



TRUST



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# 信

## T R U S T

Trust, as the quintessential value that is treasured in every culture, is a fundamental catalyst that brings about successful business partnerships. At Boardroom, our professionalism is driven by our continual quest to win and maintain the trust of our clients and other stakeholders. They know that we are committed to serving their business interests no matter what happens.

The importance of trust cannot be overemphasised. It is crucial to the development of our presence in China, where the intrinsic value of trust is paramount in a society that values relationships and partnerships. Building on our reputation (信誉), we aim to strengthen the elements of reliability (信用) and responsibility (信任) as the key building blocks of our business relationships.



Sim Cheok Lim  
CHAIRMAN

Anchored on the key chinese word of 信 – meaning trust, I have decided to carry on our focus on building trust, infusing the chinese elements of 信用 (reliability), 信任 (responsibility) and 信誉 (reputation) as the key pillars of our thrust into China and the region.

# CHAIRMAN'S MESSAGE

Dear Shareholders

The fundamental values that define our business and which sets Boardroom apart from our competitors, is the trust that we have developed with our clients, investors, shareholders and indeed our staff. That trust has been built up over the years by consistently being responsible and reliable, in the delivery of our services. It has enabled us to develop a reputation that is well recognised not only in Singapore but now in Shanghai.

Indeed our reputation as a responsible and reliable service provider was instrumental in winning the trust of our business partners as we made our first overseas venture. We invested \$1.8 million for a 35% stake in Talent Shanghai, a leading human resource outsourcing company in Shanghai which today counts amongst its clients, the leading Chinese and multinational companies operating in Shanghai, including Bank of China and Citibank. Our main business partner in Talent Shanghai is the Shanghai Municipal Government's Personnel Bureau.

## The Year in Review

I am pleased to report that we posted a respectable 6% increase in net profit to \$5.1 million. This was achieved principally through cost efficiencies and tax savings on revenues which were flat at \$21.8 million, due to a competitive environment that saw continued pricing pressures.

Operating expenses were reduced by 11.3% during the year, mainly as a result of lower office rentals and enhancement in efficiency of our office administrative support services,

through the use of IT and by bringing in-house certain support services that had previously been outsourced. This more than offset the marginal increase of 1% in staff costs, increased expenditure for corporate development activities and a higher provision for doubtful debts.

## Segmental Analysis

During the year under review, our Corporate Secretarial division encountered keen competition. Price cutting was prevalent among the service providers. As a result, turnover decreased 5.3% to \$9.9 million. However, because of our stringent measures to control costs, profit before tax only suffered a marginal 1.3% decline to \$4.2 million.

Our Share Registration division, however, enjoyed a mini boom due to the higher number of IPO assignments and an increase in the number of share registration clients. We maintained our leading position in the IPO market, with a 60% market share for new IPO assignments, netting 40 out of a total of 67 IPOs in FY2003/04. Together with our tight control over operating expenses, this division recorded a near 10% increase in turnover to \$5.2 million while profit before tax shot up 32% to \$0.8 million.

The Accounting division posted a 7.2% increase in profit before tax to \$1.8 million despite a 0.3% decrease in revenue to \$6.7 million, again as a result of our control over operating expenses.

## Dividends

The Directors have recommended a final gross dividend of 1.925 cents per share. Together with the interim gross dividend

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of 0.975 cents per share, the total gross dividend for the year amounts to 2.9 cents per share. At the closing price of \$0.45 as at 30 August 2004, this represents a gross dividend yield of 6.4%.

## Going Forward

There is greater uncertainty in the global economic environment compared to last year. Interest rates are inching upwards, oil price is stubbornly high and China has begun implementing measures to curb its overheated economy. The Singapore economy may be affected as a result.

The Singapore stock market is likely to go through a period of adjustments. Already, we have seen a number of new IPOs that have not done as well as expected post-listing. Nevertheless, we continue to expect a good number of IPOs to be launched in the coming months. We intend to maintain our share of IPO assignments, despite the keen competition and pricing pressures expected in the share registration market.

Similarly, we intend to focus on delivering the best service to our corporate secretarial clients. Our highly experienced professionals will continue to ensure that our clients' corporate governance matters are well looked after, in order that our clients may focus on their businesses. Therein lies our competitive advantage as we are determined to continue to lead the market in the face of continuing competition and pricing pressures in the corporate secretarial market.

The market for accounting and payroll services continues to hold great potential for us. We will focus our efforts to take on larger outsourcing projects from existing clients including

projects that require regional support. We aim to leverage on our presence in China through Talent Shanghai to broaden the geographical scope of our services.

Talent Shanghai is well positioned to tap the opportunities in the fast growing human resources outsourcing market in China. We are confident that we will benefit from the cross-selling opportunities arising from this strategic investment. Talent Shanghai is therefore expected to have a positive impact on our performance in the longer term. However, its impact on our financial performance over the next 12 months will not be of significance.

We will continue our efforts to build Boardroom into a regional player by seeking opportunities in South East Asia and India.

## Appreciation

On behalf of the Board, I would like to express my deepest appreciation and thanks to the management and staff for their contributions and good work in a challenging year. I would also like to thank our clients, business partners and shareholders for their continued support.



Sim Cheok Lim  
Chairman

# C O R P O R A T E I N F O R M A T I O N

## Executive Directors

Thomas Yeoh Eng Leong  
MANAGING DIRECTOR & CEO

Tan Cher Liang  
MANAGING DIRECTOR

## Nominating Committee

Elizabeth Sam  
CHAIRMAN

Thomas Brian Stevenson  
Sim Cheok Lim

## Registered Office

10 Collyer Quay  
#19-08 Ocean Building  
Singapore 049315  
Telephone 6536 5355  
Facsimile 6536 1360

## Non-Executive Independent Directors

Sim Cheok Lim  
CHAIRMAN

Elizabeth Sam

Thomas Brian Stevenson  
(Appointed as at 5 December 2003)

## Remuneration Committee

Sim Cheok Lim  
CHAIRMAN

Elizabeth Sam  
Thomas Brian Stevenson

## Share Registrar/ Share Transfer Office

Lim Associates (Pte) Limited  
10 Collyer Quay  
#19-08 Ocean Building  
Singapore 049315  
Telephone 6536 5355  
Facsimile 6536 1360

## Audit Committee

Thomas Brian Stevenson  
CHAIRMAN

Sim Cheok Lim

Elizabeth Sam

## Company Secretaries

Tan Cher Liang

Tan San-Ju

## Audit-Partner-in-Charge

Chia Siew Eng  
(Appointed as at 1 August 2000)

## Auditors

Foo Kon Tan Grant Thornton  
47 Hill Street #05-01  
Chinese Chamber of  
Commerce  
Singapore 179365



# BOARD OF DIRECTORS

## 01 Sim Cheok Lim

### CHAIRMAN & NON-EXECUTIVE DIRECTOR

Appointed as Chairman and Director on 15 August 2000 and re-elected at the AGM in 2002, Mr Sim Cheok Lim is also the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees. He is an Independent Director of Keppel Telecommunications and Transportation Ltd, JEL Corporation (Holdings) Ltd, and Vicom Ltd. Mr Sim is also Singapore's Ambassador (Non-Resident) to Kazakhstan and Uzbekistan. He was a member of the Commercial and Industrial Security Corporation (CISCO) from 1987 to 2002, and Chairman from 1994 to June 2002. Prior to that, Mr Sim held various Executive positions in the Shell Group of Companies between 1975 and 1994, and served as Marketing Director from 1989 to 1994. Mr Sim graduated from the University of Adelaide with a Bachelor of Engineering (Honours) degree, and holds a diploma in Competitive Marketing Strategies, University of California Berkeley. He was awarded the Friend of Labour Award by the National Trade Union Congress in 1991. Mr Sim was conferred the Public Service Star (BBM) by the President of Singapore on National Day in 2003. He also received the Public Service Medal (PBM) in 1998.

## 02 Thomas Yeoh Eng Leong

### MANAGING DIRECTOR & CEO

Appointed as Non-Executive Director on 15 August 2000 and re-elected at the AGM in 2001. Assuming the position of Managing Director and CEO on 1 January 2003, Mr Yeoh is a Director of Global Active Limited and a member of the Board of Governors of Nanyang Polytechnic. Prior to joining Boardroom, he was the Managing Director of iAsia Alliance Capital, a venture capital fund management company; an Assistant Chief Executive of the National Computer Board from 1998-1999 and held senior managerial positions in the Economic Development Board ("EDB") and Panpac Media.com Limited. At EDB, Mr Yeoh was Director of Europe from 1994-1995 and Chief Information Officer from 1995 to 1997. He received his Masters in Business Administration from the City University of London in 1995.

## 03 Tan Cher Liang

### MANAGING DIRECTOR & FINANCE DIRECTOR

Mr Tan was appointed a Director of the Company at its inception on 5 May 2000 and Joint Managing Director and Finance Director on 15 August 2000. He was redesignated as Managing Director on 1 January 2003. He has been a Director of Lim Associates (Pte) Ltd and Ee Peng Liang Consultants Pte Ltd since 1992 and 1994 respectively. Prior to that, he was with Ernst & Young for about 20 years. He has been a Director

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and Treasurer of Children's Charities Association since 1986 and the Lions Home For The Elders since 2003. Mr Tan is a member of the Institute of Certified Public Accountants of Singapore and a Fellow of the Association of Chartered Certified Accountants, U.K. He was conferred the Public Service Medal (PBM) in 1996.

#### 04 Elizabeth Sam

##### NON-EXECUTIVE DIRECTOR

Appointed as Non-Executive Director on 15 August 2000 and re-elected at the AGM in 2002, Mrs Sam chairs the Nominating Committee and is a member of the Audit and Remuneration Committees. Mrs Sam is a Director of SC Global Developments Ltd and AV Jennings Homes Limited, Australia. Mrs Sam has over 40 years of experience in the financial sector having held senior appointments in the Ministry of Finance, the Monetary Authority of Singapore, Mercantile House Holdings Ltd, and OCBC Bank where she retired in the position of Deputy President. She was a director of the Singapore International Monetary Exchange of Singapore from its reorganisation in 1983 till its merger with the Stock Exchange of Singapore and she served two three-year terms as Chairman. She was awarded the BBM, Republic of Singapore in 1996 for contributions to financial center developments. Mrs Sam graduated from the University of Singapore with a BA (Hons) Economics.

#### 05 Thomas Brian Stevenson

##### NON-EXECUTIVE DIRECTOR

Appointed as Non-Executive Director on 5 December 2003, Mr Stevenson chairs the Audit Committee and is a member of the Remuneration and Nominating Committees. He is a non-executive director of The Hong Kong and Shanghai Banking Corporation Limited and of Hong Kong's MTR Corporation Ltd and Securities and Futures Commission. He is also a Steward of the Hong Kong Jockey Club. Mr Stevenson was Chairman and Managing Partner of Ernst & Young's Hong Kong and China practices from 1981 to 1999. He is a member of the Singapore Society of Accountants; the Scottish Institute of Chartered Accountants and the Hong Kong Society of Accountants of which he was President in 1996. He holds Law Degrees from Glasgow and Hong Kong Universities. Mr Stevenson was awarded the Silver Bauhinia Star (SBS) by the Government of the Hong Kong S.A.R. in July 1998 for his services in the promotion and development of Hong Kong's service industries.

