

MASNET No. 22 OF 21.08.2003  
Announcement No. 22

**BOARDROOM LIMITED****Full 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		%
	30 JUN 2003	30 JUN 2002	Increase/ (Decrease)	30 JUN 2003	30 JUN 2002	Increase/ (Decrease)
Fee	18,539	14,818	25.1%	0	0	0.0%
Disbursements	3,359	4,342	-22.6%	0	0	0.0%
<b>Revenue</b>	<b>21,898</b>	<b>19,160</b>	<b>14.3%</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
Staff Costs	8,848	6,924	27.8%	1,423	1,098	29.6%
Operating Expenses	2,560	2,417	5.9%	1,126	1,120	0.5%
Disbursements	3,359	4,342	-22.6%	0	0	0.0%
<b>Gross Profit</b>	<b>7,131</b>	<b>5,477</b>	<b>30.2%</b>	<b>(2,549)</b>	<b>(2,218)</b>	<b>14.9%</b>
Investment Income	0	0	0.0%	5,300	5,200	1.9%
Other Income	130	328	-60.4%	2,401	2,305	4.2%
<b>Operating Profit</b>	<b>7,261</b>	<b>5,805</b>	<b>25.1%</b>	<b>5,152</b>	<b>5,287</b>	<b>-2.6%</b>
Interest on Borrowings	0	0	0.0%	0	0	0.0%
Depreciation & Amortisation	937	334	180.5%	9	6	50.0%
Foreign Exchange	0	0	0.0%	0	0	0.0%
Exceptional Items	0	0	0.0%	0	0	0.0%
<b>Operating Profit</b>	<b>6,324</b>	<b>5,471</b>	<b>15.6%</b>	<b>5,143</b>	<b>5,281</b>	<b>-2.6%</b>
Income derived from Associated Companies	0	0	0.0%	0	0	0.0%
<b>Operating Profit</b>	<b>6,324</b>	<b>5,471</b>	<b>15.6%</b>	<b>5,143</b>	<b>5,281</b>	<b>-2.6%</b>
Less: Income Tax	1,514	1,100	37.6%	1,125	1,274	-11.7%
<b>Operating Profit After Tax</b>	<b>4,810</b>	<b>4,371</b>	<b>10.0%</b>	<b>4,018</b>	<b>4,007</b>	<b>0.3%</b>
Less: Minority Interests	0	0	0.0%	0	0	0.0%
<b>Operating Profit After Tax</b>	<b>4,810</b>	<b>4,371</b>	<b>10.0%</b>	<b>4,018</b>	<b>4,007</b>	<b>0.3%</b>
Extraordinary Items	0	0	0.0%	0	0	0.0%
Less: Minority Interests	0	0	0.0%	0	0	0.0%
Extraordinary Items attributable to members of the company	0	0	0.0%	0	0	0.0%
<b>Operating Profit After Tax</b>	<b>4,810</b>	<b>4,371</b>	<b>10.0%</b>	<b>4,018</b>	<b>4,007</b>	<b>0.3%</b>

## 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.
- Decrease in other income is due to lower interest earned on fixed deposits.
- Depreciation and amortisation includes amortisation of goodwill amounting to S\$587,000 (2002-Nil).
- The effective tax rate for the one year ended 30 June 2003 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	
	30 JUN 2003	30 JUN 2002	30 JUN 2003	30 JUN 2002
<b>NON-CURRENT ASSETS</b>				
Property, Plant & Equipment	521	487	54	7
Computer Software	146	71	30	34
Interest in Subsidiaries	0	0	5,000	5,000
Deferred Expenditure	5,286	0	0	0
Future Tax Benefit	51	0	0	0
Staff Loans	0	9	0	1
	6,004	567	5,084	5,042
<b>CURRENT ASSETS</b>				
Trade Receivables	6,164	5,272	0	0
Unbilled Disbursements	69	15	0	0
Other Receivables	290	298	825	610
Amount due from Subsidiaries (non-trade)	0	0	2,794	0
Cash & Cash Equivalents	18,598	21,561	17,655	20,980
	25,121	27,146	21,274	21,590
<b>HELD UNDER TRUST</b>				
Clients' bank accounts - contra	14,206	7,360	0	0
Clients' ledger balances - contra	(14,206)	(7,360)	0	0
	0	0	0	0
Less:				
<b>CURRENT LIABILITIES</b>				
Trade Payables	2,096	1,983	601	532
Disbursements Billed in Advance	0	38	0	0
Other Payables	144	114	89	69
Amount owing to Subsidiaries (non-trade)	0	0	1,570	3,620
Excess of Progress Billings over Work-in-Progress	902	478	0	0
Provision for Directors' Fees	0	0	0	0
Provision for Taxation	1,696	1,304	0	0
	4,838	3,917	2,260	4,221
Net Current (Liabilities)/Assets	20,283	23,229	19,014	17,369
Deferred Taxation	(59)	(43)	(12)	(8)
<b>NET ASSETS</b>	26,228	23,753	24,086	22,403
<b>FINANCED BY:</b>				
Share Capital	6,832	6,750	6,832	6,750
Reserves	19,396	17,003	17,254	15,653
<b>SHAREHOLDERS' INTEREST</b>	26,228	23,753	24,086	22,403

