

BOARDROOM LIMITED

(Registration No. 200003902Z)

FIRST QUARTER FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2005

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP		
	S\$'000		%
	1st Qtr 1 Jul 2005 to 30 Sep 2005	1st Qtr 1 Jul 2004 to 30 Sep 2004	Increase/ (Decrease)
Corporate Secretarial Fees	3,877	1,852	109.3%
Share Registration Fees	787	698	12.8%
Accountancy Fees	2,265	1,694	33.7%
Others	88	0	NM
Total Revenues	7,017	4,244	65.3%
Staff Costs	3,526	2,349	50.1%
Operating Expenses	873	464	88.1%
Gross Profit	2,618	1,431	82.9%
Investment Income	0	0	0.0%
Other Income	103	40	157.5%
Operating Profit	2,721	1,471	85.0%
Interest on Borrowings	37	0	NM
Depreciation	119	74	60.8%
Impairment of Goodwill	147	147	0.0%
Exceptional Items	0	0	0.0%
Operating Profit	2,418	1,250	93.4%
Income derived from Associated Company	186	0	NM
Operating Profit Before Tax	2,604	1,250	108.3%
Less: Income Tax	578	284	103.5%
Operating Profit After Tax	2,026	966	109.7%
Less: Minority Interests	0	0	0.0%
Operating Profit After Tax	2,026	966	109.7%
Extraordinary Items	0	0	0.0%
Less: Minority Interests	0	0	0.0%
Operating Profit After Tax	2,026	966	109.7%

NM: Not Meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP		COMPANY	
	S\$'000		S\$'000	
	30 SEP 2005	30 JUN 2005	30 SEP 2005	30 JUN 2005
NON-CURRENT ASSETS				
Property, Plant & Equipment	716	639	98	104
Computer Software	276	281	230	235
Interest in Subsidiaries	0	0	5,000	5,000
Interest in Associate	1,669	1,530	1,915	1,915
Intangible Assets	33,450	33,597	0	0
Loans to Subsidiaries	0	0	25,231	25,204
Future Tax Benefit	119	119	0	0
Staff Loans	0	0	0	0
	36,230	36,166	32,474	32,458
CURRENT ASSETS				
Trade Receivables	7,302	7,192	0	0
Unbilled Disbursements	293	161	0	0
Other Receivables	532	615	1,522	736
Amount due from Subsidiaries (non-trade)	0	0	2,130	3,016
Cash & Cash Equivalents	18,148	5,116	12,346	318
	26,275	13,084	15,998	4,070
HELD UNDER TRUST				
Clients' Bank Accounts - contra	13,395	10,724	0	0
Clients' Ledger Balances - contra	(13,395)	(10,724)	0	0
	0	0	0	0
Less:				
CURRENT LIABILITIES				
Trade Payables	3,756	3,858	278	746
Disbursements Billed in Advance	0	0	0	0
Other Payables	4,738	4,754	5	0
Amount owing to Subsidiaries (non-trade)	0	0	2,081	0
Excess of Progress Billings over Work-In-Progress	2,778	2,066	0	0
Term Loan - Current Portion	1,000	1,000	1,000	1,000
Provision for Taxation	1,904	1,478	0	0
	14,176	13,156	3,364	1,746
Net Current Assets	12,099	(72)	12,634	2,324
Term Loan	(3,500)	(4,000)	(3,500)	(4,000)
Deferred Taxation	(118)	(121)	(74)	(74)
NET ASSETS	44,711	31,973	41,534	30,708
FINANCED BY:				
Share Capital	9,042	7,233	9,042	7,233
Reserves	35,669	24,740	32,492	23,475
SHAREHOLDERS' INTEREST	44,711	31,973	41,534	30,708

Notes:

- Intangible assets represent unamortised goodwill arising from acquisitions of Arthur Andersen's Corporate Secretarial and Accounting Business, Hong Kong and Malaysian subsidiaries and an associate company, Talent Shanghai Inc., Ltd. Any excess of the consideration over the fair value of the net assets as at the date of the acquisition represents goodwill.
- Monies Held Under Trust comprises funds received in advance for payments of payroll and disbursements on clients' behalf and clients' monies held in escrow.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 30/09/2005		As at 30/06/2005	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
NIL	1,000	NIL	1,000

Amount repayable after one year

As at 30/09/2005		As at 30/06/2005	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
NIL	3,500	NIL	4,000