## KEY MANAGEMENT

### Tan San-Ju CORPORATE SECRETARIAL

Tan San-Ju is a Senior Manager in our Corporate Secretarial Business Unit. She is a Fellow of the Institute of Chartered Secretaries & Administrators (UK) and a member of the Singapore Association of the Institute of Chartered Secretaries & Administrators (SAICSA). In addition, she holds a practising certificate from SAICSA. Ms Tan has been with the Boardroom group of companies since joining Arthur Young in 1988. Arthur Young and Ernst & Whinney subsequently merged in 1990, whereupon she became a key member of the Lim Associates management team.

### Hazel Chia Luang Chew CORPORATE SECRETARIAL

Hazel Chia Luang Chew is a Senior Manager in our Corporate Secretarial Business Unit. She is a Fellow of the Institute of Chartered Secretaries & Administrators (UK) and holds a practising certificate issued by the Singapore Association of the Institute of Chartered Secretaries & Administrators. Ms Chia has been with the Boardroom group of companies since joining Arthur Young in 1986. Arthur Young and Ernst & Whinney subsequently merged in 1990, whereupon she became a key member of the Lim Associates management team.

### David Woo Soon Cheong SHARE REGISTRATION

David Woo Soon Cheong is the Senior Manager in our Share Registration Business Unit. He brings with him more than 20 years' experience in the industry. He joined Lim Associates (Pte) Ltd in 1986.

### Robert Baey Cheng Song ACCOUNTING & PAYROLL

Robert Baey Cheng Song joined Ee Peng Liang Consultants Pte Ltd in March 1996 and is currently the Senior Manager in the Accounting Services Department. He is a Fellow of the Chartered Institute of Management Accountants and holds a post-graduate Diploma in Management Studies from the University of Chicago, Graduate School of Business. He brings with him more than 20 years of accounting and finance experience in commercial and industrial companies.

### Rosy Goh ACCOUNTING & PAYROLL

Ms Goh was with Arthur Andersen's Client Accounting Services unit which merged with Ee Peng Liang Consultants Pte Ltd in 2002, whereupon she became a key member of the management team. She has extensive experience in providing payroll, accounting and GST outsourcing services. Ms Goh holds a degree in Bachelor of Accountancy from the National University of Singapore and a Management Diploma in Sales and Marketing.

She is a member of the Institute of Certified Public Accountants of Singapore.

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RELIABILITY

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A fundamental value that sets Boardroom apart from its competition.

Only with reliability, will business relationships be assured of success.

## RELIABILITY



In our business, being dependable is an essential quality we are proud to be associated with. To be a reliable source of information and a dependable organisation are critical success factors for us. Our aim is to deliver consistently top quality services to the satisfaction of our clients.

In the area of Corporate Secretarial services, we are required to act on behalf of our clients to reliably deliver and file all statutory filings prescribed by the Companies Act, disclosure requirements of the SGX-ST Listing Manual, as well as attending meetings of directors and shareholders, advising

on company registrations and managing voluntary liquidations and dissolutions in a timely manner.

As Share Registrar, we maintain the registers of shareholders on behalf of our clients for over half of the companies listed on the SGX. Foreign companies listed on SGX would require a branch share registrar or share transfer agent, a service that we provide as well as assist in the processing of IPO share applications, share placements, rights issues, warrant issues and loan stock issues.

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In addition, as Accounting services provider, we also process highly confidential information such as the payroll of senior executives, employee expense claims, supplier payments and payments for GST (goods and services tax). We also provide book-keeping services to our clients and prepare their management accounts and financial statements.

All professional services that we provide require an extensive degree of confidentiality, professionalism and in-depth knowledge of the various regulatory requirements. Our clients rely on us to ensure the statutory filings and reporting required of them are carried out precisely and on time. This frees them to concentrate on their core businesses knowing that the governance and compliance requirements have been well taken care of by our professionals.

As Boardroom ventures into the fastest growing Asian market – China, our clients can now also rely on us to service them well in China. We believe our acquisition of a significant stake in Talent Shanghai will enable us to provide a wider and more comprehensive range of business services to all our existing and new clients alike.

責任

RESPONSIBILITY

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Our sense of responsibility compels us to serve our clients reliably, to generate consistent returns for our shareholders and to provide a challenging, yet rewarding work environment to our professionals and employees.

# RESPONSIBILITY

In our industry, having people with in-depth expertise and who are properly motivated are requisites to success. We serve our clients well because we are able to recruit, nurture, develop and retain top quality professionals. It is our people whom our clients rely on for appropriate advice and timely service.

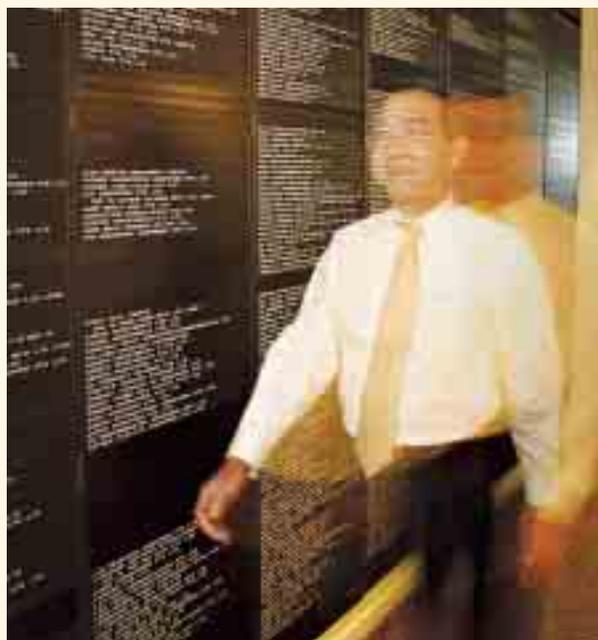
As a result, we now have the largest pool of industry professionals in Singapore. Our professionals are well trained, suitably qualified and have accumulated in-depth experience across a wide range of professional issues built up over the years. The environment we provide them is both challenging and nourishing at the same time, making it attractive for top quality people to join our organisation and develop themselves professionally.

It is through the efforts of our professionals and staff, coupled with the support of our valued clients that we may fulfill our responsibility to our shareholders. In a competitive environment, our profits increased by 6% enabling us to pay out 2.9 cents per share in dividends, generating a yield of 6.4% on Boardroom's share price (45 cents as at 30 August 2004).

## Corporate Secretarial

Our Corporate Secretarial services business remained the largest contributor to Group turnover and profit, accounting for 45% of total revenue and 67% of profit before tax.

Revenue from our Corporate Secretarial segment declined by 5.3% to \$9.9 million, due to keen competition and persistent pricing pressure. However, profit before tax decreased by only 1.3% to \$4.2 million as a result of lower operating costs.



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While pricing pressures are likely to continue in the year ahead, we remain steadfast in our commitment to provide even better service to all our corporate secretarial clients. In order to differentiate ourselves from the competition, we are expanding our team and enhancing our capabilities through intensive training of our staff.

### Share Registration

Revenue from our Share Registration services increased 9.3% to \$5.2 million while profit before tax rose 32% to \$0.8 million as a result of a buoyant equity market, resulting in increased number of corporate activities and disbursements. Our Share Registration business accounted for 24% of Group revenue and 13% of profit before tax.

During the year in review, we achieved a market share of 60% in the IPO share registration market as we handled 40 out of 67 IPOs that came to the market. This further enlarged our client base and increases our lead over our competitors. Some of the new IPO clients include the three new Real Estate Investment Trusts (REITS), that made their debut on the SGX. Others included Lasseters, KXD Digital Entertainment, Fibrechem, Bio-Treat Technology, Beauty China, Excelpoint Technology and I'M Technologies.

The number of companies intending to IPO on the SGX in the upcoming 12 months continues to be promising and we aim to maintain our lead in the marketplace.

### Accounting

Our Accounting division saw pre-tax profit increase by 7.2% to \$1.8 million, driven by effective cost control measures. Revenues were flat at \$6.7 million due mainly to the long sales cycle of larger accounting and payroll outsourcing projects that we had pursued. Contributing about 31% to Group revenues and 28% to profit before tax, our Accounting business is the second largest contributor to the Group.

We will continue to seek opportunities for our Accounting and payroll services locally as well as with our associate company, Talent Shanghai. With complementary skills and geographical presence, we aim to offer our existing and new clients a full suite of accounting and human resource outsourcing services in both Singapore and China.

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REPUTATION

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As leaders in our industry, we strive to enhance our reputation with all clients and stakeholders by strengthening the trust they have in us. Our reputation as a responsible, reliable and trustworthy business services provider stands us in good stead as we expand into China.

## REPUTATION

Reputation cannot be over-emphasised in our industry. Built up painstakingly over a long period of time, we regard our reputation as an invaluable asset. Yet, we realize all too clearly that reputations can be destroyed overnight as evident in global corporate scandals of recent years. Enhancing our reputation is therefore, a never-ending task, one that we wholeheartedly apply ourselves to, by way of delivering on our promises and services to our clients and stakeholders time and time again.

It was indeed our reputation that helped us to secure the investment in Talent Shanghai. As a result, Talent Shanghai has become the first Sino-Foreign Equity Joint Venture in the human resource outsourcing industry in China, for which specific operating licenses are required from the Chinese manpower and foreign investment authorities.

Talent Shanghai possesses a full suite of capabilities to offer a wide range of human resource services such as outsourced



Jobweek is a weekly job classifieds published by Talent Shanghai.



manpower placement (including payroll administration), human resource consulting, recruitment, headhunting and training. With an existing list of blue chip clientele such as Citibank, Siemens and Proctor & Gamble as well as large Chinese companies such as Bank of China and China Construction Bank, we are confident that our investment in Talent Shanghai will be earnings accretive going forward.

### Some of our notable clients

Cisco Systems USA Pte Ltd  
Creative Technology Ltd  
Hyflux Ltd  
Mastercard Asia Pacific Pte Ltd  
MobileOne Ltd  
Morgan Stanley Asia Pacific (Holdings) Ltd  
Reuters Singapore Pte Ltd  
Singapore Exchange Limited  
SMRT Corporation Ltd  
People's Food Holdings Ltd  
Raffles Holdings Limited  
Venture Corporation Limited

The Board continues to uphold the highest standards of corporate governance and confirms compliance with the Code of Corporate Governance.

This report outlines Boardroom's corporate governance practices and activities for the financial year.

## 1. Board Matters

### a) Board Composition

Presently, the Board comprises 3 non-executive independent directors and 2 executive directors, namely:-

#### *Non-Executive Independent Directors*

Sim Cheok Lim, *Chairman*

Elizabeth Sam

Thomas Brian Stevenson

#### *Executive Directors*

Thomas Yeoh Eng Leong,

*Managing Director & Chief Executive Officer*

Tan Cher Liang, *Managing Director,*

*Finance Director & Company Secretary*

All newly appointed Directors are briefed by Management on the history and business operations of the Group. The Company will, if necessary, organise briefing sessions or circulate memoranda for Directors to enable them to keep pace with regulatory changes, where such changes have a material bearing on the Group.

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 in facilitating effective decision-making.

The independent and non-executive members of the Board comprise seasoned professionals with management, financial, accounting and industry backgrounds. This enables the management to benefit from their external and objective perspectives of issues that are brought before the Board.

The Managing Directors are not subject to retirement by rotation as our success is dependent on their experience and skills. The Company has entered into separate Service Agreements with them for a three-year period or such period as the Board of Directors may decide.