## 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 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.
- Certain comparative figures have been reclassified to conform with current year's presentation.

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

Amount repayable in one year or less, or on demand

As at 30/6/2003		As at 30/6/2002	
Secured	Unsecured	Secured	Unsecured
NIL	NIL	NIL	NIL

## Amount repayable after one year

As at 30/6/2003		As at 30/6/2002	
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 2003	30 JUN 2002
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before taxation	6,324	5,471
Adjustments for:		
- Depreciation of property, plant and equipment	305	326
- Amortisation of computer software	45	8
- Amortisation of deferred expenditure	587	0
- Interest Income	(110)	(327)
Operating profit before working capital changes	7,151	5,478
Operating receivables	(946)	617
Operating payables	106	(123)
Excess of progress billings over work-in-progress	423	385
Cash generated from operations	6,734	6,357
Income tax paid	(1,156)	(1,323)
<b>Net cash generated from operating activities</b>	<b>5,578</b>	<b>5,034</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(339)	(46)
Acquisition of computer software	(119)	(29)
Acquisition of businesses	(5,874)	0
Interest received	126	339
Dividends paid	(2,856)	(3,567)
<b>Net cash used in investing activities</b>	<b>(9,062)</b>	<b>(3,303)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from exercise of employee share options	521	0
<b>Net cash generated from financing activities</b>	<b>521</b>	<b>0</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(2,963)</b>	<b>1,731</b>
Cash and cash equivalents at beginning of year (1 July)	21,561	19,830
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (30 JUNE)</b>	<b>18,598</b>	<b>21,561</b>

## Note:

Certain comparative figures have been reclassified to conform with current year's presentation.

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)	82	439	0	0	521
Net Profit for the year	0	0	0	4,810	4,810
2002 final dividend of S\$0.017 per share less tax of 22% paid	0	0	0	(1,798)	(1,798)
2003 interim dividend of S\$0.010 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>
Balance at 1 July 2001	6,750	10,945	359	4,895	22,949
Net Profit for the year	0	0	0	4,371	4,371
2001 first and final dividend of S\$0.025 per share less tax of 24.5% paid	0	0	0	(2,548)	(2,548)
2002 interim dividend of S\$0.010 per share less tax of 24.5% paid	0	0	0	(1,019)	(1,019)
<b>Balance at 30 June 2002</b>	<b>6,750</b>	<b>10,945</b>	<b>359</b>	<b>5,699</b>	<b>23,753</b>
	COMPANY				
	S\$'000				
	Share Capital	Share Premium	Reserve arising on consolidation	Retained Earnings	Total
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	4,018
2002 final dividend of S\$0.017 per share less tax of 22% paid	0	0	0	(1,798)	(1,798)
2003 interim dividend of S\$0.010 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>0</b>	<b>5,870</b>	<b>24,086</b>
Balance at 1 July 2001	6,750	10,945	0	4,268	21,963
Net Profit for the year	0	0	0	4,007	4,007
2001 first and final dividend of S\$0.025 per share less tax of 24.5% paid	0	0	0	(2,548)	(2,548)
2002 interim dividend of S\$0.010 per share less tax of 24.5% paid	0	0	0	(1,019)	(1,019)
<b>Balance at 30 June 2002</b>	<b>6,750</b>	<b>10,945</b>	<b>0</b>	<b>4,708</b>	<b>22,403</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 or 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 year, a total of 1,640,000 ordinary shares of S\$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 S\$6,750,000 as at 30 June 2002 to S\$6,832,000 as at 30 June 2003.

