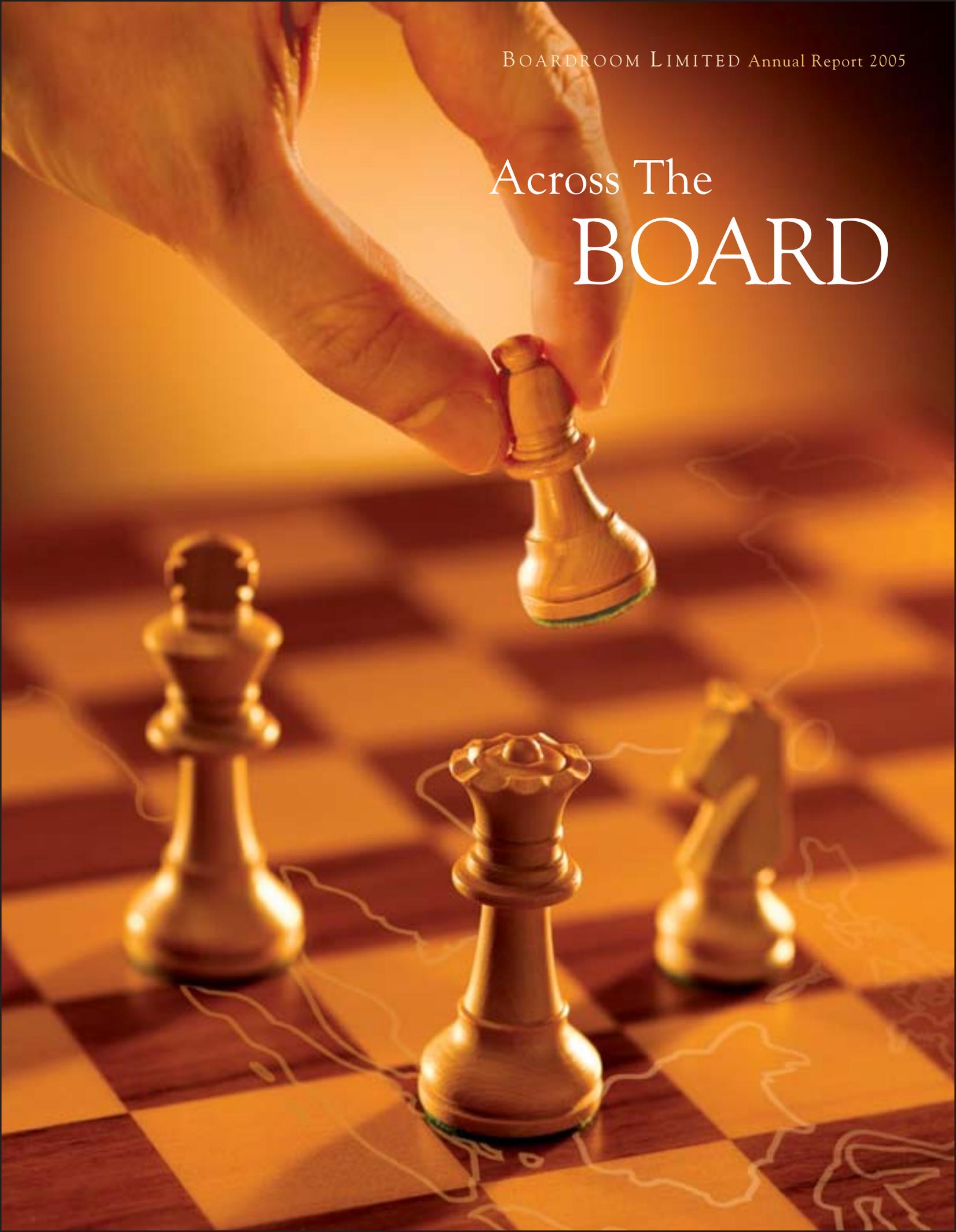


BOARDROOM LIMITED Annual Report 2005

Across The BOARD



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MISSION

Statement



We aim to be the company of choice in the provision of professional business and corporate services in Singapore and the Asia Pacific region. Our people are our foremost resource. The recruitment and retention of the right professionals as members of our team is a key success factor in our business.

Our clients provide the lifeblood for the company. In acknowledging this, we will strive to provide them with value-added service that will enable them to benefit from the outsourcing of their professional and corporate services.

