

**BOARDROOM LIMITED**

**Full Year Financial Statement And Dividend Announcement**

Financial statements for the year ended 30 June 2002.  
These figures have not been audited.

	Group			Company		
	S\$'000		%	S\$'000		%
	Latest period	Previous corresponding period	Increase/(Decrease)	Latest period	Previous corresponding period	Increase/(Decrease)
1.(a) Turnover	19,160	18,517	3.5	0	0	0
1.(b) Cost of sales or classification as followed in the most recent audited annual financial statements	13,683	12,207	12.1	2,218	2,111	5.1
1.(c) Gross profit/loss	5,477	6,310	-13.2	(2,218)	(2,111)	5.1
1.(d) Investment income	0	0	0	5,200	5,500	-5.5
1.(e) Other income including interest income	328	334	-1.8	2,305	2,266	1.7
2.(a) Operating profit before income tax, minority interests, extraordinary items, interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	5,805	6,644	-12.6	5,287	5,655	-6.5
2.(b)(i) Interest on borrowings	0	0	0	0	0	0
2.(b)(ii) Depreciation and amortisation	334	346	-3.5	6	2	200.0
2.(b)(iii) Foreign exchange gain/(loss)	0	0	0	0	0	0
2.(c) Exceptional items (provide separate disclosure of items)	0	0	0	0	0	0

		Group			Company		
		S\$'000		%	S\$'000		%
		Latest period	Previous corresponding period	Increase/(Decrease)	Latest period	Previous corresponding period	Increase/(Decrease)
2.(d)	Operating profit before income tax, minority interests and extraordinary items but after interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	5,471	6,298	-13.1	5,281	5,653	-6.6
2.(e)	Income derived from associated companies (With separate disclosure of any items included therein which are exceptional because of size & incidence)	0	0	0	0	0	0
2.(f)	Operating profit before income tax	5,471	6,298	-13.1	5,281	5,653	-6.6
2.(g)	Less income tax (Indicate basis of computation)	1,100	1,403	-21.6	1,274	1,385	-8.0
2.(g)(i)	Operating profit after tax before deducting minority interests	4,371	4,895	-10.7	4,007	4,268	-6.1
2.(g)(ii)	Less minority interests	0	0	0	0	0	0
2.(h)	Operating profit after tax attributable to members of the company	4,371	4,895	-10.7	4,007	4,268	-6.1
2.(i)(i)	Extraordinary items (provide separate disclosure of items)	0	0	0	0	0	0
2.(i)(ii)	Less minority interests	0	0	0	0	0	0
2.(i)(iii)	Extraordinary items attributable to members of the company	0	0	0	0	0	0

		Group			Company		
		S\$'000		%	S\$'000		%
		Latest period	Previous corresponding period	Increase/(Decrease)	Latest period	Previous corresponding period	Increase/(Decrease)
2.(h)(iv)	Transfer to/from Exchange Reserve	0	0	0	0	0	0
2.(l)(v)	Transfer to Capital Reserve	0	0	0	0	0	0
2.(l)(vi)	Transfer to Reserve Fund	0	0	0	0	0	0
2.(j)	Operating profit after tax and extraordinary items attributable to members of the company	4,371	4,895	-10.7	4,007	4,268	-6.1

**Note:**

- The effective tax rate for the Group is lower than the statutory tax rate due to the write-back of overprovision of tax in respect of the prior year.

**Group Figures**

		Latest period	Previous corresponding period
3.(a)	Operating profit [2(g)(i) above] as a percentage of turnover [1(a) above]	22.81%	26.44%
3.(b)	Operating profit [2(h) above] as a percentage of issued capital and reserves at end of the period	18.40%	21.33%
3.(c)	Earnings per ordinary share for the period based on 2(h) above after deducting any provision for preference dividends:-		
	(i) Based on weighted average number of ordinary shares in issue	3.24 cents	4.90 cents
	(ii) On a fully diluted basis	3.21 cents	4.65 cents
	(To disclose the basis used in arriving at the weighted average number of shares for the purposes of (c)(i) above and to provide details of any adjustments made for the purpose of (c)(ii) above)		
3.(d)	Net tangible asset backing per ordinary share based on existing issued share capital as at the end of the period reported on	17.59 cents	17.00 cents

- To provide an analysis of expenses based on their nature within the group for the current and previous corresponding period

	GROUP		
	Latest Period	S\$'000 Previous Corresponding Period	% Increase/(Decrease)
Staff Costs	6,924	6,501	6.5%
Depreciation	334	346	-3.5%
Other Operating Expense	6,759	5,706	18.5%

<b>Total Operating Expenses</b>	<b>14,017</b>	<b>12,553</b>	<b>11.7%</b>
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**Notes:**

1. For item 3(c)(i), the earnings per share is calculated based on the profit after tax on the number of shares in issue of 135,000,000 (30.6.2001 - weighted average number of 100,000,010).
2. For item 3(c)(ii), 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 136,352,361 (30.6.2001 - 105,280,010).
3. For items 3(b) and 3(d), the comparative figures in the previous corresponding period have been restated to reflect the change as mentioned in paragraph 13(a).