### b) Role of the Board of Directors

The Board sets the overall business direction, provides guidance on the Company's strategic plans with particular attention paid to growth and financial performance and oversees the management of the Company. It delegates the formulation of business policies and day-to-day management to the Chief Executive Officer.

The Board meets at least once every quarter, with optional meetings scheduled if there are matters requiring the Board's decision at the relevant times. Board approval is specifically required for major investment or acquisition proposals.

Management meets on a monthly basis to review and discuss operational matters. In the course of the year under review, the number of meetings held and attended by each member of the Board is as follows:-

Meeting	Board	Audit Committee	Nominating Committee	Remuneration Committee
Total held in FY2004	6	4	4	6
Sim Cheok Lim	6	4	4	6
Elizabeth Sam	6	4	4	6
Thomas Yeoh Eng Leong	6	-	-	-
Yvonne Goh (resigned on 1st July 2004)	6	-	-	-
Tan Cher Liang	6	-	-	-
Evelyn Tan (resigned on 3rd October 2003)	1	-	-	-
Thomas Brian Stevenson (appointed on 5th December 2003)	3	3	3	3

### c) Access to Information

Management provides Board members 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 internal financial statements, material events and transactions complete with background and explanations are circulated to directors as and when they arise. The Board also reviews the Group's Annual Budget.

The Directors have separate and independent access to the Company's senior management and the advice and services of the Company Secretaries, who also attend meetings of the Board and Committees. The Company Secretaries are responsible for ensuring that Board procedures are followed. They also ensure that the Company complies with the requirement of all applicable rules and regulations. Directors may, in appropriate

circumstances, seek independent professional advice concerning the Company's affairs.

### d) Chairman and Chief Executive Officer

There is a distinctive separation of responsibilities between the Chairman and the Chief Executive Officer ("CEO") to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. Mr Sim Cheok Lim is the Chairman of the Board and Mr Thomas Yeoh Eng Leong is the CEO cum Managing Director of the Company.

As Chairman, Mr Sim leads Board discussions and deliberation. The Chairman of the Board also ensures that board meetings are held when necessary. He sets the meeting agenda, in consultation with the CEO, and ensures that Directors are provided with complete, adequate and timely information. He also assists in ensuring compliance with the Company's guidelines on corporate governance.

As CEO, Mr Yeoh is responsible for the day-to-day management affairs of the Group. Mr Yeoh executes the strategic plans set out by the Board and ensures that the Directors are kept updated and informed of the Group's business through management reports.

### e) Board Committees

To assist the Board in the execution of its duties, the Board has delegated specific functions to the Audit Committee, Nominating Committee and Remuneration Committee.

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### **Audit Committee**

The Audit Committee comprises Thomas Brian Stevenson, Sim Cheok Lim and Elizabeth Sam, all of whom are non-executive and independent. The Chairman of the Audit Committee is Thomas Brian Stevenson.

Two members of the Audit Committee have relevant accounting and financial management experience.

The Audit Committee is required by its own Code of Best Practices to meet at least twice a year. In FY2004, 4 Audit Committee meetings were held which recorded full attendance of all members of the Audit Committee.

The Audit Committee carried out its functions in accordance with the Companies Act, Cap. 50 and its Code of Best Practices. In performing those functions, the Audit Committee:

- a) Reviews the annual audit plan of the Company's external auditors;
- b) Reviews the results of the external auditors' examination and their evaluation of the Group's internal control system;
- c) Nominates external auditors of the Company for re-appointment - the Audit Committee has recommended to the Board of Directors the re-appointment of Foo Kon Grant Thornton as Auditors of the Company;
- d) Reviews the Company's half-year and full year results announcements, the financial year statements of the Company and the consolidated financial statements

of the Group before submission to the Board for approval of release of the results announcements to the SGX-ST;

- e) Reviews the co-operation given by the Company's officers to the external auditors;
- f) Conducts any other reviews as required by the Listing Manual of the SGX-ST.

The Audit Committee has full access to and co-operation of Management, has full discretion to invite any Director or executive officer to attend the meetings and has been given reasonable resources to enable it to discharge its functions.

The Audit Committee meets with the external auditors, and with the internal auditors, without the presence of the Company's Management, at least once a year.

The Audit Committee confirms that it has undertaken a review of all the non-audit services provided by the Company's auditors during the year and is satisfied that such services would not, in the AC's opinion, affect the independence of the external auditors.

Minutes of the Audit Committee meetings are circulated to fellow Directors by the Company Secretaries.

### **Nominating Committee**

The Nominating Committee comprises Elizabeth Sam, Sim Cheok Lim and Thomas Brian Stevenson. The Chairman of the Nominating Committee is Elizabeth Sam.

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Its primary functions are to evaluate and to review nominations for appointment and re-appointment to the Board and the various Committees, to assess the effectiveness of the Board, to nominate any director for re-election at the Annual General Meeting ("AGM"), having regard to the director's contribution and performance and to determine whether or not a director is independent.

Despite some of the Directors having other board representations, the Nominating Committee is satisfied that these Directors are able to and have adequately carried out their duties as Directors of the Company.

The Nominating Committee has reviewed the independence of Sim Cheok Lim, Elizabeth Sam and Thomas Brian Stevenson and is satisfied that there are no relationships which would deem any of the non-executive directors not to be independent.

Thomas Brian Stevenson, a director retiring by rotation under the Company's Articles of Association, has notified the Nominating Committee that he does not intend to seek re-election at the forthcoming Annual General Meeting. The Nominating Committee has accordingly accepted his retirement.

Key information on directors of the Company can be found on page 8 of this Annual Report.

For the year under review, the Nominating Committee evaluated the Board's performance as a whole. The

assessment process adopted both quantitative & qualitative criteria, such as return on equity, the success of the strategic and long-term objectives set by the Board and the effectiveness of the Board in monitoring management's performance against the goals that had been set by the Board for FY2004.

#### **Remuneration Committee**

The Remuneration Committee comprises Sim Cheok Lim, Elizabeth Sam and Thomas Brian Stevenson. The Chairman of the Committee is Sim Cheok Lim.

The primary functions of the Remuneration Committee are to review and recommend the remuneration packages of the Executive Directors and Executive Officers, to implement and administer the Boardroom Share Option Scheme and to ensure that a sufficient number of suitable candidates are recruited and/or promoted to leadership positions.

The Remuneration Committee seeks expert advice from external consultants whenever required.

Although the members of the Committee do not participate in any decisions concerning their own remuneration, the Committee had adopted a framework for Directors' Fees and within the framework, the Remuneration Committee had recommended that Directors' Fees of S\$147,000 be paid quarterly in arrears for year ending 30 June 2005. In addition, the Remuneration Committee also functions as the Administrative Committee of the Boardroom Share Option Scheme.

Details of remuneration paid to the Directors of the Company are set out on page 54 of the Annual Report.

Instead of setting out the names of top five key executives who are not also directors of the Company, the remuneration in the financial year of key executives are set out below in bands of \$250,000. This is to prevent solicitation of key executives by the Group's competitors.

Remuneration Band	Number of Key Executives
\$500,000 and above	-
\$250,000 to \$499,000	-
Below \$250,000	5

There are no employees who are immediate family members of the Directors and CEO who earn in excess of \$150,000 per year.

## 2. Communication with Shareholders

The Company does not practice selective disclosure. In line with continuous disclosure obligations of the Company pursuant to the SGX-ST's Listing Rules, the Board's policy is that all shareholders should be equally and timely informed of all major developments that impact the Group.

Information is communicated to shareholders on a timely basis through:

- annual reports that are prepared and issued to all shareholders;
- financial statements containing a summary of the financial information and affairs of the Group for the

half year and full year are published through the MASNET; and

- notices of and explanatory notes for annual general meetings and extraordinary general meetings.

The Company does not practice quarterly reporting as it is not required to do so under the SGX-ST Listing Rules.

In addition, shareholders are encouraged to attend the AGM to ensure a high level of accountability and to be informed of the Group's strategy and goals. The AGM is the principal forum for dialogue with shareholders.

The notice of the AGM is dispatched to shareholders, together with explanatory notes or a circular on items of special business, at least 14 working days before the meeting. The Board welcomes questions from shareholders who have an opportunity to raise issues either informally or formally before or at the AGM. The Chairmen of the Audit, Remuneration, and Nominating Committees are normally available at the AGM to answer those questions relating to the work of these committees.

## 3. 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, in compliance with the Best Practices Guide of the SGX-ST. The Company has complied with its Best Practices Guide on Securities Transactions.

## 4. Risk Management

The practice of risk management is undertaken by the Company's Executive Directors and senior executives of each

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business division under the purview of the Board of Directors. The Group has implemented a Business Continuity Plan which would allow the Group's business and operations to continue at a designated remote command centre in the event of a crisis or disaster.

The Group continues to review on an on-going basis, succession plans and other employee-related issues in an effort to recruit and retain a skilled and experienced workforce necessary for its business.

The Group recognises the risks associated with changes in laws and regulations and had reviewed its business plans in the light of legal and regulatory changes in the year. The Group will continue to monitor legal and regulatory changes to keep abreast of developments that may have an impact on its business and operations. The Group's financial risk management is discussed under Note 26 of the Notes to the Financial Statements, on pages 59-60 of the Annual Report.

The Board is satisfied with the Group's risk management practices and that the risks facing the Group had been adequately addressed.

## 5. Interested Person Transactions

In compliance with the SGX-ST listing requirement, the Group confirms that there was no interested person transaction during the financial year under review.

## 6. Internal Audit

The Company has outsourced its internal audit function, the scope of internal audit is to:-

- Review the effectiveness of the Group's material internal controls;
- Provide assurance that key business and operational risks are identified and managed;
- Internal controls are in place and functioning as intended; and
- Operations are conducted in an effective and efficient manner.

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 Internal Auditor reports primarily to the AC Chairman with administrative reporting to the Finance Director. To ensure the adequacy of the internal audit function, the AC reviews the Internal Auditors' scope of work on an annual basis.

The AC and the Board are satisfied that there are adequate internal controls in the Group.

Dated: 6 October 2004

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# DIRECTORS' REPORT

The directors submit this annual report to the members together with the audited consolidated financial statements of the Group and balance sheet of the Company for the financial year ended 30 June 2004.

## Names of directors

The directors in office at the date of this report are:

Sim Cheok Lim  
 Thomas Yeoh Eng Leong  
 Tan Cher Liang  
 Elizabeth Sam  
 Thomas Brian Stevenson (appointed on 5.12.2003)

## Arrangements to acquire shares or debentures

During and at the end of the financial year, the Company was not a party to any arrangement the object of which was to enable the directors to acquire benefits through the acquisition of shares in or debentures of the Company or of any other corporate body other than as disclosed in this report.