As at 30 June 2003, there were 9,073,000 (as at 30 June 2002: 7,750,000) unissued ordinary shares of S\$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)

These 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

	GROUP	
	30 JUN 2003	30 JUN 2002
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	3.55 cents	3.24 cents
(b) On a fully diluted basis	3.49 cents	3.21 cents

Notes:

- The earnings per share is calculated based on the profit after tax on the number of shares in issue of 135,571,664 (30 Jun 2002 - weighted average number of 135,000,000).
- 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 137,840,941 (30 Jun 2002 - 136,352,361).

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		COMPANY	
	30 JUN 2003	30 JUN 2002	30 JUN 2003	30 JUN 2002
Net asset value per ordinary share based on issued share capital as at the end of the period reported on	19.20 cents	17.59 cents	17.63 cents	16.59 cents

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 25% from \$14.8 million to \$18.5 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 three business units was however curtailed by the uncertainty and anxiety caused by the Iraq war and the SARS outbreak which had a negative impact on the economy.

Turnover in Corporate Secretarial increased 19% due to the Acquisition. Profit before tax increased by a lower 15% because of amortisation from the Acquisition. Turnover and profit before tax in Accounting increased 52% and 48% respectively also due to the Acquisition. Share registration turnover decreased 20% and profit before tax fell 21% as a result of a sluggish equity market, lower levels of corporate activities and disbursements.

Staff costs were 28% higher due to an increase in staff strength associated with the Acquisition and the appointment of a new CEO from 1 January 2003. An appropriate level of staff was maintained to support an increase in corporate activities towards the end of the last two months of the financial year. Nevertheless, the increased economies of scale resulting from the Acquisition have enabled the Group to contain operating expenses.

Operating profit increased by 16% after taking into consideration amortisation of goodwill of \$587k arising from the

Acquisition. Coupled with a higher income tax payable (as a result of the non-deductibility of the goodwill amortised), operating profit after tax increased by only 10%.

The cash consideration of \$5.9 million paid for the Acquisition increased the net cash used for investing activities to \$9.1 million (from \$3.3 million in the previous financial year). This also increased non-current assets in the balance sheet to \$6 million (from \$0.6 million in the previous financial year).

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

N.A.

**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**

The operating environment continues to be clouded by uncertainties in the Singapore economy characterized by pricing pressures, job losses and wage restructuring. This is expected to put pressure on the Group's performance in the next 12 months. On-going regulatory changes and pricing pressures are expected to have a negative impact on the corporate secretarial practice.

However, the growing emphasis on corporate governance especially for listed companies will continue to drive the need for our services. The continuing trend towards outsourcing amongst foreign MNCs and local companies presents increased opportunities for our accounting and payroll business. Our share registration business is expected to benefit with more companies planning to list in Singapore.

Overall, the business environment will continue to be challenging but we expect to take advantage of some positive trends and developments in the market place.

**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 Rate	1.9 cents per share (less tax)	1 cent per share (less tax)
Par value of shares	S\$0.05 per share	S\$0.05 per share
Tax Rate	22%	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	Final	Interim
Dividend Type	Cash	Cash
Dividend Rate	1.7 cents per share (less tax)	1 cent per share (less tax)
Par value of shares	S\$0.05 per share	S\$0.05 per share
Tax Rate	22%	24.5%

**(c) Date payable**

28 October 2003

**(d) Books closure date**

Notice is hereby given that the Register of Members and Transfer Books of the Company will be closed on 15 October 2003 for the preparation of dividend warrants.

Registrable Transfers received by the company up to 5.00 pm on 14 October 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

**BY BUSINESS SEGMENTS:**

	TURNOVER		PROFIT BEFORE TAX	
	S\$'000		S\$'000	
	FY 2003	FY 2002	FY 2003	FY 2002
Corporate Secretarial	10,459	8,801	4,183	3,622
Share Registration	4,768	5,962	608	767
Accountancy	6,671	4,397	1,622	1,095
Others	0	0	(89)	(13)
<b>TOTAL</b>	<b>21,898</b>	<b>19,160</b>	<b>6,324</b>	<b>5,471</b>

Note:  
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		% Increase/ (Decrease)
	S\$'000 30 JUN 2003	30 JUN 2002	
(a) Sales reported for first half year	10,199	9,271	10.0%
(b) Operating profit /loss after tax before deducting minority interests reported for first half year	2,352	2,121	10.9%
(c) Sales reported for second half year	11,699	9,889	18.3%
(d) Operating profit /loss after tax before deducting minority interests reported for second half year	2,458	2,250	9.2%

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	2,856	3,567
Preference	0	0
<b>Total:</b>	<b>2,856</b>	<b>3,567</b>

**BY ORDER OF THE BOARD**

Yvonne Choo  
Company Secretary  
21/08/2003