

BOARDROOM LIMITED

Half Year Financial Statement And Dividend Announcement for the Period Ended 31/12/2003

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		%
	31 DEC 2003	31 DEC 2002	Increase/ (Decrease)
Fees	8,799	8,982	-2.0%
Disbursements	1,119	1,217	-8.1%
Revenue	9,918	10,199	-2.8%
Staff Costs	4,573	4,310	6.1%
Operating Expenses	1,006	1,170	-14.0%
Disbursements	1,119	1,217	-8.1%
Gross Profit	3,220	3,502	-8.1%
Investment Income	0	0	0.0%
Other Income	72	64	12.5%
Operating Profit	3,292	3,566	-7.7%
Interest on Borrowings	0	0	0.0%
Depreciation & Amortisation	440	468	-6.0%
Foreign Exchange	0	0	0.0%
Exceptional Items	0	0	0.0%
Operating Profit	2,852	3,098	-7.9%
Income derived from Associated Companies	0	0	0.0%
Operating Profit	2,852	3,098	-7.9%
Less: Income Tax	627	746	-16.0%
Operating Profit After Tax	2,225	2,352	-5.4%
Less: Minority Interests	0	0	0.0%
Operating Profit After Tax	2,225	2,352	-5.4%
Extraordinary Items	0	0	0.0%
Less: Minority Interests	0	0	0.0%
Extraordinary Items	0	0	0.0%
Operating Profit After Tax	2,225	2,352	-5.4%

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 \$294,000 (Dec 2002-\$294,000).
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 (Dec 2002 – \$Nil) 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	
	31 DEC 2003	30 JUN 2003	31 DEC 2003	30 JUN 2003
NON-CURRENT ASSETS				
Property, Plant & Equipment	483	521	68	54
Computer Software	136	146	39	30
Interest in Subsidiaries	0	0	5,000	5,000
Deferred Expenditure	4,993	5,286	0	0
Future Tax Benefit	51	51	0	0
Staff Loans	0	0	0	0
	5,663	6,004	5,107	5,084
CURRENT ASSETS				
Trade Receivables	4,063	6,164	0	0
Unbilled Disbursements	196	69	0	0
Other Receivables	927	290	1,298	825
Amount due from Subsidiaries (non-trade)	15	0	3,382	2,794
Cash & Cash Equivalents	19,184	18,598	17,748	17,655
	24,385	25,121	22,428	21,274
HELD UNDER TRUST				
Clients' bank accounts - contra	98,064	14,206	0	0
Clients' ledger balances - contra	(98,064)	(14,206)	0	0
	0	0	0	0
Less:				
CURRENT LIABILITIES				
Trade Payables	620	2,096	356	601
Disbursements Billed in Advance	0	0	0	0
Other Payables	33	144	20	89
Amount owing to Subsidiaries (non-trade)	25	0	1,830	1,570

Excess of Progress Billings over Work-In-Progress	2	902	0	0
Provision for Directors' Fees	0	0	0	0
Provision for Taxation	1,448	1,696	0	0
	2,128	4,838	2,206	2,260
Net Current (Liabilities)/Assets	22,257	20,283	20,222	19,014
Deferred Taxation	(59)	(59)	(12)	(12)
NET ASSETS	27,861	26,228	25,317	24,086
FINANCED BY:				
Share Capital	7,094	6,832	7,094	6,832
Reserves	20,767	19,396	18,223	17,254
SHAREHOLDERS' INTEREST	27,861	26,228	25,317	24,086

Notes:

1. 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.
2. 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 31/12/2003		As at 30/06/2003	
Secured	Unsecured	Secured	Unsecured
NIL	NIL	NIL	NIL

Amount repayable after one year

As at 31/12/2003		As at 30/06/2003	
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	
	31 DEC 2003	31 DEC 2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	2,852	3,098
Adjustments for:		
- Depreciation of property, plant and equipment	119	153
- Amortisation of computer software	27	21
- Amortisation of deferred expenditure	294	294
- Interest Income	(64)	(64)
Operating profit before working capital changes	3,228	3,502
Operating receivables	1,520	1,316
Operating payables	(1,713)	(834)
Excess of progress billings over work-in-progress	(900)	(325)
Cash generated from operations	2,135	3,659
Income tax paid	(876)	(879)
Net cash generated from operating activities	1,259	2,780
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(81)	(272)
Acquisition of computer software	(17)	(113)
Acquisition of businesses	0	(5,874)
Interest received	18	78
Dividends paid	(2,102)	(1,798)
Net cash used in investing activities	(2,182)	(7,979)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of employee share options	1,509	192
Net cash generated from financing activities	1,509	192
Net increase/(decrease) in cash and cash equivalents	586	(5,007)
Cash and cash equivalents at beginning of period (1 Jul)	18,598	21,561
CASH AND CASH EQUIVALENTS AT END OF PERIOD (31 DEC)	19,184	16,554

