

# BOARDROOM LIMITED

(Registration No. 200003902Z)

## FIRST QUARTER FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2006

### 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 2006 to 30 Sep 2006	1st Qtr 1 Jul 2005 to 30 Sep 2005	Increase/ (Decrease)
Corporate Secretarial Fees	3,779	3,877	-2.5%
Share Registration Fees	806	787	2.4%
Accountancy Fees	2,368	2,265	4.5%
Others	124	88	40.9%
<b>Total Revenues</b>	<b>7,077</b>	<b>7,017</b>	<b>0.9%</b>
Other income	173	103	68.0%
Staff Costs	(3,801)	(3,526)	7.8%
Operating Expenses	(1,227)	(872)	40.7%
Interest on Borrowings	0	(37)	NM
Depreciation	(121)	(119)	1.7%
Impairment of Goodwill	(147)	(147)	0.0%
Loss on Foreign Exchange	(124)	(1)	NM
	<b>1,830</b>	<b>2,418</b>	<b>-24.3%</b>
Income derived from Associated Company	0	186	NM
<b>Profit Before Tax</b>	<b>1,830</b>	<b>2,604</b>	<b>-29.7%</b>
Less: Income Tax	(443)	(578)	-23.4%
<b>Profit After Tax</b>	<b>1,387</b>	<b>2,026</b>	<b>-31.5%</b>

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.**

	Note	GROUP		COMPANY	
		S\$'000		S\$'000	
		30 SEP 2006	30 JUN 2006	30 SEP 2006	30 JUN 2006
<b>NON-CURRENT ASSETS</b>					
Property, Plant & Equipment		466	528	73	83
Computer Software		222	234	193	202
Interest in Subsidiaries		0	0	5,409	5,407
Interest in Associate		0	0	0	0
Intangible Assets	1	31,049	31,281	0	0
Staff Loans		0	0	0	0
		<b>31,737</b>	<b>32,043</b>	<b>5,675</b>	<b>5,692</b>
<b>CURRENT ASSETS</b>					
Trade Receivables		7,932	8,007	0	0
Unbilled Disbursements		213	66	0	0
Other Receivables		1,192	984	1,521	1,519
Loans to Subsidiaries		0	0	27,341	27,327
Amount due from Subsidiaries (non-trade)		0	0	1,860	1,789
Cash & Cash Equivalents		18,245	16,289	11,334	10,952
		<b>27,582</b>	<b>25,346</b>	<b>42,056</b>	<b>41,587</b>
<b>HELD UNDER TRUST</b>					
Clients' Bank Accounts - contra	2	17,269	11,070	0	0
Clients' Ledger Balances - contra	2	(17,269)	(11,070)	0	0
		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Less:					
<b>CURRENT LIABILITIES</b>					
Trade Payables		3,505	4,166	271	842
Disbursements Billed in Advance		0	133	0	0
Other Payables		102	153	5	5
Amount owing to Subsidiaries (non-trade)		0	0	2,781	1,833
Excess of Progress Billings over Work-In-Progress		3,200	2,092	0	0
Term Loan - Current Portion		0	0	0	0
Provision for Taxation		2,151	1,898	0	0
		<b>8,958</b>	<b>8,442</b>	<b>3,057</b>	<b>2,680</b>
Net Current Assets		18,624	16,904	38,999	38,907
Term Loan		0	0	0	0
Deferred Taxation		(132)	(131)	(74)	(74)
<b>NET ASSETS</b>		<b>50,229</b>	<b>48,816</b>	<b>44,600</b>	<b>44,525</b>
<b>FINANCED BY:</b>					
Share Capital		31,822	31,794	31,822	31,794
Reserves		18,407	17,022	12,778	12,731
<b>SHAREHOLDERS' INTEREST</b>		<b>50,229</b>	<b>48,816</b>	<b>44,600</b>	<b>44,525</b>

**Notes:**

- Intangible assets represent goodwill arising from acquisitions of Arthur Andersen's Corporate Secretarial and Accounting Business, Hong Kong and Malaysian subsidiaries. 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 30/09/2006		As at 30/06/2006	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
NIL	NIL	NIL	NIL

**Amount repayable after one year**

As at 30/09/2006		As at 30/06/2006	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
NIL	NIL	NIL	NIL

