

**BOARDROOM LIMITED**

**Half Year Financial Statement And Dividend Announcement**

**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			COMPANY		
	S\$'000		%	S\$'000		%
	31/12/02	31/12/01	Increase/ (Decrease)	31/12/02	31/12/01	Increase/ (Decrease)
1(a)(i) Fee	8,982	7,427	20.9%	0	0	0.0%
1(a)(ii) Disbursements	1,217	1,844	-34.0%	0	0	0.0%
Revenue	10,199	9,271	10.0%	0	0	0.0%
1(b)(i) Staff Costs	4,310	3,524	22.3%	568	572	-0.7%
1(b)(ii) Operating Expenses	1,170	1,218	-3.9%	546	558	-2.2%
1(b)(iii) Disbursements	1,217	1,844	-34.0%	0	0	0.0%
1(c) Gross Profit	3,502	2,685	30.4%	(1,114)	(1,130)	-1.4%
1(d) Investment Income	0	0	0.0%	5,300	5,200	1.9%
1(e) Other Income	64	200	-68.0%	1,077	1,213	-11.2%
2(a) Operating Profit	3,566	2,885	23.6%	5,263	5,283	-0.4%
2(b) Interest on Borrowings	0	0	0.0%	0	0	0.0%
2(c)(i) Depreciation and Amortisation	468	189	147.6%	3	3	0.0%
2(c)(ii) Foreign Exchange	0	0	0.0%	0	0	0.0%
2(d) Exceptional Items	0	0	0.0%	0	0	0.0%
2(e) Operating Profit	3,098	2,696	14.9%	5,260	5,280	-0.4%
2(f) Income derived from Associated Companies	0	0	0.0%	0	0	0.0%
2(g) Operating Profit	3,098	2,696	14.9%	5,260	5,280	-0.4%
2(h) Less: Income Tax	746	575	29.7%	1,157	1,294	-10.6%
2(i)(a) Operating Profit After Tax	2,352	2,121	10.9%	4,103	3,986	2.9%
2(i)(b) Less: Minority Interests	0	0	0.0%	0	0	0.0%
2(j) Operating Profit After Tax	2,352	2,121	10.9%	4,103	3,986	2.9%
2(k)(i) Extraordinary Items	0	0	0.0%	0	0	0.0%
2(k)(ii) Less: Minority Interests	0	0	0.0%	0	0	0.0%
2(k)(iii) Extraordinary Items	0	0	0.0%	0	0	0.0%
2(l) Operating Profit After Tax	2,352	2,121	10.9%	4,103	3,986	2.9%

**Notes:**

- For greater clarity, henceforth Revenue of the Group has been broken down into fees for services rendered and billings for disbursements relating to out-of-pocket expenses incurred on behalf of and recoverable from clients.
- Depreciation and amortisation includes amortisation of goodwill amounting to \$294,000 (2001-Nil).
- The effective tax rate for the six months ended 31 December 2002 for the Group is higher than the statutory rate due to amortisation of goodwill not allowable for tax deduction.