Chairman's Message

Dear Shareholders

I am pleased to address you as the new Chairman of Boardroom Limited. Since joining the Board in November 2004, I have been involved with the Management to push through a number of corporate initiatives aimed at growing our business throughout the Asia Pacific region.

The Year in Review

We made two major acquisitions earlier this year which have greatly enlarged our footprint in Asia and is in line with our strategy to build Boardroom into a major provider of business services in the region.

In March this year, we announced the acquisition of Asialink Services, the corporate secretarial, accounting, payroll and trade support service businesses of Hong Kong-based RSM Nelson Wheeler (RSM). This acquisition was completed on 3 June 2005 for HK\$112 million, equivalent to about S\$24.1 million.

RSM, established in 1975, is one of the leading accounting and consulting firms in Hong Kong, offering a wide range of services to local and international clients.

The acquisition of Asialink was our largest to date and marked a very important step to grow Boardroom into a regional business. Hong Kong and Singapore are complementary business cities. Most global MNCs have their Asian headquarters in one or the other city and many are represented in both centres.

With Asialink, we are now better placed to offer a regional service to clients of Boardroom both in Singapore and in Hong Kong.

Two months after the acquisition of Asialink, we announced in May the acquisition of four leading corporate secretarial services firms in Malaysia for a cash consideration of RM13.4 million, equivalent to approximately S\$6 million.

The four companies are:

- M&C Services Sdn Bhd;
- M&C Services (Johor) Sdn Bhd, formerly known as 3-Link Corporate Services Sdn Bhd;
- M&C Services (Penang) Sdn Bhd, formerly known as Agriteum Sdn Bhd; and
- K3 Corporate Services Sdn Bhd

Established in 1960, M&C Services is a leading corporate secretarial support services provider associated with KPMG Malaysia, one of the Big Four certified public accountants in Malaysia. Similarly, K3 Corporate Services, 3-Link Corporate Services and Agriteum were spun off from M&C with a management buy-out of part of M&C's businesses five years ago. These three companies continue to be close business partners of M&C.

The acquisition of these four companies, which was completed on 26 May 2005, gave Boardroom an instant foothold in the growing Malaysian market.

We managed to retain all the key members of the management team who possess a wealth of experience in the Malaysian market. They have agreed to remain with the Group and enter into 3-year contracts with the respective companies, thus ensuring continuity.

Rights Issue

As the Hong Kong and Malaysian acquisitions were substantially financed using our internal resources as well as bank borrowings, we had fully deployed our surplus cash resources.

As we intend to pursue further business acquisitions in line with our strategy of regional expansion, we successfully raised \$10.8 million from a renounceable non-underwritten 1-for-4 rights issue in July this year.

FY2005 Financial Review

We continue to operate in a very competitive business environment especially in Singapore. However, the timely acquisitions of our Malaysian and Hong Kong subsidiaries provided a lift, albeit marginally, to the Group results for the financial year ended 30 June 2005. These subsidiaries only contributed their results for the month of June.

Total fee revenue for FY2005 increased by 1.7% to \$18.6 million. Despite the inclusion of fee revenue for the month of June from our Malaysian and Hong Kong subsidiaries, revenue for **Corporate Secretarial** business declined by 2.5% due mainly to competition, pricing pressure and changes in regulatory requirements experienced by our business in Singapore.

The **Share Registration** business, however, registered a 12.5% increase in revenue due mainly to the increased number of clients and their level of corporate activities.

The **Accounting** business also recorded a 2.7% increase in revenue due mainly to the inclusion of fee revenue from our Hong Kong subsidiary.

For FY2005, operating profit before tax decreased by 6.2% to \$5.9 million. This was despite the contribution in the last quarter from our Malaysian and Hong Kong subsidiaries and a slight contribution from our 35% equity interest in Talent Shanghai Co., Ltd.

Operating profit after tax for FY2005 declined 10% to \$4.58 million.

During the year, staff costs increased by 7.2% due mainly to inclusion of staff costs from our Malaysian and Hong Kong subsidiaries. Operating expenses however decreased by 1.5% due to a lower provision for doubtful debts.

Dividend

I am pleased to announce that Directors have recommended payment of a final taxed dividend amounting to \$578,628 and a final tax exempt dividend amounting to \$2.17 million. This brings the total dividends to \$2.74 million. If approved by shareholders at the forthcoming AGM, the dividends will be paid on 21 November 2005 and 22 November 2005 respectively.

