

## BOARDROOM LIMITED

### Full Year Financial Statement And Dividend Announcement for the Period Ended [30/06/2004]

#### 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		%
	30 JUN 2004	30 JUN 2003	Increase/ (Decrease)
Fees	18,272	18,539	-1.4%
Disbursements	3,494	3,359	4.0%
<b>Revenue</b>	<b>21,766</b>	<b>21,898</b>	<b>-0.6%</b>
Staff Costs	8,939	8,848	1.0%
Operating Expenses	2,270	2,560	-11.3%
Disbursements	3,494	3,359	4.0%
<b>Gross Profit</b>	<b>7,063</b>	<b>7,131</b>	<b>-1.0%</b>
Investment Income	0	0	0.0%
Other Income	147	130	13.1%
<b>Operating Profit</b>	<b>7,210</b>	<b>7,261</b>	<b>-0.7%</b>
Interest on Borrowings	0	0	0.0%
Depreciation & Amortisation	874	937	-6.7%
Foreign Exchange	0	0	0.0%
Exceptional Items	0	0	0.0%
<b>Operating Profit</b>	<b>6,336</b>	<b>6,324</b>	<b>0.2%</b>
Income derived from Associated Companies	0	0	0.0%
<b>Operating Profit</b>	<b>6,336</b>	<b>6,324</b>	<b>0.2%</b>
Less: Income Tax	1,242	1,514	-18.0%
<b>Operating Profit After Tax</b>	<b>5,094</b>	<b>4,810</b>	<b>5.9%</b>
Less: Minority Interests	0	0	0.0%
<b>Operating Profit After Tax</b>	<b>5,094</b>	<b>4,810</b>	<b>5.9%</b>
Extraordinary Items	0	0	0.0%
Less: Minority Interests	0	0	0.0%
Extraordinary Items	0	0	0.0%
<b>Operating Profit After Tax</b>	<b>5,094</b>	<b>4,810</b>	<b>5.9%</b>

Notes:

1. 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.

2. Depreciation and amortisation includes amortisation of goodwill amounting to \$587,000 (June 2003-\$587,000).

3. The tax expense for the Group varies from the amount of income tax determined by applying the Singapore statutory rate of income tax due to amortisation of goodwill not allowable for tax deduction and the write-back of tax provision of \$65,000 (June 2003-\$6,000) in respect of prior years.

**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 JUN 2004	30 JUNE 2003	30 JUN 2004	30 JUN 2003
<b>NON-CURRENT ASSETS</b>				
Property, Plant & Equipment	471	521	128	54
Computer Software	299	146	227	30
Interest in Subsidiaries	0	0	5,000	5,000
Deferred Expenditure	4,699	5,286	0	0
Future Tax Benefit	123	51	0	0
Staff Loans	3	0	3	0
	<b>5,595</b>	<b>6,004</b>	<b>5,358</b>	<b>5,084</b>
<b>CURRENT ASSETS</b>				
Trade Receivables	9,066	6,164	0	0
Unbilled Disbursements	242	69	0	0
Other Receivables	985	290	1,947	825
Amount due from Subsidiaries (non-trade)	0	0	2,502	2,794
Cash & Cash Equivalents	18,133	18,598	15,848	17,655
	<b>28,426</b>	<b>25,121</b>	<b>20,297</b>	<b>21,274</b>
<b>HELD UNDER TRUST</b>				
Clients' Bank Accounts - contra	12,966	14,206	0	0
Clients' Ledger Balance - contra	(12,966)	(14,206)	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Less:				
<b>CURRENT LIABILITIES</b>				
Trade Payables	2,773	2,096	466	601
Disbursements Billed in Advance	6	0	0	0
Other Payables	134	144	0	89
Amount owing to Subsidiaries (non-trade)	0	0	1,040	1,570

Excess of Progress Billings over Work-In-Progress	31	902	0	0
Provision for Directors' Fees	0	0	0	0
Provision for Taxation	1,344	1,696	0	0
	<b>4,288</b>	<b>4,838</b>	<b>1,506</b>	<b>2,260</b>
Net Current Assets	24,138	20,283	18,791	19,014
Deferred Taxation	(102)	(59)	(74)	(12)
<b>NET ASSETS</b>	<b>29,631</b>	<b>26,228</b>	<b>24,075</b>	<b>24,086</b>
<b>FINANCED BY:</b>				
Share Capital	7,095	6,832	7,095	6,832
Reserves	22,536	19,396	16,980	17,254
<b>SHAREHOLDERS' INTEREST</b>	<b>29,631</b>	<b>26,228</b>	<b>24,075</b>	<b>24,086</b>

Notes:

- 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 the acquisition represents goodwill. Goodwill is amortised using the straight-line method over a period of 10 years.
- 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 30/6/2004		As at 30/6/2003	
Secured	Unsecured	Secured	Unsecured
NIL	NIL	NIL	NIL