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	
	31 DEC 2002	30 JUN 2002	31 DEC 2002	30 JUN 2002
<b>NON-CURRENT ASSETS</b>				
Property, Plant & Equipment	770	558	41	41
Interest in Subsidiaries	0	0	5,000	5,000
Deferred Expenditure	5,580	0	0	0
Staff Loans	2	9	1	1
	<b>6,352</b>	<b>567</b>	<b>5,042</b>	<b>5,042</b>
<b>CURRENT ASSETS</b>				
Trade Receivables	3,792	5,272	0	0
Unbilled Disbursements	165	15	0	0
Other Receivables	304	298	572	610
Amount due from Subsidiaries (non-trade)	0	0	4,695	0
Cash & Cash Equivalents	17,081	22,160	14,925	20,980
	<b>21,342</b>	<b>27,745</b>	<b>20,192</b>	<b>21,590</b>
Less:				
<b>CURRENT LIABILITIES</b>				
Trade Payables	1,688	2,582	256	532
Disbursements Billed in Advance	0	38	0	0
Other Payables	140	114	70	69
Amount owing to Subsidiaries (non-trade)	0	0	0	3,620
Excess of Progress Billings over Work-in-Progress	153	478	0	0
Provision for Directors' Fees	0	0	0	0
Provision for Taxation	1,171	1,304	0	0
	<b>3,152</b>	<b>4,516</b>	<b>326</b>	<b>4,221</b>
Net Current (Liabilities)/Assets	18,190	23,229	19,866	17,369
Deferred Taxation	(43)	(43)	(8)	(8)
<b>NET ASSETS</b>	<b>24,499</b>	<b>23,753</b>	<b>24,900</b>	<b>22,403</b>
<b>FINANCED BY:</b>				
Share Capital	6,780	6,750	6,780	6,750
Reserves	17,719	17,003	18,120	15,653
<b>SHAREHOLDERS' INTEREST</b>	<b>24,499</b>	<b>23,753</b>	<b>24,900</b>	<b>22,403</b>

Note:

Deferred expenditure represents unamortised goodwill arising from acquisition of Arthur Andersen's Corporate Secretarial and Accounting Business. Any excess of the consideration over the fair value of the net assets as at the date of acquisition represents goodwill. Goodwill is amortised using the straight-line method over a period of 10 years.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31/12/2002		As at 30/06/2002	
Secured	Unsecured	Secured	Unsecured
NIL	NIL	NIL	NIL

Amount repayable after one year

As at 31/12/2002		As at 30/06/2002	
Secured	Unsecured	Secured	Unsecured

NIL	NIL	NIL	NIL
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#### 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	
	31 DEC 2002	31 DEC 2001
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before taxation	3,098	2,696
Adjustments for :		
- Depreciation of property, plant and equipment	174	189
- Amortisation of deferred expenditure	294	0
- Interest Income	(64)	(200)
Operating profit before working capital changes	3,502	2,685
Operating receivables	1,316	3,176
Operating payables	(906)	(1,790)
Excess of progress billings over work-in-progress	(325)	(713)
Cash generated from operations	3,587	3,358
Income tax paid	(879)	(894)
<b>Net cash generated from operating activities</b>	<b>2,708</b>	<b>2,464</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(385)	(27)
Acquisition of businesses	(5,874)	0
Interest received	78	143
Dividends paid	(1,798)	(2,548)
<b>Net cash used in investing activities</b>	<b>(7,979)</b>	<b>(2,432)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from exercise of employee share options	192	0
<b>Net cash generated from financing activities</b>	<b>192</b>	<b>0</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(5,079)</b>	<b>32</b>
Cash and cash equivalents at beginning of period (1 Jul)	22,160	20,078
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD (31 DEC)</b>	<b>17,081</b>	<b>20,110</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				
	S\$'000				
	Share Capital	Share Premium	Reserve arising on consolidation	Retained Earnings	Total
Balance at 1 July 2002	6,750	10,945	359	5,699	23,753
Issue of shares (under Boardroom Share Option Scheme)	30	162	0	0	192
Net Profit for the period	0	0	0	2,352	2,352
2002 final dividend of S\$0.017 per share less tax of 22% paid	0	0	0	(1,798)	(1,798)
<b>Balance at 31 December 2002</b>	<b>6,780</b>	<b>11,107</b>	<b>359</b>	<b>6,253</b>	<b>24,499</b>
Balance at 1 July 2001	6,750	10,945	359	4,895	22,949

Net Profit for the period	0	0	0	2,121	2,121
2001 first and final dividend of S\$0.025 per share less tax of 24.5% paid	0	0	0	(2,548)	(2,548)
Balance at 31 December 2001	6,750	10,945	359	4,468	22,522

- 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 600,000 ordinary shares of \$0.05 each 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 issued share capital from \$6,750,000 as at 30 June 2002 to \$6,780,000 as at 31 December 2002.