Details of any collateral

NIL

- 1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP	
	S\$'000	
	1st Qtr 1 Jul 2005 to 30 Sep 2005	1st Qtr 1 Jul 2004 to 30 Sep 2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit Before Taxation	2,604	1,250
Adjustments for:		
- Depreciation of Property, Plant and Equipment	101	54
- Profit from Disposal of Property, Plant and Equipment	0	0
- Impairment of Intangible Assets	147	147
- Amortisation of Intangible Assets	18	19
- Exchange Difference	(26)	0
- Interest Income	(40)	(40)
- Interest Expense	38	0
- Share Based Payment	80	21
- Share of Associates' Profits	(186)	0
Operating Profit Before Working Capital Changes	2,736	1,451
(Increase) / Decrease in Operating Receivables	(146)	5,011
Decrease in Operating Payables	(132)	(902)
Increase in Work-In-Progress	0	(2,579)
Increase / (Decrease) in Excess of Progress Billings over Work-In-Progress	704	(168)
Cash Generated from Operations	3,162	2,813
Interest Paid	(39)	0
Tax Refunded	0	30
Income Tax Paid	(107)	0
Net Cash Generated from Operating Activities	3,016	2,843
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Computer Software	(13)	0
Acquisition of Property, Plant and Equipment	(177)	(114)
Interest Received	32	102
Net Cash Used in Investing Activities	(158)	(12)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Amount Owed by and Advance from Fellow Subsidiaries	0	(274)
Proceeds from Exercise of Employee Share Options	3	115
Proceeds from Rights Issue	10,671	0
Dividends Paid	0	0
Term Loan from Financial Institution	(500)	0
Net Cash Generated from Financing Activities	10,174	(159)
Net Increase in Cash and Cash Equivalents	13,032	2,672
Cash and Cash Equivalents at beginning of period (1 Jul)	5,116	18,133
CASH AND CASH EQUIVALENTS AT END OF PERIOD (30 SEP)	18,148	20,805

- 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	Share Capital	Share Premium	Exchange Translation Reserves	Capital Reserve	Retained Earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2005 (as previously reported)	7,233	13,468	166		11,106	31,973
Effect of adopting FRS 102				300	(300)	0
As restated	7,233	13,468	166	300	10,806	31,973
Issue of shares (under Boardroom Share Option Scheme)	1,809	8,865	0	0	0	10,674
Net Profit for the period	0	0	0	0	2,026	2,026
Adoption of FRS 102	0	0	0	80	0	80
Exchange translation difference arising from financial statements of foreign subsidiaries and associate company	0	0	(42)	0	0	(42)
Balance at 30 September 2005	9,042	22,333	124	380	12,832	44,711
Balance at 1 July 2004 (as previously reported)	7,095	12,638	0	359	9,539	29,631
Effect of adopting FRS 102				59	(59)	0
As restated	7,095	12,638	0	418	9,480	29,631
Issue of shares (under Boardroom Share Option Scheme)	15	100	0	0	0	115
Net Profit for the period	0	0	0	0	966	966
Adoption of FRS 102	0	0	0	21	0	21
Balance at 30 September 2004	7,110	12,738	0	439	10,446	30,733
COMPANY						
	Share Capital	Share Premium	Exchange Translation Reserves	Capital Reserve	Retained Earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2005 (as previously reported)	7,233	13,468	0	0	10,007	30,708
Effect of adopting FRS 102				300	(300)	0
As restated	7,233	13,468	0	300	9,707	30,708
Issue of shares (under Boardroom Share Option Scheme)	1,809	8,865	0	0	0	10,674
Net Profit for the period	0	0	0	0	72	72
Adoption of FRS 102	0	0	0	80	0	80
Balance at 30 September 2005	9,042	22,333	0	380	9,779	41,534
Balance at 1 July 2004 (as previously reported)	7,095	12,638	0	0	4,342	24,075
Effect of adopting FRS 102				59	(59)	0
As restated	7,095	12,638	0	59	4,283	24,075
Issue of shares (under Boardroom Share Option Scheme)	15	100	0	0	0	115
Net Profit for the period	0	0	0	0	(145)	(145)
Adoption of FRS 102	0	0	0	21	0	21
Balance at 30 September 2004	7,110	12,738	0	80	4,138	24,066

- 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 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, a total of 36,176,250 ordinary shares of \$0.05 each were allotted comprised 36,164,250 new ordinary shares of par value \$0.05 each in the capital of the Company were allotted and 12,000 ordinary shares of \$0.05 each were allotted pursuant to the exercise of share options granted under the Boardroom Share Option Scheme. The 36,164,250 new ordinary shares were related to the rights issue on the basis of one rights share for every four existing shares of par value of \$0.05 each in the capital of the Company held by the shareholders. These gave rise to an increase in the Company's issued share capital from \$7,232,850.00 as at 30 June 2005 to \$9,041,662.50 as at 30 September 2005.

