

BOARDROOM LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 200003902Z)

ACQUISITION OF 33.33% INTEREST IN NEWREG PTY LTD

1. Introduction

The Board of Directors of Boardroom Limited (the “**Company**”) and together with its subsidiaries, the (“**Group**”) wishes to announce that the Company and its wholly-owned subsidiary, Boardroom Holdings Australia Pty Ltd (“**BRHA**”), have entered into a share sale deed (“**Share Sale Deed**”), as guarantor and purchaser respectively, with ADBO Group Pty Ltd (“**ADBO**”) as seller, pursuant to which BRHA will acquire 4,800,000 ordinary shares (“**Sale Shares**”) in the capital of Newreg Pty Ltd (“**Newreg**”), representing approximately 33.33 per cent. of the total issued and paid-up share capital of Newreg, for a cash consideration of A\$14,666,667 (equivalent to approximately S\$17.99 million¹) (“**Consideration**”).

Prior to the Acquisition, BRHA held 4,800,000 ordinary shares in the capital of Newreg, representing an approximately 33.33 per cent. shareholding interest. Upon the completion of the Acquisition, BRHA’s equity interest in Newreg will increase to approximately 66.67 per cent.

¹ Based on an exchange rate of A\$1.00 to S\$1.2268.

2. Consideration

The Consideration was arrived at on a willing-buyer, willing-seller basis after taking into account, *inter alia*, net asset value and profits of Newreg and its subsidiaries (the “**Newreg Group**”), the clientele base and track record of Registries (as defined herein) as well as the rationale for the Acquisition. The Company intends to fund the Consideration through its internal cash resources.

3. Information on Newreg

Newreg is an investment holding company which holds equity interests in the following companies:

- (i) Registries Holdings Australia Limited (100%, direct shareholding);
- (ii) Westforth Services Pty Limited (100%, indirect shareholding through Registries Holdings Australia Limited);
- (iii) Registries Limited (“**Registries**”) (100%, of which 33.3% is held indirectly through Westforth Services Pty Limited and 66.6% is held directly by Newreg);
- (iv) Registries Financial Services Pty Ltd (100%, indirect shareholding through Registries); and
- (v) Registries Victoria Pty Ltd (100%, indirect shareholding through Registries).

Registries commenced operations in 1983 and offers a selection of services in Australia such as processing of initial public offerings, ongoing registry management for listed entities, unlisted unit trusts, as well as processing and logistical support for all types of corporate actions including annual general meetings.

Newreg has a share capital of A\$14.8 million as at 31 March 2010. For the nine-month financial period ended 31 March 2010, the Newreg Group recorded an unaudited revenue of approximately A\$12.3 million and an unaudited profit after tax of approximately A\$3.0 million. As at 31 March 2010, the Newreg Group had net asset value amounting to approximately A\$20.9 million. Since 31 March 2010, Newreg had declared dividends of approximately A\$5.5 million (the “**Dividend**”). The adjusted net asset value of Newreg, net of the Dividend, is approximately A\$15.4 million.

4. **Rationale for the Acquisition**

On 22 December 2009, the Company announced that it had entered into a share sale agreement with Link Market Services Limited (“**Link**”) to dispose of its entire 33.33 per cent. interest in Newreg for a cash consideration of approximately A\$14.4 million.

On 24 March 2010, the Company further announced that it had been advised by the Australian Competition & Consumer Commission that it opposes the acquisition of Newreg by Link. This resulted in the proposed sale being aborted.

Since then, the Group has re-evaluated its strategic plans in light of prevailing market and economic conditions. In this regard, the Group has decided to undertake the acquisition to increase its footprint and presence in Australia. This is in line with the Group’s expansion strategy which has seen the Group growing its geographical presence through various acquisitions in Hong Kong and Malaysia in recent years.