As at 31 December 2002, there were 10,213,000 (as at 31 December 2001: 7,750,000) 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 standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been audited or reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

N.A.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

Yes

- 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**

No change has been made.

- 6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

Earnings per ordinary share for the period after deducting any provision for preference dividends :-

GROUP FIGURES	
31 DEC 2002	31 DEC 2001

(a) Based on weighted average number of ordinary share on issue; and	1.74 cents	1.57 cents
(b) On a fully diluted basis	1.70 cents	1.57 cents

**Notes:**

1. The earnings per share is calculated based on the profit after tax on the number of shares in issue of 135,293,332 (31 Dec 2001 - weighted average number of 135,000,000).
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 138,005,049 (31 Dec 2001 - 135,245,390).

**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 period reported on and (b) immediately preceding financial year**

	GROUP FIGURES	
	31 DEC 2002	30 JUN 2002
Net asset value per ordinary share based on issued share capital as at the end of the period reported on	13.95 cents	17.59 cents

**Note:**

The net asset value per ordinary share is calculated after deducting the deferred expenditure of \$5,580,184 for the period ended 31 Dec 2002 (30 Jun 2002 - Nil).

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Compared to the same period last year, fees increased by 20.9% from \$7.4 million to \$9.0 million. The acquisition of the corporate secretarial and accounting and payroll businesses of Arthur Andersen Corporate Services Pte Ltd and Arthur Andersen Associates (S) Pte Ltd respectively ("the Acquisition") contributed to this growth. Growth in the Group's 3 business units was affected by difficult economic and market conditions and the general deflationary environment as well as reduced levels of corporate activities.

The lower level of corporate activities also accounted for the decrease in disbursements.

Staff costs were 22.3% higher due to an increase in staff strength associated with the Acquisition. The full year staff cost increase is expected to be lower than 22% as the Acquisition is further integrated into the Group to realize greater synergies.

However, operating expenses were 3.9% lower as a result of economies of scale and higher operational efficiencies realised from the integration of the Acquisition with the Group's business units.

Gross profit improved by 30.4%. Operating profit was however, affected by lower interest income and the amortisation of goodwill of \$294K arising from the Acquisition. These coupled with a higher income tax payable (as a result of the non-deductibility of the goodwill amortised) saw operating profit after tax increase by only 10.9%.

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

These results are in line with the statement made in the Company's full year results announcement.

**10. A commentary at the date of the announcement of the 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**

While regulatory changes in e-business as well as the impending change in legislation affecting the qualification of the company secretary would have a negative impact on the corporate secretarial practice, this is expected to be mitigated by increased reporting requirements and greater emphasis on corporate governance for listed companies.

The prevailing deflationary environment and weakness in corporate activities in the industry is expected to continue to put pressure on the Group's performance in the next 12 months. To mitigate the weakness in the market place in which the Group operates, efforts will be intensified to contain costs, especially staff costs.

At the same time, the Group will step up efforts to acquire new and similar businesses and to develop new services in order to increase the range of services presently provided.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	1 cents per share (less tax)
Par value of shares	S\$0.05 per share
Tax Rate	22%

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	1 cent per share (less tax)
Par value of shares	S\$0.05 per share
Tax Rate	24.5%

**(c) Date payable**

28 March 2003

**(d) Books closure date**

Notice is hereby given that the Register of Members and Transfer Books of the Company will be closed on 14 March 2003 for the preparation of dividend warrants.

Registrable Transfers received by the company up to 5.00pm on 13 March 2003 will be registered before entitlements to the dividend are determined.

12. If no dividend has been declared/recommended, a statement to that effect

N.A.

**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

<Place tabular results and/or notes here>

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

15. A breakdown of sales

<Refer to Para 15 of Appendix 7.2 for the required details. Place tabular results and/or notes here>

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

Total Annual Dividend (Refer to Para 16 of Appendix 7.2 for the required details)

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

**BY ORDER OF THE BOARD**

Yvonne Choo  
Company Secretary  
28/02/2003