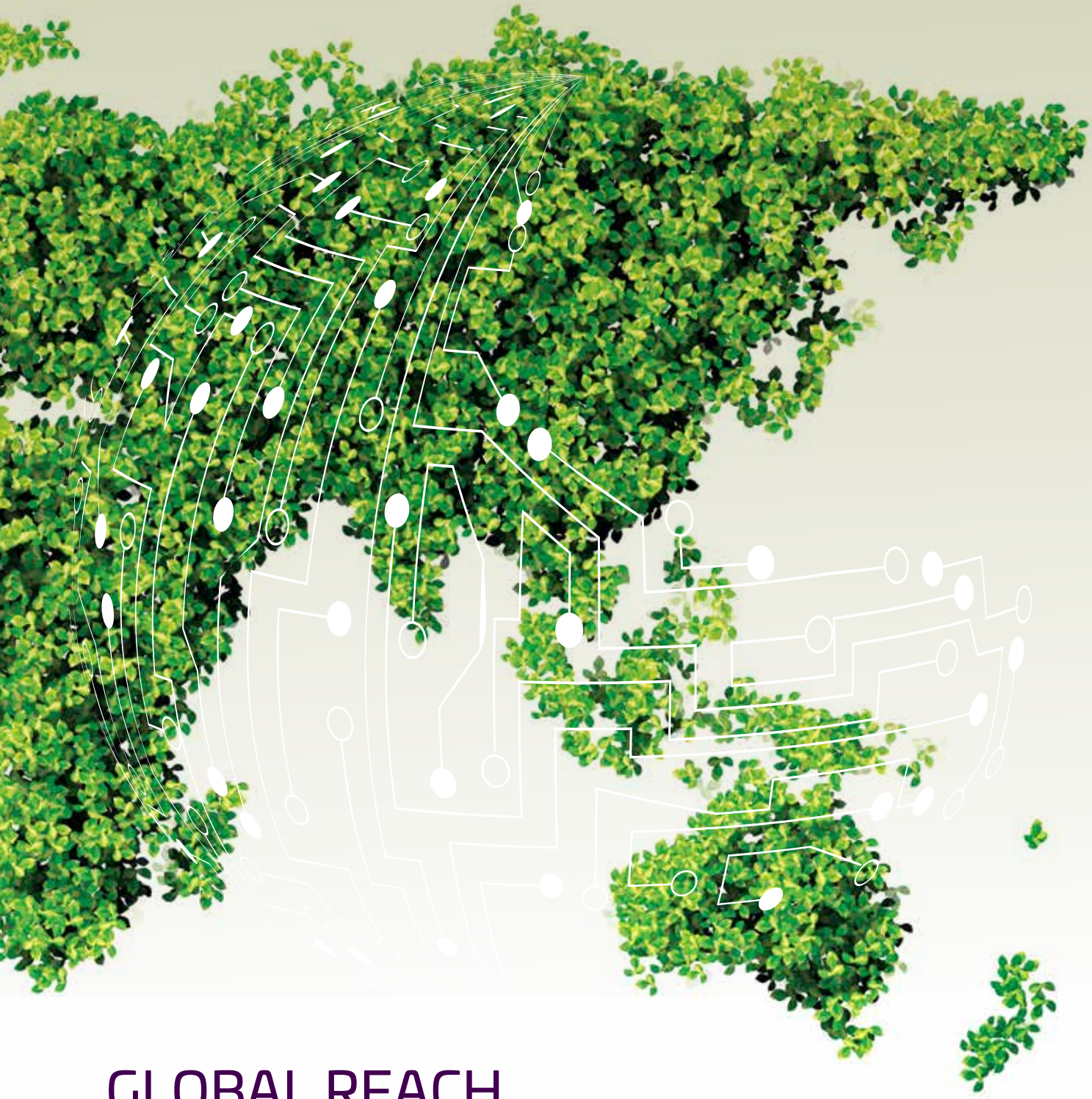
BoardRoom
Smart Business Solutions



GLOBAL REACH, STRATEGIC SOLUTIONS

Annual Report 2017

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CORPORATE PROFILE

Boardroom is Asia-Pacific's leader in Corporate and Advisory Services including Employee Plan Services, Regional Payroll Solutions, Corporate Secretarial, Share Registry Services, Accounting, Taxation, and Human Resources.

We are the partner of choice for many Fortune 500 multinational companies, public listed and privately owned enterprises.

We care for your success. Our associates serve as your partners, acting for you.

Our Boardrooms have excelled in markets across Asia-Pacific, supporting companies over decades, from start-ups to giants, in navigating through complex regulatory policies and cultural sensitivities.

We bring the market to you. In fact, the market is right at our doorstep, with the critical connections and expertise we have on hand. Boardroom possesses an indelible footprint in Asia-Pacific with offices in Singapore, Australia, China, Hong Kong, and Malaysia, as well as an extensive global partner network to help your business realise its maximum potential.

Let us be your partner of choice!

FINANCIAL HIGHLIGHTS

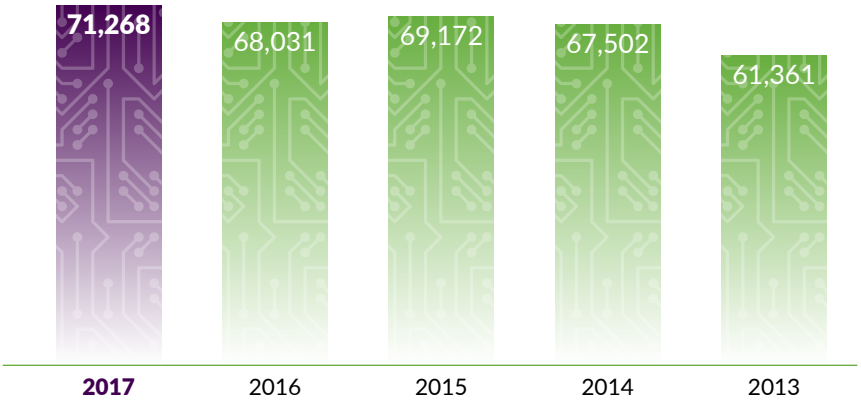
INCOME STATEMENT

	2017	2016	2015	2014*	2014	2013
Year Ended Period	31 December 12-month	31 December 12-month	31 December 12-month	31 December 12-month	31 December 18-month	30 June 12-month
Revenue ($'000)	71,268	68,031	69,172	67,502	99,337	61,361
EBITDA ($'000)	15,197	11,665	13,033	14,406	21,526	13,943
Profit Before Tax ($'000)	12,305	8,989	9,243	10,826	16,280	10,207
Profit After Tax ($'000)	10,573	7,246	6,722	9,174	13,117	8,011

REVENUE
($'000)

$71,268

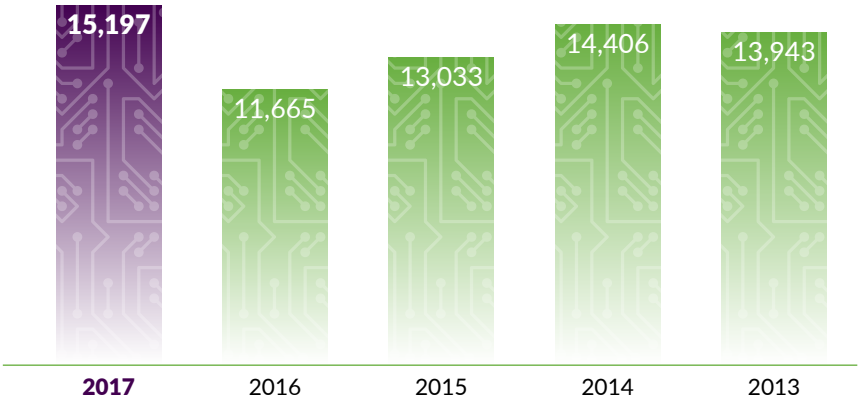
Increase by
4.8%



EBITDA
($'000)

$15,197

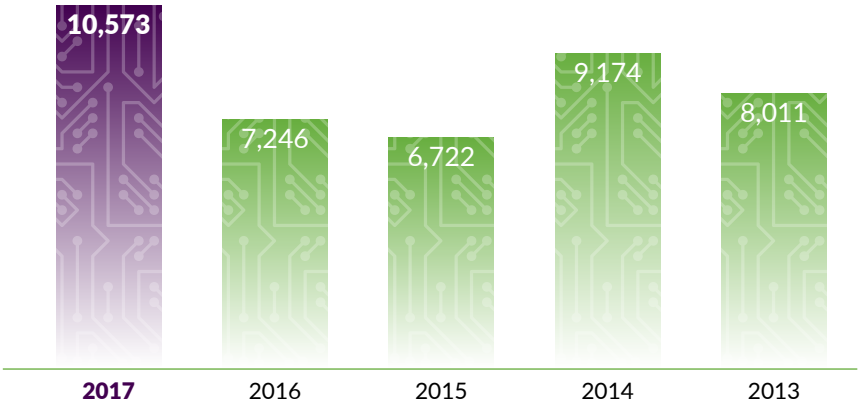
Increase by
30.3%



PROFIT AFTER TAX
($'000)

$10,573

Increase by
45.9%



* Unaudited 12-month results presented for comparison purposes

FINANCIAL HIGHLIGHTS (continued)

FINANCIAL POSITION

	2017	2016	2015	2014*	2014	2013
Year Ended Period	31 December 12-month	31 December 12-month	31 December 12-month	31 December 12-month	31 December 18-month	30 June 12-month
Total Assets ($'000)	114,051	108,726	107,761	105,881	105,881	102,018
Total Liabilities ($'000)	31,968	31,501	34,786	36,036	36,036	38,036
Total Shareholders' Equity ($'000)	82,083	77,225	72,975	69,845	69,845	63,982
Net Current Assets/ (Liabilities) ($'000)	21,955	19,741	18,182	14,486	14,486	(1,315)

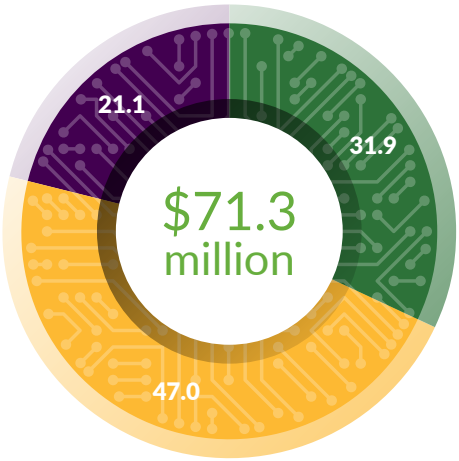
KEY FINANCIAL RATIOS

	2017	2016	2015	2014*	2014	2013
Year Ended Period	31 December 12-month	31 December 12-month	31 December 12-month	31 December 12-month	31 December 18-month	30 June 12-month
Earnings Per Share (cents)	5.46	3.74	3.47	4.90	7.01	4.50
Return on Equity (%)	12.88	9.38	9.20	13.10	18.80	12.50
Net Asset Value (cents)	42.39	39.88	37.68	36.07	36.07	34.72
Current Ratio (times)	2.13	2.11	1.97	1.82	1.82	0.95
Debt-to-Equity (times)	0.10	0.13	0.16	0.19	0.19	0.23

SEGMENTAL RESULTS

For the year ended 31 December 2017

Revenue by Business Division (%)



- Corporate Secretarial Services
- Share Registry Services
- Accounting, Taxation, and Payroll Services

Revenue by Region (%)

- Singapore
- Malaysia
- China
- Hong Kong
- Australia

* Unaudited 12-month results presented for comparison purposes

CHAIRMAN'S MESSAGE

On behalf of the Board of Directors, I am pleased to present a reasonably good set of results for Boardroom Limited (the "Group") for the financial year ended 31 December 2017 ("FY17").

We were able to achieve broad-based growth in all our three business units, boosted by a supportive operating environment and productivity gains in our operations. As a result, our revenues and profits were higher compared to financial year ended 31 December 2016 ("FY16").

POSITIVE MACRO ENVIRONMENT

The global macroeconomic environment improved in 2017. In the advanced economies, growth was broad-based amid accommodative policies, cyclical upturn, and low volatility. Economies in Asia-Pacific benefited from the rebound in global investment and trade, stable financial markets, and increased consumer optimism. Almost all of the Southeast Asian countries grew at a faster pace. The Singapore economy grew 3.5%, outperforming government and expert initial forecasts. The recent concerns about financial and trade protectionism, and the evolving geopolitical risks will be closely watched to see if it would derail global growth.

THE SHAPE OF OUR BUSINESS

The Group's business expanded in FY17 with revenue growing at 4.8% from $68.0 million in FY16 to $71.3 million. The healthy revenue growth could be attributable to a number of factors. We had a rather vibrant IPO market in Hong Kong last year, which helped us to secure new customers for our share registry and listing-related services. An upswing in corporate activities in the region also led to increased demand for the Group's corporate secretarial and business services, opening up opportunities for new customer acquisition. Our success in a strategic acquisition in Australia and the roll out of a new service in Malaysia during the year enabled the Group to widen its customer base, driving new revenue streams.

We were also able to increase recurring income from existing customers by offering complementary and synergistic business services and solutions. Our focus on investing in innovation and technology has enhanced our capability to support our clients more efficiently and cost-effectively as a value-adding solutions provider, delivering integrated and quality services tailored to their needs.

Our consistent focus on productivity improvement and product innovation in the last few years has also yielded good results. Earnings before interest, taxes, depreciation and amortization ("EBITDA"), a measure of the Group's operating performance, increased by 30.3% to $15.2 million (FY16: $11.7m), and our EBITDA margins from 17.1% (FY16) to 21.3% (FY17).

For FY17, the Group's profit after tax, reached $10.6 million, a significant increase of 45.9% over the previous year.

	Audited 2017 Revenue ($'m)	Revenue (%)	2017 Revenue in Constant Currency ($'m)	YOY Change in Constant Currency (%)
By Country				
Singapore	27.4	38.4	27.4	4.8
Australia	26.8	37.6	26.0	4.2
Malaysia	7.0	9.8	7.2	4.7
Hong Kong	8.5	11.9	8.6	3.6
China	1.6	2.3	1.7	(2.5)
Total Group	**71.3**	**100.0**	**70.9**	**4.3**
By Business				
Share Registry Services	33.5	47.0	32.9	3.6
Corporate Secretarial Services	22.7	31.9	22.9	7.6
Accounting, Taxation, and Payroll Services	15.1	21.1	15.1	0.8

DIVIDEND

The Board has recommended a first and final one-tier tax exempt cash dividend of 2.5 cents per ordinary share, subject to approval of shareholders at the Annual General Meeting. This is an increase of 0.5 cents or 25% increase over the prior year.

Total cash dividend pay-out for FY17 is approximately $4.8 million, representing a dividend pay-out ratio of 45.8%.

MAJOR CORPORATE DEVELOPMENT

On 3 July 2017, the Board announced that the Group's wholly-owned Australian subsidiary, Boardroom Pty Limited had acquired the entire issued share capital of Boardworx Australia Pty Ltd for the consideration of AUD1.8 million. As a wholly-owned subsidiary of the Group, Boardworx, which is based in Sydney and offers a wide range of company secretarial services for a variety of company structures, will strengthen our position in the Australian market.

ENHANCING VALUE, DRIVING GROWTH

In the past few years, we have implemented measures to strengthen our resilience, and to weather the adversities of the challenging business environment. We have built a strong business model based on complementary business solutions, dedicated teams of professionals, and a supportive IT base. These measures have placed the Group in a strong position to enhance our value proposition and drive sustainable growth in what remains a challenging and volatile time.

We will continue to invest in innovative solutions and technological applications. As the trend towards digitalisation continues, we will continue to harness technology that can support our clients' needs for greater efficiency and value. Our eSolution suite of services continues to garner traction, particularly in Malaysia, where we recently rolled out our e-polling solutions to encouraging response.

In FY17, we became the first company in Asia to provide Employee Share Plan service, an innovative service that provides end-to-end automated solutions to administer and manage corporate compensation plans. The feedback from our customers has been positive. We are confident that the Employee Share Plan service has strong growth potential as similar services are in great demand in the more mature markets around the world.

EXPANDING OUR REGIONAL PRESENCE

The Group remains on the lookout for opportunities to expand our footprint throughout the region and beyond. We remain focused on our mission to be the leading business solutions provider for all businesses operating in the Asia-Pacific.

Our presence in five countries, as well as our extensive partner network in the region, provides a strong foundation on which we can grow our regional business and network. The Group's brand and reputation as a reliable and trusted service provider, with extensive market and industry knowledge, will be a strong driving force for us to realise our regional aspirations.

As a service provider, our people are our most valuable assets. Attracting the right talent has been the key to the success of our growth strategy. We also strived to inculcate in our people, a continuous-improvement mind-set and service-oriented values that are aligned with the Group's corporate culture and growth strategy.

Ours is a customer-centric business. We will continue to focus on building strong customer relations. We listen to our clients and are passionate about providing business solutions to meet their requirements. Establishing strategic partnerships has been key to our success in a region with diverse and complex regulatory regimes. We will continue to deepen our partnerships to enable us to reach further into fast-growing markets in the Asia-Pacific.

OUTLOOK

The world economy entered 2018 on a stronger footing. International institutions such as the World Bank and International Monetary Fund forecast a brighter global economic outlook for 2018 on the back of a cyclical recovery and rebound in investment, manufacturing, and trade. In the Asia-Pacific region, the Asian Development Bank forecasts growth in East Asia and the Pacific to continue to accelerate and expects the region to be a major driver of global growth.