**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 2006 to 30 Sep 2006	1st Qtr 1 Jul 2005 to 30 Sep 2005
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit Before Taxation	1,830	2,604
Adjustments for:		
- Depreciation of Property, Plant and Equipment	108	101
- Depreciation of Computer Softwares	0	0
- Profit from Disposal of Property, Plant and Equipment	0	0
- Impairment of Intangible Assets	147	147
- Amortisation of Deferred Expenditure	13	18
- Exchange Difference	177	(26)
- Interest Income	(120)	(40)
- Interest Expense	0	38
- Share Based Payment	(61)	80
- Income derived from Associated Company	0	(186)
Operating Profit Before Working Capital Changes	2,094	2,736
(Increase) / Decrease in Operating Receivables	(294)	(146)
(Decrease) / Increase in Operating Payables	(841)	(132)
Increase / (Decrease) in Excess of Progress Billings over Work-In-Progress	1,117	704
Cash Generated from Operations	2,076	3,162
Interest Paid	0	(39)
Income Tax Paid	(186)	(107)
<b>Net Cash Generated from Operating Activities</b>	<b>1,890</b>	<b>3,016</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of Property, Plant and Equipment	(46)	(177)
Acquisition of Computer Software	0	(13)
Proceeds from Disposal of Property, Plant and Equipment	0	0
Interest Received	100	32
<b>Net Cash Generated from / (Used in) Investing Activities</b>	<b>54</b>	<b>(158)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Exercise of Employee Share Options	28	3
Proceeds from Rights Issue	0	10,671
Dividends Paid	0	0
Repayment of Term Loan	0	(500)
<b>Net Cash Generated from / (Used in) Financing Activities</b>	<b>28</b>	<b>10,174</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>1,972</b>	<b>13,032</b>
Cash and Cash Equivalents at beginning	16,289	5,116
Exchange (Loss) / Gain Arising from Translation of Foreign Currencies Cash & Cash Equivalents	(16)	0
<b>CASH AND CASH EQUIVALENTS AT END (30 SEP)</b>	<b>18,245</b>	<b>18,148</b>

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 S\$'000	Share Premium S\$'000	Exchange Translation Reserves S\$'000	Capital Reserve S\$'000	Retained Earnings S\$'000	Total S\$'000
<b>Balance at 1 July 2006</b>	31,794	0	(112)	693	16,441	48,816
Issue of shares (under Boardroom Share Option Scheme)	28	-	-	-	-	28
Net Profit for the period	-	-	-	-	1,387	1,387
Adjustment of overseas subsidiaries' prior year retained earnings	-	-	-	-	103	103
Adoption of FRS 102	-	-	-	(61)	-	(61)
Exchange translation difference arising from financial statements of foreign subsidiaries and associate company	-	-	(44)	-	-	(44)
<b>Balance at 30 September 2006</b>	<b>31,822</b>	<b>0</b>	<b>(156)</b>	<b>632</b>	<b>17,931</b>	<b>50,229</b>
<b>Balance at 30 June 2005</b>	<b>7,233</b>	<b>13,468</b>	<b>165</b>	<b>448</b>	<b>10,659</b>	<b>31,973</b>
Issue of shares (Rights Issue)	1,808	8,863	-	-	-	10,671
Issue of shares (under Boardroom Share Option Scheme)	1	2	-	-	-	3
Net Profit for the period	-	-	-	-	2,026	2,026
Adjustment for FRS 102	-	-	-	(147)	147	0
Adoption of FRS 102	-	-	-	79	-	79
Exchange translation difference arising from financial statements of foreign subsidiaries and associate company	-	-	(41)	-	-	(41)
<b>Balance at 30 September 2005</b>	<b>9,042</b>	<b>22,333</b>	<b>124</b>	<b>380</b>	<b>12,832</b>	<b>44,711</b>

COMPANY	Share Capital S\$'000	Share Premium S\$'000	Exchange Translation Reserves S\$'000	Capital Reserve S\$'000	Retained Earnings S\$'000	Total S\$'000
<b>Balance at 30 June 2006</b>	31,794	0	0	693	12,038	44,525
Issue of shares (under Boardroom Share Option Scheme)	28	-	-	-	-	28
Net Profit for the period	-	-	-	-	108	108
Adoption of FRS 102	-	-	-	(61)	-	(61)
<b>Balance at 30 September 2006</b>	<b>31,822</b>	<b>0</b>	<b>0</b>	<b>632</b>	<b>12,146</b>	<b>44,600</b>
<b>Balance at 30 June 2005</b>	<b>7,233</b>	<b>13,468</b>	<b>-</b>	<b>448</b>	<b>9,822</b>	<b>30,971</b>
Subsidiaries' share based payments transferred from Boardroom into subsidiaries' individual accounts.	-	-	-	-	(262)	(262)
Issue of shares (Rights Issue)	1,808	8,863	-	-	-	10,671
Issue of shares (under Boardroom Share Option Scheme)	1	2	-	-	-	3
Net Profit for the period	-	-	-	-	72	72
Adjustment for FRS 102	-	-	-	(147)	147	0
Adoption of FRS 102	-	-	-	79	-	79
<b>Balance at 30 September 2005</b>	<b>9,042</b>	<b>22,333</b>	<b>0</b>	<b>380</b>	<b>9,779</b>	<b>41,534</b>