5. **Material terms of the Share Sale Deed**

Uplift

Under the terms of the Share Sale Deed, if at any time before 30 November 2010 any entity in the Group enters into an agreement, arrangement, transaction or understanding that:

- (i) deals with the shares of any entity in the Newreg Group;
- (ii) acquires the remaining 33% of the share capital of Newreg from the other shareholders of Newreg; or
- (iii) deals with the business of and/or all or substantially all of the assets of any of the entities in the Newreg Group,

at a price that attributes an enterprise value for the entire Newreg Group at more than A\$44 million, BRHA must pay to ADBO on completion of the transaction an uplift to the Consideration so that ADBO receives the same amount per Sale Share.

6. Financial Effects

For the purposes of illustration only, the financial effects of the Acquisition taken as a whole are set out below based on the audited consolidated financial statements of the Group and the Newreg Group for the financial year ended 30 June 2009 (“FY2009”).

Net Tangible Assets (“NTA”)

Assuming that the Acquisition was completed on 30 June 2009, the effects of the Acquisition on the NTA of the Group is as follows:

	Before the Acquisition	After the Acquisition
(S\$'million)		
NTA of the Group as at 30 June 2009	33.2	0.8 ⁽¹⁾
Number of shares in issue (millions)	183.8	183.8
NTA per share as at 30 June 2009 (cents)	18.08	0.43

Note:

(1) The NTA of the Group had decreased substantially due to the effects of goodwill on acquisition.

Earnings per share (“EPS”)

Assuming that the Acquisition was completed on 1 July 2008, the effects of the Acquisition on the EPS of the Group is as follows:

	Before the Acquisition	After the Acquisition
Profit after taxation for FY2009 (S\$' million)	9.9	10.6
Weighted average number of shares – basic (millions)	183.9	183.9
EPS for FY2009 – basic (cents)	5.40	5.75
Weighted average number of shares – diluted (millions)	184.2	184.2
EPS for FY2009 – diluted (cents)	5.39	5.75

7. Interests of Directors and Controlling Shareholders

Solanum Investment Pte Ltd (“**Solanum**”) holds a 16.67 per cent. interest in Newreg. Solanum is a wholly-owned subsidiary of G K Goh Holdings Limited (“**GKGH**”), a controlling shareholder of the Company. Messrs Goh Geok Khim and Goh Yew Lin who are directors and deemed controlling shareholders of the Company, are also directors and substantial shareholders of GKGH.

Save as disclosed above, none of the other directors or controlling shareholders of the Company have any direct interests or deemed interests in Newreg or the Acquisition.

8. Listing Manual Computations

The relative figures for the Acquisition computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**Listing Manual**”) are as follows:

Rule 1006	Bases	Relative Figures
(a)	The net asset value (“ NAV ”) of the assets to be disposed of, compared with the Group’s NAV	N.A.
(b)	The net profits attributable to the assets acquired, compared with the Group’s net profits ⁽¹⁾	16.6%
(c)	The aggregate value of the consideration given, compared with the Company’s market capitalization ⁽²⁾	19.5%
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	N.A.

Notes:

- (1) Based on the unaudited profit before taxation of the Group for nine-month financial period ended 31 March 2010 (“**9M2010**”) of approximately S\$7.5 million and 33.33 per cent. of the unaudited profit before taxation of the Newreg Group for 9M2010 of approximately A\$1.0 million (equivalent to approximately S\$1.3 million).
- (2) The Company’s market capitalisation used in the above computation is approximately S\$92.1 million determined by multiplying the 184,243,250 shares in issue as at the date of the announcement by the weighted average market price per share on 22 July 2010, being the last market day preceding the date of signing of the Share Sale Deed, of S\$0.50.

As the relative figures computed under Rule 1006(b) and Rule 1006(c) of the Listing Manual exceed 5 per cent. but does not exceed 20 per cent., the Acquisition is considered a discloseable transaction but not a major transaction under Chapter 10 of the Listing Manual. Accordingly, no shareholders approval is required.

9. Other matters

A copy of the Share Sale Deed will be available for inspection during normal business hours at the Company's registered office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, for a period of three (3) months from the date of this announcement.

By Order of the Board

Tan San-Ju
Company Secretary
26 July 2010