Nonetheless, risks remain. Sovereign and corporate debts continue to rise, as do interest rates, posing a risk to financial markets stability. Protectionism, which I had flagged in last year's annual report, remains a credible risk. Possible escalation of geopolitical tensions in Asia could disrupt global trade flows and economic activity.

Notwithstanding the brighter prospects for 2018, we will not be complacent. We have to remain vigilant to changes in international economic trends and geopolitical developments which may impact our business. We will adopt a prudent approach to sustainable growth, and focus on strengthening our fundamentals, building our infrastructure, deepening our expertise, and broadening our regional partnerships.

Barring any unforeseen circumstances, we are cautiously confident that Boardroom will continue to grow steadily in 2018.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, Management team, and staff, I would like to express my appreciation to partners, associates, and clients for their support and confidence in us.

I would like to thank my fellow Directors for their counsel and guidance during the year.

I would like to express our gratitude to shareholders for their patience and support through the years as we develop Boardroom into a leading regional service provider.

Finally, I would like to express my appreciation to our Management and staff for their dedication and hard work during the year.

Mr Goh Geok Khim
Chairman

ENHANCING VALUE PROPOSITION

Our initiatives to sharpen competitiveness and increase productivity have placed the Group in a strong position to enhance our value proposition and drive sustainable growth.

YEAR IN REVIEW

FY17 was a better year for the Boardroom Group.

The global economic recovery picked up momentum. Trade, manufacturing, and investments rebounded across the world. Geopolitical tensions, volatility, and protectionism were less disruptive than expected. The business cycle turned positive. As sentiments improved, business expansion, investments, and corporate activities increased.

Our focus on productivity and efficiency in the last few years has enhanced the Group's competitiveness. We were able to seize new business opportunities opened up by a more buoyant global economy. As a result, the performance of our business divisions and regional offices improved with healthy growth in revenue, net profit, and margin.

Group revenue reached a new high of $71.3 million in FY17 and net profit grew 45.9% to $10.6 million, supported by higher business volumes in all the business segments and productivity improvement. Profit margin also improved to 14.8% compared to 10.7% the year before.

SHARE REGISTRY SERVICES

In FY17, the Share Registry Services division benefited from the buoyant IPO market in Hong Kong. The division's revenue increased 5.7% to $33.5 million compared to $31.7 million in FY16. It continued to be the largest contributor to the Group, accounting for 47.0% of total revenue.

In 2017, Singapore saw 20 IPOs. Boardroom was able to continue to maintain its leading position in the Singapore share registry market.

Furthermore, we launched an Employee Share Plan service, an automated system for the administration and management of compensation and employee benefit plans in Singapore. The straight-through system is probably the only solution of its kind, and will enable us to broaden our service offering and expand our customer base.

The Group continued to progress well in Hong Kong, one of the world's biggest IPO markets. In FY17, Boardroom had its most encouraging performance since we started offering this service. The Group is in a strong position to win more IPO clients in Hong Kong in 2018.

During the review year, we rolled out an e-polling solution in Malaysia where the demand for such service has increased because of regulatory requirements. The response has been encouraging and we are optimistic that the take-up rate will be strong given our experience with this solution in Singapore.

The outlook for the Group's Share Registry Services business in 2018 is positive. The regulators of the Singapore and Hong Kong Stock Exchanges are making provisions for specific companies with dual-class share structures to have their primary listing. The change in listing rules by these two exchanges will potentially attract a larger number of IPOs providing more opportunities for the Group to expand its business.

CORPORATE SECRETARIAL SERVICES

The Corporate Secretarial Services division was the best performer for the Group in FY17, generating 6.6% growth to $22.7 million. The division's contribution to the Group's revenue increased from 31.3% in FY16 to 31.9% in FY17.

In July 2017, the Group acquired Boardworx, a leading corporate secretarial services provider in Sydney, Australia. The revenue-accretive acquisition expanded the Group's service offerings and enlarged our client base in Australia. We will continue to be innovative in adding new services and prudently exploring appropriate strategic acquisitions to strengthen our market leadership.

We also made steady progress in Greater China in spite of lingering challenges, including a slow down in inbound investments by US companies. However, our in-depth knowledge of the financial and tax regulatory regimes of China and Hong Kong has enhanced our competitive advantage as a solution provider of choice for multinational corporations.

ACCOUNTING, TAXATION, AND PAYROLL SERVICES

The Accounting, Taxation, and Payroll services division came in at $15.1 million in FY17. Across the region, corporations, grappling with operating costs, are increasingly outsourcing their non-core operations including accounting and payroll. In addition, this division continued to benefit from our ability to offer a broad range of business services as a package of solutions, thereby enhancing our value as a service provider.

DOING GOOD, DOING WELL

As a responsible corporate citizen, we strive to contribute to the community where we operate. During the financial year under review, the Group's offices in Singapore and the region implemented several corporate social responsibility ("CSR") initiatives. Although modest in scope, they nonetheless formed the building blocks in our long-term plan to develop a sustainable framework. Our activities and contributions in FY17 were focused on improving the lives of the disadvantaged and challenged children and families.

In Singapore, 35 staff brought 35 children from Teck Ghee Youth Centre and ASPN Student Care Centre under the YMCA programme to the S.E.A. Aquarium at Sentosa on 11 December 2017. The event provided an outing opportunity for the children to have fun and learn about marine animals and their habitats. A cash donation of $5,000 was presented to the YMCA for the support of these children.

Boardroom Malaysia undertook a "Pledge A Schoolbag For A Needy Child" for The Good Samaritan Home in Klang, Selangor. A total of 19 staff contributed for the purchase of 32 school bags and snacks for children ranging from the ages of 4 to 18. In addition, 10 staff volunteered their time in organising a tea party for the children and their caregivers on 28 December 2017.

In Australia, every staff was encouraged to donate a gold coin on Friday for coming to the office in casual attire. A total of AUD5,625 was collected and donated to 6 charities including Gidget Foundation, Raise.org, Lighthouse Foundation, RSPCA, Mother Day Classic, and Oz Harvest. Two events were organised during FY17. At these events, employees contributed one gold coin for Harmony Day and AUD5 to Australia's Biggest Morning Tea for cancer research.

Our Hong Kong office has been employing two physically challenged staff since 2013 and 2016 respectively, as part of our inclusive employment policy.

SUMMARY

Overall, we have had a successful FY17. Nevertheless, we will not rest on our laurels and will continue to strengthen our operations through productivity improvement and capability development. We will stay close to our customers and build stronger client relationships so as to have our fingers on the pulse of changing trends and developments. We will continue to build strong vendor partnerships across the region and strengthen our regional networks.

Although the outlook for 2018 is positive, we are mindful that business cycle is a reality. We will build capacity and resources in good years so that we will be well equipped for challenging times. Having said that, we are confident that the Group will be able to continue to progress in 2018.

EXPANDING REGIONAL PRESENCE

As a leading service provider in the region, we will continue to explore opportunities to expand our regional footprint, extend our network, and broaden our markets.

BOARD OF DIRECTORS

GOH GEOK KHIM

Non-Executive and Non-Independent Chairman

Mr Goh Geok Khim was appointed as Non-Executive Chairman of the Board on 18 November 2004 and was last re-appointed as a Director on 22 April 2016. Mr Goh is a member of the Nominating Committee.

Mr Goh is the Executive Chairman of G. K. Goh Holdings Limited, the holding company of Boardroom Limited. He is also Chairman of the Boards of Temasek Foundation (CLG) Limited, Japfa Ltd, and Federal Iron Works Sdn Bhd.

Mr Goh holds a Bachelor of Science degree in Civil Engineering from the University of Colorado.

GOH YEW LIN

Alternate Director to Goh Geok Khim

Mr Goh Yew Lin was appointed as Alternate Director to Mr Goh Geok Khim on 18 November 2004.

Mr Goh is the Managing Director of G. K. Goh Holdings Limited, and serves as a Non-Executive Director on the Board of Temasek Holdings Pte Ltd. He is the Chairman of Seatown Holdings Pte Ltd, Yong Siew Toh Conservatory of Music, and Singapore Symphonia Company Ltd; and is Deputy Chairman of the National Arts Council. He is also a member of the National University of Singapore Board of Trustees and chairs the NUS Investment Committee.

Mr Goh holds a Bachelor of Science (Economics) degree from the University of Pennsylvania's Wharton School.

KIM TEO POH JIN

Executive Director and Group Chief Executive Officer

Mr Kim Teo Poh Jin was appointed on 5 August 2009. He is responsible for the overall management and strategic direction of the Group.

Mr Teo is the Chairman of the Investment Committee of CIMB-Principal Asset Management Berhad and CIMB-Principal Islamic Asset Management Sdn Bhd. He also sits on the Investment Committee of the National Kidney Foundation, is a Member of the National Crime Prevention Council, and is Co-Chairman of the Current Crime Sub-Committee. Furthermore, he is a member and governor of United World College of South East Asia and a trustee of The UWCSEA Foundation Limited.

Mr Teo holds a Bachelor of Arts (Economics) degree, from the Heriot-Watt University of Edinburgh.

MAK LYE MUN

Non-Executive and Independent Director

Mr Mak Lye Mun was appointed on 18 November 2004 and was last re-elected as a Director on 22 April 2016. He is the Chairman of the Nominating Committee and the Remuneration Committee. Mr Mak is the Country Head and CEO of CIMB Group, Singapore. His portfolio was further expanded in 2016 to include the oversight of the Group's Wholesale Banking business. He was appointed as a Non-Executive Director of CGS-CIMB Securities International Pte Ltd in January 2018.

Apart from his current board appointment in Boardroom Limited, Mr Mak is also a Non-Executive Director of Tat Hong Holdings Limited. He holds a Bachelor of Civil Engineering (First Class Honours) degree from the University of Malaya in Malaysia, and a Master of Business Administration degree from the University of Texas, Austin. He is also a Chartered Financial Analyst.

SPENCER LEE TIEN CHYE

Non-Executive and Independent Director

Mr Spencer Lee Tien Chye was appointed on 27 October 2011 and was last re-elected as a Director on 27 April 2015. He is Chairman of the Audit Committee and a member of the Nominating Committee.

Mr Lee served the Maybank Group for more than 30 years in various executive capacities, including Head of International Business, Head of Consumer Banking, and Country Head for Maybank Singapore before retiring as Advisor to Maybank in November 2008. He subsequently served as a Board member of Maybank and resigned in November 2009. He was previously also a Director of Tasek Corporation Berhad.

Mr Lee is a Non-Executive Director of Maybank Cambodia Plc and also a commissioner of PT Bank Maybank Indonesia Tbk. He stepped down as a trustee of Maybank Foundation in 2017.

Mr Lee is a Fellow of the Institute of Chartered Accountants in England and Wales, Member of the Malaysian Institute of Certified Public Accountants, and Member of the Malaysian Institute of Accountants.

CHRISTOPHER GRUBB

Non-Executive and Independent Director

Mr Christopher Grubb was appointed as a Director on 13 August 2013 and was last re-elected on 17 April 2017. Mr Grubb is a member of the Audit Committee and the Remuneration Committee.

Mr Grubb currently provides consulting and advisory services, primarily in the area of asset allocation and business planning to investment management and financial service companies in Australia. He has over 40 years of experience in investment management and investment banking in Singapore, Hong Kong, Japan, and Australia.

Mr Grubb was previously Chairman of Investorweb Limited, Investors Mutual Limited, So Natural Foods Limited, and a Director of Odyssey House McGrath Foundation and Instinet Australia. He is currently the Chairman of Boardroom Holdings Australia Pty Ltd, and a Director of companies in the Coupland Cardiff Asset Management Group and the LIM Advisors Group. He is also President of Bush Heritage Australia and provides Executive Coaching services.

Mr Grubb has a Bachelor of Economics degree and a Bachelor of Arts (Psychology) degree from the University of Cape Town.

THOMAS TEO LIANG HUAT

Non-Executive and Non-Independent Director

Mr Thomas Teo was appointed as Non-Executive Director on 5 February 2013. He was last re-elected as a Director on 17 April 2017 and is a member of the Audit Committee and the Remuneration Committee.

Mr Teo has been the Chief Financial Officer of G. K. Goh Holdings Limited since 2006. His executive responsibilities extend to financial and investment management as well as board representation on various subsidiaries and associates of the G. K. Goh Group.

Prior to joining the G. K. Goh Group, Mr Teo was with a regional private equity group for 10 years, responsible for direct investments in the ASEAN region. He also spent 8 years with Ernst & Young Singapore, and has had extensive experience in audit and corporate finance.

Mr Teo is also an Independent Director of an Australian listed company, OM Holdings Limited, serving as its Audit Committee Chairman and a Remuneration Committee Member.

Mr Teo holds a Master of Business in Information Technology from the Royal Melbourne Institute of Technology and a Bachelor of Accountancy from the National University of Singapore. He is also a Fellow of the Institute of Singapore Chartered Accountants.

KEY MANAGEMENT

ADRIAN KOW TUCK HOONG

Group Chief Financial Officer
Chief Operating Officer, Singapore

Boardroom Limited, Singapore

Mr Adrian Kow joined the Group in August 2015. Prior to joining Boardroom Limited, Mr Kow was the Senior Vice President of Finance & Administration at World Sport Group for 8 years.

Mr Kow has over 25 years of regional work experience in key disciplines including finance, accounting, strategic planning, business development, and corporate finance.

Mr Kow holds a Bachelor of Commerce degree from the University of Melbourne. He is a member of both the Institute of Singapore Chartered Accountants and CPA Australia. He is also a Chartered Financial Analyst.

SAMANTHA TAI YIT CHAN

Chief Executive Officer, Malaysia

Boardroom Corporate Services (KL) Sdn. Bhd., Malaysia

Ms Samantha Tai joined the company in 1995. She is a Fellow Member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and has over 20 years of experience in corporate secretarial work.

Ms Tai has provided extensive in-house training for directors of public listed companies and is a regular speaker for seminars organised by MAICSA, Malaysian Institute of Corporate Governance, Federation of Public Listed Companies, Malaysian Institute of Accountants, Malaysian Investor Relations Association ("MIRA"), Securities Industry Development Corporation, Bursa Malaysia, and other professional bodies.

Ms Tai is also a Board member of MIRA and Director for Malaysian Alliance of Corporate Directors.

CHESTER LEONG CHANG HONG

Head of Operations, China

Boardroom China Limited, China

Following the announcement of the resignation of Mr Lee Yow Fee as Chief Executive Officer of Boardroom China Limited on 19 December 2017, Mr Chester Leong, Managing Director of Boardroom Business Solutions Pte Ltd, has assumed Mr Lee's responsibilities.

KIM TEO POH JIN

Chief Executive Officer, Hong Kong

Boardroom Corporate Services (HK) Limited, Hong Kong

Following the announcement of the resignation of Mr Patrick Fu Ming Hon as Chief Executive Officer of Boardroom Corporate Services (HK) Limited on 19 December 2017, Mr Kim Teo, Group CEO has assumed Mr Fu's responsibilities.

RHETT TREGUNNA

Chief Executive Officer, Australia

Boardroom Pty Limited, Australia

Mr Rhett Tregunna joined Boardroom Pty Limited in 2008. Prior to his appointment as CEO, he held the position of General Manager for Operations.

Mr Tregunna has accumulated more than 14 years of experience in senior management roles with Eli Lilly Australia, and ASX-listed companies such as Arrow Pharmaceuticals and Sigma Pharmaceuticals.

Mr Tregunna has a Bachelor of Science with a major in Biochemistry and is a member of the Australian Institute of Company Directors.