Together with an interim dividend paid during the year, the total dividend declared and proposed for FY2005 will amount to approximately \$3.9 million (FY2004:\$3.3 million), representing an increase of 18.2%.

Promotion of Key Personnel in Singapore

During the year, we announced the promotion of three of our most senior managers, each of whom has more than 20 years experience in their respective fields.

They are:

- Robert Baey Cheng Song who was promoted from Senior Manager (Accounting & Payroll Services) to Director of Ee Peng Liang Consultants Pte Ltd;
- Ms Tan San-Ju from Senior Manager (Corporate Secretarial Services) to Director of Lim Associates (Pte) Ltd; and
- Mr David Woo Soon Cheong from Senior Manager (Share Registration Services) to Director of Lim Associates (Pte) Ltd.

Going Forward

The economic and business outlook in the Asia Pacific region including Singapore remains positive for the coming year.

However, increased business costs and the competitive environment in the Singapore market will continue to affect our core businesses and profit margins.

We will continue to invest in improving our service standards and customer reach. Thus we are confident of maintaining our market share in all our core businesses in Singapore.

We see growth opportunities arising from the expansion of our regional businesses and the range of services that we have to offer our clients. As such, the enlarged Group is expected to perform better in FY2006.

Going forward, the Company will be announcing its results on a quarterly basis. In addition, the segmental revenue and results will be presented by geographical segments following our regional expansion into Hong Kong, Malaysia and China.

Appreciation

Lastly, on behalf of the Board, I would like to take this opportunity to express my appreciation to everybody – management and staff and our business partners as well as our shareholders, and I look forward to your continued support.

Goh Geok Khim

Chairman

Boardroom Limited



Board of
DIRECTORS



Goh Geok Khim

Chairman and Non-Executive Director

Appointed as Chairman and Non-Executive Director on 18 November 2004, Mr Goh is also the Chairman and Managing Director of G. K. Goh Holdings Ltd, which owns a 29.24% stake in Boardroom. Mr Goh is also Chairman of Federal Iron Works Sdn Bhd and a Non-Executive Director of Lam Soon (M) Bhd. He is Adviser to CIMB-GK Pte Ltd, the stockbroking group sold by G.K.Goh Holdings to CIMB Bhd in 2005. Mr Goh also serves as a member of the Disciplinary Committee of the Singapore Exchange Securities Trading Ltd, and sits on the National Heritage Board. Mr Goh has a Bachelor of Science degree in Civil Engineering from the University of Colorado.

Goh Yew Lin

Alternate Non-Executive Director (to Goh Geok Khim)

Appointed as an Alternate Director to Mr Goh Geok Khim on 18 November 2004, Mr Goh is also an Executive Director of G.K.Goh Holdings Ltd and serves on the boards of various group companies. Following the latter's sale of its stockbroking businesses to CIMB, Mr Goh was also appointed as Executive Deputy Chairman of CIMB-GK Pte Ltd. Mr Goh is an independent non-executive director of Temasek Holdings Pte Ltd, Boyer Allen Management Ltd, Boyer Allen Pacific Fund Inc, Value Managers Ltd and Value Monetization Ltd. He is also Chairman of the Yong Siew Toh Conservatory of Music at the National University of Singapore, Deputy Chairman of the Singapore Symphonia Company Ltd and is a Council Member of the Nanyang Academy of Fine Arts. Mr Goh holds a Bachelor of Science (Economics) degree from the University of Pennsylvania's Wharton School.

Mak Lye Mun

Non-Executive Director

Appointed as Non-Executive Director on 18 November 2004, Mr Mak also heads Investment Banking in CIMB-GK Securities Pte. Ltd. Mr Mak has worked in various senior positions in the financial industry within Singapore and was responsible for building and developing the corporate finance business for the financial institutions that he worked for. Mr Mak is a Non-Executive Director of Tat Hong Holdings Limited. He is also the Alternate Director to Mr Goh Yew Lin for Value Managers Ltd and Value Monetization Limited. Mr Mak has a Bachelor of Civil Engineering (First Class Honours) degree from the University of Malaya in Malaysia and a Master of Business Administration degree from the University of Texas at Austin in the United States. Mr Mak is also a qualified Chartered Financial Analyst.