**Amount repayable after one year**

As at 30/6/2004		As at 30/6/2003	
Secured	Unsecured	Secured	Unsecured
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	
	30 JUN 2004	30 JUN 2003
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit Before Taxation	6,336	6,324
Adjustments for:		
- Depreciation of Property, Plant and Equipment	225	305
- Amortisation of Computer Software	62	45
- Amortisation of Deferred Expenditure	587	587
- Interest Income	(128)	(110)
Operating Profit Before Working Capital Changes	7,082	7,151
Operating Receivables	(3,685)	(946)
Operating Payables	668	106
Work-In-Progress	(138)	0
Excess of Progress Billings over Work-In-Progress	(734)	423
Cash Generated from Operations	3,193	6,734
Income Tax Paid	(1,624)	(1,156)
<b>Net Cash Generated from Operating Activities</b>	<b>1,569</b>	<b>5,578</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of Property, Plant and Equipment	(173)	(339)
Acquisition of Computer Software	(216)	(119)
Acquisition of Businesses	0	(5,874)
Interest Received	47	126
<b>Net Cash Used in Investing Activities</b>	<b>(342)</b>	<b>(6,206)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Exercise of Employee Share Options	1,516	521
Dividends Paid	(3,208)	(2,856)
<b>Net Cash Generated from Financing Activities</b>	<b>(1,692)</b>	<b>(2,335)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(465)</b>	<b>(2,963)</b>
Cash and Cash Equivalents at beginning of year (1 July)	18,598	21,561
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (30 JUNE)</b>	<b>18,133</b>	<b>18,598</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 2003	6,832	11,384	359	7,653	26,228
Issue of Shares (under Boardroom Share Option Scheme)	263	1,254	0	0	1,517
Net Profit for the Year	0	0	0	5,094	5,094
2003 Final Dividend of S\$0.01900 per share less tax of 22% paid	0	0	0	(2,101)	(2,101)
2004 Interim Dividend of S\$0.00975 per share less tax of 20% paid	0	0	0	(1,107)	(1,107)
<b>BALANCE AT 30 JUNE 2004</b>	<b>7,095</b>	<b>12,638</b>	<b>359</b>	<b>9,539</b>	<b>29,631</b>
Balance at 1 July 2002	6,750	10,945	359	5,699	23,753
Issue of Shares (under Boardroom Share Option Scheme)	82	439	0	0	521
Net Profit for the Year	0	0	0	4,810	4,810
2002 Final Dividend of S\$0.01700 per share less tax of 22% paid	0	0	0	(1,798)	(1,798)
2003 Interim Dividend of S\$0.01000 per share less tax of 22% paid	0	0	0	(1,058)	(1,058)
<b>BALANCE AT 30 JUNE 2003</b>	<b>6,832</b>	<b>11,384</b>	<b>359</b>	<b>7,653</b>	<b>26,228</b>
	COMPANY				
	S\$'000				
	Share Capital	Share Premium	Reserve Arising on Consolidation	Retained Earnings	Total
Balance at 1 July 2003	6,832	11,384	0	5,870	24,086
Issue of Shares (under Boardroom Share Option Scheme)	263	1,254	0	0	1,517
Net Profit for the Year	0	0	0	1,680	1,680
2003 Final Dividend of S\$0.01900 per share less tax of 22% paid	0	0	0	(2,101)	(2,101)
2004 Interim Dividend of S\$0.00975 per share less tax of 20% paid	0	0	0	(1,107)	(1,107)
<b>BALANCE AT 30 JUNE 2004</b>	<b>7,095</b>	<b>12,638</b>	<b>0</b>	<b>4,342</b>	<b>24,075</b>
Balance at 1 July 2002	6,750	10,945	0	4,708	22,403
Issue of Shares (under Boardroom Share Option Scheme)	82	439	0	0	521

Net Profit for the Year	0	0	0	4,018	<b>4,018</b>
2002 Final Dividend of S\$0.01700 per share less tax of 22% paid	0	0	0	(1,798)	<b>(1,798)</b>
2003 Interim Dividend of S\$0.01000 per share less tax of 22% paid	0	0	0	(1,058)	<b>(1,058)</b>
<b>BALANCE AT 30 JUNE 2003</b>	<b>6,832</b>	<b>11,384</b>	<b>0</b>	<b>5,870</b>	<b>24,086</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 5,261,000 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 \$6,832,000 as at 30 June 2003 to \$7,095,050 as at 30 June 2004.

As at 30 June 2004, there were 5,757,000 (as at 30 June 2003: 9,073,000) 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 financial year as those of the audited financial statements for the year ended 30 June 2003.

**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.**

Not applicable.

**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 JUN 2004	30 JUN 2003
Earnings per ordinary share for the period after deducting any provision for preference dividends:-		
(a) Based on weighted average number of ordinary share on issue; and	3.62 cents	3.55 cents
(b) On a fully diluted basis	3.59 cents	3.49 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 140,586,081 (30 June 2003 - weighted average number of 135,571,664).
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 141,718,743 (30 June 2003 - 137,840,941).

**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 Jun 2004	30 Jun 2003	30 Jun 2004	30 Jun 2003
Net asset value per ordinary share based on issued share capital as at the end of the period reported on	20.88 cents	19.20 cents	16.97 cents	17.63 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.**

Compared to the same period last year, fees decreased by 1.4% from \$18.5 million to \$18.3 million.