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BOARDROOM OFFICE LISTING (continued)

BOARDROOM'S PARTNER NETWORK

Australia

India

Indonesia

Japan

Macau

Myanmar

New Zealand

Philippines

South Korea

Taiwan

Thailand

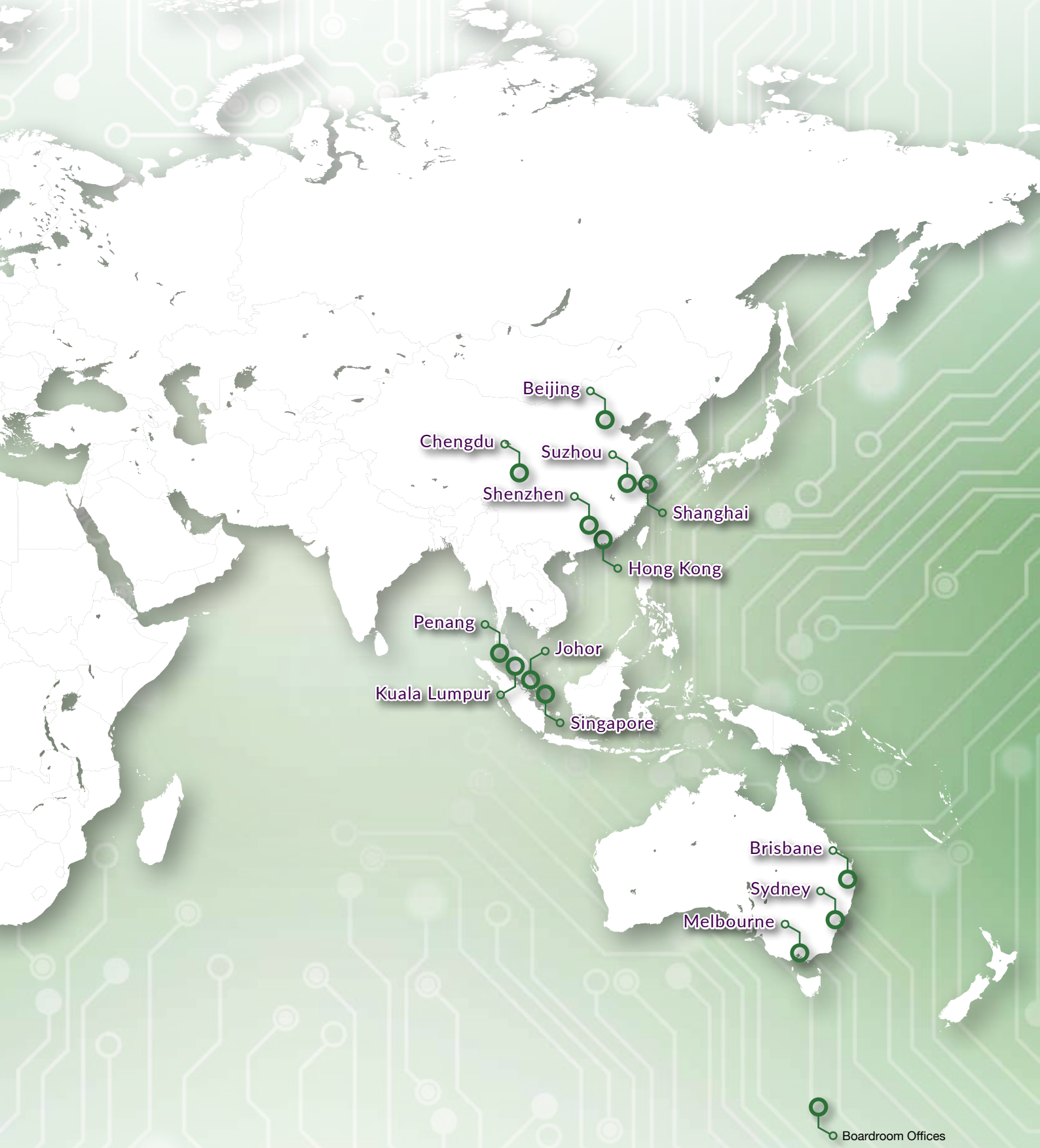
United Arab Emirates

United Kingdom

United States of America

Vietnam

BOARDROOM OFFICE LISTING (continued)



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Goh Geok Khim
Non-Executive and Non-Independent Chairman

Mr Kim Teo Poh Jin
Executive Director and Group Chief Executive Officer

Mr Mak Lye Mun
Non-Executive and Independent Director

Mr Spencer Lee Tien Chye
Non-Executive and Independent Director

Mr Christopher Grubb
Non-Executive and Independent Director

Mr Thomas Teo Liang Huat
Non-Executive and Non-Independent Director

Mr Goh Yew Lin
Alternate Director to Mr Goh Geok Khim

AUDIT COMMITTEE

Mr Spencer Lee Tien Chye *(Chairman)*

Mr Christopher Grubb

Mr Thomas Teo Liang Huat

NOMINATING COMMITTEE

Mr Mak Lye Mun *(Chairman)*

Mr Goh Geok Khim

Mr Spencer Lee Tien Chye

REMUNERATION COMMITTEE

Mr Mak Lye Mun *(Chairman)*

Mr Christopher Grubb

Mr Thomas Teo Liang Huat

COMPANY SECRETARY

Ms Ngiam May Ling

REGISTERED OFFICE

50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623
Tel: +65-6536 5355
Fax: +65-6536 1360
Website: www.boardroomlimited.com

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
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Tel: +65-6536 5355
Fax: +65-6536 1360

AUDITOR

Ernst & Young LLP
One Raffles Quay
Level 18 North Tower
Singapore 048583

AUDIT PARTNER-IN-CHARGE

Mr Alvin Phua Chun Yen
(Since financial year ended 31 December 2015)

CORPORATE GOVERNANCE

Boardroom Limited (the "Company") is committed to achieving and maintaining high standards of corporate governance in order to safeguard the interests of shareholders.

This report outlines the Company's corporate governance practices which are in line with the principles and guidelines set out in the Code of Corporate Governance 2012 (the "Code") during the financial year ended 31 December 2017 ("FY17").

Where there is any material deviation from the Code, the Company's position in respect of such differences is explained in this report. For FY17, the material deviations pertain to Principle 9 of the Code and are detailed from pages 22 to 24.

BOARD MATTERS

Board's Conduct of Its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Board is collectively accountable to shareholders and responsible for the long-term success of the Company. The Board's principal duties include:

(a) setting the overall business direction, providing guidance on the Company's strategic plans, with particular attention paid to growth and financial performance;

(b) approving adequacy of internal controls, risk management, financial reporting and compliance matters;

(c) reviewing the performance of senior management and overseeing succession planning for senior management;

(d) setting the Group's values and standards (including ethical standards) and ensuring that obligations to shareholders are understood and met;

(e) identifying key shareholder groups and recognising that their perceptions affect the Company's reputation;

(f) considering sustainability issues such as environmental and social factors as part of its strategic formulation; and

(g) assuming responsibility for corporate governance.

The Board also oversees and provides guidance to Management. The Board delegates the formulation of business policies and day-to-day management to the Group Chief Executive Officer ("Group CEO").

To assist the Board in the execution of its duties, the Board has delegated specific functions to the Audit Committee ("AC"), the Nominating Committee ("NC"), and the Remuneration Committee ("RC"). Each of these committees operates within written terms of reference approved by the Board.

The Board's approval is specifically required for major investments or acquisition proposals and the Board also reviews the Group's annual budget. The Group has internal guidelines for matters that require the Board's approval. Matters that are specifically reserved for the Board's decision and approval include:

(a) corporate strategies and financial restructuring;

(b) annual budget, funding, and investment proposals;

(c) the release of financial results announcements;

(d) annual report and accounts;

(e) share issuances and dividend payment to shareholders;

(f) interested person transactions;

(g) matters involving conflict of interest for a substantial shareholder or a Director; and

(h) transactions that are material in nature, price-sensitive and requiring announcement under the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

The Board meets at least once every quarter. Additional meetings are scheduled if there are matters requiring the Board's decision. Attendance at Board meetings by way of telephone and video conference calls are allowed under the Constitution of the Company.

If a Director were unable to attend a Board or Board Committee meeting, he would still receive all the papers and materials for discussion at that meeting. He would review them and advise the Chairman or Board Committee Chairman of his views and comments on the matters to be discussed so that they may be conveyed to other members at the meeting.

The number of meetings held and attended by each member of the Board and the Board Committees during FY17 are as follows:

Type of Meetings	Board	AC	NC	RC
No. of Meetings Held	4	4	1	1
Name of Directors	**No. of Meetings Attended**			
Goh Geok Khim (Alternate – Goh Yew Lin)	4	na	1	na
Kim Teo Poh Jin	4	na	na	na
Mak Lye Mun	4	na	1	1
Spencer Lee Tien Chye	4	4	1	na
Thomas Teo Liang Huat	4	4	na	1
Christopher Grubb	4	4	na	1

All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.

All newly appointed Directors will be given comprehensive induction, including a briefing by Management on the business operations and strategic plans of the Group to enable the Directors to discharge their duties effectively. The Directors are encouraged to attend training programmes, seminars and workshops organised by professional bodies and organisations, as and when necessary, to keep apprised of relevant new laws, regulations, and changing commercial risks. The Company will, if necessary, organise briefing sessions and/or training for, or circulate memoranda to the Directors to enable them to keep pace with regulatory changes, where such changes have a material bearing on the Group. The Directors were also briefed on developments in accounting by the Group Chief Financial Officer ("Group CFO") and the external auditors, on developments in corporate governance standards by the Company Secretary, and on developments in business and strategy by the Group CEO.

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision-making.

There are 3 Independent and Non-Executive Directors, 2 Non-Independent and Non-Executive Directors, 1 Executive Director and 1 Alternate Director to the Chairman.

As recommended by the Code, as the Chairman is not an independent director, the Independent Directors make up at least half of the Board. The Independent Directors are able to exercise independent judgement in the best interests of the Company and the Group, and this enables Management to benefit from their external and objective perspectives of issues that are brought before the Board. A Director who has an interest that may conflict with a subject matter under discussion by the Board would declare his interest and abstain from the discussion and the decision-making process. No individual or small group of individuals dominates the Board's decision-making.

The Non-Executive Directors constructively challenge and participate in setting strategies and goals for the Company and review as well as monitor Management performance in the implementation of the agreed strategies and goals. Where necessary, the Non-Executive Directors will have meetings amongst themselves without the presence of Management.

The Independent Directors comprise seasoned professionals with a diversity of expertise and skills, including strategic planning, management, financial and accounting experience. Each Director has been appointed based on his professional experience and potential to contribute to the proper guidance of the Company. The profiles of the Directors are on pages 10 to 11 of the Annual Report.

The independence of each Director is reviewed by the NC annually. The NC has adopted the definition in the Code of what constitutes an independent director in its review of the independence of each Director. Rigorous review is recommended by the Code when assessing the continued independence of a Director who has served for more than 9 years from the date of first appointment. In assessing the independence of the Directors, the NC is satisfied that there are no relationships identified by the Code which would deem any of them not to be independent. The Board does not impose any limit on the length of service of Independent Directors. The Board recognises the valuable contribution of its Independent Directors, who over time, have developed institutional knowledge of the Group's business and operations.

In this regard, Mak Lye Mun, who has served on the Board for more than 9 years from the date of his first appointment, continues to express his individual viewpoint and objectively challenges Management. The NC has reviewed his ability to exercise independent judgement and views that he is independent in approach, character and judgement and acts in the best interest of the Company.

The Board, through the NC, reviews the size and composition of the Board, including the director nominees, to ensure that the size of the Board is conducive to effective discussion and decision-making and that there is an appropriate balance of skills and experience. In this respect, the NC recognises the merits of gender diversity in relation to the composition of the Board and, in identifying suitable candidates for new appointment to the Board, would ensure that female candidates are included for consideration. Having said that, gender is but one aspect of diversity and new directors will continue to be selected based on objective criteria set as part of the process of appointment of new directors and Board succession planning. The Board is of the opinion that given the scope and nature of the Group's operations, the present size of the Board is appropriate.

Chairman and Group CEO

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives for managing the company's business. No one individual should represent a considerable concentration of power.

There is a clear separation of the roles and responsibilities of the Chairman and the Group CEO to ensure a balance of power and authority, increased accountability and greater capacity of the Board for independent decision-making. The Chairman and the Group CEO are not related to each other.

Goh Geok Khim, the Chairman, leads the Board to ensure effectiveness of all aspects of its role. Board meetings are held when necessary. The Chairman sets the meeting agenda and ensures that the Directors are provided with complete, adequate and timely information. The Chairman ensures that discussions and deliberations are effective and promote a culture of openness and debate at Board meetings. He encourages constructive relations within the Board and between the Board and Management. He also facilitates the effective contribution of the Non-Executive Directors and promotes high standards of corporate governance.

Kim Teo Poh Jin, the Group CEO, is responsible for the day-to-day management affairs of the Group. He also executes the strategic plans set out by the Board and ensures that the Directors are regularly kept updated and informed of the Group's business. His performance and remuneration package are reviewed by the NC and RC respectively. The majority of the members of the RC and NC are independent directors. Therefore, the Board believes that there are adequate safeguards for checks which ensure a balance of power and authority such that no one individual represents a considerable concentration of power.

Spencer Lee Tien Chye is the Lead Independent Director who leads and coordinates the activities of the Non-Executive Directors, and acts as principal liaison on Board issues between the Independent Directors and the Chairman. Where appropriate, the Lead Independent Director meets periodically with the other Independent Directors and provides feedback to the Chairman. The Lead Independent Director is available to shareholders if they have any concerns the Chairman or the Group CEO has failed to resolve, or where such contact is inappropriate.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of Directors to the Board.

The NC comprises Mak Lye Mun, Goh Geok Khim, and Spencer Lee Tien Chye. The Chairman of the NC is Mak Lye Mun who is an Independent Director. The majority of the members of the NC are independent directors.

The NC's key terms of reference include evaluating and reviewing nominations for appointment and re-appointment to the Board and the Board Committees, reviewing the succession plans for the Directors as well as the Chairman and the Group CEO, developing a process for evaluating the performance of the Board and the Board Committees, assessing the effectiveness of the Board and the Board Committees, reviewing the training and professional development programmes for the Board, and nominating any Director for re-election at the Annual General Meeting ("AGM"), having regard to the Director's contribution and performance, and to determine annually whether or not a Director is independent.

The task of assessing the independence of the Directors is delegated to the NC. The NC reviews the independence of each Director annually, and as and when the circumstances require. Annually, each Independent Director is required to complete a Director's Independence Checklist ("Checklist") to confirm his independence. The Checklist is drawn up based on the guidelines provided in the Code. Thereafter, the NC reviews the Checklist completed by each of the Independent Directors, assesses the independence of each of the Independent Directors and recommends its assessment to the Board. The Board, after taking into account the views of the NC, determined that Spencer Lee Tien Chye, Mak Lye Mun, and Christopher Grubb are independent.

The NC reviews and recommends the appointments and re-appointments of all directors. The NC is responsible for identifying and recommending new Board members to the Board for approval, after considering the necessary and desirable competencies such as their skills, experience, knowledge and diversity of expertise. In selecting potential new directors, the NC will seek to identify the competencies required to enable the Board to fulfil its responsibilities. The NC sources through an extensive network of contacts for candidates and will make reference checks, and meet up with the candidates to assess their suitability, and make their recommendation to the Board for approval.

The NC may engage consultants to undertake research on, or assess, candidates for new positions on the Board, or to engage such other independent experts as it considers necessary to carry out its duties and responsibilities.

The Directors, except for the Group CEO, submit themselves for re-election at least once in every 3 years and each year, one-third of the Directors retire from office at the Company's AGM. In addition, the Company's Constitution also provides that a newly-appointed Director must submit himself for re-election at the AGM following the appointment. The Group CEO is not subject to retirement by rotation as our success is dependent on his experience and skills.

The Board is of the view that setting a maximum number of listed company board representations which a Director may concurrently hold would not be meaningful as the contributions of the Directors would depend on many other factors such as whether they are in full-time employment and their personal commitments or responsibilities.

The NC determines annually whether a Director with other listed company representations and/or other principal commitments is able to and has been adequately carrying out his duties as a director of the Company. The NC takes into account the actual conduct of the Director on the Board in making this determination. In respect of FY17, the NC was of the view that each Director had given sufficient time and attention to the affairs of the Company and had been able to discharge his duties as director effectively. The NC noted that based on the attendance of Board and Board Committees meetings during FY17, all the Directors were able to participate in at least a substantial number of such meetings in order to carry out their duties.

Goh Yew Lin has been appointed Alternate Director to the Chairman since November 2004. He has in-depth knowledge of the affairs of the Company and the necessary qualifications and experience to act as a Director and bears all the duties and responsibilities of a director.

Key information on the Directors can be found on pages 10 to 11 of the Annual Report.

Board Performance

Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each Director to the effectiveness of the Board.

The performance of the Board is reflected in the performance of the Company. The NC will assess the performance of the Board as a whole and of the Board Committees every year and will ascertain key focus areas for continuous improvement. The performance criteria for the Board evaluation include composition structure and size of the board, board processes, board information and accountability, board performance and, the constitution of the Board Committees and performance of their delegated roles.

Each Director is required to complete assessment forms to evaluate the Board and the Board Committees. The Company Secretary collates the completed forms and prepares a consolidated report for the Chairman of the NC. The NC discusses the report and concludes the performance results during the NC meeting. In consultation with the NC, the Chairman will act on the results of the performance evaluation with a view to strengthening the Board with new members and/or seeking the resignation of Directors where appropriate, and enhancing the effectiveness of the Board as a whole, and the Board Committees.

Although the Directors are not evaluated individually, the factors taken into consideration for the re-nomination of the Directors at the AGM are based on the Directors' attendance at meetings held during the financial year, preparedness for meetings, analytical skills, and the contributions made by the Directors at the meetings.

The Board is of the view that while financial indicators such as share price performance and return-on-equity allow for benchmarking of the Board's performance relative to that of competitors and industry peers, non-financial indicators such as feedback received from investors (institutional and/or retail) and market analysts also serve as useful qualitative analysis by external parties. For the long-term success and value creation of the Company, the Board believes that its performance and that of individual Board members is reflected in, and evidenced by, proper guidance, diligent oversight and able leadership of the Company, and the support that it lends to Management in steering the Company and the Group to achieve strategic goals. Having regard to its composition and mix, the Board has endeavoured through each Director's unique contributions and diversity of experience, to ensure that balanced and well-considered decisions are made in the best interests of the Company.

No external facilitator was engaged for the evaluation process for FY17.

Access to Information

Principle 6: In order to fulfil their responsibilities, Directors should be provided with complete, adequate, and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Management provides the Directors with complete, adequate and timely information prior to Board meetings and on an on-going basis. In addition, all relevant information on budgets, forecasts, monthly accounts, material events and transactions complete with background and explanations are circulated to the Directors as and when they are available. In respect of projections (budgets and forecasts), any material variance between the projections and actual results are disclosed and explained by the Group CFO at Board meetings.

The Directors have separate and independent access to the Company's senior Management and the advice of the Company Secretary, who also attends meetings of the Board and the Board Committees. The Company Secretary is responsible for ensuring that board procedures are followed. The Directors also ensure that the Company complies with the requirements of all applicable rules, laws, and regulations. The Directors may, in appropriate circumstances, seek independent professional advice concerning the Company's affairs, at the Company's expense.

The Company Secretary attends all Board meetings. Her duties include minute-taking, assisting the Chairman in ensuring that Board procedures are followed and communicating changes in the Listing Manual of the SGX-ST or other regulations affecting corporate governance and compliance where appropriate. The Company Secretary's responsibilities also include facilitating orientation and assisting with professional development as required. The Company's Constitution empowers the Board to appoint and remove any Company Secretary.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his own remuneration.