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 2003	6,832	11,384	359	7,653	26,228
Issue of shares (under Boardroom Share Option Scheme)	262	1,248	0	0	1,510
Net Profit for the period	0	0	0	2,225	2,225
2003 final dividend of S\$0.019 per share less tax of 22% paid	0	0	0	(2,102)	(2,102)
Balance at 31 December 2003	7,094	12,632	359	7,776	27,861
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)
Balance at 31 December 2002	6,780	11,107	359	6,253	24,499

	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)	262	1,248	0	0	1,510
Net Profit for the period	0	0	0	1,823	1,823
2003 final dividend of S\$0.019 per share less tax of 22% paid	0	0	0	(2,102)	(2,102)
Balance at 31 December 2003	7,094	12,632	0	5,591	25,317
Balance at 1 July 2002	6,750	10,945	0	4,708	22,403
Issue of shares (under Boardroom Share Option Scheme)	30	162	0	0	192
Net Profit for the period	0	0	0	4,103	4,103
2002 final dividend of S\$0.017 per share less tax of 22% paid	0	0	0	(1,798)	(1,798)
Balance at 31 December 2002	6,780	11,107	0	7,013	24,900

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 5,229,000 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 \$7,093,450 as at 31 December 2003.

As at 31 December 2003, there were 6,256,000 (as at 31 December 2002: 10,213,000) 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.

The figures have neither 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 period 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	
	31 DEC 2003	31 DEC 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	1.60 cents	1.74 cents
(b) On a fully diluted basis	1.59 cents	1.70 cents

Notes:

1. The earnings per share is calculated based on the profit after tax on the number of shares in issue of 139,279,582 (31 December 2002 - weighted average number of 135,293,332).
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 140,309,923 (31 December 2002 - 138,005,049).

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	
	31 DEC 2003	30 JUN 2003	31 DEC 2003	30 JUN 2003
Net asset value per ordinary share based on issued share capital as at the end of the period reported on	19.64 cents	19.20 cents	17.85 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, fee decreased by 2% from \$9 million to \$8.8 million. Marginal increases in fees were generated by the Share Registration and Accounting businesses due to a higher number of IPO assignments and a net increase in Accounting clients respectively. However, the Corporate Secretarial business experienced a reduction in fees due to keen competition and pricing pressures.

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

Staff costs were 6.1% higher due to the appointment of a Chief Executive Officer from 1 January 2003 and the non-recurrent compensation paid to a retired Executive Director in October 2003.

However, operating expenses were 14% lower. The reduction in operating expenses was due to lower office rentals and the taking back of certain office administrative support services previously outsourced. Expenses incurred on sourcing for acquisition opportunities and for development and enhancement of our IT systems were more than offset by this reduction.

Operating profit after tax decreased by 5.4%.

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 full year results for the year ended 30 June 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 has become positive and the outlook for the next 6 months is optimistic, unless the bird flu outbreak takes a turn for the worse. The buoyant stock market is expected to result in a significant number of IPOs over the next 6 to 12 months. The trend towards outsourcing is expected to continue as companies begin to expand again but may not want to hire new permanent staff just yet. The impact on our accounting, payroll and share registration services should be positive. However, it is anticipated the pricing pressures and keen competition in the corporate secretarial services market will continue.

Our first overseas investment, in Talent Shanghai is expected to have a positive impact on our performance in the longer term. However, its impact on our financial performance over the next 6 months is expected to be minimal. Talent Shanghai is well placed to participate 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.

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 Amount per Share (in cents)	1 cent per share (less tax)
Optional:- Dividend Rate (in %)	20 %

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 Amount per Share (in cents)	1 cent per share (less tax)
Optional:- Dividend Rate (in %)	20 %
Par value of shares	S\$0.05 per share
Tax Rate	22%

(c) Date payable

10 March 2004

(d) Books closure date

Notice is hereby given that the Register of Members and Transfer Books of the Company will be closed on 26 February 2004 for the preparation of dividend warrants.

Registrable Transfers received by the company up to 5.00pm on 25 February 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.

<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
12/02/2004