Disbursements increased by 4.0% from \$3.4 million to \$3.5 million mainly contributed by higher corporate activities from Share Registration clients.

Turnover in Corporate Secretarial decreased 5.3% due to keen competition and continued pricing pressures. However, profit before tax decreased by a lower 1.3% due to lower operating costs. Share Registration turnover increased 9.3% and profit before tax increased 32.0% contributed by a higher number of IPO assignments and an increase in the number of Share Registration clients, whilst operating expenses remained flat as compared to the same period last year. Turnover in Accounting decreased 0.3% but profit before tax increased 7.2% due to lower operating expenses.

Staff costs increased marginally by 1% as a result of new administrative staff hired to take on the tasks previously outsourced. This was mitigated by a lower amount in directors' profit share and lower staff costs in the operating business units.

Operating expenses were lower by 11.3%. The reduction in operating expenses resulted from the taking back of certain office administration support services previously outsourced and lower office rental that more than offset the expenses incurred in sourcing for acquisition opportunities, the development and enhancement of our IT systems and a higher allowance for doubtful debts.

Operating profit before tax increased 0.2%. Operating profit after tax increased by a higher 5.9% as a result of the reduction in corporate tax rate from 22% to 20%.

The increase in trade receivables was due to the implementation of a new billing system that caused a delay in our billings. The billing cycle for some of our clients in Corporate Secretarial was changed from 1 year's advance billings to 6 months' in order to harmonise with all the rest of our clients. This resulted in a lower amount of Excess of Progress Billings over Work-in-Progress. These factors had affected the Group Cash Flow as at 30 June 2004. However, our cash flow remains strong.

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

The current announced results are in line with the prospect statement previously disclosed in our announcement of the half year results for the period ended 31 December 2003.

**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 environment is less certain compared to 6 months ago as a result of a surging oil price and China implementing cooling measures to curb its overheated economy. The IPO market is less buoyant compared to 6 months ago. Although the expected number of IPOs in the coming months continues to be encouraging, keen competition and pricing pressures are expected in the Share Registration market. Continued competition and pricing pressures are also expected in the Corporate Secretarial market. In the area of outsourcing, the Company will continue to seek out new business opportunities.

Our first overseas venture, in Talent Shanghai is expected to have a positive impact on our

performance in the longer term. Talent Shanghai continues to perform creditably in the fast growing human resource outsourcing market in China. It is anticipated the Company will benefit from cross-selling opportunities arising from this investment. However, its impact on our financial performance in the next 12 months is expected to be marginal.

## 11. Dividend

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

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

Name of Dividend	Final	Interim
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	1.925 cents per share (less tax)	0.975 cents per share (less tax)
Optional:- Dividend Rate (in %)	38.5 %	19.5 %
Par value of shares	S\$0.05 per share	S\$0.05 per share
Tax Rate	20%	20%

### **(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	Final	Interim
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	1.9 cents per share (less tax)	1 cent per share (less tax)
Optional:- Dividend Rate (in %)	38 %	20 %
Par value of shares	S\$0.05 per share	S\$0.05 per share
Tax Rate	22%	22%

### **(c) Date payable**

19 November 2004

### **(d) Books closure date**

Notice is hereby given that the Register of Members and Transfer Books of the Company will be closed on 3 November 2004 for the preparation of dividend warrants.

Registrable Transfers received by the company up to 5.00pm on 2 November 2004 will be registered before entitlements to the dividend are determined.

**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.**

**BY BUSINESS SEGMENTS:**

	TURNOVER		PROFIT BEFORE TAX	
	S\$'000		S\$'000	
	FY 2004	FY 2003	FY 2004	FY 2003
Corporate Secretarial	9,901	10,459	4,224	4,280
Share Registration	5,211	4,768	833	631
Accountancy	6,654	6,671	1,801	1,680
Others	0	0	(522)	(267)
<b>TOTAL</b>	<b>21,766</b>	<b>21,898</b>	<b>6,336</b>	<b>6,324</b>

Notes:

- a) Certain comparative figures have been reclassified to conform with current year's presentation.
- b) Our businesses are carried out in Singapore.

**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.**

Please refer to note 8 above.

**15. A breakdown of sales.**

	GROUP		%
	S\$'000		
	30 JUN 2004	30 JUN 2003	Increase/ (Decrease)
(a) Sales reported for first half year	9,918	10,199	-2.8%
(b) Operating Profit/Loss after Tax before deducting Minority Interests reported for first half year	2,225	2,352	-5.4%
(c) Sales reported for second half year	11,848	11,699	1.3%
(d) Operating Profit /Loss after Tax before deducting Minority Interests reported for second half year	2,869	2,458	16.7%

**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 (S\$'000)	Previous Full Year (S\$'000)
Ordinary	3,208	2,856
Preference	0	0
Total:	3,208	2,856

**BY ORDER OF THE BOARD**

Tan Cher Liang  
Managing Director  
28/08/2004