## Directors' interest in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Cap. 50, the following directors who held office at the end of the financial year were interested in shares and share options of the Company:

<u>Name of director</u>	<i>Number of ordinary shares of \$0.05 each fully paid registered in the name of director</i>		
	<i>As at 1.7.2003</i>	<i>As at 30.6.2004</i>	<i>As at 21.7.2004</i>
Sim Cheok Lim	10,000	10,000	10,000
Yvonne Choo (resigned on 1.7.2004)	1,650,000	2,050,000	not applicable
Tan Cher Liang	1,000,000	2,155,000	2,155,000
Elizabeth Sam	150,000	150,000	150,000
Thomas Yeoh Eng Leong	150,000	150,000	150,000
Evelyn Tan (resigned on 3.10.2003)	50,000	not applicable	not applicable

<u>Name of director</u>	<i>Number of options over ordinary shares at \$0.05 each in the Company registered in the name of director</i>	
	<i>As at 1.7.2003</i>	<i>As at 30.6.2004 and 21.7.2004</i>
<i>Exercisable at \$0.32 per option between 17.8.2002 and 16.8.2010</i>		
Yvonne Choo (resigned on 1.7.2004)	2,000,000	-
Tan Cher Liang	1,000,000	-
<i>Exercisable at \$0.23 per option between 17.1.2003 and 16.1.2011</i>		
Evelyn Tan (resigned on 3.10.2003)	200,000	-

## Directors' interest in shares or debentures (cont'd)

*Number of options over ordinary shares at \$0.05 each  
in the Company registered in the name of director*

<u>Name of director</u>	<u>As at 1.7.2003</u>	<u>As at 30.6.2004 and 21.7.2004</u>
<i>Exercisable at \$0.245 per option between 24.9.2003 and 23.9.2011</i>		
Yvonne Choo (resigned on 1.7.2004)	400,000	-
Tan Cher Liang	400,000	-
Evelyn Tan (resigned on 3.10.2003)	200,000	-
<i>Exercisable at \$0.35 per option between 21.10.2004 and 20.10.2012</i>		
Yvonne Choo (resigned on 1.7.2004)	400,000	400,000
Tan Cher Liang	400,000	400,000
Evelyn Tan (resigned on 3.10.2003)	200,000	200,000
<i>Exercisable at \$0.38 per option between 17.10.2005 and 16.10.2013</i>		
Yvonne Choo (resigned on 1.7.2004)	-	200,000
Tan Cher Liang	-	200,000
Thomas Yeoh Eng Leong	-	150,000
<i>Exercisable at \$0.39 per option between 17.8.2001 and 16.8.2005</i>		
Sim Cheok Lim	100,000	100,000
Elizabeth Sam	100,000	100,000
Thomas Yeoh Eng Leong	100,000	100,000
<i>Exercisable at \$0.305 per option between 24.9.2002 and 23.9.2006</i>		
Sim Cheok Lim	100,000	100,000
Elizabeth Sam	100,000	100,000
Thomas Yeoh Eng Leong	100,000	100,000
<i>Exercisable at \$0.44 per option between 21.10.2003 and 20.10.2007</i>		
Sim Cheok Lim	100,000	100,000
Elizabeth Sam	100,000	100,000
Thomas Yeoh Eng Leong	100,000	100,000
<i>Exercisable at \$0.47 per option between 17.10.2004 and 16.10.2008</i>		
Sim Cheok Lim	-	75,000
Elizabeth Sam	-	75,000

### Directors' benefits

Since the end of the previous financial year, no director has received or has become entitled to receive a benefit under a contract which is required to be disclosed under Section 201(8) of the Companies Act, Cap. 50.

### Share options granted

(a) Particulars of the share options pursuant to the Boardroom Share Option Scheme have been set out in the Directors' Report for the financial period ended 30 June 2001.

(b) Categories of persons who have accepted options granted during the financial year are as follows:

<i>Date options granted</i>	<i>Number of grantees</i>	<i>Discount to market price</i>	<i>Total number of ordinary shares under options granted</i>	<i>Subscription price of options granted</i>	<i>Exercise period</i>	
		<i>%</i>				
Executive Directors	17.10.2003	3	20%	550,000	\$0.38	17.10.2005 to 16.10.2013
Non-Executive Directors	17.10.2003	2	-	150,000	\$0.47	17.10.2004 to 16.10.2008
Executive employees	17.10.2003	29	20%	929,000	\$0.38	17.10.2005 to 16.10.2013
Non-Executive employees	17.10.2003	72	20%	624,000	\$0.38	17.10.2005 to 16.10.2013
		<u>106</u>		<u>2,253,000</u>		

Options granted to directors were as follows:

<i>Name of directors</i>	<i>Options granted during the financial year</i>	<i>Aggregate options granted since commencement of the Scheme to 30.6.2004</i>	<i>Aggregate options exercised since commencement of the Scheme to 30.6.2004</i>	<i>Aggregate options outstanding as at 30.6.2004</i>
<b>Executive Directors</b>				
Yvonne Choo (resigned on 1.7.2004)	200,000	3,000,000	(2,400,000)	600,000
Tan Cher Liang	200,000	3,000,000	(2,400,000)	600,000
Evelyn Tan (resigned on 3.10.2003)	-	600,000	(400,000)	200,000
Thomas Yeoh Eng Leong	150,000	450,000	-	450,000
<b>Non-Executive Directors</b>				
Sim Cheok Lim	75,000	375,000	-	375,000
Elizabeth Sam	75,000	375,000	-	375,000

### Share options granted (cont'd)

- (c) No options were granted during the financial year to take up unissued shares of its subsidiaries.
- (d) The Share Option Scheme is administered by a Committee of Directors comprising Sim Cheok Lim (Chairman), Elizabeth Sam and Thomas Brian Stevenson. No controlling shareholder of the Company or his associates is a participant of the Scheme.
- (e) The Scheme is for the employees of the Company and subsidiaries subject to the discretion of the Committee.
- (f) The persons to whom the options have been issued have no right to participate by virtue of the options in any share issue of any other company.

### Share options exercised

The following shares were issued by the Company by virtue of the exercise of options:

- (i) 200,000 ordinary shares of \$0.05 each at a premium of \$0.18 per share.
- (ii) 3,080,000 ordinary shares of \$0.05 each at a premium of \$0.27 per share.
- (iii) 1,981,000 ordinary shares of \$0.05 each at a premium of \$0.195 per share.

No shares were issued by virtue of the exercise of options to take up unissued shares of any subsidiary.

### Unissued shares under option

At the end of the financial year, unissued ordinary shares under option were as follows:

<i>Date granted</i>	<i>Exercise price</i>	<i>Number of options outstanding 1.7.2003</i>	<i>Options granted</i>	<i>Options exercised</i>	<i>Options cancelled/lapsed</i>	<i>Number of options outstanding 30.6.2004</i>	<i>Exercise period</i>
17.8.2000	\$0.320	3,140,000	-	(3,080,000)	-	60,000	17.8.2002 to 16.8.2010
17.8.2000	\$0.390	300,000	-	-	-	300,000	17.8.2001 to 16.8.2005
17.1.2001	\$0.230	200,000	-	(200,000)	-	-	17.1.2003 to 16.1.2011
24.9.2001	\$0.245	2,103,000	-	(1,981,000)	(5,000)	117,000	24.9.2003 to 23.9.2011
24.9.2001	\$0.305	300,000	-	-	-	300,000	24.9.2002 to 23.9.2006
18.7.2002	\$0.420	246,000	-	-	(92,000)	154,000	18.7.2004 to 17.7.2012
21.10.2002	\$0.350	2,484,000	-	-	(211,000)	2,273,000	21.10.2004 to 20.10.2012
21.10.2002	\$0.440	300,000	-	-	-	300,000	21.10.2003 to 20.10.2007
17.10.2003	\$0.380	-	2,439,000	-	(336,000)	2,103,000	17.10.2005 to 16.10.2013
17.10.2003	\$0.470	-	150,000	-	-	150,000	17.10.2004 to 16.10.2008
		<u>9,073,000</u>	<u>2,589,000</u>	<u>(5,261,000)</u>	<u>(644,000)</u>	<u>5,757,000</u>	

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**Audit committee**

The audit committee comprises the following members:

Thomas Brian Stevenson (Chairman) (non-executive director)  
Sim Cheok Lim (non-executive director)  
Elizabeth Sam (non-executive director)

The audit committee performs the functions set out in Section 201B(5) of the Companies Act, Cap. 50. In performing its functions, the committee reviewed the overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls. The committee also reviewed the financial statements of the Company and the consolidated financial statements of the Group for the financial year ended 30 June 2004 as well as the auditors' report thereon.

The committee recommends to the Board of Directors the nomination of Foo Kon Tan Grant Thornton as external auditors at the forthcoming Annual General Meeting of the Company.

**Auditors**

The auditors, Foo Kon Tan Grant Thornton, Certified Public Accountants, have expressed their willingness to accept re-appointment.

On behalf of the Directors

**TAN CHER LIANG**

**THOMAS YEOH ENG LEONG**

Dated: 30 August 2004

# STATEMENT BY DIRECTORS

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In the opinion of the directors, the accompanying balance sheets, consolidated income statement, consolidated statement of changes in equity and the consolidated cash flow statement, together with the notes thereon, are drawn up in accordance with and comply with Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2004 and of the results of the business, changes in equity and the cash flows of the Group for the financial year ended on that date and 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.

On behalf of the Directors

**TAN CHER LIANG**

**THOMAS YEOH ENG LEONG**

Dated: 30 August 2004

# AUDITORS' REPORT TO THE MEMBERS OF BOARDROOM LIMITED

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We have audited the accompanying financial statements of Boardroom Limited ("the Company") and its subsidiaries ("the Group") for the year ended 30 June 2004. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the consolidated financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the Act) and Singapore Financial Reporting Standards and so as to give a true and fair view of the state of affairs of the Group as at 30 June 2004 and the results, changes in equity and cash flows of the Group for the financial year then ended on that date; and
- (b) the balance sheet of the Company is properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards and so as to give a true and fair view of the state of affairs of the Company as at 30 June 2004; and
- (c) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in the Republic of Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

**Foo Kon Tan Grant Thornton**  
Certified Public Accountants

Singapore, 30 August 2004

# BALANCE SHEETS

AS AT 30 JUNE 2004

	Note	The Company		The Group	
		2004 \$	2003 \$	2004 \$	2003 \$
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	4	128,084	53,971	470,738	521,528
Intangible assets	5	227,445	30,330	4,998,820	5,432,210
Subsidiaries	6	4,999,998	4,999,998	-	-
Staff loans	7	2,500	125	2,500	125
Deferred tax assets	14	-	-	123,000	51,000
		5,358,027	5,084,424	5,595,058	6,004,863
<b>Current Assets</b>					
Trade receivables	8	-	-	9,065,593	6,164,398
Unbilled disbursements		-	-	242,432	69,315
Amount owing by a subsidiary (non-trade)	6	2,501,514	2,794,475	-	-
Other receivables	9	1,947,104	825,417	985,152	289,933
Cash and cash equivalents	10	15,848,356	17,655,216	18,133,031	18,597,608
		20,296,974	21,275,108	28,426,208	25,121,254
<b>Held under Trust</b>					
Clients' bank account - contra		-	-	12,966,232	14,206,066
Clients' ledger balances - contra		-	-	(12,966,232)	(14,206,066)
		-	-	-	-
<b>Total assets</b>		25,655,001	26,359,532	34,021,266	31,126,117
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and Reserves</b>					
Share capital	11	7,095,050	6,832,000	7,095,050	6,832,000
Capital reserves	12	12,638,446	11,384,551	12,997,410	11,743,515
Retained profits		4,341,682	5,870,266	9,538,412	7,652,910
		24,075,178	24,086,817	29,630,872	26,228,425
<b>Non-Current Liability</b>					
Deferred taxation	14	74,000	12,200	102,000	59,200
<b>Current Liabilities</b>					
Trade payables		465,523	601,657	2,773,546	2,095,849
Other payables		-	88,894	134,235	144,443
Disbursements billed in advance		-	-	6,226	-
Excess of progress billings over work-in-progress	15	-	-	30,879	901,993
Amount owing to a subsidiary (non-trade)	6	1,040,300	1,569,964	-	-
Provision for taxation		-	-	1,343,508	1,696,207
		1,505,823	2,260,515	4,288,394	4,838,492
<b>Total equity and liabilities</b>		25,655,001	26,359,532	34,021,266	31,126,117

# CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2004

		2004	2003
	<i>Note</i>	\$	\$
Revenue	3	21,766,299	21,898,367
Other operating income	16	146,533	130,182
Staff costs	17	(8,938,987)	(8,848,045)
Depreciation and amortisation expenses		(873,811)	(936,631)
Other operating expenses		<u>(5,764,102)</u>	<u>(5,919,482)</u>
Profit before taxation	18	6,335,932	6,324,391
Taxation	19	<u>(1,241,913)</u>	<u>(1,514,293)</u>
Profit after taxation for the year from ordinary activities		<u>5,094,019</u>	<u>4,810,098</u>
Basic earnings per share	21	<u>3.62 cents</u>	<u>3.55 cents</u>
Diluted earnings per share	21	<u>3.59 cents</u>	<u>3.49 cents</u>

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 YEAR ENDED 30 JUNE 2004

	<i>Share capital</i> \$	<i>Share premium</i> \$	<i>Reserve arising on consolidation</i> \$	<i>Total capital reserves</i> \$	<i>Retained earnings</i> \$	<i>Total</i> \$
Balance at 1.7.2002	6,750,000	10,945,351	358,964	11,304,315	5,698,548	23,752,863
Issue of shares on exercise of employees' share options	82,000	439,200	-	439,200	-	521,200
Net profit for the year	-	-	-	-	4,810,098	4,810,098
2002 final dividend of \$0.017 per share less tax of 22% paid	-	-	-	-	(1,798,056)	(1,798,056)
2003 interim dividend of \$0.01 per share less tax of 22% paid	-	-	-	-	(1,057,680)	(1,057,680)
Balance at 30.6.2003	6,832,000	11,384,551	358,964	11,743,515	7,652,910	26,228,425
Issue of shares on exercise of employees' share options	263,050	1,253,895	-	1,253,895	-	1,516,945
Net profit for the year	-	-	-	-	5,094,019	5,094,019
2003 final dividend of \$0.019 per share less tax of 22% paid	-	-	-	-	(2,101,728)	(2,101,728)
2004 interim dividend of \$0.00975 per share less tax of 20% paid	-	-	-	-	(1,106,789)	(1,106,789)
Balance at 30.6.2004	7,095,050	12,638,446	358,964	12,997,410	9,538,412	29,630,872

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2004

	2004 \$	2003 \$
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	6,335,932	6,324,391
Adjustments for:		
Amortisation of intangible assets	649,292	632,183
Depreciation of property, plant and equipment	224,519	304,448
Dividend income	(77)	(77)
Profit on sale of property, plant and equipment	(280)	-
Interest income	(128,064)	(109,752)
Operating profit before working capital changes	7,081,322	7,151,193
Increase in operating receivables	(3,685,040)	(946,463)
Increase in operating payables	667,489	106,122
(Decrease)/increase in excess of progress billings over work-in-progress	(871,114)	423,438
Cash generated from operations	3,192,657	6,734,290
Income tax paid	(1,623,812)	(1,156,468)
Net cash generated from operating activities	1,568,845	5,577,822
<b>Cash Flows from Investing Activities</b>		
Acquisition of property, plant and equipment	(173,729)	(339,089)
Acquisition of computer software	(215,902)	(119,209)
Acquisition of business goodwill	-	(5,873,878)
Proceed from sale of property, plant and equipment	280	-
Dividend received	77	77
Interest received	47,424	125,580
Net cash used in investing activities	(341,850)	(6,206,519)
<b>Cash Flows from Financing Activities</b>		
Dividends paid	(3,208,517)	(2,855,736)
Proceeds from exercise of employee share options	1,516,945	521,200
Net cash used in financing activities	(1,691,572)	(2,334,536)
Net decrease in cash and cash equivalents	(464,577)	(2,963,233)
Cash and cash equivalents at beginning	18,597,608	21,560,841
Cash and cash equivalents at end (Note 10)	18,133,031	18,597,608

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

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## 1 GENERAL INFORMATION

The financial statements of the Company and of the Group for the year ended 30 June 2004 were authorised for issue in accordance with a resolution of the directors on the date of the Statement By Directors.

The Company is a limited liability company and domiciled in the Republic of Singapore.

The registered office of the Company is located at 10 Collyer Quay, #19-08 Ocean Building, Singapore 049315.

The average number of employees of the Company and the Group are 19 (2003 - 7) and 175 (2003 - 164) respectively for the year.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of preparation

The financial statements of the Company and of the Group, expressed in Singapore dollars, are prepared in accordance with the historical cost convention.

The financial statements are prepared in accordance with and comply with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Council on Corporate Disclosure and Governance.

The financial statements were previously prepared in accordance with Singapore Statements of Accounting Standard ("SAS"). The transition from SAS to FRS did not result in any significant change in accounting policies.

### Consolidation

The financial year of the Company and its subsidiaries ends on 30 June.

Consolidated financial statements include the financial statements of the Company and its subsidiaries which are given in Note 6 to the financial statements.

The results of the subsidiaries acquired during the financial year are included in the Group's financial statements from the effective date of acquisition. Inter-company transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

Reserve arising on consolidation represents the excess of the fair value of the net tangible assets of subsidiaries acquired over the purchase price at the date of acquisition and was credited directly to reserves.

With effect from 1 July 2001, the Group has adopted the revised FRS 22 - Business Combinations.

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

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

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### **Property, plant and equipment and depreciation**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is computed utilising the straight-line method to write off the cost of these assets over their estimated useful lives as follows:

Computers	3 years
Office machinery	5 years
Office furniture	5 years
Office renovation	6 years

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively.

Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

The carrying amounts of property, plant and equipment are reviewed yearly in order to assess whether their carrying amounts need to be written down to recoverable amounts. Recoverable amount is defined as the higher of value in use and net selling price.

### **Intangible assets**

#### *Purchased goodwill*

Purchased goodwill is stated at cost and amortised over a period of 10 years from the date of acquisition.

#### *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.

Intangible assets will be written off where, in the opinion of the directors, no further future economic benefits are expected to arise. The carrying amounts of intangible assets are reviewed yearly in order to assess whether their carrying amounts need to be written down to their recoverable amount.

### **Subsidiaries**

A subsidiary is defined as a company in which the investing company has a long-term equity interest of more than 50% or over whose financial and operating policy decisions the Group controls.

Shares in subsidiaries are stated at cost less provision for impairment losses on an individual subsidiary basis.

### **Receivables**

Receivables are carried at cost which is the original invoiced amount less allowance for doubtful debts. The carrying amount approximates the fair value of receivables.

All known bad debts are written off and specific allowance is made for those debts which are considered to be doubtful. In addition, an amount is set aside as a general allowance for doubtful debts to cover losses which although not separately identified can be present in any portfolio of receivables.

Receivables include staff loans, unbilled disbursements and trade and non-trade balances with third parties and related companies.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, bank deposits and any highly liquid investments which are readily convertible to cash and which are subject to an insignificant risk of changes in value, net of any bank overdrafts which are repayable on demand and which form an integral part of the Company's and Group's cash management.

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**Work-in-progress**

Work-in-progress is stated at cost which includes direct staff costs, project costs and an appropriate proportion of overhead cost less progress billings. Provision, where necessary, is made for losses expected to arise on completion of contract assignment entered into before balance sheet date. It is classified as a liability when progress billings exceed the work-in-progress.

**Payables**

Payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company and the Group.

Payables include disbursements billed in advance and trade and non-trade balances with third parties and related companies.

**Income taxes**

The liability method of tax effect accounting is adopted by the Company and the Group. Current taxation is provided at the current taxation rate based on the tax payable on the income for the financial year that is chargeable to tax. Deferred taxation is provided at the current taxation rate on all temporary differences existing at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences (unless the deferred tax liability arises from goodwill or 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). Deferred income tax is provided on all temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised (unless the deferred tax asset relating to the deductible temporary differences arises from goodwill or the initial recognition of an asset or liabilities 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).

The Company and the Group will offset deferred tax assets and deferred tax liabilities when:

- (a) the Company and the Group have a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

The statutory tax rate enacted at the balance sheet date is used to determine deferred income tax.

**Employee benefits***Pension obligations*

The Company and the Group contribute to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The Company's and the Group's contributions to CPF are charged to the income statement in the period to which the contributions relate.

*Employee leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. The Company and the Group do not allow the accumulation of annual leave. As such any unconsumed leave as at balance sheet date will be forfeited.

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#### *Employee Share Option Scheme*

The Company has in place a Share Option Scheme for granting of options to executive directors, non-executive directors and full-time employees of the Company and its subsidiaries to subscribe for shares in the Company. No compensation cost or obligation is recognised when the options are issued or exercised. When the options are exercised, equity is increased by the amount of the proceeds received.

#### **Impairment of assets**

The carrying amounts of the Company's and the Group's assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is defined as the higher of value in use and net selling price.

Impairment losses are charged to the income statement.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

A reversal of an impairment loss is recognised as an income in the income statement.

A cash-generating unit is the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other asset or group of assets. For such assets, the recoverable amount is determined for the cash-generating unit to which the assets belong.

#### **Revenue recognition**

Revenue from accounting, secretarial and share registration services is recognised when time is recorded on an assignment. If actual client billing for an assignment differs from the amount of revenue accrued at the end of the year, necessary write-ups/downs will be made against the revenue.

Dividend income from investment is recognised when the right to receive the dividend has been established.

Management fee and interest income are recognised on an accrual basis.

#### **Operating leases**

Rentals on operating leases are charged to the income statement on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the total lease rentals. Penalty payments on early termination, if any, are recognised in the income statement when incurred.

#### **Conversion of foreign currencies**

Monetary assets and liabilities in foreign currencies are translated into Singapore dollars at rates of exchange closely approximating those ruling at balance sheet date. Transactions in foreign currencies are converted at rates closely approximating those ruling at transaction dates. Exchange differences arising from such transactions are recorded in the income statement in the period in which they arise.

#### **Financial instruments**

Financial instruments carried on the balance sheet include cash and cash equivalents and all receivables and payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Disclosures on financial risk management are provided in Note 26.

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### Segment reporting

A segment is a distinguishable component of the Group within a particular economic environment (geographical segment) and to a particular industry (business segment) which is subject to risks and rewards that are different from those of other segments.

Inter-segment pricing is determined on an arm's length basis. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise non-income earning assets and revenue, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Segment information is presented in respect of the Group's business segments. The primary format, business segments, is based on the Group's management and internal reporting structure. In presenting information on the basis of business segments, segment revenue and segment assets are based on the nature of the products or services provided by the Group.

## 3 PRINCIPAL ACTIVITIES AND REVENUE

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are stated in Note 6 to the financial statements.

Revenue of the Group represents fees for services rendered and billings for disbursements relating to out-of-pocket expenses incurred on behalf of and recoverable from clients and excludes inter-company transactions. Significant categories of revenue are detailed as follows:

	<i>Fee</i>	<i>Disbursements</i>	<i>Total</i>
	\$	\$	\$
2004			
Accounting	6,373,844	280,822	6,654,666
Corporate secretarial	9,246,873	653,882	9,900,755
Share registration	2,651,190	2,559,688	5,210,878
	<u>18,271,907</u>	<u>3,494,392</u>	<u>21,766,299</u>
2003			
Accounting	6,366,753	304,199	6,670,952
Corporate secretarial	9,714,235	745,065	10,459,300
Share registration	2,458,068	2,310,047	4,768,115
	<u>18,539,056</u>	<u>3,359,311</u>	<u>21,898,367</u>

Revenue for the Group excludes applicable goods and services tax.