As at 30 September 2005, there were 5,119,000 (as at 30 September 2004: 5,334,000) unissued ordinary shares of \$0.05 each under exercisable options granted and unexercised under the Boardroom Share Option Scheme.

- 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 compared with the audited financial statements as at 30 June 2005 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.**

Under FRS 102, share options to directors and employees are measured at fair value at the date of grant and recognized as expense over the vesting period. Prior to the adoption of FRS 102, share options to directors and employees were not charged to the profit and loss account. This change in accounting policy has been accounted for retrospectively in accordance with the transitional provisions and has resulted in :

	30 SEP 2005	30 SEP 2004
	\$'000	\$'000
Decrease in Profit after Taxation	(80)	(21)
Increase in Capital Reserve	380	79
Decrease in Revenue Reserves	(380)	(79)
Decrease in basic EPS	0.04 cents	0.02 cents
Decrease in diluted EPS	0.05 cents	0.01 cents

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 2005	30 SEP 2004
Earnings per ordinary share for the period after deducting any provision for preference dividends :-		
(a) Based on weighted average number of ordinary shares on issue; and	1.16 cents	0.68 cents
(b) On a fully diluted basis	1.15 cents	0.68 cents

Notes:

- The earnings per share is calculated based on the profit after tax on the weighted average number of shares in issue of 174,795,875 (30 September 2004 – 142,006,000).
- The diluted earnings per share is calculated based on the profit after tax on the number of shares in issue adjusted for the effect of dilutive potential ordinary shares. The total number of shares amounted to 175,715,914 (30 September 2004 – 143,000,742).

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:**

- current financial period reported on; and
- immediately preceding financial year.

	GROUP		COMPANY	
	30 SEP 2005	30 JUN 2005	30 SEP 2005	30 JUN 2005
Net asset value per ordinary share based on issued share capital at the end of the period reported on	24.73 cents	22.10 cents	22.97 cents	21.23 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:**
- 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
 - any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Total revenue of \$7.0 million for 1Q06 was 65.3% higher than that of 1Q05 due mainly to the inclusion of Corporate Secretarial and Accountancy fee revenue of our Malaysian and Hong Kong subsidiaries following the successful completion of our Acquisitions at the end of May 2005.

Operating profit before tax of \$2.6 million for 1Q06 was 108.3% higher than that of 1Q05 due mainly to the inclusion of profits from our wholly-owned subsidiaries in Malaysia and Hong Kong and from our 35% equity interest in Talent Shanghai Co., Inc. The better margins from our subsidiaries and the write-back of provision for bad and doubtful debt of \$174,000 contributed substantially to the significant increase in our operating profit before tax despite the Share-based payment expenses of \$80,000 (30 September 2004 - \$21,000) upon adoption of FRS 102 as mentioned in paragraph 5 above.

After taking into account income tax, operating profit after tax of \$2.0 million for 1Q06 was 109.7% higher than that of 1Q05.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable

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 economic and business outlook in the Asia Pacific Region continues to remain positive for the current financial year. The Group expects the strong performance in 1Q06 to continue in 2Q06. Group revenue and earnings for 2Q06 and FY2006 are expected to be significantly higher than that of 2Q05 and FY2005 respectively as our subsidiaries are expected to contribute positively to the Group's results and the increased number of corporate activities as a result of a buoyant equity market particularly IPOs.

11. **Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

Name of Dividend	Not Applicable
Dividend Type	
Dividend Amount per Share (in cents)	
Optional:- Dividend Rate (in %)	
Par value of shares	
Tax Rate	

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

Name of Dividend	Not Applicable
Dividend Type	
Dividend Amount per Share (in cents)	
Optional:- Dividend Rate (in %)	
Par value of shares	
Tax Rate	

(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.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Not applicable

14. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable

15. **A breakdown of sales.**

Not applicable

16. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable.

	Latest Full Year ()	Previous Full Year ()
Ordinary	0	0
Preference	0	0
Total:	0	0

BY ORDER OF THE BOARD

Tan Cher Liang
Managing Director
 2 November 2005