Item 4 is not applicable to interim results

		Group			Company		
		S\$'000		%	S\$'000		%
		Latest period	Previous corresponding period	Increase/(Decrease)	Latest period	Previous corresponding period	Increase/(Decrease)
4.(a)	Sales reported for first half year	9,271	8,617	7.6	0	0	0
4.(b)	Operating profit [2(g)(i) above] reported for first half year	2,121	2,359	-10.1	3,986	4,159	-4.2
4.(c)	Sales reported for second half year	9,889	9,900	-0.1	0	0	0
4.(d)	Operating profit [2(g)(i) above] reported for second half year	2,250	2,536	-11.3	21	109	-80.7

**Note:**

Group operating profit for the first half year has been restated by \$178,000 to adjust for the inappropriate treatment of negative goodwill upon adoption of SAS 22 as mentioned in paragraph 13(b).

5.(a) Amount of any adjustment for under or overprovision of tax in respect of prior years

Overprovision of tax in respect of prior year for the Group - \$85,516.

5.(b) Amount of any pre-acquisition profits

NIL

5.(c) Amount of profits on any sale of investments and/or properties

**Item 5c Table**

Sale of investments/properties	\$Profit/(Loss)
NIL	

5.(d) Any other comments relating to Paragraph 5

NIL

6. Segmental Results

**BY BUSINESS SEGMENTS**

	TURNOVER		PROFIT BEFORE TAX	
	S\$'000		S\$'000	
	FY 2002	FY 2001	FY 2002	FY 2001

Corporate Secretarial	8,801	9,469	3,622	4,365
Share Registration	5,962	5,076	767	833
Accountancy	4,397	3,972	1,095	1,039
Others	0	0	-13	61
<b>TOTAL</b>	<b>19,160</b>	<b>18,517</b>	<b>5,471</b>	<b>6,298</b>

Our businesses are carried out in Singapore.

7.(a) Review of the performance of the company and its principal subsidiaries

The Group achieved a marginal 3.5% growth in turnover from \$18.5 million in the previous financial period to \$19.2 million.

Group operating profit before tax however declined 13.1% from \$6.3 million to \$5.5 million. The decrease was due mainly to narrower profit margins coupled with increased staff costs and the need for higher bad debt provisions. Staff cost increases were the result of the higher CPF contribution rate (16%, up from 12%) and the need for additional staff to service the expanded client bases for Share Registration and Accounting.

Corporate Secretarial declined 7.1% in turnover due mainly to the dearth of new assignments, aggravated by the loss of several clients which were delisted from the Singapore Stock Exchange. Profit before tax fell by a larger 17% as a result of lower margins and higher bad debt provisions.

Share Registration turnover rose 17.5%. This was mainly from an increase in the low-margin disbursements on behalf of clients. The actual increase in new IPO assignments was marginal. Profit before tax for this business segment fell 7.9% as a result of higher staff and related costs.

Accounting turnover grew 10.8% due mainly to an expanded client base reflecting the trend of increased outsourcing. Profit before tax however rose only 5.4% as a result of increased staff costs.

Group operating profit after tax was \$4.4 million, a decline of 10.7% from the previous financial period.

7.(b) Where a forecast, or a prospect statement, has been previously disclosed to shareholders,

the issuer must explain any variance between the forecast or prospect statement and the actual results

NIL

7.(c) A statement by the Directors of the Company whether any item or event of a material or unusual nature, which would have affected materially the results of operations of the Group and Company, has occurred between the date to which the report refers and the date on which the report is issued. If none, to give a negative statement.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen between the end of the full financial year and the date of this announcement which would substantially affect the results of the operations of the Group and of the Company.