Sim Cheok Lim

Independent Director

Appointed as Chairman and Director in 2000 and re-elected at the AGM in 2002, Mr Sim recently stepped down as Chairman and remains a Non-Executive Director. He chairs the Audit Committee and is a member of the Nominating Committee. He is an Independent Director of JEL Corporation (Holdings) Ltd and Vicom Ltd, and was an Independent Director of Keppel Telecommunications and Transportation Ltd from 1985 to 2004. 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 1994, and its 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 in 2003. He also received the Public Service Medal (PBM) in 1998.

Elizabeth Sam

Independent Director

Appointed as Non-Executive Director in 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 reorganization in 1983 till its merger with the Stock Exchange of Singapore and she served 2 three-year terms as Chairman. She was awarded the BBM, Republic of Singapore in 1996 for contributions to financial centre developments. Mrs Sam graduated from the University of Singapore with BA (Hons) Economics.

William Wong Tien Leong

Independent Director

Appointed as an Independent Director on 14 January 2005, Mr Wong is also a member of the Audit and Remuneration Committees. Mr Wong graduated from the National University of Singapore with a law degree and was called to the bar in 1985. Mr Wong did his pupillage with Arthur Loke & Partners which was affiliated with Baker McKenzie from July 1985 to March 1986. Upon completion of his pupillage, he joined Laycock & Ong, one of Singapore's oldest law firms from April 1986 to January 1994. Since February 1994, he has been a Partner with Francis Khoo & Lim. Mr Wong's field of practice involving mainly corporate commercial matters includes extensive travelling and dealings with lawyers and other professionals in foreign jurisdictions.

Executive Directors

Thomas Yeoh Eng Leong

Managing Director & CEO

Appointed as Non-Executive Director in 2000 and re-elected at the AGM in 2001, Mr Yeoh assumed the position of Managing Director and CEO in January 2003. He has been a Director of Lim Associates (Pte) Ltd and Ee Peng Liang Consultants Pte Ltd since 2003. In addition, he was appointed as a Director of Asialink Services (HK) Limited in December 2004 and a Director of M&C Boardroom Malaysia Sdn Bhd in April 2005. He was also appointed as a Director of K-3 Corporate Services Sdn Bhd, M&C Services Sdn Bhd, M&C Services (Johor) Sdn Bhd and M&C Services (Penang) Sdn Bhd in May 2005.

Mr Yeoh is also a member of the Board of Governors of Nanyang Polytechnic and a Director of Global Active Limited. 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.

Sebastian Tan Cher Liang

Managing Director & Finance Director

Appointed as a Director of the Company at its inception on 5 May 2000 and Joint Managing Director and Finance Director on 1 July 2000. He was redesignated a Managing Director on 1 January 2003. Mr Tan was also appointed as Joint Company Secretary on 1 July 2004. He has been a Director of Lim Associates (Pte) Ltd and Ee Peng Liang Consultants Pte Ltd since 1992 and 1994 respectively. In addition, he was appointed as a Director of Asialink Services (HK) Ltd in June 2005 and a Director of M&C Boardroom Malaysia Sdn Bhd, K-3 Corporate Services Sdn Bhd, M&C Services Sdn Bhd, M&C Services (Johor) Sdn Bhd, M&C Services (Penang) Sdn Bhd in May 2005. Prior to that, he was with Ernst & Young for about 20 years.

Mr Tan was appointed as Non-Executive Director of Freight Links Express Holdings Limited on 5 November 2003. He chairs the Audit Committee and is a member of the Remuneration Committee. He is also presently a Director and Treasurer of Children's Charity Association and a Director of D S Lee Foundation.

He 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.

Management Team

Thomas Yeoh Eng Leong

Sebastian Tan Cher Liang

Management Team (Singapore)

Robert Baey Cheng Song

Director

Accounting & Payroll

Mr Robert Baey Cheng Song joined Ee Peng Liang Consultants Pte Ltd in March 1996 and is currently the Director 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.

Tan San-Ju

Director

Corporate Secretarial

Ms Tan San-Ju, Director of Lim Associate (Pte) Ltd, is in-charge of the 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. She joined Arthur Young Management Consultants Pte Ltd in 1988, which merged with Lim Associates (Pte) Ltd in 1990. She brings with her more than 20 years' experience in the industry.

David Woo Soon Cheong

Director

Share Registration

Mr David Woo Soon Cheong is the Director 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.

