(135)
CASH AND CASH EQUIVALENTS AT PERIOD END	**21,598**	**17,947**	**21,598**	**17,947**

Note A:

Acquisition of Subsidiary

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

	Fair value Recognised on Acquisition S$,000
Property, plant & equipment	464
Intangible assets	2,738
Short-term investments	940
Trade and other debtors	3,527
Cash and bank balances	3,634
Deferred tax asset	294
	11,597
Trade and other payables	(2,831)
Provision for tax	12
Deferred tax liabilities	(730)
	(3,549)
Total identifiable net assets at fair value	8,048
Goodwill arising from acquisition	47,986
	56,034
CONSIDERATION TRANSFERRED FOR THE ACQUISITION	
Cash and Share-based payment	56,034
EFFECT OF THE ACQUISITION ON CASH FLOWS	
Consideration settled in cash	43,554
Cash and bank balances of subsidiary acquired	(3,634)
CASH OUTFLOW ON ACQUISITION	39,920

Note B:

Proceeds from bank borrowings

This is drawdown of new loan facility for the acquisition of the Symphony companies.

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					
	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, 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	-	(935)	-	-	5,550	4,615
2017 final tax-exempt cash dividend of S$0.025 per share	-	-	-	-	(4,842)	(4,842)
Balance as at 30 June 2018	**37,554**	**(2,777)**	**(12,569)**	-	**59,648**	**81,856**
Total comprehensive income for the period	**-**	(1,078)	**-**	**-**	1,034	(44)
Issue of ordinary shares related to business combinations	12,480	-	**-**	**-**	-	12,480
Balance as at 30 September 2018	**50,034**	**(3,855)**	**(12,569)**	-	**60,682**	**94,292**
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	-	(731)	-	-	3,826	3,095
2016 final tax-exempt cash dividend of S$0.020 per share	-	-	-	-	(3,873)	(3,873)
Balance as at 30 June 2017	**37,554**	**(731)**	**(12,569)**	-	**52,193**	**76,447**
Total comprehensive income for the period	-	52	-	-	1,668	1,720
Balance as at 30 September 2017	**37,554**	**(679)**	**(12,569)**	-	**53,861**	**78,167**

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	-	-	-	-	115	115
2017 final tax-exempt cash dividend of S$0.025 per share	-	-	-	-	(4,842)	(4,842)
Balance as at 30 June 2018	**37,554**	**-**	**-**	**-**	**44,806**	**82,360**
Total comprehensive income for the period	-	-	-	-	(592)	(592)
Issue of ordinary shares related to business combinations	12,480	-	-	-	-	12,480
Balance as at 30 September 2018	**50,034**	-	-	-	**44,214**	**94,248**
Balance as at 1 January 2017	**37,554**	**-**	**-**	**-**	**46,514**	**84,068**
Total comprehensive income for the period	-	-	-	-	1,502	1,502
2016 final tax-exempt cash dividend of S$0.020 per share	-	-	-	-	(3,873)	(3,873)
Balance as at 30 June 2017	**37,554**	**-**	**-**	**-**	**44,143**	**81,697**
Total comprehensive income for the period	-	-	-	-	661	661
Balance as at 30 September 2017	**37,554**	**-**	**-**	**-**	**44,804**	**82,358**

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.

During the financial period,16,000,000 new ordinary shares were issued as part of the purchase consideration for the acquisition of Malaysian Issuing House Sdn Bhd, Symphony Share Registrars Sdn Bhd, Symphony Corporatehouse Sdn Bhd and Sky Corporate Services Sdn Bhd (“the Symphony companies”). In accordance to SFRS(I) 3 Business Combinations, these shares were fair valued at $0.78 per share based on the last traded share price as at 28 August 2018 which was the completion date of the acquisition. Accordingly, the Company's share capital increased from $37,553,746 as at 30 June 2018 to $50,033,746 as at 30 September 2018.

The Company no longer has any share option scheme. There were no shares held as treasury shares as at 30 September 2018 and 30 September 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.

During the financial period, 16,000,000 new ordinary shares were issued as part of the purchase consideration for the acquisition of the Symphony companies. The total number of issued shares excluding treasury shares increased from 193,660,184 as at 31 December 2017 to 209,660,184 as at 30 September 2018.

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 30 September 2018. Same adjustments have been recorded to restate revenue and other operating expenses for the financial period ended 30 September 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	
	30 Sep 2018	**30 Sep 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	3.14 cents	2.84 cents
(b) On a fully diluted basis	3.14 cents	2.84 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 209,660,184 (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 209,660,184 (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	
	30 Sep 2018	31 Dec 2017	30 Sep 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	44.97 cents	42.39 cents	44.95 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 30 September 2018

The Group's revenue for the three months ended 30 September 2018 ("3Q18") totaled $22.4 million compared to previous corresponding restated quarter ended 30 September 2017 ("3Q17") of $20.2 million. The 10.8% increase was due to higher revenue of approximately $2.7 million in constant currency terms, offset by a $547,000 negative foreign exchange impact. Total revenue contribution from the acquisitions in Australia and Malaysia was approximately $1.5 million or 6.8%. September 2018 was the first month the Symphony companies' revenues were consolidated in the Group's revenues.