#### 4 PROPERTY, PLANT AND EQUIPMENT

	<i>Computers</i>	<i>Office machinery</i>	<i>Office furniture</i>	<i>Office renovation</i>	<i>Total</i>
	\$	\$	\$	\$	\$
<i>The Company</i>					
<u>Cost</u>					
At 1.7.2003	13,371	1,053	23,846	22,750	61,020
Additions	44,589	3,738	14,910	33,345	96,582
At 30.6.2004	57,960	4,791	38,756	56,095	157,602
<u>Accumulated depreciation</u>					
At 1.7.2003	1,130	246	4,614	1,059	7,049
Depreciation for the year	10,827	935	5,569	5,138	22,469
At 30.6.2004	11,957	1,181	10,183	6,197	29,518
Depreciation for 2003	1,130	146	2,611	1,059	4,946
<u>Net book value</u>					
At 30.6.2004	46,003	3,610	28,573	49,898	128,084
At 30.6.2003	12,241	807	19,232	21,691	53,971
<i>The Group</i>					
<u>Cost</u>					
At 1.7.2003	895,464	89,469	187,193	1,003,593	2,175,719
Additions	87,053	4,413	32,270	49,993	173,729
Disposal	(8,627)	-	-	-	(8,627)
At 30.6.2004	973,890	93,882	219,463	1,053,586	2,340,821
<u>Accumulated depreciation</u>					
At 1.7.2003	739,573	53,056	74,292	787,270	1,654,191
Depreciation for the year	113,334	17,574	39,021	54,590	224,519
Disposal	(8,627)	-	-	-	(8,627)
At 30.6.2004	844,280	70,630	113,313	841,860	1,870,083
Depreciation for 2003	208,384	16,598	32,988	46,478	304,448
<u>Net book value</u>					
At 30.6.2004	129,610	23,252	106,150	211,726	470,738
At 30.6.2003	155,891	36,413	112,901	216,323	521,528

## 5 INTANGIBLE ASSETS

	<i>Computer software</i>
<i>The Company</i>	\$
<u>Cost</u>	
At 1.7.2003	40,480
Additions	209,515
At 30.6.2004	<u>249,995</u>
<u>Accumulated amortisation</u>	
At 1.7.2003	10,150
Amortisation for the year	12,400
At 30.6.2004	<u>22,550</u>
Amortisation for 2003	<u>4,044</u>
<u>Net book value</u>	
At 30.6.2004	<u>227,445</u>
At 30.6.2003	<u>30,330</u>

	<i>Purchased goodwill</i>	<i>Computer software</i>	<i>Total</i>
<i>The Group</i>	\$	\$	\$
<u>Cost</u>			
At 1.7.2003	5,873,878	216,185	6,090,063
Additions	-	215,902	215,902
At 30.6.2004	<u>5,873,878</u>	<u>432,087</u>	<u>6,305,965</u>
<u>Accumulated amortisation</u>			
At 1.7.2003	587,388	70,465	657,853
Amortisation for the year	587,388	61,904	649,292
At 30.6.2004	<u>1,174,776</u>	<u>132,369</u>	<u>1,307,145</u>
Amortisation for 2003	<u>587,388</u>	<u>44,795</u>	<u>632,183</u>
<u>Net book value</u>			
At 30.6.2004	<u>4,699,102</u>	<u>299,718</u>	<u>4,998,820</u>
At 30.6.2003	<u>5,286,490</u>	<u>145,720</u>	<u>5,432,210</u>

## 6 SUBSIDIARIES

<i>The Company</i>	2004 \$	2003 \$
Unquoted equity investments, at cost	4,999,998	4,999,998
Amount owing by a subsidiary (non-trade)	2,501,514	2,794,475
Amount owing to a subsidiary (non-trade)	1,040,300	1,569,964

The amount owing by/to subsidiaries, representing advances, is unsecured and interest-free with no fixed terms of repayment.

The subsidiaries as at 30 June 2004 are:

<i>Name</i>	<i>Country of incorporation/ principal place of business</i>	<i>Cost of investment</i>		<i>Percentage of equity held</i>		<i>Principal activities</i>
		2004 \$	2003 \$	2004	2003	
* Lim Associates (Private) Limited	Singapore	4,029,716	4,029,716	100%	100%	Secretarial and share registration services
* Ee Peng Liang Consultants Pte Ltd	Singapore	970,282	970,282	100%	100%	Accounting services
		<u>4,999,998</u>	<u>4,999,998</u>			

\* Audited by Foo Kon Tan Grant Thornton.

## 7 STAFF LOANS

	<i>The Company</i>		<i>The Group</i>	
	2004 \$	2003 \$	2004 \$	2003 \$
Staff loans	5,625	2,057	5,625	10,901
Receivable not later than one year (Note 9)	(3,125)	(1,932)	(3,125)	(10,776)
Receivable later than one year	2,500	125	2,500	125

Staff loans are unsecured, interest-free and repayable by monthly instalments over two to three years.

The loans were granted mainly to assist the staff to subscribe for the reserved shares allocated to them at the Initial Public Offering.

## 8 TRADE RECEIVABLES

The Group

Trade receivables are stated after allowance for doubtful debts of \$936,678 (2003 - \$627,437).

## 9 OTHER RECEIVABLES

	<i>The Company</i>		<i>The Group</i>	
	2004	2003	2004	2003
	\$	\$	\$	\$
Staff loans (Note 7)	3,125	1,932	3,125	10,776
Sundry receivables	364,695	11,852	497,630	218,438
Management fee receivable from subsidiaries	897,658	690,866	-	-
Prepayments	40,141	13,786	77,313	52,737
Deposits	301,225	-	323,562	5,100
Interest receivable	83,522	2,882	83,522	2,882
Tax recoverable	256,738	104,099	-	-
	<u>1,947,104</u>	<u>825,417</u>	<u>985,152</u>	<u>289,933</u>

## 10 CASH AND CASH EQUIVALENTS

	<i>The Company</i>		<i>The Group</i>	
	2004	2003	2004	2003
	\$	\$	\$	\$
Fixed deposits	15,700,000	17,600,000	15,700,000	17,600,000
Cash and bank balances	148,356	55,216	2,433,031	997,608
	<u>15,848,356</u>	<u>17,655,216</u>	<u>18,133,031</u>	<u>18,597,608</u>

Fixed deposits are placed with financial institutions and earned interest at the rates ranging from 0.283% to 0.938% (2003 – 0.375% to 1.375%) per annum.

## 11 SHARE CAPITAL

<i>The Company and The Group</i>	2004	2003	2004	2003
	<i>Number of shares</i>		<i>\$</i>	
Authorised ordinary shares of \$0.05 each	300,000,000	300,000,000	15,000,000	15,000,000
Issued and fully paid:				
Balance at beginning	136,640,000	135,000,000	6,832,000	6,750,000
Issued and fully paid				
– at a premium of \$0.27 per share	3,080,000	1,600,000	154,000	80,000
– at a premium of \$0.18 per share	200,000	40,000	10,000	2,000
– at a premium of \$0.195 per share	1,981,000	-	99,050	-
Balance at end	<u>141,901,000</u>	<u>136,640,000</u>	<u>7,095,050</u>	<u>6,832,000</u>

## 11 SHARE CAPITAL (cont'd)

The Company operates the Boardroom Share Option Scheme (the "Scheme"). Particulars of the Scheme have been set out in the Directors' Report for the financial period ended 30 June 2001. Information with respect to share options granted under the Scheme are as follows:

<i>The Company and The Group</i>	<i>2004</i>	<i>2003</i>
	<i>Number of options</i>	
Balance at beginning	9,073,000	7,750,000
Granted	2,589,000	3,178,000
Exercised	(5,261,000)	(1,640,000)
Cancelled	(644,000)	(215,000)
Balance at end	<u>5,757,000</u>	<u>9,073,000</u>

Details of share options granted and cancelled during the financial year are as follows:

<i>Exercise period</i>	<i>Exercise price</i>	<i>Granted</i>		<i>Cancelled</i>	
		<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
<i>Number of options</i>					
18.7.2004 to 17.7.2012	0.420	-	331,000	92,000	85,000
21.10.2004 to 20.10.2012	0.350	-	2,547,000	211,000	63,000
21.10.2003 to 20.10.2007	0.440	-	300,000	-	-
24.9.2003 to 23.9.2011	0.245	-	-	5,000	67,000
24.9.2002 to 23.9.2006	0.305	-	-	-	-
17.10.2005 to 16.10.2013	0.380	2,439,000	-	336,000	-
17.10.2004 to 16.10.2008	0.470	150,000	-	-	-
		<u>2,589,000</u>	<u>3,178,000</u>	<u>644,000</u>	<u>215,000</u>
Aggregate proceeds if shares are issued based on exercise price (\$)		<u>\$997,320</u>	<u>\$1,162,470</u>		

Details of share options exercised during the financial year are as follows:

<i>Exercise period</i>	<i>Exercise price</i>	<i>Number of options exercised</i>	
		<i>2004</i>	<i>2003</i>
17.8.2002 to 16.8.2010	\$0.320	3,080,000	1,600,000
17.1.2003 to 16.1.2011	\$0.230	200,000	40,000
24.9.2003 to 23.9.2011	\$0.245	1,981,000	-
		<u>5,261,000</u>	<u>1,640,000</u>
Aggregate proceeds of shares issued (\$)		<u>\$1,516,945</u>	<u>\$521,200</u>

## 11 SHARE CAPITAL (cont'd)

Terms of share options outstanding as at 30 June 2004 are as follows:

<i>Exercise period</i>	<i>Exercise price</i>	<i>Number outstanding</i>	<i>Number exercisable</i>
17.8.2002 to 16.8.2010	\$0.320	60,000	60,000
17.8.2001 to 16.8.2005	\$0.390	300,000	300,000
24.9.2003 to 23.9.2011	\$0.245	117,000	117,000
24.9.2002 to 23.9.2006	\$0.305	300,000	300,000
18.7.2004 to 17.7.2012	\$0.420	154,000	-
21.10.2004 to 20.10.2012	\$0.350	2,273,000	-
21.10.2003 to 20.10.2007	\$0.440	300,000	300,000
17.10.2005 to 16.10.2013	\$0.380	2,103,000	-
17.10.2004 to 16.10.2008	\$0.470	150,000	-
		5,757,000	1,077,000

## 12 CAPITAL RESERVES (NON-DISTRIBUTABLE)

	<i>The Company</i>		<i>The Group</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
Share premium (Note 13)	12,638,446	11,384,551	12,638,446	11,384,551
Reserve arising on consolidation	-	-	358,964	358,964
	12,638,446	11,384,551	12,997,410	11,743,515

## 13 SHARE PREMIUM

<i>The Company and The Group</i>	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>Number of shares</i>		<i>\$</i>	<i>\$</i>
Balance at beginning			11,384,551	10,945,351
Issue of				
– ordinary shares at a premium of \$0.27 per share	3,080,000	1,600,000	831,600	432,000
– ordinary shares at a premium of \$0.18 per share	200,000	40,000	36,000	7,200
– ordinary shares at a premium of \$0.195 per share	1,981,000	-	386,295	-
Balance at end			12,638,446	11,384,551