Management Team (Hong Kong)

Eliza Man

Senior Manager

Business Services

Ms Eliza Man joined RSM Nelson Wheeler from Ernst & Whinney. Ms Man is experienced in auditing, accounting, payroll and other administration services and is the Senior Manager in the Business Services Department which provide outsourced support services to local and multi-international clients in trading and service industries.

Cheung Fu Lam

Manager

Business Services

Mr Cheung Fu Lam joined RSM Nelson Wheeler in 1981. Following the Boardroom Limited acquisition of the Business Services, Secretarial Services and Trade Services business of RSM Nelson Wheeler in 2005, he continued his employment by joining the Boardroom management team. Mr Cheung is currently the Manager of the Business Services Department. He has more than 30 years of accounting and audit experience as a Certified Public Accountant.

Fanny Li F. H.

Manager

Corporate Secretarial

Ms Fanny Li F. H. began her career as a Company Secretary since 1983. She is a Fellow of both the Hong Kong Institute of Chartered Secretaries (HKICS) and the Institute of Chartered Secretaries & Administrators (UK). She was a Corporate Secretarial Manager with RSM Nelson Wheeler and following the acquisition by Boardroom Limited in 2005, she continued her employment by joining Asialink Services (HK) Limited. She is currently a Manager in the Corporate Secretarial Department.

Karen Tong Chau Har

Manager

Corporate Secretarial

Ms Karen Tong Chau Har is currently a Manager in the Corporate Secretarial Department. She is an Associate of the Institute of Chartered Secretaries & Administrators (UK) and an Associate of the Hong Kong Institute of Chartered Secretaries (HKICS). She joined RSM Nelson Wheeler in 1991 and following the sale of the secretarial arm to Boardroom Limited in 2005, she continued her employment by joining Asialink Corporate Services (HK) Limited in 2005.

Phoebe Lai Yuet Chun

Manager

Trade Services

Ms Phoebe Lai Yuet Chun joined Asialink Corporate Services Ltd in June 1992 and is currently the Manager in the Trade Services Department. Prior to joining the company, she worked in two major banks and I/E trading companies where she gained nine valuable years of practical and solid experience in bills, L/C procedures, shipping and trading matters.

Grace Siow Y. C.

Manager

Corporate Secretarial

Ms Grace Siow Y. C. holds the position of Manager. She is an Associate of the Institute of Chartered Secretaries & Administrators (UK) and a member of the Hong Kong Institute of Chartered Secretaries (HKICS). She has been with the corporate secretarial department of RSM Nelson Wheeler since October 1993.

Management Team (Malaysia)

Kuala Lumpur

Samantha Tai Yit Chan

Managing Director

Ms Samantha Tai Yit Chan joined M & C Services Sdn Bhd in June 1995 and is currently the Managing Director of M&C. She is an Associate Member of the Institute of Chartered Secretaries and Administrators (ICSA) with a Diploma in Business Management. She has been involved in corporate secretarial work for more than 14 years and has been a Director of K-3 Corporate Services Sdn Bhd since 2003. Prior to joining M & C, she was with Paramount Corporation Berhad in 1992, a public company listed on the Main Board of Bursa Malaysia Securities Berhad, and subsequently joined Barbinder & Co. (the secretarial arm of Messrs Coopers & Lybrand in Singapore) in 1994.

Maggie Saw Bee Lean

Executive Director

Ms Maggie Saw Bee Lean joined M & C Services Sdn Bhd in September 1983 and is currently the Executive Director of M&C. She is a Fellow Member of the Institute of Chartered Secretaries and Administrators (ICSA) with a Diploma in Business Management. She started her career with Secco Sdn Bhd (the secretarial arm of Messrs Lim Ali & Co) in 1981, and has to-date accumulated over 24 years of working experience in both corporate secretarial and share registration services.