**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 75,000 ordinary shares were allotted pursuant to the exercise of share options granted under the Boardroom Share Option Scheme. This gave rise to an increase in the Company's share capital from \$31,794,393.75 as at 30 June 2006 to \$31,821,718.75 as at 30 September 2006.

As at 30 September 2006, there were 3,022,000 (as at 30 September 2005: 5,119,000) unissued ordinary shares 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 2006 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 recognised 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.

**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 2006	30 SEP 2005
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	0.76 cents	1.16 cents
(b) On a fully diluted basis	0.76 cents	1.15 cents

**Notes:**

1. The earnings per share is calculated based on the profit after tax on the weighted average number of shares in issue of 182,057,582 (30 September 2005 – 174,795,875).
2. 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 182,846,393 (30 September 2005 – 175,715,914).

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:**
- (a) **current financial period reported on; and**
  - (b) **immediately preceding financial year.**

	GROUP		COMPANY	
	30 SEP 2006	30 JUN 2006	30 SEP 2006	30 JUN 2006
Net asset value per ordinary share based on issued share capital at the end of the period reported on	27.58 cents	26.82 cents	24.49 cents	24.46 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.**

#### **Revenue**

Compared to the same period last year, fees increased by only 0.9% to \$7.1 million. The increase was due to a net increase in number of clients. However, the increase was offset by decreased fees from Corporate Secretarial business due mainly to keen competition, pricing pressure and the strengthening of Singapore dollar.

#### **Other Income**

Other income increased by 68.0% due to increased interest earned from our fixed deposits placed with banks because of higher interest rates.

#### **Staff Costs**

Staff costs increased by 7.8% due mainly to a one-off ex-gratia payment of \$198,150 paid to our former Chief Executive Officer in September 2006 upon his resignation.

#### **Operating Expenses**

Operating expenses increased by 40.7% due mainly to a write-back of provision for bad and doubtful debts of \$174,000 in 1Q06 against a provisioning charge of \$79,000 in 1Q07.

#### **Loss on Foreign Exchange**

The foreign currency translation loss of \$124,000 in 1Q07 was due to the strengthening of the Singapore dollar against the Hong Kong dollar and Malaysian Ringgit on amounts owing by our Hong Kong and Malaysian subsidiaries to the Company.

#### **Income derived from Associated Company**

No income was derived from associated company in 1Q07 against an income of \$186,000 in 1Q06 was due to our disposal of the entire 35% equity interest in Talent Shanghai Inc., Ltd in May 2006.

#### **Income Tax**

Income tax decreased by 23.5% due mainly to reduced profit.

#### **Profit after Tax**

Profit after tax decreased by 31.5%.

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

The Group's results are in line with its forecast statement made in the full year ended 30 June 2006 results released on 3 August 2006.

**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.**

For the next reporting period and the next 12 months, the macro economic and business outlook in the Asia Pacific region is expected to remain encouraging. However, the Group continues to operate in a very competitive business environment. The year ahead will continue to be challenging as we envisage our operating costs are on an upward trend due to higher office rental costs, the relocation of our Singapore office in December 2006, staff costs resulting from the tight pool of qualified and experienced personnel and investment in new start-up investor relations business. Also, any further strengthening of the Singapore dollar will adversely affect the Group's result in the case of our overseas subsidiaries.

Notwithstanding this, management continues to strive for revenue growth through fresh business initiatives whilst maintaining prudent cost control measures.

**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)	
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)	
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

**17. Confirmation by the Board.**

We, Goh Geok Khim and Tan Cher Liang, being two directors of Boardroom Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results for the first quarter ended 30 September 2006 to be false or misleading.

On behalf of the board of directors

GOH GEOK KHIM  
Chairman  
& Acting Chief Executive Officer

TAN CHER LIANG  
Managing Director

**BY ORDER OF THE BOARD**

**Tan Cher Liang**  
**Managing Director**  
7 November 2006