#### 14 (DEFERRED TAX ASSETS)/DEFERRED TAXATION

	<i>The Company</i>		<i>The Group</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	\$	\$	\$	\$
Balance at beginning	12,200	7,600	8,200	42,600
Transfer from/(to) income statement (Note 19)	61,800	4,600	(29,200)	(34,400)
Balance at end	74,000	12,200	(21,000)	8,200
Represented by:				
Deferred tax assets	-	-	(123,000)	(51,000)
Deferred taxation	74,000	12,200	102,000	59,200
	74,000	12,200	(21,000)	8,200
The balance comprises tax on:				
Interest receivable	17,000	600	17,000	600
Excess of net book value over tax written down value of qualifying property, plant and equipment	57,000	11,600	118,500	98,600
Provision for doubtful debts	-	-	(156,500)	(100,000)
Others	-	-	-	9,000
	74,000	12,200	(21,000)	8,200

#### 15 EXCESS OF PROGRESS BILLING OVER WORK-IN-PROGRESS

	<i>2004</i>	<i>2003</i>
<i>The Group</i>	\$	\$
Work-in-progress	8,411,865	2,180,255
Less:		
Provision for anticipated losses	(678,111)	(433,433)
	7,733,754	1,746,822
Progress billings	(7,764,633)	(2,648,815)
	(30,879)	(901,993)

#### 16 OTHER OPERATING INCOME

	<i>2004</i>	<i>2003</i>
<i>The Group</i>	\$	\$
Interest income - fixed deposits	128,064	109,752
Gross dividend from quoted equity investment	77	77
Other income	18,392	20,353
	146,533	130,182

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**17 STAFF COSTS**

<i>The Group</i>	2004 \$	2003 \$
Directors' remuneration other than fees		
– directors of the Company		
– Salaries and related expenses	1,530,595	1,481,202
– CPF contributions	61,244	77,984
Staff costs		
– Salaries and related expenses	6,611,113	6,400,272
– CPF contributions	736,035	888,587
	<u>8,938,987</u>	<u>8,848,045</u>

**18 PROFIT BEFORE TAXATION**

<i>The Group</i>	Note	2004 \$	2003 \$
Profit before taxation has been arrived at			
after charging:			
Amortisation of intangible assets	5	649,292	632,183
Auditors' remuneration			
– auditors of the company			
– audit fee		39,990	40,000
– non-audit fee		11,500	7,000
Bad debts written off – trade		3,467	88,740
Depreciation of property, plant and equipment	4	224,519	304,448
Directors' fee		129,048	126,000
Doubtful debts – trade		309,242	130,700
Operating lease rentals		682,037	707,915
and crediting:			
Allowance for doubtful debts written back – trade		-	42,521
Bad debts recovered – trade		-	1,456
Profit on sale of property, plant and equipment		280	-

## 19 TAXATION

<i>The Group</i>	<i>2004</i> \$	<i>2003</i> \$
Current taxation	1,335,666	1,554,992
Deferred taxation (Note 14)	(29,200)	(34,400)
	<u>1,306,466</u>	<u>1,520,592</u>
Overprovision of current taxation in respect of prior years	(64,553)	(6,299)
	<u>1,241,913</u>	<u>1,514,293</u>

The tax expense on the results of the financial year for the Group varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on the Group's profits as a result of the following differences:

Profit before taxation	6,335,932	6,324,391
Tax at statutory rate of 20% (2003 - 22%)	1,267,187	1,391,366
Change in tax rate of 2% (2003 - Nil%)	(52,042)	-
Tax effect on non-deductible expenses	122,821	163,876
Singapore statutory stepped income exemption	(31,500)	(34,650)
	<u>1,306,466</u>	<u>1,520,592</u>

## 20 DIVIDEND

At the Annual General Meeting, a final dividend of \$0.01925 per share less tax at 20% amounting to \$2,185,275 will be proposed. These financial statements do not reflect these dividends payable, which will be accounted for in shareholder's equity as distribution of retained profits in the financial year ending 30 June 2005.

## 21 EARNINGS PER SHARE

The earnings per share is calculated based on the Group profit after taxation of \$5,094,019 (2003 - \$4,810,098) on the weighted average number of shares in issue of 140,586,081 (2003 - 135,571,664) shares during the financial year.

Fully diluted earnings per share was calculated on the Group profit after taxation of \$5,094,019 (2003 - \$4,810,098) divided by 141,718,743 (2003 - 137,840,941) ordinary shares. The ordinary shares were calculated based on the assumption that the holders of the exercisable share options exercised their subscription rights at the respective exercise prices.

## 22 DISCLOSURE OF DIRECTORS' REMUNERATION

The following number of directors of the Company in remuneration bands is disclosed in compliance with paragraph 4 of Appendix 11 of the SGX-ST Listing Manual:

<i>Number of directors</i>	2004	2003
\$500,000 and above	-	2
\$250,000 to \$499,999	3	2
below \$250,000	4	2
	<u>7</u>	<u>6</u>

	<i>Yvonne Choo</i>		<i>Tan Cher Liang</i>		<i>Thomas Yeoh Eng Leong</i>	
	2004	2003	2004	2003	2004	2003
	%	%	%	%	%	%
<u>\$250,000 to \$499,999</u>						
Fee	-	-	-	-	-	9
Salary	61	52	53	47	66	62
Bonus	5	4	5	4	8	5
Allowance	1	1	1	1	12	11
Profit share	28	38	36	43	11	10
CPF contributions	5	5	5	5	3	3
Notice in lieu	-	-	-	-	-	-
	<u>100</u>	<u>100*</u>	<u>100</u>	<u>100*</u>	<u>100</u>	<u>100</u>

	<i>Evelyn Tan</i>		<i>Sim Cheok Lim</i>		<i>Elizabeth Sam</i>		<i>Thomas Brian Stevenson</i>	
	2004	2003	2004	2003	2004	2003	2004	2003
	%	%	%	%	%	%	%	%
<u>below \$250,000</u>								
Fee	-	-	100	100	100	100	100	-
Salary	29	79	-	-	-	-	-	-
Bonus	-	13	-	-	-	-	-	-
Allowance	1	1	-	-	-	-	-	-
Profit share	-	-	-	-	-	-	-	-
CPF contributions	1	7	-	-	-	-	-	-
Notice in lieu	69	-	-	-	-	-	-	-
	<u>100</u>	<u>100**</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>-</u>

\* Remuneration paid in 2003 to Yvonne Choo and Tan Cher Liang were \$500,000 and above.

\*\* Remuneration paid in 2003 to Evelyn Tan was between \$250,000 to \$499,999.

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## 23 STATEMENT OF OPERATIONS BY SEGMENT

### *The Group*

#### **(a) Business Segments**

The Group is a professional business services group and the core services provided are corporate secretarial, share registration and accounting.

##### **Corporate Secretarial**

The Group provides secretarial services mainly to private limited companies and to corporations listed on the SGX-ST. Services under Corporate Secretarial include acting as company secretary and providing corporate secretarial consultancy, advisory, assistance and support.

##### **Share Registration**

Services are provided predominantly to corporations listed on the SGX-ST. Under Share Registration, the services provided include acting as share registrar, share transfer agent and warrant agent.

##### **Accounting**

Services rendered include book-keeping, preparation of financial statements, payroll and payment processing and Goods and Services Tax accounting.

Segment accounting policies are the same as the policies included in Note 2.

##### **Others**

This represents gross dividend income from unquoted investment in subsidiaries.

### 23 STATEMENT OF OPERATIONS BY SEGMENT (cont'd)

	<i>Corporate secretarial</i>	<i>Share registration</i>	<i>Accounting</i>	<i>Others</i>	<i>Elimination</i>	<i>Consolidated</i>
<b>2004</b>	\$	\$	\$	\$	\$	\$
<b>Revenue</b>						
External sales	9,900,755	5,210,878	6,654,666	-	-	21,766,299
Inter-segment sales	-	-	-	-	-	-
	9,900,755	5,210,878	6,654,666	-	-	21,766,299
<b>Results</b>						
Profit from operations	4,224,652	832,738	1,800,746	2,565,000	(2,565,000)	6,858,136
Unallocated corporate expenses						(650,268)
Interest income						128,064
Profit before taxation						6,335,932
Income taxes						(1,241,913)
Profit for the year from ordinary activities						5,094,019
<b>Other information</b>						
Segment assets	6,730,805	2,621,963	6,207,019	2,048,395	(897,658)	16,710,524
Unallocated corporate assets						17,310,742
Consolidated total assets						34,021,266
Segment liabilities	2,428,508	177,469	771,044	465,523	(897,658)	2,944,886
Unallocated corporate liabilities						1,445,508
Consolidated total liabilities						4,390,394
Capital expenditure						
– property, plant and equipment	9,680	56,072	11,395	96,582	-	173,729
– intangible assets	-	6,387	-	209,515	-	215,902
Depreciation and amortisation expenses	224,117	38,701	576,125	34,868	-	873,811
Allowance for doubtful debts	252,047	55,199	1,996	-	-	309,242

### 23 STATEMENT OF OPERATIONS BY SEGMENT (cont'd)

	<i>Corporate secretarial</i>	<i>Share registration</i>	<i>Accounting</i>	<i>Others</i>	<i>Elimination</i>	<i>Consolidated</i>
<b>2003</b>	\$	\$	\$	\$	\$	\$
<b>Revenue</b>						
External sales	10,459,300	4,768,115	6,670,952	-	-	21,898,367
Inter-segment sales	-	-	-	-	-	-
	10,459,300	4,768,115	6,670,952	-	-	21,898,367
<b>Results</b>						
Profit from operations	4,279,624	630,608	1,679,909	5,300,000	(5,300,000)	6,590,141
Unallocated corporate expenses						(375,502)
Interest income						109,752
Profit before taxation						6,324,391
Income taxes						(1,514,293)
Profit for the year from ordinary activities						4,810,098
<b>Other information</b>						
Segment assets	5,262,361	1,738,010	5,799,666	805,744	(690,866)	12,914,915
Unallocated corporate assets						18,211,202
Consolidated total assets						31,126,117
Segment liabilities	1,949,142	383,271	810,189	690,549	(690,866)	3,142,285
Unallocated corporate liabilities						1,755,407
Consolidated total liabilities						4,897,692
Capital expenditure						
– property, plant and equipment	74,435	17,465	195,250	51,939	-	339,089
– intangible assets	1,508,578	35,635	4,448,874	-	-	5,993,087
Depreciation and amortisation expenses	262,575	61,011	604,053	8,992	-	936,631
Allowance for doubtful debts	125,367	5,333	-	-	-	130,700

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## 23 STATEMENT OF OPERATIONS BY SEGMENT (cont'd)

*The Group*

### (b) Geographical Segments

The Group's businesses are carried out in Singapore.

### (c) Segment revenue and expense

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

### (d) 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 and intangible assets, net of allowances and provisions.

Segment liabilities include all operating liabilities and consist principally of operating payables and excess of billings over work-in-progress.

Segment assets and liabilities do not include deferred tax assets, provision for taxation and deferred taxation.

## 24 OPERATING LEASE COMMITMENTS

At the balance sheet date, the Group was 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.