Level and Mix of Remuneration

Principle 8: The level of remuneration should be aligned with the long-term interest and risk policies of the company and should be appropriate to attract, retain, and motivate (a) the Directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Disclosure on Remuneration

Principle 9: Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to Directors and key management personnel, and performance.

The RC comprises Mak Lye Mun, Christopher Grubb, and Thomas Teo Liang Huat. Mak Lye Mun who is an Independent Director, is the Chairman of the RC. The Independent Directors make up the majority of the RC.

The key terms of reference of the RC are to review and recommend a general framework of remuneration for the Board, the remuneration packages of the Group CEO and key management personnel, and ensure that a sufficient number of suitable candidates are recruited and/or promoted to leadership positions. As part of its review, the RC will take into consideration the salary and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of the Group CEO and key management personnel. The RC seeks expert advice from external consultants whenever required. No external consultant was engaged in FY17 to provide remuneration advice.

The RC has adopted a framework for Non-Executive Directors' fees. Within that framework, the RC had recommended that the Directors' fees of $275,000 for the year ended 31 December 2017 which was paid quarterly in arrears. The Directors' fees are subject to the approval of shareholders at every AGM. No Director is involved in the decision concerning his own fee.

The Company has disclosed the remuneration of the Directors in bands of $250,000. The Company is of the view that due to the confidentiality and sensitivity attached to remuneration matters, it would not be in the best interest of the Company to disclose the exact details of the remuneration of the Directors, the Group CEO, and key management personnel.

Directors' Remuneration – FY17	Salary %	Bonus %	Fees %	Other Benefits %	Total %
$750,000 to below $1,000,000					
Kim Teo Poh Jin	55	44	0	1	100
Below $250,000					
Goh Geok Khim	0	0	100	0	100
Spencer Lee Tien Chye	0	0	100	0	100
Mak Lye Mun	0	0	100	0	100
Thomas Teo Liang Huat	0	0	100	0	100
Christopher Grubb	0	0	100	0	100
Goh Yew Lin (Alternate to Goh Geok Khim)	0	0	0	0	0

The remuneration in FY17 of key management personnel are set out below in bands of $250,000.

Key Management Personnel (not being Directors) – FY17	Salary %	Bonus %	Fees %	Other Benefits %	Total %
$500,000 to below $750,000					
Rhett Tregunna	72	25	0	3	100
$250,000 to below $500,000					
Lee Yow Fee [1]	73	0	0	27	100
Patrick Fu Ming Hon [2]	100	0	0	0	100
Samantha Tai Yit Chan	81	17	0	2	100
Adrian Kow Tuck Hoong	87	12	0	1	100

Notes:

[1] Lee Yow Fee ceased to be employed by the Group on 31 January 2018.
[2] Patrick Fu Ming Hon ceased to be employed by the Group on 28 February 2018.

The aggregate remuneration paid to the above key management personnel (who are not Directors) for FY17 was $2,106,099.

While the Code recommends that the Company should fully disclose the remuneration of each individual Director and the CEO on a named basis, after careful consideration, the Board is of the view that such disclosure would not be in the best interests of the Company or its shareholders, and that the details disclosed in the table provides an appropriate balance between detailed disclosure and confidentiality in the sensitive area of remuneration. In arriving at its decision, the Board took into consideration the competitive business environment in which the Group operates, and the negative impact such disclosure may have on the Group.

The remuneration mix of the Group CEO and key management personnel comprises fixed and variable components. The fixed component includes base salary, fixed allowances, compulsory employer contribution to the social security fund, and other benefits as applicable. The variable component includes annual bonus which is dependent on Company and individual performance.

There are no termination or retirement benefits that are granted to the Group CEO and key management personnel of the Group.

The RC is of the view that it is currently not necessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Group CEO and key management personnel in exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company as the incentive components of their remuneration packages are moderate.

The remuneration framework for all employees, save for the Group CEO and key management personnel, comprises a fixed component in the form of a base salary and a variable component in the form of a bonus that is given to the employee after the financial year-end. The bonus is linked to the Group's and the employee's performance. The Company currently does not operate any share-based incentive schemes for employees.

There were no employees who were immediate family members of the Directors and earned in excess of $50,000 in FY17.

An annual remuneration report is not included in this report as the matters required to be disclosed therein have been disclosed above, in the Directors' Statement and in the Notes to the Financial Statements. The Board responds to queries from shareholders at AGMs on matters pertaining to remuneration policies and directors' remuneration.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position, and prospects.

The Company provides shareholders with quarterly and annual financial reports. Results for the first three quarters are released to shareholders within 45 days from the end of the quarter. Annual results are released within 60 days from the end of the financial year.

The Board is responsible for presenting a balanced and comprehensive assessment of the Company's performance, position and prospects, including interim and other price-sensitive public reports and reports to the regulators (if required). Financial reports and other price-sensitive information are disseminated to shareholders through announcements via SGXNET and the Company's website. The Company has in place a system of reporting to maintain compliance with statutory and regulatory reporting requirements. Management provides the Board with information, including management accounts and updates on performance on a quarterly basis, in order that the Board may effectively discharge its duties by making a balanced and informed assessment of the performance, position, and prospects of the Company.

Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board has overall responsibility for the management of the Group's key risks to safeguard shareholders' interests and its assets. The Board has a risk framework for the Group in place. This framework enables the identification of key risks which are reported to the AC to facilitate the Board's oversight of the effectiveness of risk management, and the adequacy of mitigating measures taken by Management to address the underlying risks. Key risks have been identified and action plans are in place to mitigate risks.

The AC assists the Board in providing risk management oversight while the ownership of day-to-day management and monitoring of existing internal control systems are delegated to Management, which comprises the Group CEO, the Group CFO, the Country CEOs, and heads of the respective departments/business divisions.

The Board has adopted a risk tolerance framework to provide guidance to Management on key risk parameters. Management is responsible for the effective implementation of risk management strategies, policies and processes to facilitate the achievement of business plans and goals within the risk tolerance established by the Board. Key business risks are proactively identified, addressed and reviewed on an ongoing basis. Risk registers are maintained by the business divisions and operational units that identify the key risks facing the Group's business. Internal controls are in place to manage those risks. Through this process, the significant risks in the Group's business, including mitigating measures are managed and monitored by Management, reviewed by the AC on a regular basis, and reported to the Board.

The Group has also put in place an incident reporting process, whereby potential major incidents and violations, including major or material operational loss events and breaches of laws and regulations by the Group and/or its key officers, are required to be reported by Management to the Board in a timely manner to facilitate the Board's oversight of crisis management and adequacy and the effectiveness of follow-up actions taken by Management. Through this process, the Board has been kept informed of any incidents with potential material financial, operational, compliance and technology risk impact.

The Group's financial risk management objectives and policies are further discussed under Note 27 of the Notes to the Financial Statements, on pages 78 to 81 of the Annual Report.

The Board had received assurance from the Group CEO and the Group CFO at the Board meeting on 22 February 2018 that:

(a) The financial records of the Group have been properly maintained and the financial statements for the year ended 31 December 2017 give a true and fair view of the Group's operations and finances; and

(b) The system of risk management and internal controls in place within the Group is adequate and effective in addressing the material financial, operational, information technology and compliance risks in the Group.

Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, reviews performed by Management, as well as assurance from the Group CEO and the Group CFO, the Board, with the concurrence of the AC, is of the opinion that the internal controls are adequate and effective as at 31 December 2017 to address the financial, operational, information technology, and compliance risks which the Group considers relevant and material to its operations.

The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Audit Committee

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The AC comprises Spencer Lee Tien Chye and Christopher Grubb, both of whom are Independent Directors, and Thomas Teo Liang Huat, a Non-Executive and Non-Independent Director. Independent Directors make up the majority of the AC. The Chairman of the AC is Spencer Lee Tien Chye. All the members of the AC have relevant accounting and financial management experience and are hence enabled to discharge their responsibilities competently. Two members of the AC, including the Chairman of the AC are qualified chartered accountants. The AC has reasonable resources to enable it to discharge its functions effectively.

During FY17, the AC carried out its functions in accordance with the Companies Act, Chapter 50 of Singapore and its terms of reference.

The principal functions of the AC are to:

(a) review the annual audit plans of the Company's internal and external auditors;

(b) review significant financial reporting issues and judgements and the results of examination by internal and external auditors and their evaluation of the Group's internal control systems;

(c) review the Company's quarterly results announcements, the financial results of the Company, and the consolidated financial results of the Group before submission to the Board for approval for release to the SGX-ST;

(d) review the adequacy and effectiveness of the Group's accounting control systems and the cooperation given by Management to internal and external auditors;

(e) review the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance, information technology controls and risk management framework, relying on reviews carried out by internal auditors;

(f) review results of internal audits as well as Management's responses to the recommendations of internal auditors;

(g) review the cost-effectiveness and the independence and objectivity of external auditors;

(h) review the nature and extent of non-audit services provided by external auditors yearly to determine their independence;

(i) recommend to the Board the appointment and re-appointment of external auditors, approve the compensation and terms of engagement of external auditors, and review the scope and results of the audit;

(j) review the Company's hedging contracts and the structure and underlying conditions for hedging activities;

(k) review interested person transactions falling within the scope of the Listing Manual of the SGX-ST; and

(l) conduct any other reviews as required by the Listing Manual of the SGX-ST.

The AC has also put in place a Whistle-Blowing Policy ("WB Policy"), whereby staff of the Group and any other person may raise concerns about possible improprieties in matters of financial reporting, fraudulent acts and other matters in confidence and in good faith, without fear of reprisal. It also ensures that arrangements are in place for independent investigations of reported matters and the implementation of appropriate follow-up actions. The WB Policy, together with the contact details of members of the AC, are communicated to all employees by the Human Resources Department. A complaint shall be in person or in writing, and shall be lodged with any member of the AC.

The improprieties that are reportable under the WB Policy include:

(a) financial or professional misconduct;

(b) improper conduct, dishonest or unethical behaviour, or violence at the workplace;

(c) any irregularity or non-compliance with laws, regulations, and/or internal controls;

(d) conflicts of interest;

(e) health and safety of any individual; and

(f) any other improprieties or matters that may adversely affect shareholders' interest in, and assets of, the Company and its reputation.

All whistle-blowing complaints which are raised are independently investigated and appropriate actions taken. The AC reviews and ensures that independent investigations and any appropriate follow-up actions are carried out.

The Board has delegated to the AC the authority to investigate any matter within its terms of reference. The AC has full access to and the cooperation of Management. It has full discretion to invite any Director or executive officer, including any Director from any subsidiary board within the Group, to attend its meetings and has various resources, including external consultants, to enable it to discharge its responsibilities properly. The auditors, both internal and external, have unrestricted access to the AC.

The AC meets with internal and external auditors, without the presence of Management, at least once a year.

The AC members take measures to keep abreast of the changes to accounting standards and issues which have a direct impact on financial statements through attendance at trainings and updates by professionals and external auditors.

During FY17, the AC reviewed the quarterly financial results, the quality and reliability of information prepared for inclusion in financial reports, policies and practices put in place by Management, results of the audits performed by internal and external auditors, and the register of interested person transactions. The AC also reviewed risk profiles and adequacy of the internal audit function, audit plans and scope, and the effectiveness of the internal audit.

There were no non-audit fees paid to the Company's external auditors for any non-audit services. The external auditors had provided a confirmation of their independence to the AC and the Board. The AC had reviewed and was satisfied that the independence of the external auditors had not been impaired.

For FY17, the aggregate amount of audit fees due to external auditors for audit services rendered to the Group was $320,524.

The Company and its subsidiaries comply with the requirements of Rules 712 and 715 of the Listing Manual of the SGX-ST in relation to the appointment of auditors.

None of the AC members was a former partner of the Company's existing external auditor, Ernst & Young LLP, within the previous 12 months or has any financial interest in the firm.

Internal Audit

Principle 13: The Company should establish an internal audit function that is independent of the activities it audits.

The Company engages BDO LLP ("BDO"), a certified public accounting firm, as the Group's independent internal auditors. BDO reports functionally to the AC and administratively to the Group CEO and the Group CFO.

BDO performs its work according to the Global BDO IA Methodology, which is consistent with the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The scope of internal audit is to ascertain that:

(a) key business and operational risks are identified and managed;

(b) internal controls are in place and functioning as intended; and

(c) operations are conducted in an effective and efficient manner.

To ensure adequacy of the internal audit function, the AC reviews the internal auditor's scope of work. Non-compliance and internal control weaknesses noted during the internal audit and the recommendations thereof are reported to the AC as part of the review of the Group's internal control system. The AC also ensures that the approved audit recommendations are adequately performed.

The AC is satisfied that the internal audit function is independent, adequately resourced and effective.

SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Communication with Shareholders

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Conduct of Shareholder Meetings

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Company does not practice selective disclosure. In line with continuous disclosure obligations of the Company pursuant to the Listing Manual of SGX-ST, the Board's policy is that all shareholders should be equally and timely informed of all major developments that impact the Group. Management also addresses queries raised by institutional and retail investors via phone calls or e-mails.

Information is communicated to shareholders on a timely basis through:

(a) annual reports that are prepared and made available to all shareholders;

(b) quarterly financial results containing a summary of the financial information and affairs of the Group are published through SGXNET;

(c) timely announcements of acquisitions; and

(d) notices of general meetings.

The Company also maintains a corporate website at www.boardroomlimited.com where the public can access investor-related information of the Group. The quarterly and full-year financial results are published via SGXNET as well as on the Company's website. Enquiries from shareholders, analysts and the press are handled by specifically designated members of senior Management in lieu of a dedicated investor relations team.

The Company's main dialogue with its shareholders, which includes institutional and retail investors, takes place at its AGMs. Shareholders are encouraged to attend AGMs. The Board and Management, as well as external auditors, are in attendance at the AGMs to address shareholders' questions on issues relevant to the Company and resolutions proposed at the AGMs. The Chairpersons of the AC, RC, and NC would be present at the AGMs to answer those questions relating to the work of these committees.

Every matter requiring approval is proposed as a separate resolution unless they are linked, and the reasons and material implications are explained. The Company Secretary prepares the minutes of AGMs which include relevant comments and queries from shareholders, and makes these minutes available to shareholders upon request.

As the authentication of shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, e-mail or fax.

Shareholders can vote in person or appoint not more than two proxies to attend, speak and vote on their behalf at general meetings of shareholders, with the exception that shareholders such as nominee companies which provide custodial services for securities are able to appoint more than two proxies to attend, speak and vote at general meetings notwithstanding the Company's Constitution does not differentiate between the number of proxies which may be appointed by individual shareholders and by nominee companies.

All resolutions are voted by electronic polling. Shareholders and proxies in attendance at the meeting are informed of the voting procedures. The detailed results showing the number of votes cast for and against each resolution and the respective percentages are announced via SGXNET.

The notice of the AGM is dispatched to shareholders, together with explanatory notes or a circular on items of special business, at least 14 days before the meeting. The notice of the AGM will also be advertised in an English language daily newspaper in Singapore and will be made available on SGXNET.

The Company does not have a stated policy of distributing a fixed percentage of earnings by way of dividend in any financial year. In fixing a dividend for any year, the Board considers a number of factors, including current and forecast earnings, capital expenditure requirements, growth options and the Company's debt/equity position.

DEALING WITH THE COMPANY'S SECURITIES

The Company has adopted a code of conduct to provide guidance to its officers with regard to dealings in the Company's securities. The Company has complied with its Best Practices Guide on Securities Transactions which states that officers of the Company should not deal in the Company's securities on short-term considerations and during the period commencing two weeks before the announcement of the Company's financial results for each of the first three quarters of its financial year or one month before the announcement of the Company's full-year financial results.

INTERESTED PERSON TRANSACTIONS

In respect of any transaction with interested persons, the Company has set out the procedures for review and approval of the Company's interested person transactions.

When a potential conflict of interest arises, the Director concerned does not participate in the discussion and the decision-making process and refrains from exercising any influence over other members of the Board.

All new Directors are briefed on the relevant provisions that they need to comply with. All interested person transactions, if any, are reported and monitored by the Finance Department and reviewed by the AC.

There were no interested person transactions within the meaning of the Listing Manual of the SGX-ST in FY17.

MATERIAL CONTRACTS

The Company and its subsidiaries did not enter into any material contracts involving the interests of any Director or controlling shareholder, either still subsisting at the end of FY17 or if not then subsisting, entered into since the end of the previous financial year.

FINANCIAL STATEMENTS

CONTENTS

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Boardroom Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet of the Company for the financial year ended 31 December 2017.

OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the balance sheet of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date, and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are:

Goh Geok Khim
Kim Teo Poh Jin
Mak Lye Mun
Spencer Lee Tien Chye
Christopher Grubb
Thomas Teo Liang Huat
Goh Yew Lin (Alternate to Goh Geok Khim)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The following directors, who held office at the end of the financial year, had, according to the Register of Directors' Shareholdings, required to be kept under Section 164 of the Companies Act, Chapter 50, an interest in shares and share options of the Company and related corporations as stated below:

	Number of ordinary shares fully paid					
	Shares registered in name of Director			Shares in which Director is deemed to have an interest		
	As at 1.1.2017	As at 31.12.2017	As at 21.1.2018	As at 1.1.2017	As at 31.12.2017	As at 21.1.2018
Name of Director						
The Company						
Goh Geok Khim	–	–	–	168,824,875	168,987,275	169,167,275
Goh Yew Lin (Alternate to Goh Geok Khim)	–	–	–	168,824,875	168,987,275	169,167,275
Thomas Teo Liang Huat	150,000	150,000	150,000	–	–	–
Salacca Pte. Ltd. (Immediate holding company)						
Goh Geok Khim	–	–	–	2	2	2
Goh Yew Lin (Alternate to Goh Geok Khim)	–	–	–	2	2	2
G.K. Goh Holdings Limited (Intermediate holding company)						
Goh Geok Khim	–	–	–	196,121,722	196,361,422	196,361,422
Goh Yew Lin (Alternate to Goh Geok Khim)	–	–	–	196,121,722	196,397,422	196,397,422
Thomas Teo Liang Huat	125,741	125,741	125,741	–	–	–
GKG Investment Holdings Pte Ltd (Ultimate holding company)						
Goh Geok Khim	2,500,500	2,500,500	2,500,500	704,500	704,500	704,500
Goh Yew Lin (Alternate to Goh Geok Khim)	1,495,000	1,495,000	1,495,000	–	–	–

Goh Geok Khim and Goh Yew Lin, by virtue of the provisions of Section 7 of the Companies Act, Chapter 50, are deemed to be interested in the whole of the issued share capital of all the wholly-owned subsidiaries of Boardroom Limited.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

SHARE OPTIONS

The Company no longer has any share option scheme.

AUDIT COMMITTEE

The Audit Committee ("AC") as at the date of this statement comprises the following members:

Spencer Lee Tien Chye	(Chairman) (Independent and Non-Executive Director)
Christopher Grubb	(Independent and Non-Executive Director)
Thomas Teo Liang Huat	(Non-Executive Director)

The AC carries out its functions in accordance with Section 201B(5) of the Companies Act, Chapter 50. The principal functions of the AC are to:

- review the annual audit plans of the Company's internal and external auditors;
- review significant financial reporting issues and judgements and the results of examination by internal and external auditors and their evaluation of the Group's internal control systems;
- review the Company's quarterly results announcements, the financial results of the Company, and the consolidated financial results of the Group before submission to the Board for approval for release to the Singapore Exchange Securities Trading Limited ("SGX-ST");
- review the adequacy and effectiveness of the Group's accounting control systems and the cooperation given by Management to internal and external auditors;
- review the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance, information technology controls and risk management framework, relying on reviews carried out by internal auditors;
- review results of internal audits as well as Management's responses to the recommendations of internal auditors;
- review the cost-effectiveness and the independence and objectivity of external auditors;
- review the nature and extent of non-audit services provided by external auditors yearly to determine their independence;
- recommend to the Board the appointment and re-appointment of external auditors, approve the compensation and terms of engagement of external auditors, and review the scope and results of the audit;
- review the Company's hedging contracts and the structure and underlying conditions for hedging activities;
- review interested person transactions falling within the scope of the Listing Manual of the SGX-ST; and
- conduct any other reviews as required by the Listing Manual of the SGX-ST.

Further details regarding the Audit Committee are disclosed in the Report on Corporate Governance.

INDEPENDENT AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors:

Kim Teo Poh Jin
Director

Thomas Teo Liang Huat
Director

14 March 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Boardroom Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Boardroom Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and Company as at 31 December 2017, and the consolidated statements of changes in equity, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Goodwill

The Group has $46.1 million of goodwill, arising from the acquisition of Singapore, Australia, Hong Kong, and Malaysia subsidiaries as at 31 December 2017. The goodwill represents approximately 56% of the net assets of the Group and the determination of their recoverable amount is complex and typically requires a high level of management judgement, taking into account the different economic environments in which the Group operates. Hence, we considered the audit of management's annual goodwill impairment test to be a key audit matter. Based on the annual impairment test, management has concluded that goodwill is not impaired.

Goodwill is allocated to five cash-generating units ("CGUs") which comprise the Group's Singapore, Australia, Hong Kong, Malaysia and China acquired businesses as disclosed in Note 4. The recoverable amounts of these CGUs have been determined based on value in use calculations using cash flow projections approved by the management. The cash flow projections include assumptions of net profitability, discount rates and growth rates.

Key audit matters (continued)

Goodwill (continued)

Our procedures included the following:

- Updated our understanding of the process undertaken by management to evaluate the impairment of goodwill
- Checked that the cash flows projections were based on approved management forecasts. Evaluated management's forecasting process by comparing previous forecasts to actual results
- Evaluated net profitability and growth rates used by comparing to historical data as well as recent trends and market outlooks
- Evaluated discount rates used to determine the present value by comparing to external comparable data. Our internal valuation specialists assisted us in performing these procedures
- Reviewed the sensitivity analysis performed by management on the value in use calculations to changes in revenue and expenses growth rate
- Reviewed the accuracy and adequacy of the disclosures made on the goodwill impairment test in Note 4.

We were also involved in the planning of the subsidiary auditor's work and note that similar audit procedures were performed by the auditors of the respective subsidiaries which recorded goodwill on their balance sheet. We reviewed the procedures they performed and evaluated the adequacy of audit evidence obtained as a basis for forming our opinion as a whole.

Other information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Alvin Phua Chun Yen.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
14 March 2018

BALANCE SHEETS

As at 31 December 2017

	Note	Company 2017 $'000	Company 2016 $'000	Group 2017 $'000	Group 2016 $'000
Assets					
Non-current assets					
Property, plant and equipment	3	489	495	2,859	1,972
Intangible assets	4	236	257	69,485	68,939
Investments in subsidiaries	5	86,493	84,793	–	–
Deferred tax assets	6	9	–	299	260
		87,227	85,545	72,643	71,171
Current assets					
Trade and other receivables	7	1,628	1,448	19,814	16,705
Unbilled disbursements		–	–	107	45
Amounts due from subsidiaries	8	4,272	3,431	–	–
Income tax receivable		–	–	–	156
Prepayments		108	88	588	464
Cash and cash equivalents	9	4,037	5,386	20,899	20,185
		10,045	10,353	41,408	37,555
Total assets		97,272	95,898	114,051	108,726
Equity and liabilities					
Current liabilities					
Trade and other payables	10	1,550	1,061	15,301	13,221
Disbursements billed in advance		–	–	76	52
Amounts due to customers for work-in-progress	11	–	–	2,301	2,327
Bank borrowings	12	1,500	1,500	1,500	1,500
Amounts due to subsidiaries	8	30	67	–	–
Income tax payable		105	559	275	714
		3,185	3,187	19,453	17,814
Net current assets		6,860	7,166	21,955	19,741
Non-current liabilities					
Provision for employees benefits	13	–	–	254	351
Deferred tax liabilities	6	–	143	5,261	4,836
Bank borrowings	12	7,000	8,500	7,000	8,500
		7,000	8,643	12,515	13,687
Total liabilities		10,185	11,830	31,968	31,501
Net assets		87,087	84,068	82,083	77,225
Equity attributable to owners of the Company					
Share capital	14	37,554	37,554	37,554	37,554
Other reserves	15	–	–	(26,048)	(24,206)
Retained earnings	15	49,533	46,514	70,577	63,877
Total equity		87,087	84,068	82,083	77,225
Total equity and liabilities		97,272	95,898	114,051	108,726

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2017

	Note	2017 $'000	2016 $'000
Revenue	16	71,268	68,031
Other operating income	17	1,136	793
Employee benefits expense	18	(43,130)	(42,673)
Interest on bank borrowings		(245)	(300)
Depreciation and amortisation expenses		(2,831)	(2,626)
Impairment of goodwill		(61)	–
Other operating expenses		(13,832)	(14,236)
Profit before tax	19	12,305	8,989
Tax expense	20	(1,732)	(1,743)
Profit for the financial year, net of tax		10,573	7,246
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(1,842)	877
Total comprehensive income for the financial year		8,731	8,123
Profit for the financial year attributable to owners of the Company		10,573	7,246
Total comprehensive income for the financial year attributable to owners of the Company		8,731	8,123
Earnings per share (cents per share)			
Basic and diluted	21	5.46	3.74

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2017

	Attributable to owners of the Company				
	Share capital (Note 14) $'000	Exchange translation reserve (Note 15) $'000	Premium paid on acquisition of non-controlling interests (Note 15) $'000	Retained earnings $'000	Total $'000
Balance at 1 January 2017	37,554	(11,637)	(12,569)	63,877	77,225
Profit for the financial year	–	–	–	10,573	10,573
Other comprehensive income for the financial year					
– Foreign currency translation	–	(1,842)	–	–	(1,842)
Total comprehensive income for the financial year	–	(1,842)	–	10,573	8,731
Contributions by and distributions to owners					
Cash dividends on ordinary shares (Note 22)	–	–	–	(3,873)	(3,873)
Balance at 31 December 2017	37,554	(13,479)	(12,569)	70,577	82,083

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the financial year ended 31 December 2017

	Attributable to owners of the Company					
	Share capital (Note 14) $'000	Exchange translation reserve (Note 15) $'000	Premium paid on acquisition of non-controlling interests (Note 15) $'000	Share option capital reserve $'000	Retained earnings $'000	Total $'000
Balance at 1 January 2016	37,554	(12,514)	(12,569)	(247)	60,751	72,975
Profit for the financial year	–	–	–	–	7,246	7,246
Other comprehensive income for the financial year						
– Expiry of employee share options	–	–	–	247	(247)	–
– Foreign currency translation	–	877	–	–	–	877
Total comprehensive income for the financial year	–	877	–	247	6,999	8,123
Contributions by and distributions to owners						
Cash dividends on ordinary shares (Note 22)	–	–	–	–	(3,873)	(3,873)
Balance at 31 December 2016	37,554	(11,637)	(12,569)	–	63,877	77,225

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2017

	Note	2017 $'000	2016 $'000
Operating activities			
Profit before tax		12,305	8,989
Adjustments for:			
Amortisation of intangible assets	4	1,993	1,712
Depreciation of property, plant and equipment	3	838	914
Allowance for impairment of trade receivables, net		637	882
Impairment of goodwill	4	61	–
Exchange differences		16	62
Loss on disposal of property, plant and equipment	19	2	3
Interest income	17	(246)	(249)
Interest expense	19	245	300
Operating profit before working capital changes		15,851	12,613
Increase in operating receivables and prepayments		(4,287)	(2,056)
Increase/(decrease) in operating payables		1,829	(747)
Increase/(decrease) in amounts due to customers for work-in-progress		198	(124)
Cash generated from operations		13,591	9,686
Interest paid		(227)	(280)
Tax expense paid		(1,924)	(2,150)
Net cash generated from operating activities		11,440	7,256
Investing activities			
Acquisition of property, plant and equipment	3	(1,729)	(1,075)
Acquisition of intangible assets	4	(1,745)	(1,913)
Acquisition of a subsidiary	5	(1,921)	–
Proceeds from sale of property, plant and equipment		–	13
Interest received		246	242
Net cash used in investing activities		(5,149)	(2,733)
Financing activities			
Cash dividends paid on ordinary shares	22	(3,873)	(3,873)
Repayment of bank borrowings		(1,500)	(1,500)
Net cash used in financing activities		(5,373)	(5,373)
Net increase/(decrease) in cash and cash equivalents		918	(850)
Effect of exchange rate changes on cash and cash equivalents		(204)	45
Cash and cash equivalents at 1 January		20,185	20,990
Cash and cash equivalents at 31 December	9	20,899	20,185

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

1. GENERAL INFORMATION

The Company is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). The immediate and ultimate holding companies are Salacca Pte. Ltd. and GKG Investment Holdings Pte Ltd respectively, both incorporated in Singapore.

The registered office and principal place of business of the Company is located at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ("SGD" or "$") and all values in the tables are rounded to the nearest thousand ("$'000"), except when otherwise indicated.

Convergence with International Financial Reporting Standards

For annual financial period beginning on or after 1 January 2018, Singapore-incorporated companies listed on the Singapore Exchange will apply Singapore Financial Reporting Framework (International), a new financial reporting framework identical to International Financial Reporting Standards. The Group will adopt SFRS(I) on 1 January 2018.

On transition to the new financial reporting framework, the Group expects to elect the option to deem cumulative translation differences for foreign operations to be zero on 1 January 2017, and accordingly, the gain or loss that will be recognised on a subsequent disposal of the foreign operations will exclude cumulative translation differences that arose before 1 January 2017. The Group expects to reclassify an amount of $11,637,000 of foreign currency translation reserve to the opening retained earnings as at 1 January 2017.

The Group has performed an assessment of the impact of adopting SFRS(I). Other than the effects of the matter as described above and the adoption of the SFRS(I) 15, the Group expects that the adoption of the SFRS(I) will have no material impact on the financial statements in the year of initial application. The Group expects that the impact of adopting the SFRS(I) that are effective on 1 January 2018 will be similar to that as disclosed in Note 2.3.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2017. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 *Standards issued but not yet effective*

The Company and the Group have not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 102 *Classification and Measurement of Share-Based Payment Transactions*	1 January 2018
Amendments to FRS 40 *Transfers of Investment Property*	1 January 2018
FRS 109 *Financial Instruments*	1 January 2018
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
FRS 116 *Leases*	1 January 2019
Amendments to FRS 104 *Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts*	1 January 2018
Improvements to FRSs (December 2016)	
– Amendments To FRS 28 *Investments In Associates And Joint Ventures*	1 January 2018
INT FRS 122 *Foreign Currency Transactions and Advance Consideration*	1 January 2018
INT FRS 123 *Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to FRS 110 and FRS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

Except for SFRS(I) 15 and SFRS(I) 16, the directors expect that the adoption of the SFRS(I) equivalent of the above standards will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of SFRS(I) 15 and SFRS(I) 16 are described below.

SFRS(I) 15 *Revenue from Contracts with Customers*

SFRS(I) 15 establishes a five-step model to account for revenue arising from contracts with customers. Under SFRS(I) 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard is effective for annual periods beginning on or after 1 January 2018.

The Group has performed a preliminary impact assessment on adopting SFRS(I) 15 based on currently available information. This assessment may be subject to changes arising from ongoing analysis until the Group adopts SFRS(I) in 2018.

The Group plans to apply the changes in accounting policies retrospectively to each reporting year presented, using the full retrospective approach.

The Group has performed a preliminary assessment SFRS(I) 15 which covering five areas such as contracts with the customer, performance obligations in the contract, transaction price determination, transaction price allocation and revenue recognition when a performance obligation is satisfied. Based on the assessment, our findings are as follows:

- Our contracts with customers fall within the scope of SFRS(I) 15.
- Our services are distinct and substantially the same and have the same pattern of transfer to customers.
- Our transaction price can be easily determined and allocated.
- There is no variable consideration.
- Revenue is recognised after works have been performed.

The Group does not expect any significant impact to arise from the SFRS(I) 15 application with the exception of the out-of-pocket reimbursements. Out-of-pocket reimbursements are expenses that are often incurred by service providers while performing work for their customers. It is common in service arrangements for the parties to agree that the customer will reimburse the service provider for some or all of the out-of-pocket expenses. Under SFRS(I) 15, the Group is the principal in these situations because it controls the specified good or service before it transfers to the customer and should recognise reimbursements for out-of-pocket expenses as revenue.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 *Standards issued but not yet effective* (continued)

SFRS(I) 15 *Revenue from Contracts with Customers* (continued)

On the adoption of SFRS(I) 15, the Group expects to record an adjustment to increase revenue, with a corresponding increase in other operating expenses for the financial year ended 31 December 2017. No impact on the profit before tax and profit for the financial year upon the adoption of the standard.

SFRS(I) 16 *Leases*

SFRS(I) 16 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The standard will affect primarily the accounting for the Group's operating leases. The future minimum rental expense payable under significant non-cancellable leases is disclosed in Note 25. The Group expects the adoption of the new standard will result in increase in total assets, total liabilities, EBITDA and gearing ratio.

2.4 *Basis of consolidation and business combinations*

(a) Basis of consolidation

Basis of consolidation from 1 July 2009

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 *Basis of consolidation and business combinations* (continued)

(a) Basis of consolidation (continued)

Basis of consolidation prior to 1 July 2009

Certain of the above-mentioned requirements were applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

- Acquisition of non-controlling interests, prior to 1 July 2009, were accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of the net assets acquired were recognised in goodwill.

- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further losses were attributed to the Group, unless the non-controlling interest had a binding obligation to cover these. Losses prior to 1 July 2009 were not reallocated between non-controlling interest and the owners of the Company.

- Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost. The carrying value of such investments as at 1 July 2009 have not been restated.

Business combinations from 1 July 2009

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interest and entitle their holders to a proportionate share of net asset in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interest are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

(b) Business combinations

Business combinations prior to 1 July 2009

In comparison to the above mentioned requirements, the following differences applied:

Business combinations are accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 *Basis of consolidation and business combinations* (continued)

(b) Business combinations (continued)

Business combinations prior to 1 July 2009 (continued)

Business combinations achieved in stages were accounted for as separate steps. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity. Any additional acquired share of interest did not affect previously recognised goodwill.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree were not reassessed on acquisition unless the business combination resulted in a change in the terms of the contract that significantly modified the cash flows that otherwise would have been required under the contract.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent adjustments to the contingent consideration were recognised as part of goodwill.

2.5 *Foreign currency*

The financial statements are presented in Singapore Dollars ("SGD" or "$"), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.6 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Computers	–	3 to 5 years
Office machinery	–	5 years
Motor vehicles	–	5 years
Furniture, fittings & leasehold improvements	–	3 to 6 years

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 *Property, plant and equipment* (continued)

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.7 *Intangible assets*

(a) Goodwill

Goodwill arising on acquisition represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired.

Goodwill arising on acquisition or purchased goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested at least annually for impairment, more frequently if there are indications of impairment.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy for conversion of foreign currencies as set out above.