Penang

Lam Voon Kean

Managing Director

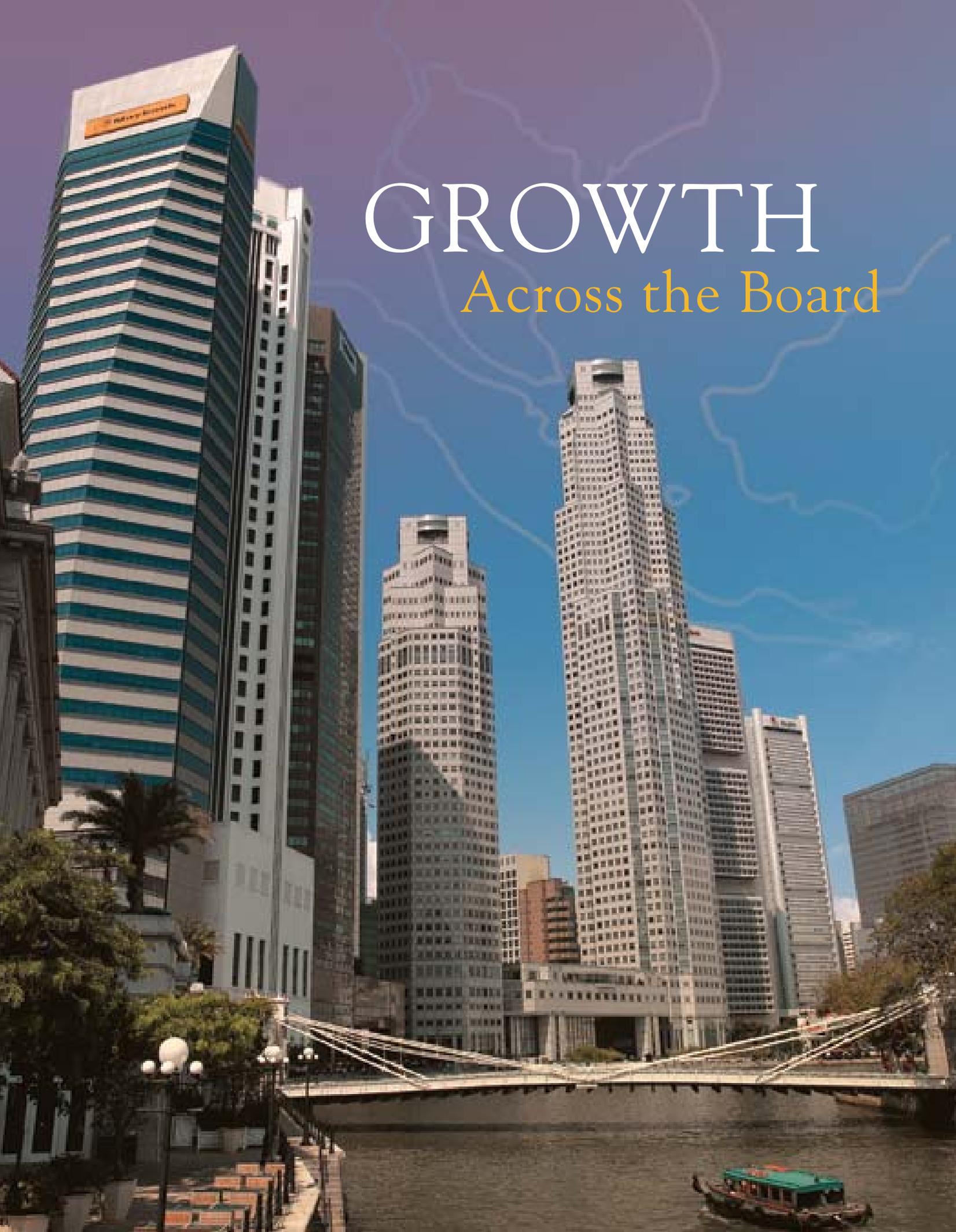
Ms Lam Voon Kean joined M&C Services Sdn Bhd, Penang branch in April 1994 and is currently the Managing Director of M&C Services (Penang) Sdn Bhd, overseeing the branch operation in Penang. She is a Chartered Accountant and a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. She did her accountancy under articleship with KPMG and was the senior audit manager before taking up the post in M&C, Penang.

Johor Bahru

Ang Mui Kiow

Managing Director

Ms Ang Mui Kiow joined M&C Services (Johor) Sdn Bhd (formerly known as 3-Link Corporate Services Sdn Bhd) in October 2000 and is currently the Managing Director of M&C Services (Johor) Sdn Bhd. She is a Licensed Company Secretary by the Companies Commission of Malaysia with a Diploma in Business Studies. Prior to joining M&C Services (Johor) Sdn Bhd, she was with KPMG, Johor Bahru in 1984 and subsequently joined M&C Services Sdn Bhd, Johor Bahru in 1990.



GROWTH

Across the Board

The 2005 financial year was one of acquisitions for Boardroom Limited, as we sought to propel the growth of our core businesses – corporate secretarial, share registration, accounting and payroll – beyond the shores of Singapore, to the regional commercial centres of Hong Kong and Kuala Lumpur. All this is part of our growth strategy to build Boardroom into a regional corporate services player by seeking fresh opportunities in Asia and beyond.