	<i>The Company</i>		<i>The Group</i>	
	2004	2003	2004	2003
	\$	\$	\$	\$
Not later than one year	687,307	-	701,130	184,790
Later than one year and not later than five years	991,313	-	1,001,336	51,870
Later than five years	-	-	-	-

The leases on the Group's office equipment on which rentals are payable will expire between 26 January 2005 and 21 August 2007, subject to an option to renew and the current rent payable on all leases range from \$282 per month to \$403 per month which are subject to revision on renewal.

The lease on the group's office premises for which rental is payable will expire on 4 August 2005 and 31 December 2006 subject to an option to renew and the current rent payable on the leases are \$2,332, \$2,526 and \$52,421 per month respectively which are subject to revision on renewal.

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## 25 COMMITMENTS

<i>The Company and The Group</i>	<i>2004</i>	<i>2003</i>
	\$	\$
Uncalled capital contribution in associate	1,620,948	-

## 26 FINANCIAL RISK MANAGEMENT

The Company's and the Group's risk management policies and guidelines are summarised below:

The Company and the Group do not hold or issue derivative financial instruments for trading or hedging purposes. The Company's and the Group's exposure to financial risks associated with financial instruments held in the normal course of business include:

### 26.1 Currency risk

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

The Company's and the Group's operational activities are carried out in Singapore dollars which is the functional currency. All transactions are paid for mainly in local currency. Exposure to any risk arising from movements in foreign currencies exchange rates is minimal.

### 26.2 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Company and the Group have no exposure to movements in market interest rates other than the fixed deposits placed with financial institutions which earn interest at the rates ranging from 0.283% to 0.938% (2003 - 0.375% to 1.375%) per annum.

### 26.3 Market risk

Market risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The Company and the Group do not hold any quoted or marketable financial instrument hence, are not exposed to any movements in market prices.

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## **26 FINANCIAL RISK MANAGEMENT (cont'd)**

### **26.4 Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Management has a credit control policy in place. The credit risk and amount outstanding is monitored on an ongoing basis. With this credit control policies and collection procedures in place, the credit risk is mitigated substantially. The Company and the Group do not require collateral from customers.

Cash is held with financial institutions of good standing.

At balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial assets in the balance sheet.

### **26.5 Liquidity risk**

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company and the Group ensure that there are adequate funds to meet all their obligations in a timely and cost-effective manner.

### **26.6 Cash flow risk**

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount.

The Company and the Group are not exposed to any cash flows risk as they do not have any monetary financial instruments with variable interest rates.

The Company and the Group maintain sufficient level of cash to meet their working capital requirements.

## **27 FINANCIAL INSTRUMENTS**

### **Fair values**

The carrying amounts of the financial assets and financial liabilities as reflected in the balance sheet approximate their respective fair values.

# STATISTICS OF SHAREHOLDINGS

AS AT 15 SEPTEMBER 2004

## SHAREHOLDERS' INFORMATION AS AT 15 SEPTEMBER 2004

Authorised share capital	:	\$15,000,000
Issued and fully paid-up capital	:	\$7,110,300
Class of shares	:	Ordinary share of \$0.05 each
Voting rights	:	One vote per share

## DISTRIBUTION OF SHAREHOLDINGS

<i>Size of Holdings</i>	<i>No. of Shareholders</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
1 - 999	2	0.20	1,035	0.00
1,000 - 10,000	650	63.41	3,190,000	2.24
10,001 - 1,000,000	345	33.66	21,925,546	15.42
1,000,001 and above	28	2.73	117,089,419	82.34
TOTAL	1,025	100.00	142,206,000	100.00

## TWENTY LARGEST SHAREHOLDERS

<i>No.</i>	<i>Name</i>	<i>No. of Shares</i>	<i>%</i>
1	Seapac Investment Pte Ltd	18,093,290	12.72
2	Merrill Lynch (Singapore) Pte Ltd	16,624,675	11.69
3	Citibank Nominees Singapore Pte Ltd	11,117,000	7.82
4	HSBC (Singapore) Nominees Pte Ltd	5,844,000	4.11
5	Ho Ai Lian	5,174,593	3.64
6	Pok Soy Yoong	4,423,442	3.11
7	Chow Gan Soong	4,339,981	3.05
8	Wong Chau Yuen	3,839,214	2.70
9	Lek Soo Ngoh	3,822,522	2.69
10	Tan Wee Khim	3,822,522	2.69
11	Koh Wan Lee	3,722,522	2.62
12	Tan Man Eng	3,588,830	2.52
13	Ng Yau Huang	3,507,000	2.47
14	Jen Shek Voon	3,505,369	2.46
15	Teo Siew Lee Deborah	2,707,481	1.90
16	Subbalakshmi Sivaram	2,428,720	1.71
17	Timms Steven Martin	2,304,369	1.62
18	Tan Cher Liang	2,155,000	1.52
19	Chin Chen Keong	2,101,720	1.48
20	Yvonne Choo Mrs Yvonne Goh	2,050,000	1.44
	Total	105,172,250	73.96

## Percentage of Shareholding in Public's Hands

78.0% 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.

## Substantial Shareholders (As Recorded in the Register of Substantial Shareholders)

<i>No.</i>	<i>Name</i>	<i>No. of Shares</i>	<i>%</i>
1	Seapac Investment Pte Ltd	18,093,290	12.72
2	Third Avenue Management LLC	10,695,000	7.52

# NOTICE OF ANNUAL GENERAL MEETING

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NOTICE IS HEREBY GIVEN that the Annual General Meeting of Boardroom Limited ("the Company") will be held at Grand Hyatt Singapore, Vanda Room 1, Level 3, 10 Scotts Road, Singapore 228211 on Friday, 22 October 2004 at 9.30 a.m. for the following purposes:

## AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company for the year ended 30 June 2004 together with the Auditors' Report thereon. **(Resolution 1)**
2. To declare a final dividend of 38.5% (or 1.925 cents per share) less income tax for the year ended 30 June 2004 (2003 : 38% or 1.9 cents per share). **(Resolution 2)**
3. To re-elect Elizabeth Sam who is retiring pursuant to Article 111 of the Company's Articles of Association. **(Resolution 3)**  
  
\*Elizabeth Sam will, upon re-election as Director of the Company, remain a member of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of Listing Manual of the Singapore Exchange Securities Trading Limited.
4. To note the retirement of Mr Thomas Brian Stevenson, a Director retiring under Article 120 of the Company's Articles of Association.  
  
(Thomas Brian Stevenson will not be seeking re-election as a Director.)
5. To approve the payment of Directors' fees of S\$147,000 for the year ending 30 June 2005 to be paid quarterly in arrears (2004: S\$147,000). **(Resolution 4)**
6. To re-appoint Foo Kon Tan Grant Thornton as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 5)**
7. 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 as Ordinary Resolutions, with or without any modifications:

8. Authority to allot and issue shares up to 50 per centum (50%) of issued share capital

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Directors be empowered to allot and issue shares and convertible securities in the capital of the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares (including shares to be issued in accordance with the terms of convertible securities issued, made or granted pursuant to this Resolution) to be allotted and issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the issued share capital of the Company at the time of the passing of this Resolution, of which the aggregate number of shares and convertible securities to be issued other than on a pro rata basis to all shareholders of the Company shall not exceed twenty per centum (20%) of the issued share capital of the Company and that such authority shall, unless revoked or varied by the Company in general meeting, continue in force (i) until the conclusion of the Company's next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in accordance with the terms of convertible securities issued, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of such convertible securities.

[See Explanatory Note (i)]

**(Resolution 6)**

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## 9. AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE BOARDROOM SHARE OPTION SCHEME

That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors be authorised and empowered to allot and issue shares in the capital of the Company to all the holders of options granted by the Company, whether granted during the subsistence of this authority or otherwise, under the Boardroom Share Option Scheme ("the Scheme") upon the exercise of such options and in accordance with the terms and conditions of the Scheme, provided always that the aggregate number of additional ordinary shares to be allotted and issued pursuant to the Scheme shall not exceed fifteen per centum (15%) of the issued share capital of the Company from time to time.

[See Explanatory Note (ii)]

**(Resolution 7)**

By Order of the Board

**Tan Cher Liang**

**Tan San-Ju**

Secretaries

Singapore, 6 October 2004

Explanatory Notes:

- (i) The Ordinary Resolution 6 proposed in item 8 above, if passed, will empower the Directors from the date of this Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or when varied or revoked by the Company in general meeting, whichever is the earlier, to allot and issue shares and convertible securities in the Company. The number of shares and convertible securities that the Directors may allot and issue under this resolution would not exceed fifty per centum (50%) of the issued capital of the Company at the time of the passing of this resolution. For issue of shares and convertible securities other than on a pro rata basis to all shareholders, the aggregate number of shares and convertible securities to be issued shall not exceed twenty per centum (20%) of the issued capital of the Company.

For the purpose of this resolution, the percentage of issued capital is based on the Company's issued capital at the time this proposed Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this proposed Ordinary Resolution is passed and any subsequent consolidation or subdivision of shares.

- (ii) The Ordinary Resolution 7 proposed in item 9 above, if passed, will empower the Directors of the Company, from the date of the above Meeting until the next Annual General Meeting, to allot and issue shares in the Company of up to a number not exceeding in total fifteen per centum (15%) of the issued share capital of the Company from time to time pursuant to the exercise of the options under the Scheme.

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a Member of the Company.
2. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 10 Collyer Quay #19-08 Ocean Building, Singapore 049315 not less than 48 hours before the time appointed for holding the Meeting.

# NOTICE OF BOOKS CLOSURE

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**NOTICE IS HEREBY GIVEN** that the Share Transfer Books and Register of Members of Boardroom Limited (the “Company”) will be closed on 3 November 2004 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company’s Share Registrar, Lim Associates (Pte) Ltd, 10 Collyer Quay #19-08 Ocean Building, Singapore 049315 up to 5.00 p.m. on 2 November 2004 will be registered to determine shareholders’ entitlements to the said dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 2 November 2004 will be entitled to the proposed dividend.

Payment of the dividend, if approved by members at the Annual General Meeting to be held on 22 October 2004 will be made on 19 November 2004.

# PROXY FORM

## Boardroom Limited

(Incorporated in The Republic of Singapore with limited liability)

### Important

1. For investors who have used their CPF monies to buy Boardroom Limited's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, \_\_\_\_\_

of \_\_\_\_\_

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

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

and/or (delete as appropriate)

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

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held on 22 October 2004 at 9.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

No.	Resolutions Relating To:	For	Against
1.	Directors' Report and Accounts for the year ended 30 June 2004		
2.	Payment of proposed final dividend		
3.	Re-election of Elizabeth Sam as a Director		
4.	Approval of Directors' fees amounting to S\$147,000 for the year ending 30 June 2005		
5.	Re-appointment of Foo Kon Tan Grant Thornton as Auditors		
6.	Authority to allot and issue new shares		
7.	Authority to allot and issue shares under the Boardroom Share Option Scheme		

(Please indicate your vote "For" or "Against" with a tick ✓ within the box provided.)

Dated this \_\_\_\_\_ day \_\_\_\_\_ of 2004

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

\_\_\_\_\_  
Signature of Shareholder(s) or,  
Common Seal of Corporate Shareholder

Please see notes overleaf before completing this form

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your 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 you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 10 Collyer Quay #19-08 Ocean Building, Singapore 049315 not less than 48 hours before the time appointed for the Meeting.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his 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.
6. 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 name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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Boardroom Limited  
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#19-08 Ocean Building  
Singapore 049315





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