Goodwill and fair value adjustments which arose on acquisitions of foreign operation before 1 January 2005 are deemed to be assets and liabilities of the Company and are recorded in SGD at the rates prevailing at the date of acquisition.

(b) Other intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 *Intangible assets* (continued)

(b) Other intangible assets (continued)

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

(i) *Computer software*

Costs relating to computer software acquired, which are not an integral part of related hardware, are capitalised and amortised on straight-line basis over their useful lives of 3 to 10 years.

(ii) *Customer relationships*

Customer relationships were acquired in business combinations. Following initial recognition, it is carried at cost less accumulated amortisation and any accumulated impairment losses. Customer relationships have a finite useful life and are amortised over the period of expected contract period of 5 to 19.6 years on a straight-line basis.

(iii) *Brand name*

Brand name was acquired in a business combination. Following initial recognition, it is carried at cost less accumulated amortisation and any accumulated impairment losses. Brand name has a finite useful life and is amortised over the period of expected estimated useful life of 5 years on a straight-line basis.

2.8 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.10 *Financial instruments*

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired, and through the amortisation process.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 *Impairment of financial assets*

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If the loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.12 *Work-in-progress*

Contract revenue is recognised when time is recorded on an assignment multiplied by the recovery rate. If the actual customer billing for an assignment is different from the revenue recognised at the completion of the assignment, necessary write-ups/downs will be made accordingly.

The amounts due (to)/from customers for work-in-progress is the aggregate amount of costs incurred to date plus recognised profits less the sum of recognised losses, progress billings and advances.

2.13 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand, bank deposits and any highly liquid investments which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.14 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 *Government grants*

Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

2.16 *Borrowing costs*

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.17 *Employee benefits*

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. The Company and the Group allow the accumulation of annual leave in accordance to the respective countries' local human resource policies and regulation. A provision is made for the estimated liability for the annual leave as a result of services rendered by employees up to the balance sheet date. Any unconsumed leave as at balance sheet date will be forfeited for subsidiaries that do not allow the accumulation of annual leave.

(c) Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity.

2.18 *Operating leases*

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.19 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(a) Rendering of services

Revenue for professional services is recognised upon delivery of the services to the customers.

(b) Interest income

Interest income is recognised on a time-apportioned basis using the effective interest method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 *Taxes*

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generate taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 *Taxes* (continued)

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

2.21 *Share capital and share issuance expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.22 *Contingencies*

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.23 *Significant accounting estimates and judgements*

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 *Significant accounting estimates and judgements* (continued)

(a) Key sources of estimation uncertainty (continued)

Impairment losses of goodwill

As disclosed in Note 4 to the financial statements, the recoverable amounts of the cash-generating units which goodwill has been allocated to are determined based on value in use calculations. The value in use calculations are based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions applied in the determination of the value in use including a sensitivity analysis, are disclosed and further explained in Note 4 to the financial statements.

The carrying amount of the goodwill as at 31 December 2017 is $46,143,000 (FY16: $47,279,000).

(b) Judgements made in applying accounting policies

Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3. PROPERTY, PLANT AND EQUIPMENT

	Computers $'000	Office machinery $'000	Furniture, fittings & leasehold improvements $'000	Total $'000
Company				
Cost				
At 1 January 2016	504	55	656	1,215
Additions	398	6	83	487
Disposals	(10)	–	–	(10)
At 31 December 2016 and 1 January 2017	892	61	739	1,692
Additions	142	9	–	151
At 31 December 2017	1,034	70	739	1,843
Accumulated depreciation				
At 1 January 2016	425	48	624	1,097
Depreciation charge for the financial year	65	3	42	110
Disposals	(10)	–	–	(10)
At 31 December 2016 and 1 January 2017	480	51	666	1,197
Depreciation charge for the financial year	120	5	32	157
At 31 December 2017	600	56	698	1,354
Net carrying amount				
At 31 December 2017	434	14	41	489
At 31 December 2016	412	10	73	495

3. PROPERTY, PLANT AND EQUIPMENT (continued)

	Computers $'000	Office machinery $'000	Motor vehicles $'000	Furniture, fittings & leasehold improvements $'000	Total $'000
Group					
Cost					
At 1 January 2016	3,314	941	36	4,950	9,241
Exchange differences	(6)	11	(1)	1	5
Additions	886	88	–	101	1,075
Disposals	(104)	(12)	–	(858)	(974)
At 31 December 2016 and 1 January 2017	4,090	1,028	35	4,194	9,347
Exchange differences	(27)	(5)	1	(51)	(82)
Additions	1,473	34	–	222	1,729
Disposals	(86)	(4)	–	(52)	(142)
At 31 December 2017	5,450	1,053	36	4,313	10,852
Accumulated depreciation					
At 1 January 2016	2,775	642	8	3,996	7,421
Exchange differences	(6)	10	(1)	(4)	(1)
Depreciation charge for the financial year	507	79	7	321	914
Disposals	(95)	(12)	–	(852)	(959)
At 31 December 2016 and 1 January 2017	3,181	719	14	3,461	7,375
Exchange differences	(27)	(5)	1	(49)	(80)
Depreciation charge for the financial year	525	70	7	236	838
Disposals	(86)	(4)	–	(50)	(140)
At 31 December 2017	3,593	780	22	3,598	7,993
Net carrying amount					
At 31 December 2017	1,857	273	14	715	2,859
At 31 December 2016	909	309	21	733	1,972

4. INTANGIBLE ASSETS

	Computer software $'000
Company	
Cost	
At 1 January 2016, 31 December 2016 and 1 January 2017	1,003
Additions	89
At 31 December 2017	1,092
Accumulated amortisation	
At 1 January 2016	637
Amortisation for the financial year	109
At 31 December 2016 and 1 January 2017	746
Amortisation for the financial year	110
At 31 December 2017	856
Net carrying amount	
At 31 December 2017	236
At 31 December 2016	257

4. INTANGIBLE ASSETS (continued)

	Goodwill on consolidation $'000	Customer relationships $'000	Computer software $'000	Brand name $'000	Total $'000
Group					
Cost					
At 1 January 2016	47,489	25,178	6,107	281	79,055
Exchange differences	574	295	37	3	909
Additions	–	–	1,913	–	1,913
Disposal	–	–	(10)	–	(10)
At 31 December 2016 and 1 January 2017	48,063	25,473	8,047	284	81,867
Exchange differences	(1,647)	(107)	(13)	(1)	(1,768)
Additions	–	167	1,658	–	1,825
Acquisition of subsidiary	576	1,921	–	–	2,497
Disposal	–	–	(1)	–	(1)
At 31 December 2017	46,992	27,454	9,691	283	84,420
Accumulated amortisation and impairment					
At 1 January 2016	787	7,128	2,907	281	11,103
Exchange differences	(3)	112	11	3	123
Amortisation for the financial year	–	1,307	405	–	1,712
Disposal	–	–	(10)	–	(10)
At 31 December 2016 and 1 January 2017	784	8,547	3,313	284	12,928
Exchange differences	4	(41)	(8)	(1)	(46)
Amortisation for the financial year	–	1,401	592	–	1,993
Impairment loss	61	–	–	–	61
Disposal	–	–	(1)	–	(1)
At 31 December 2017	849	9,907	3,896	283	14,935
Net carrying amount					
At 31 December 2017	46,143	17,547	5,795	–	69,485
At 31 December 2016	47,279	16,926	4,734	–	68,939

During the year, the addition of intangible asset includes contingent consideration amounted to $80,000 to be paid in next financial year.

Impairment testing of goodwill

Goodwill has been allocated to five cash-generating units ("CGU") for impairment testing. The carrying amounts of goodwill allocated to each CGU are as follows:

	Group	
	2017 $'000	2016 $'000
Australia	20,940	20,429
Hong Kong	18,498	20,174
Malaysia	4,230	4,136
Singapore	2,475	2,475
China	–	65
	46,143	47,279

4. INTANGIBLE ASSETS (continued)

The recoverable amounts have been determined based on value in use calculations using estimated future cash flows approved by the management. The discount rate applied to the cash flow projections and the forecasted terminal growth rates used to extrapolate cash flow projections beyond the five-year period are as follows:

	Group	
	2017	2016
Terminal growth rates	2% to 3%	2%
Discount rates	9% to 13%	8% to 13%

Key assumptions used in the value in use calculations

The calculations of value in use for both the CGUs are most sensitive to the following assumptions:

Discount rates – Discount rates reflect current market assessment of the risks specific to each CGU, regarding the time value of money. This is the benchmark used by management to assess operating performance of the acquired businesses.

Net profitability – Net profitability is based on management's assessment of the margins achieved in the current and prior periods.

Terminal growth rates – The forecasted rates are based on management's assessment of the long-term average growth rates of the acquired businesses.

Sensitivity to changes in assumptions

Management believes that no reasonable possible changes in any of the above key assumptions would cause the carrying values of the CGUs, except the Hong Kong CGU, to materially exceed their recoverable amounts.

For the Hong Kong CGU, the estimated recoverable amount exceeds its carrying amount by approximately $128,000 (2016: $102,000) and, consequently, any adverse change in a key assumption would result in an impairment loss. The implication of the key assumption for the recoverable amount is discussed below:

Revenue growth rates – Management recognises that speed of technological change and the possibility of new entrance can have a significant impact on growth rate assumptions. The effect of new entrance is not expected to have an adverse impact on the forecasts, but could yield a reasonably possible alternative to the estimate revenue growth rate of 3.5% (2016: 3.0%). A reduction of 0.1% (2016: 0.2%) in the growth rate would result in an impairment.

Impairment loss recognised

During the financial year, an impairment loss was recognised to write-down the carrying amount of goodwill in China CGU. The impairment loss of $61,000 has been recognised in profit or loss.

Customer relationships

Customer relationships relate to the customers data that were acquired as part of the acquisitions of the business of Newreg Pty Ltd in FY11 and of CRA Plan Managers Pty Ltd in FY12. The average remaining useful lives of these customer relationships are estimated to be 12 years (FY16: 13 years). Amortisation expense is included in the "depreciation and amortisation expenses" line item in profit or loss.

During the financial year, there is an addition in customer relationships related to the customers data that was acquired as part of the acquisition of Boardworx Pty Ltd as disclosed in Note 5.

5. INVESTMENTS IN SUBSIDIARIES

	Company	
	2017 $'000	2016 $'000
Unquoted equity investments, at cost	89,603	87,903
Impairment losses	(3,110)	(3,110)
	86,493	84,793

Details of subsidiaries are as follows:

Name	Country of incorporation/ principal place of business	Carrying value of investment		Percentage of equity held		Principal activities
		2017 $'000	2016 $'000	2017 %	2016 %	
* Boardroom Corporate & Advisory Services Pte. Ltd.	Singapore	4,258	4,258	100	100	Corporate secretarial and share registry services
* Boardroom Business Solutions Pte. Ltd.	Singapore	1,198	1,198	100	100	Accounting, taxation & payroll services
* Aspire CS Pte. Ltd.	Singapore	–	–	100	100	Corporate secretarial services
* Boardroom Executive Services Pte. Ltd.	Singapore	1,700	–	100	100	Share Plan Administration, payroll services & employee benefits
# Boardroom Corporate Services (HK) Limited	Hong Kong	19,750	19,750	100	100	Corporate secretarial, accounting, taxation & payroll services
# Boardroom Corporate Secretaries (HK) Limited [(1)]	Hong Kong	–	–	100	100	Corporate secretarial services
+ BL Services Limited [(1)]	British Virgin Islands/ Hong Kong	–	–	100	100	Dormant
# Boardroom Share Registrars (HK) Limited [(1)]	Hong Kong	–	–	100	100	Share registry services
# Boardroom Trustee Limited [(1)]	Hong Kong	–	–	100	100	Dormant

5. INVESTMENTS IN SUBSIDIARIES (continued)

Name	Country of incorporation/ principal place of business	Carrying value of investment		Percentage of equity held		Principal activities
		2017 $'000	2016 $'000	2017 %	2016 %	
# Boardroom (Malaysia) Sdn. Bhd.	Malaysia	4,879	4,879	100	100	Investment holding
# Boardroom Corporate Services (KL) Sdn. Bhd. (2)	Malaysia	–	–	100	100	Corporate secretarial, investor relations, other allied services and investment holding
# Boardroom Corporate Services (Johor) Sdn. Bhd. (2)	Malaysia	–	–	100	100	Corporate secretarial and accounting services
# Boardroom Corporate Services (Penang) Sdn. Bhd. (2)	Malaysia	–	–	100	100	Corporate secretarial and accounting services
# Boardroom Communications Sdn. Bhd. (2)	Malaysia	–	–	–	100	Dormant
# Boardroom Nominees (Tempatan) Sdn. Bhd. (3)	Malaysia	–	–	100	100	Dormant
# Boardroom Business Solution Sdn. Bhd. (2)	Malaysia	–	–	100	100	Accounting, taxation & payroll and consultancy services
* Boardroom China Holdings Pte. Ltd.	Singapore	–	–	100	100	Investment holding
@ Boardroom China Limited (4)	China	–	–	100	100	Business advisory and consultancy services
@ Boardroom Beijing Limited (5)	China	–	–	100	100	Business advisory and consultancy services

5. INVESTMENTS IN SUBSIDIARIES (continued)

Name	Country of incorporation/ principal place of business	Carrying value of investment		Percentage of equity held		Principal activities
		2017 $'000	2016 $'000	2017 %	2016 %	
^ Boardroom Holdings Australia Pty Ltd	Australia	54,708	54,708	100	100	Investment holding
^ Newreg Pty Ltd [6]	Australia	–	–	100	100	Investment holding
^ Registries Holdings Australia Pty Limited [7]	Australia	–	–	100	100	Investment holding
^ Registries Pty Limited [8]	Australia	–	–	100	100	Investment holding
^ Boardroom Pty Limited [9]	Australia	–	–	100	100	Share registry and related services
^ Boardroom Financial Services Pty Limited [10]	Australia	–	–	100	100	Registry related services
^ Boardroom (Victoria) Pty Limited [10]	Australia	–	–	100	100	Share registry and related services
^ CRA Plan Managers Pty Ltd [6]	Australia	–	–	100	100	Consultancy services
^ Boardworx Australia Pty Limited [10]	Australia	–	–	100	–	Corporate secretarial services
# Asialink Holdings Ltd (Seychelles) [11]	Seychelles	–	–	100	100	Nominee services
# Asialink Holdings Ltd (Cook Islands) [11]	Cook Islands	–	–	100	100	Nominee services
# Kirkliston Limited [12]	Hong Kong	–	–	100	100	Nominee services
# Green Joy Holdings Limited [11]	British Virgin Islands	–	–	100	100	Nominee services
# Asialink Trust Ltd [12]	British Virgin Islands	–	–	100	100	Trust services
# ATL Limited [12]	Nevis	–	–	100	100	Nominee services

5. INVESTMENTS IN SUBSIDIARIES (continued)

Name	Country of incorporation/ principal place of business	Carrying value of investment		Percentage of equity held		Principal activities
		2017 $'000	2016 $'000	2017 %	2016 %	
# Knapdale Ltd (13)	British Virgin Islands	–	–	100	100	Nominee services
# Kirkcowan Ltd (13)	British Virgin Islands	–	–	100	100	Nominee services
# Callumberg Ltd (13)	British Virgin Islands	–	–	100	100	Nominee services
# Thornpool Ltd (13)	British Virgin Islands	–	–	100	100	Nominee services
# Jackaroo Ltd (13)	British Virgin Islands	–	–	100	100	Nominee services
# Karalon Ltd (13)	Hong Kong	–	–	100	100	Nominee services
# Abagtha Ltd (13)	Hong Kong	–	–	100	100	Nominee services
		86,493	84,793			

+ Not required to be audited by the law in the country of incorporation
* Audited by Ernst & Young LLP, Singapore
# Audited by member firm of Ernst & Young Global in the respective countries
@ Audited by Shanghai Qiuxin Certified Public Accountant Co. Ltd
^ Audited by Deloitte Touche Tohmatsu Limited, Australia

(1) Subsidiary of Boardroom Corporate Services (HK) Limited
(2) Subsidiary of Boardroom (Malaysia) Sdn. Bhd.
(3) Subsidiary of Boardroom Corporate Services (KL) Sdn. Bhd.
(4) Subsidiary of Boardroom China Holdings Pte. Ltd.
(5) Subsidiary of Boardroom China Limited
(6) Subsidiary of Boardroom Holdings Australia Pty Limited
(7) Subsidiary of Newreg Pty Ltd
(8) Subsidiary of Registries Holdings Australia Pty Limited
(9) Subsidiary of Registries Pty Limited
(10) Subsidiary of Boardroom Pty Limited
(11) Subsidiary of BL Services Limited
(12) Subsidiary of Asialink Holdings Ltd (Seychelles)
(13) Subsidiary of Green Joy Holdings Limited

5. INVESTMENTS IN SUBSIDIARIES (continued)

Acquisition of a subsidiary

On 3 July 2017, (the "acquisition date"), the Group's wholly-owned subsidiary, Boardroom Pty Limited acquired the entire issued share capital of Boardworx Pty Ltd ("Boardworx") for the consideration of $1,921,000. Following completion of the acquisition, Boardworx become an indirect wholly-owned subsidiary of the Company.

The fair value of the identifiable assets and liabilities of Boardworx as the acquisition date were:

	Fair value recognised on acquisition $'000
Intangible assets – customer relationship (Note 4)	1,921
Deferred tax liabilities	(576)
Total identifiable net assets at fair value	1,345
Goodwill arising from acquisition (Note 4)	576
Consideration transferred for the acquisition/cash outflow on acquisition	1,921

Goodwill arising from acquisition

The goodwill of $576,000 comprises the value of strengthening the Group's operational footprint and presence in Australia and premium to acquire a controlling stake in Boardworx.