Other income increased to $484,000 (3Q17: $75,000) mainly due to non-recurring Spring grant of $269,000 and higher interest income.

Total expenses increased by $3.1 million or 17.4%. In constant currency terms, total expenses increased $3.56 million or 19.9%, offset by $443,000 or 2.5% favorable foreign currency exchange impact. Approximately $1.0 million or 33.3% of the total expense increase of $3.1 million was attributed to the Australia and Malaysia's post acquisitions consolidated cost. The balance $2.1 million variance is due to total non-recurring costs relating to Symphony's acquisition including unrealized foreign exchange and hedging costs (approximately $0.8 million), higher loan interest expense, outsourcing cost, computer cost and professional fees.

The Group's profit before tax for 3Q18 decreased by 21.9% to $1.9 million (3Q17: $2.4 million) mainly due to higher expenses incurred.

The Group's net profit after tax of $1.03 million was 38.0% or $640,000 lower compared to 3Q17's $1.67 million.

Other comprehensive loss of $1,078,000 for 3Q18 (3Q17: $52,000 gain) arose from the translation of financial statements of foreign subsidiaries.

9 months to 30 September 2018

The Group's revenue for the nine months ended 30 September 2018 ("9M18") totaled $64.5 million compared to previous corresponding restated nine months ended 30 September 2017 ("9M17") of $57.5 million. The 12.1% increase was due to higher revenue of approximately $8.2 million in constant currency term, offset by a $1.2 million negative foreign exchange impact. Total revenue contribution from the acquisitions in Australia and Malaysia was approximately $2.5 million or 3.9%. September 2018 was the first month the Symphony companies' revenues were consolidated in the Group's revenues.

Other income for 9M18 increased by 124.2% to $1.1 million (9M17: $501,000) mainly due to non-recurring Spring grant of $269,000 and higher interest income.

Total expenses increased by $6.0 million or 11.7%. In constant currency terms, our total expenses increased $7.0 million or 13.7%, offset by $1.0 million or 2.0% favorable foreign currency exchange impact. Approximately $1.5 million or 25.1% of the total expense increase of $6.0 million was attributed to the Australia and Malaysia's post acquisitions consolidated costs. The balance $4.5 million variance is due to total non-recurring costs relating to Symphony's acquisition including unrealized foreign exchange and hedging costs (approximately $0.8 million), higher loan interest expense, outsourcing cost, computer cost, office rental, staff costs, traveling expenses and professional fees.

The Group's profit before tax for 9M18 increased by 23.4% to $8.8 million (9M17: $7.1 million) mainly due to higher revenue. Income tax expense for 9M18 increased by 35.2% to $2.2 million (9M17: $1.6 million) in line with the increase in profit before tax.

The Group's net profit after tax for 9M18 of $6.6 million was 19.8% ($1.1 million) higher compared to 9M17's $5.5 million.

Other comprehensive loss of $2.0 million for 9M18 (9M17: $679,000) 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 $110.7 million as at 30 September 2018 was mainly due to the customer relationships and goodwill arising from the acquisition of Corporate Counsel by Boardroom Australia and the Symphony companies by Boardroom Malaysia.

Net Current Assets Position of the Group

The Group reported a lower net current assets position of $19.3 million as at 30 September 2018, compared to $22.0 million as at 31 December 2017 mainly due to higher bank borrowings.

Term loan

Bank borrowings increased from $8.5 million as at 31 December 2017 to $49.6 million as at 30 September 2018 mainly due to drawdown of new loan facility for the acquisition of the Symphony companies.

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 expect the recent Malaysian and Australian acquisitions to strengthen our presence in the respective markets and to contribute materially to the overall group revenue. The post-merger integration in Malaysia has started and we can expect further investments by the Group to enhance our business activities and scale our operational base.

In Hong Kong, despite the increased market volatility in the stock markets, we continue to benefit from the relatively strong IPO market. With China slowing down, we have closed our operations in Suzhou to consolidate our market presence in Shanghai.

Lastly, growth in Singapore has been fairly lacklustre. We continue to work very hard to remain cost competitive in the local market.

Management remains optimistic in this challenging economic environment that the enlarged Group is well-placed to drive productivity from all its operations and extract synergies from its acquisitions.

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 third quarter ended 30 September 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
5th November 2018