Cash generated from operations	6,708	7,697
Income tax paid	(1,323)	(1,447)
<b>Net cash generated from operating activities</b>	<b>5,385</b>	<b>6,250</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(75)	(640)
Interest received	339	302
Dividends paid	(3,567)	0
<b>Net cash used in investing activities</b>	<b>(3,303)</b>	<b>(338)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from shares issued net of share issue expenses	0	12,695
<b>Net cash generated from financing activities</b>	<b>0</b>	<b>12,695</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,082</b>	<b>18,607</b>
Cash and cash equivalents at beginning of year/period	20,078	0
Cash and cash equivalents of subsidiaries acquired	0	1,471
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD</b>	<b>22,160</b>	<b>20,078</b>

10.(c). Statement of changes in equity

	GROUP					
	S\$'000					
	Share Capital	Share Premium	Reserve arising on consolidation	Total Capital Reserves	Retained Earnings	Total
Balance at 1.7.2001						
- As previously reported	6,750	10,945	359	11,304	2,347	20,401
- Effect of adopting SAS 10 (Revised)	0	0	0	0	2,548	2,548
As restated	6,750	10,945	359	11,304	4,895	22,949
Net profit for the year	0	0	0	0	4,371	4,371
2001 first & final dividend of \$0.025 per share less tax of 24.5% paid	0	0	0	0	(2,548)	(2,548)
2002 interim dividend of \$0.01 per share less tax of 24.5% paid	0	0	0	0	(1,019)	(1,019)
<b>Balance at 30.6.2002</b>	<b>6,750</b>	<b>10,945</b>	<b>359</b>	<b>11,304</b>	<b>5,699</b>	<b>23,753</b>

10.(d) Explanatory notes that are material to an understanding of the information provided in 10.(a), (b) and (c) above

NIL

11. Details of any changes in the company's issued share capital

NIL

12. The group's borrowings and debt securities as at the end of the financial period reported on, and comparative figures as at the end of the most recently announced financial statements

(a) Amount repayable in one year or less, or on demand

As at 30/06/2002		As at 31/12/2001	
Secured	Unsecured	Secured	Unsecured
NIL	NIL	NIL	NIL

(b) Amount repayable after one year

As at 30/06/2002		As at 31/12/2001	
Secured	Unsecured	Secured	Unsecured
NIL	NIL	NIL	NIL

(c) Any other comments relating to Paragraph 12

NIL

13. A statement that the same accounting policies and methods of computation are followed in the financial statements as compared with the most recent audited annual financial statements. Where there have been any changes or departure from the accounting policies and methods of computation, including those required by an accounting standard, this should be disclosed together with the reasons for the change and the effect of the change

The financial statements expressed in Singapore dollars, are prepared in accordance with Singapore Statements of Accounting Standard and the historical cost convention.

- (a) With effect from 1st July 2001, the Company adopted SAS 10 (Revised) - Events after the Balance Sheet date which disallows dividends to be recognised as liabilities at the balance sheet date if they are proposed or declared after the balance sheet date. In the previous financial year, the Company's accounting policy was to recognise dividends as liabilities at the balance sheet date if the dividends were proposed for the period covered by the financial statements.

The effect of the change on the balance sheet of the Company at 30 June 2001 is as follows:

	2001
	Increase/(Decrease)
Proposed dividends	(\$ 2,548,125)
Retained profits	\$2,548,125

The directors have proposed a final dividend for the financial year ended 30 June 2002 of 1.7 cents per share amounting to \$1,790,100 net of tax at 22%. These financial statements do not reflect this dividend payable, which will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 30 June 2003.

- (b) With effect from 1st July 2001, the Company has also adopted SAS 22 - Business Combinations.

Reserve arising on consolidation is presented as the same balance sheet classification as goodwill. To the extent that reserve arising on consolidation relates to expectations of future losses and expenses that can be reliably measured, but do not represent identifiable liabilities, the portion of reserve arising on consolidation is recognised in the profit and loss statement when the future losses and expenses are incurred. Any remaining reserve arising on consolidation, not exceeding the fair values of the non-monetary assets acquired, is recognised in the profit and loss statement over the remaining weighted average useful lives of those assets. Reserve arising on consolidation in excess of the fair value of those assets is recognised in the profit and loss statement immediately.

Prior to 1st July 2001, reserve arising on consolidation is directly adjusted against shareholders' equity. Such reserve arising on consolidation has not been retrospectively deducted from the assets in the balance sheet and recognised as income in the profit and loss account as allowed under the revised SAS 22 - Business Combinations.

**BY ORDER OF THE BOARD**

Yvonne Choo  
Company Secretary  
23/08/2002