Impact of the acquisition on profit or loss

From the date of acquisition, Boardworx contributed $519,000 of revenue and $307,000 to the Group's profit for the year.

Had the acquired business been consolidated from 1 January 2017, the contribution to the Group's revenue and consolidated profit for the year ended 31 December 2017 would be $1,079,000 and $554,000 respectively.

6. DEFERRED TAX ASSETS/(LIABILITIES)

	Company		Group			
	Balance sheet		Consolidated balance sheet		Consolidated statement of comprehensive income	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Deferred tax assets						
Provisions	–	–	142	28	(24)	(10)
Unutilised tax losses	–	–	77	232	–	(12)
Unutilised capital allowance	9	–	80	–	–	–
	9	–	299	260	(24)	(22)
Deferred tax liabilities						
Acquired intangibles	–	–	(5,175)	(4,640)	(17)	–
Differences in depreciation for tax purposes	–	(143)	(86)	(196)	(135)	(68)
	–	(143)	(5,261)	(4,836)	(152)	(68)
Deferred income tax (Note 20)					(176)	(90)

6. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting year, no deferred tax liability has been recognised for taxes that would be payable on the undistributed earnings of the subsidiary as the Company is able to control the timing of the reversal of the temporary differences.

Such temporary differences for which no deferred tax liability has been recognised aggregate to $8,920,000 (FY16: $6,812,000). The deferred tax liability is estimated to be $892,000 (FY16: $681,000).

7. TRADE AND OTHER RECEIVABLES

	Company		Group	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Trade receivables	–	–	19,584	15,912
Less:				
Allowance for impairment of trade receivables	–	–	(1,817)	(1,253)
	–	–	17,767	14,659
Add:				
Sundry receivables	35	20	738	564
Management fee receivable from subsidiaries	831	664	–	–
Deposits	762	764	1,299	1,475
Interest receivable	–	–	10	7
Total trade and other receivables	1,628	1,448	19,814	16,705
Add:				
Unbilled disbursements	–	–	107	45
Amounts due from subsidiaries (Note 8)	4,272	3,431	–	–
Cash and cash equivalents (Note 9)	4,037	5,386	20,899	20,185
Total loans and receivables	9,937	10,265	40,820	36,935

Trade receivables

Majority of the invoices are due on presentation. The Group does not identify any specific concentrations of credit risk as the amounts resemble a large number of receivables spread over a large number of clients.

Receivables that are past due but not impaired

The Group has trade receivables amounting to $14,683,000 (FY16: $12,011,000) that are past due at the balance sheet date but not impaired. These receivables are unsecured and the analysis of their aging at the balance sheet date is as follows:

	Group	
	2017 $'000	2016 $'000
Past due 1 day to 3 months	11,037	9,235
Past due 3 to 6 months	1,542	1,484
Past due over 6 months	2,104	1,292
	14,683	12,011

7. TRADE AND OTHER RECEIVABLES (continued)

Receivables that are impaired

The Group's trade receivables that are impaired at the balance sheet date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2017 $'000	2016 $'000
Trade receivables – nominal amounts	2,248	1,546
Impairment of trade receivables		
Beginning balance	(1,253)	(463)
Exchange differences	35	(16)
Impairment made (Note 19)	(795)	(1,195)
Impairment utilised	38	108
Impairment written back (Note 19)	158	313
Ending balance	(1,817)	(1,253)
Net trade receivables	431	293

The receivables that are individually determined to be impaired at the balance sheet date relate to debtors that have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

8. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2017 $'000	2016 $'000
Loans to a subsidiary – interest bearing	3,190	3,190
Amounts due from subsidiaries – non-trade	4,641	3,577
	7,831	6,767
Less: Allowance for impairment	(3,559)	(3,336)
Total amounts due from subsidiaries	4,272	3,431
Amounts due to subsidiaries – non-trade	(30)	(67)

Loans to a subsidiary bear interest rate at 2.45% (FY16: 2.45%) per annum are unsecured and repayable on demand.

The non-trade amounts due from/(to) subsidiaries are unsecured, interest-free and repayable on demand.

The movement of the allowance accounts used to record the impairment are as follows:

	Company	
	2017 $'000	2016 $'000
Amounts due from subsidiaries – nominal amounts	3,559	3,336
Impairment of amounts due from subsidiaries		
Beginning balance	(3,336)	–
Impairment made	(223)	(3,336)
Ending balance	(3,559)	(3,336)
Net amounts due from subsidiaries	–	–

9. CASH AND CASH EQUIVALENTS

	Company		Group	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Fixed deposits	–	–	3,640	2,927
Cash and bank balances	4,037	5,386	17,259	17,258
	4,037	5,386	20,899	20,185

Fixed deposits are placed with financial institutions and earned interest at the rates ranging from 0.60% to 3.20% (FY16: 0.60% to 3.50%) per annum. The fixed deposits have maturity terms of 1 day to 30 days (FY16: 1 day to 30 days) from the balance sheet date. Fixed deposits can be readily converted into known amount of cash and subject to insignificant risk of change in values.

Clients' monies held under trust represent the following:

	Group	
	2017 $'000	2016 $'000
Held under trust		
Clients' bank accounts – contra	28,446	24,078
Clients' ledger balances – contra	(28,446)	(24,078)
	–	–

10. TRADE AND OTHER PAYABLES

	Company		Group	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Trade and other payables:				
Trade payables	2	34	5,343	5,178
Accrued operating expenses	1,389	948	9,179	7,460
Other payables	159	79	779	583
Total trade and other payables	1,550	1,061	15,301	13,221
Add/(less):				
GST receivable/(payable)	80	98	(539)	(501)
	1,630	1,159	14,762	12,720
Add:				
Amounts due to subsidiaries (Note 8)	30	67	–	–
Bank borrowings (Note 12)	8,500	10,000	8,500	10,000
Total financial liabilities carried at amortised cost	10,160	11,226	23,262	22,720

Trade and other payables are non-interest bearing. Trade payables are generally on 30 days credit term (FY16: 30 days) while other payables generally have a term of 3 to 6 months (FY16: 3 to 6 months).

11. AMOUNTS DUE TO CUSTOMERS FOR WORK-IN-PROGRESS

	Group	
	2017 $'000	2016 $'000
Aggregate amount of costs incurred and recognised profits (less expected losses) to date	1,489	1,988
Less:		
Progress billings and advances	(3,790)	(4,315)
	(2,301)	(2,327)
Advances received included in gross amount due to customers for work-in-progress	3,881	2,541

12. BANK BORROWINGS

	Company and Group	
	2017 $'000	2016 $'000
Current:		
Term loan	1,500	1,500
Non-current:		
Term loan	7,000	8,500
Total bank borrowings	8,500	10,000

The term loan is unsecured, bears interest at 2.27% to 2.87% per annum (FY16: 2.22% to 2.85% per annum) for interest periods of 1, 3 and 6 months.

The term loan which commenced on 29 October 2014, is repayable in 9 semi-annual instalments at $750,000 for each instalment and a final instalment of $6,250,000 is due in 2019.

13. PROVISION FOR EMPLOYEES BENEFITS

Provision for employees benefits relates to provision of long term profit sharing incentives provided to senior management of a subsidiary. The incentive plan was implemented to encourage the delivery of long-term growth and shareholder value, and also to retain key talents.

The Group has recorded the expected profit sharing payment, calculated based on exceeded earning targets and classified the instruments as a liability.

14. SHARE CAPITAL

	Company and Group			
	2017	2016	2017	2016
	Number of shares		$'000	$'000
Issued and fully paid:				
Beginning and ending balance	193,660,184	193,660,184	37,554	37,554

The ordinary shares have no par value. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regard to the Company's residual assets.

15. RESERVES

Other reserves

	Company		Group	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Exchange translation reserve	–	–	(13,479)	(11,637)
Premium paid on acquisition of non-controlling interests	–	–	(12,569)	(12,569)
	–	–	(26,048)	(24,206)

Exchange translation reserve arose from the financial statements of foreign operations whose functional currency are different from that of the Group's presentation currency.

The premium paid on acquisition of non-controlling interests are related to the acquisitions of non-controlling interests of Newreg Pty Ltd and Boardroom China Holdings Pte. Ltd. in FY11 and FY13 respectively. For Newreg Pty Ltd's acquisition, the Group paid a cash consideration of $36,715,000 to acquire an additional 66.67% in Newreg Pty Ltd from its non-controlling interests. The difference of $10,808,000 between the consideration and the carrying value of the additional interest acquired was recognised as "Premium paid on acquisition of non-controlling interests" within equity. For Boardroom China Holdings Pte. Ltd.'s acquisition, the Group paid a total consideration of $1,050,000 to acquire the remaining 40% equity interest. The difference of $1,761,000 between the consideration and the negative carrying value of the interest acquired has been recognised as "Premium paid on acquisition of non-controlling interests" within equity.

Retained earnings

	Company		Group	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Balance at 1 January 2017	46,514	45,843	63,877	60,751
Total comprehensive income for the financial year	6,892	3,910	10,573	7,246
Expiry of share options	–	634	–	(247)
Cash dividends on ordinary shares (Note 22)	(3,873)	(3,873)	(3,873)	(3,873)
	49,533	46,514	70,577	63,877

16. REVENUE

Revenue of the Group represents fees for services rendered and excludes inter-company transactions and applicable good and services tax. Significant categories of revenue are detailed as follows:

	Group	
	2017 $'000	2016 $'000
Corporate secretarial services	22,726	21,264
Share registry services	33,511	31,733
Accounting, taxation & payroll services	15,031	15,034
	71,268	68,031

17. OTHER OPERATING INCOME

	Group	
	2017 $'000	2016 $'000
Interest income – fixed deposits	246	249
Productivity and Innovation Credit cash payout/(refund)	59	(8)
Wage and other employment credit scheme	225	389
Government grant	334	–
Other income	272	163
	1,136	793

18. EMPLOYEE BENEFITS EXPENSE

	Group	
	2017 $'000	2016 $'000
Employee benefits expense (including directors):		
Salaries and bonuses	38,111	37,850
Defined contribution expenses	3,699	3,459
Other short-term benefits	1,320	1,364
	43,130	42,673

19. PROFIT BEFORE TAX

		Group	
	Note	2017 $'000	2016 $'000
Profit before tax has been arrived at after charging:			
Allowance for impairment of trade receivables	7	795	1,195
Amortisation of intangible assets	4	1,993	1,712
Auditor's remuneration			
– Statutory auditor of the Company		196	141
– Statutory auditor of subsidiaries		124	124
Depreciation of property, plant and equipment	3	838	914
Directors' fee		379	403
Interest expense		245	300
Loss on disposal of property, plant and equipment		2	3
Employee benefits expense	18	43,130	42,673
Exchange differences		50	52
Operating lease rentals of office premises and equipment		5,861	5,711
Impairment of goodwill	4	61	–
and crediting:			
Net fair value gain on derivatives		–	48
Reversal of allowance for impairment of trade receivables	7	158	313

20. TAX EXPENSE

Major components of tax expense

The major components of tax expense for the financial year ended 31 December 2017 and 2016 are:

	Group	
	2017 $'000	2016 $'000
Consolidated statement of comprehensive income		
Current income tax:		
Current income taxation	1,953	1,461
(Over)/under provision in respect of prior years	(311)	130
	1,642	1,591
Withholding tax	266	242
Deferred income tax (Note 6):		
Reversal of temporary differences	(5)	(80)
Over provision in respect of prior years	(171)	(10)
	(176)	(90)
Tax expense recognised in profit or loss	1,732	1,743

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial year ended 31 December 2017 and 2016 is as follows:

	Group	
	2017 $'000	2016 $'000
Profit before tax	12,305	8,989
Tax at statutory rate of 17% (FY16: 17%)	2,092	1,528
Income not subject to taxation	(4)	(55)
Non-deductible expenses	164	226
Effect of partial tax exemption and tax relief	(825)	(738)
Difference in foreign tax rates	533	415
(Over)/under provision of current taxation in respect of prior years	(311)	130
Over provision of deferred taxation in respect of prior years	(171)	(10)
Withholding tax deducted at source	266	242
Others	(12)	5
	1,732	1,743

The tax rates used in computing taxes for entities incorporated in other countries in FY17 and FY16 are as follows:

	2017	2016
Malaysia	24.0%	24.0%
Hong Kong	16.5%	16.5%
Australia	30.0%	30.0%
China	25.0%	25.0%

21. EARNINGS PER SHARE

Basic and diluted earnings per share ("EPS") are calculated by dividing the profit for the financial year attributable to owners of the Company of $10,573,000 (FY16: $7,246,000), by the weighted average number of ordinary shares outstanding during the financial year:

	Company and Group	
	2017	2016
Weighted average number of ordinary shares used in the computation of basic and diluted EPS	193,660,184	193,660,184

22. DIVIDENDS

	Company and Group	
	2017 $'000	2016 $'000
Declared and paid during the financial year:		
Cash dividends on ordinary shares:		
2016 final one-tier tax-exempt cash dividend of $0.020 per share paid (FY15: $0.020)	3,873	3,873
	3,873	3,873
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
2017 final one-tier tax-exempt dividend of $0.025 per share (FY16: $0.020)	4,842	3,873

23. STATEMENT OF OPERATIONS BY SEGMENT

Group

(a) For management purposes, the Group is organised into business units based on their geographical locations, and has five reportable operating segments as follows:

(i) Singapore
(ii) Malaysia
(iii) Hong Kong
(iv) Australia
(v) China

The Group is a professional business services group and the core services provided are corporate secretarial, share registry and accounting, taxation & payroll services. Corporate secretarial and accounting, taxation & payroll services to external customers are included in the five operating segments. Share registry services to external customers are included in all segments except China.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profitability.

(b) Segment revenue and expense

All segment revenue and expenses are directly attributable to the segments.

23. STATEMENT OF OPERATIONS BY SEGMENT (continued)

(c) Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating receivables, unbilled disbursements, staff loans, property, plant and equipment, intangible assets and deferred tax assets, net of allowances and provisions.

Segment liabilities include all operating liabilities and consist principally of operating payables, amounts due to customers for work-in-progress, current tax payable and deferred tax liabilities.

	Singapore $'000	Malaysia $'000	Hong Kong $'000	Australia $'000	China $'000	Consolidated $'000
31 December 2017						
Revenue						
External sales	27,361	6,953	8,512	26,815	1,627	71,268
Results						
Profit/(loss) before tax	6,062	1,586	955	3,925	(223)	12,305
Income tax expense	(397)	(336)	33	(1,032)	–	(1,732)
Profit/(loss) for the financial year	5,665	1,250	988	2,893	(223)	10,573
Other information						
Segment assets	21,070	9,488	27,480	55,279	734	114,051
Segment liabilities	16,452	1,654	5,878	7,898	86	31,968
Capital expenditure						
– Property, plant and equipment	1,190	67	193	264	15	1,729
– Intangible assets	162	189	–	1,470	4	1,825
Interest income	84	132	–	29	1	246
Interest expense	245	–	–	–	–	245
Depreciation and amortisation expenses	494	167	81	2,075	14	2,831
Allowance for impairment of debts – trade net	370	11	223	83	(50)	637
Loss on disposal of property, plant and equipment	–	–	2	–	–	2

23. STATEMENT OF OPERATIONS BY SEGMENT (continued)

(c) Segment assets and liabilities (continued)

	Singapore $'000	Malaysia $'000	Hong Kong $'000	Australia $'000	China $'000	Consolidated $'000
31 December 2016						
Revenue						
External sales	26,117	6,894	8,253	25,035	1,732	68,031
Results						
Profit/(loss) before tax	4,006	1,310	1,060	3,036	(423)	8,989
Income tax expense	(450)	(285)	(227)	(781)	–	(1,743)
Profit/(loss) for the financial year	3,556	1,025	833	2,255	(423)	7,246
Other information						
Segment assets	19,232	8,802	27,845	51,896	951	108,726
Segment liabilities	16,089	1,737	5,316	8,084	275	31,501
Capital expenditure						
– Property, plant and equipment	563	81	34	392	5	1,075
– Intangible assets	74	39	–	1,800	–	1,913
Interest income	70	143	–	36	–	249
Interest expense	300	–	–	–	–	300
Depreciation and amortisation expenses	437	188	65	1,875	61	2,626
Allowance for impairment of debts – trade net	498	35	338	195	129	1,195
Loss on disposal of property, plant and equipment	3	–	–	–	–	3

23. STATEMENT OF OPERATIONS BY SEGMENT (continued)

(d) Business segments information

The Group is a professional business services group and the core services provided are corporate secretarial, share registry, and accounting, taxation & payroll services.

Corporate secretarial services

The Group provides corporate secretarial services mainly to private limited companies and to public listed corporations. Services under corporate secretarial include acting as company secretary and provision of corporate secretarial consultancy, advisory, assistance and support.

Share registry services

Services are provided predominately to public listed corporations. Under share registry services, the services provided include acting as share registrar, unit registrar, share transfer agent, warrant agent, bond agent, employee equity plan administration, voting, meeting services, shareholders analytics, investor solicitation, and transfer agency (collective investment scheme).

Accounting, taxation & payroll services

Services rendered include book-keeping, preparation of financial statements, payroll and payment processing, goods and services tax accounting, tax advisory, human resource advisory, risk management and internal audit.

Business information

	Revenue		Non-current assets	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Corporate secretarial services	22,726	21,264	18,655	18,010
Share registry services	33,511	31,733	45,139	42,358
Accounting, taxation & payroll services	15,031	15,034	8,849	10,803
	71,268	68,031	72,643	71,171

Non-current assets information presented above consist of property, plant and equipment and intangible assets presented in the consolidated balance sheet.

Major customer information

The Group does not have revenue concentration from major customers. Revenue is spread over a large number of clients.

24. RELATED PARTY TRANSACTIONS

Sale and purchases of services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	2017 $'000	2016 $'000
Ultimate holding company:		
– Service fee income	1	1
Intermediate holding company:		
– Service fee income	67	66
Immediate holding company:		
– Service fee income	1	1
Related companies*:		
– Service fee income	61	50

* Related companies are subsidiaries of the ultimate holding company.

Compensation of key management personnel

	Group	
	2017 $'000	2016 $'000
Directors of the Company:		
Short-term employee benefits:		
– salaries and other short-term benefits	496	447
– bonus paid	400	340
Defined contribution expenses	13	13
Directors of the subsidiaries:		
Short-term employee benefits:		
– salaries and other short-term benefits	3,262	3,313
– bonus paid	570	1,136
Defined contribution expenses	204	231
	4,945	5,480

25. OPERATING LEASE COMMITMENTS

At the balance sheet date, the Company and the Group were committed to making the following rental payments in respect of operating lease of office premises and office equipment with an original term of more than one year.

Future minimum rental payable under non-cancellable operating leases at the balance sheet date are as follows:

	Company		Group	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Not later than one year	3,000	2,907	6,071	5,402
Later than one year and not later than five years	757	3,757	8,544	10,544
Later than five years	–	–	43	1,160
	3,757	6,664	14,658	17,106

The lease on the Group's office premises for which rentals are payable will expire between 25 March 2019 and 31 October 2022 (FY16: 30 June 2017 and 31 October 2022).

26. LITIGATION

In relation to the claim made against the Group's wholly-owned entity which provides trust services, the BVI Courts has issued a ruling on 17 October 2017 for the entity to hand over the remaining trust assets to the Deputies for the Settlor. The Group continues to defend any claims for costs but will abide by the ruling of the BVI courts under BVI trust laws.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's and the Group's activities expose to financial risks arising from its operations and the use of financial instruments. The key financial risks include currency risk, credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

Risk management is carried out by the Finance Division under policies approved by the Board of Directors. The Finance Division identifies, evaluates and hedges financial risks in close cooperation with the Company's and the Group's operating units.

There has been no change to the Company's and the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

The following sections provide details regarding the Company's and the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group operates in Asia and Australia with dominant operations in Singapore and Australia. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies") such as the Malaysian Ringgit ("MYR"), Hong Kong Dollar ("HKD"), Australian Dollar ("AUD") and Chinese Yuan Renminbi ("CNY").

The Group is exposed to foreign exchange fluctuation risk to the extent of the difference between the revenue earned in various currencies and the respective local components of cost of sales incurred. The Company uses forward contracts to hedge the Group's foreign currency exposure to the AUD fluctuation. There are no forward currency contracts as at 31 December 2017.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Currency risk (continued)

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Australia, Hong Kong, Malaysia and China. The Group's net investments in subsidiaries are not hedged as currency positions in other foreign currencies are considered to be long-term in nature.

There is no major foreign currency risk at the respective regions from an operational standpoint since there is a natural hedge of revenue and cost of the respective functional currencies.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's and the Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents and derivative assets), the Company and the Group minimise credit risk by dealing exclusively with high credit rating counterparties.

As the Company and the Group do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

The Company's and the Group's major classes of financial assets are bank deposits and trade receivables.

The credit risk for trade receivables for the Group is as follows:

	Group	
	2017 $'000	2016 $'000
By geographical areas		
Singapore	6,402	4,882
Australia	5,984	5,076
Hong Kong	3,938	3,234
Malaysia	1,235	1,280
China	208	187
	17,767	14,659

(i) Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are due from substantially companies with a good collection track record with the Group.

Cash and cash equivalents are placed with financial institutions with high credit ratings and no history of default.

(ii) Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 7 (Trade and other receivables).

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in meeting financial obligation due to shortage of funds. The Company's and the Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Company's and the Group's objective is to maintain a balance between sufficient cash and cash equivalents and internally generated cash flows and the use of credit facilities to finance their operating activities and committed liabilities. At the end of the reporting year, approximately 18% (FY16: 15%) of the Group's bank borrowings will mature in less than one year based on the carrying amount reflected in the financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low as access to sources of funding is sufficiently available.

The tables below analyses the maturity profile of the Company's and the Group's financial assets and financial liabilities based on contractual undiscounted cash flows:

	Not later than one year $'000	One to five years $'000	Total $'000
Company			
2017			
Financial assets:			
Trade and other receivables (Note 7)	1,628	–	1,628
Amounts due from subsidiaries (Note 8)	4,272	–	4,272
Cash and cash equivalents (Note 9)	4,037	–	4,037
Total undiscounted financial assets	9,937	–	9,937
Financial liabilities:			
Trade and other payables, excluding GST receivable (Note 10)	1,630	–	1,630
Amounts due to subsidiaries (Note 8)	30	–	30
Bank borrowings	1,732	7,189	8,921
Total undiscounted financial liabilities	3,392	7,189	10,581
Total net undiscounted financial assets/(liabilities)	6,545	(7,189)	(644)
2016			
Financial assets:			
Trade and other receivables (Note 7)	1,448	–	1,448
Amounts due from subsidiaries (Note 8)	3,431	–	3,431
Cash and cash equivalents (Note 9)	5,386	–	5,386
Total undiscounted financial assets	10,265	–	10,265
Financial liabilities:			
Trade and other payables, excluding GST receivable (Note 10)	1,159	–	1,159
Amounts due to subsidiaries (Note 8)	67	–	67
Bank borrowings	1,774	8,921	10,695
Total undiscounted financial liabilities	3,000	8,921	11,921
Total net undiscounted financial assets/(liabilities)	7,265	(8,921)	(1,656)

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

	Not later than one year $'000	One to five years $'000	Total $'000
Group			
2017			
Financial assets:			
Trade and other receivables (Note 7)	19,814	–	19,814
Unbilled disbursements	107	–	107
Cash and cash equivalents (Note 9)	20,899	–	20,899
Total undiscounted financial assets	40,820	–	40,820
Financial liabilities:			
Trade and other payables, excluding GST payable (Note 10)	14,762	–	14,762
Bank borrowings	1,732	7,189	8,921
Total undiscounted financial liabilities	16,494	7,189	23,683
Total net undiscounted financial assets/(liabilities)	24,326	(7,189)	17,137
2016			
Financial assets:			
Trade and other receivables (Note 7)	16,705	–	16,705
Unbilled disbursements	45	–	45
Cash and cash equivalents (Note 9)	20,185	–	20,185
Total undiscounted financial assets	36,935	–	36,935
Financial liabilities:			
Trade and other payables, excluding GST payable (Note 10)	12,720	–	12,720
Bank borrowings	1,774	8,921	10,695
Total undiscounted financial liabilities	14,494	8,921	23,415
Total net undiscounted financial assets/(liabilities)	22,441	(8,921)	13,520

28. CAPITAL MANAGEMENT

The Group's objectives when managing capital are:

(a) To safeguard the Group's ability to continue as a going concern, so that it continues to provide returns for shareholders and benefits for other stakeholders;

(b) To support the Group's stability and growth; and

(c) To provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

The Group monitors capital using a current ratio, which is current assets divided by current liabilities.

	Group	
	2017 $'000	2016 $'000
Trade and other receivables (Note 7)	19,814	16,705
Unbilled disbursements	107	45
Prepayments	588	464
Income tax receivable	–	156
Cash and cash equivalents (Note 9)	20,899	20,185
Total current assets	41,408	37,555
Trade and other payables (Note 10)	15,301	13,221
Disbursements billed in advance	76	52
Amounts due to customers for work-in-progress (Note 11)	2,301	2,327
Bank borrowings (Note 12)	1,500	1,500
Income tax payable	275	714
Total current liabilities	19,453	17,814
Current ratio	2.13	2.11

29. FAIR VALUE OF ASSETS AND LIABILITIES

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of the financial assets and financial liabilities (except derivative financial instruments) as reflected in the balance sheets approximate their respective fair values either due to their short-term nature or they are floating rate instruments that are re-priced to market interest rates on or near the balance sheet date.

The Company and the Group do not anticipate that the carrying amounts recorded at balance sheet date would be significantly different from the values that would be eventually received or settled.

30. EVENTS OCCURRING AFTER THE REPORTING PERIOD

(i) On 31 January 2018, the Group's wholly-owned subsidiary, Boardroom Pty Limited acquired the entire share capital of Corporate Counsel Pty Limited ("Corporate Counsel") for a cash consideration of $2,340,000. Following completion of the acquisition, Corporate Counsel becomes an indirect wholly-owned subsidiary of the Group.

(ii) On 28 February 2018, Boardroom Pty Ltd entered a subscription agreement to acquire Definitiv International Pty Ltd ("Definitiv") over three tranches based on certain conditions. The Group has paid a cash consideration of $1,208,000 for 11.5% equity stake in Definitiv. The Group has determined that it has significant influence over Definitiv and has treated its investment in Definitiv as associate.

31. AUTHORISATION OF CONSOLIDATED FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2017 were authorised for issue in accordance with a resolution of the directors on 14 March 2018.

STATISTICS OF SHAREHOLDINGS

As at 6 March 2018

Class of equity securities	:	Ordinary share
Number of equity securities	:	193,660,184
Number of treasury shares	:	Nil
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	12	2.47	578	0.00
100 – 1,000	49	10.08	32,898	0.02
1,001 – 10,000	225	46.30	1,043,574	0.54
10,001 – 1,000,000	194	39.92	12,139,627	6.26
1,000,001 and above	6	1.23	180,443,507	93.18
Total	**486**	**100.00**	**193,660,184**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	United Overseas Bank Nominees (Private) Limited	158,502,524	81.85
2	Salacca Pte. Ltd.	10,965,343	5.66
3	Jen Shek Voon	3,701,664	1.91
4	Raffles Nominees (Pte) Limited	3,037,265	1.57
5	Phillip Securities Pte Ltd	2,390,550	1.23
6	Ong Eng Teong	1,846,161	0.95
7	DBS Nominees (Private) Limited	835,848	0.43
8	Yeo Seng Kia	678,000	0.35
9	Seah Jim Hong Gerard	500,262	0.26
10	Liew Swee Lian	469,000	0.24
11	Low Wing Keong	398,657	0.21
12	DB Nominees (Singapore) Pte Ltd	361,308	0.19
13	Chang Yue	276,304	0.14
14	Timms Steven Martin	251,369	0.13
15	Goh Geok Ling	251,000	0.13
16	Tan Beng Chuan Frederick	247,000	0.13
17	Neo Ee Lye	232,587	0.12
18	Tay Yee Mrs Seah Hark Meng	226,402	0.12
19	Ng Teck Hong	202,500	0.10
20	Tan Boon Khak Holdings Pte Ltd	200,000	0.10
	Total	**185,573,744**	**95.82**

STATISTICS OF SHAREHOLDINGS (continued)

As at 6 March 2018

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 6 March 2018)

Names of Substantial Shareholders	Direct Interest	%	Deemed Interest	%
Salacca Pte. Ltd. [1]	10,965,343	5.66	158,201,932	81.69
Goh Geok Khim [2]	–	–	169,167,275	87.35
Goh Yew Lin [3]	–	–	169,167,275	87.35
G. K. Goh Holdings Limited [4]	–	–	169,167,275	87.35
GKG Investment Holdings Pte Ltd [5]	–	–	169,167,275	87.35

Notes:

(1) Pursuant to a loan facility granted by a bank, a charge has been created over Salacca's interest in 158,201,932 shares of the Company. The said shares have been registered in the name of the bank's nominee company.

(2) Mr Goh Geok Khim is deemed to have an interest in the shares which GKG Investment Holdings Pte Ltd ("**GKGI**") has an interest by virtue of his holding not less than 20% of the voting shares in GKGI.

(3) Mr Goh Yew Lin is deemed to have an interest in the shares which GKGI has an interest by virtue of his holding not less than 20% of the voting shares in GKGI.

(4) G. K. Goh Holdings Limited, which is the holding company of Salacca Pte. Ltd. ("**Salacca**"), is deemed to have an interest in the shares in which Salacca has an interest in.

(5) GKGI as the ultimate holding company of G. K. Goh Holdings Limited is deemed to have an interest in the shares in which G. K. Goh Holdings Limited has an interest in.

PUBLIC FLOAT

As at 6 March 2018, 12.44% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

SUBSIDIARY HOLDINGS

As at 6 March 2018, the Company does not have any subsidiary holdings (as defined in the Listing Manual of the SGX-ST).

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Boardroom Limited (the "**Company**") will be held at Regus Samsung Hub, 3 Church Street, Level 8, Changi Room on Friday, 20 April 2018 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the year ended 31 December 2017 together with the Auditor's Report.

   (Resolution 1)

2. To declare a first and final one-tier tax exempt dividend of 2.5 Singapore cents per share for the year ended 31 December 2017 (FY16: First and final one-tier tax exempt dividend of 2.0 Singapore cents per share).

   (Resolution 2)

3. To re-elect the following Directors of the Company retiring pursuant to Article 110 of the Constitution of the Company:

   (a) Mr Mak Lye Mun **(Resolution 3(a))**
   (b) Mr Spencer Lee Tien Chye **(Resolution 3(b))**

   [See Explanatory Note (i)]

   Mr Mak Lye Mun will, upon re-election as Director of the Company, remain as Chairman of the Nominating and Remuneration Committees and will be considered independent.

   Mr Spencer Lee Tien Chye will, upon re-election as Director of the Company, remain as Chairman of the Audit Committee and a member of the Nominating Committee and will be considered independent.

4. To approve the payment of Directors' fees of $315,000 for the year ending 31 December 2018, to be paid quarterly in arrears (FY17: $275,000).

   (Resolution 4)

5. To re-appoint Ernst & Young LLP as the Auditor of the Company and to authorise the Directors of the Company to fix its remuneration.

   (Resolution 5)

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions with or without any modifications as Ordinary Resolutions:

7. **Authority to issue shares (General Mandate)**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of shares,

and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

(Resolution 6)

[See Explanatory Note (ii)]

8. **Authority to issue shares (Scrip Dividend Scheme)**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of shares of the Company as may be required to be allotted and issued pursuant to the Boardroom Limited Scrip Dividend Scheme.

(Resolution 7)

[See Explanatory Note (iii)]

By Order of the Board

Ngiam May Ling
Company Secretary

Singapore
4 April 2018

Explanatory Notes:

(i) Resolutions 3(a) and 3(b) are for the re-election of Mr Mak Lye Mun and Mr Spencer Lee Tien Chye, Directors of the Company who retire by rotation at the Annual General Meeting. For more information on the Directors, please refer to the "Board of Directors" section in the Annual Report 2017.

(ii) Resolution 6, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings), of which up to 20% may be issued other than on a pro rata basis to shareholders. For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares. As at 6 March 2018, the Company did not have treasury shares or subsidiary holdings.

(iii) Resolution 7, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, to allot and issue ordinary shares of the Company pursuant to the Boardroom Limited Scrip Dividend Scheme to eligible members of the Company who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.

Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

2. A proxy need not be a member of the Company.

3. The instrument appointing a proxy must be deposited at the registered office of the Company at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for holding the Annual General Meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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BOARDROOM LIMITED
Company Registration No. 200003902Z
(Incorporated in Singapore with limited liability)

IMPORTANT:

1. Relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy Boardroom Limited shares, this Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

Personal Data Privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 4 April 2018.

PROXY FORM

I/We (Name), _____ (NRIC/Passport/UEN No.) _____

of (Address) _____

being a member/members of Boardroom Limited (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)*

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting (the "**Meeting**") of the Company to be held at Regus Samsung Hub, 3 Church Street, Level 8, Changi Room on Friday, 20 April 2018 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

No.	Resolutions relating to:	No. of Votes For ^	No. of Votes Against ^
1	Adoption of Directors' Statement and Audited Financial Statements for the year ended 31 December 2017		
2	Payment of first and final one-tier tax exempt dividend of 2.5 Singapore cents per share for the year ended 31 December 2017		
3(a)	Re-election of Mr Mak Lye Mun as a Director of the Company		
3(b)	Re-election of Mr Spencer Lee Tien Chye as a Director of the Company		
4	Approval of Directors' fees amounting to $315,000 for the year ending 31 December 2018, to be paid quarterly in arrears		
5	Re-appointment of Ernst & Young LLP as the Auditor of the Company and to authorise the Directors to fix its remuneration		
6	Authority to issue shares (General Mandate)		
7	Authority to issue shares (Scrip Dividend Scheme)		

^ *Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against", please tick within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this _____ day of _____ 2018

Total Number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

_____

Signature of Member(s)
or, Common Seal of Corporate Shareholder

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. A member should insert the total number of shares held. If the member has shares entered against his/her name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she should insert that number of shares. If the member has shares registered in his/her name in the Register of Members (maintained by or on behalf of the Company), he/she should insert that number of shares. If the member has shares entered against his/her name in the Depository Register and shares registered in his/her name in the Register of Members, he/she should insert the aggregate number of shares entered against his/her name in the Depository Register and registered in his/her name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by the member.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of Companies Act, Chapter 50 of Singapore.

3. A proxy need not be a member of the Company.

4. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending, speaking and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

BoardRoom
Smart Business Solutions

Company Registration No. 200003902Z

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Tel: +65-6536 5355 Fax: +65-6536 1360

www.boardroomlimited.com