Earlier, in 2004, the Group made a strategic decision to invest in a 35% stake in Talent Shanghai, a leading human resource outsourcing company in Shanghai, which helps us to tap cross-selling opportunities in the booming Yangtze Delta region in China's eastern seaboard.

In line with our strategy of being a leading market player, our focus, now and in the medium term, is to continue the acquisition trail in key markets of Asia, as we feel that a more extensive office network will provide our clients with a brand of service and professionalism that they are familiar with.

Growth in core businesses

Boardroom experienced a challenging year in 2005. The Group recorded profits of S\$4.6 million, on revenue of S\$18.6 million, enabling us to pay out 2.6 cents per share in dividends, generating a yield of 6% on Boardroom's share price (43.5 cents as at 5 August 2005).

Our Corporate Secretarial services business continues to be the largest contributor to the Group turnover, accounting for 48.5% of total revenue. Revenue from our Share Registration services increased 12.5% to S\$3.0m. Lastly, our Accounting division recorded revenue growth of 2.7% from S\$6.4m to S\$6.5m.

In our drive to better our service offerings and enhance our capabilities to meet the needs of our clients, we continue to seek opportunities for our Accounting and payroll services both locally in Singapore and regionally through our Malaysia and Hong Kong subsidiaries.

Boardroom, which has seen tremendous growth potential in the outsourcing of accounting and payroll administration, finds synergy with our investment in Talent Shanghai. Not only does it enable us to establish an international presence in a fast-growing Asian country like China, it also widens the scope of our service offerings. As it stands, we have begun to see a fair number of cross-selling opportunities during the year, and expect more in the near term.





Growth

BEYOND

Singapore

Hong Kong

The outlook for Hong Kong's economy is bright. The outsourcing businesses which were acquired are amongst the leaders in their respective markets and are expected to contribute positively to the Group's financial performance going forward.

On 18 March 2005, we acquired the corporate secretarial, accounting, payroll and trade support service businesses of RSM Nelson Wheeler, one of the leading accounting and consulting firms in Hong Kong, for an aggregate consideration of HK\$112 million (equivalent to S\$24.1 million). For the financial year ended 31 December 2004, these businesses generated revenues of HK\$36.7 million. The proforma profit after tax (taking into account the Hong Kong corporate tax rate of 17.5%) was HK\$15.3 million.

In Hong Kong, particularly since the SARS crisis, its economy had picked up considerably and its role as a global financial centre continues to strengthen, as more Chinese companies seek to raise funds in the Hong Kong Stock Exchange. Hong Kong is therefore a growing market that fits into the regional market growth strategy for Boardroom.

Malaysia

On 3 May 2005, we acquired four leading corporate secretarial services companies in Malaysia with a presence in Kuala Lumpur, Penang and Johor. The four corporate secretarial service companies acquired were M&C Services Sdn Bhd, K3 Corporate Services Sdn Bhd, M&C Services (Johor) Sdn Bhd (formerly known as 3-Link Corporate Services) and M&C Services (Penang) Sdn Bhd (formerly known as Agriteum Sdn Bhd).

Purchased for a total cash consideration of RM13.4 million (equivalent to approximately S\$6 million), the acquisition will be financed through internal resources and bank borrowings. To date, Boardroom has successfully secured a total of S\$7 million in bank borrowings. Together, all four companies



offer a wide range of services to local and international clients, including companies listed in Bursa Malaysia.

On their own, the Malaysian companies are expected to grow in line with the generally positive economic environment in their respective home market. For the Group as a whole, additional growth can be expected from cross selling opportunities that can be developed by leveraging the Group's respective client bases in Singapore, Hong Kong and Malaysia. With Boardroom's enlarged footprint, the Directors believe that more opportunities to develop and introduce new services to the Group's existing clients can be expected.

Corporate Information

Executive Directors

Thomas Yeoh Eng Leong

Managing Director & CEO

Sebastian Tan Cher Liang

Managing Director

Non-Executive Independent Directors

Goh Geok Khim

(Chairman & Non-Executive)

Goh Yew Lin

(alternate to Goh Geok Khim)

Mak Lye Mun

(Non-Executive)

Sim Cheok Lim

(Independent)

Elizabeth Sam

(Independent)

William Wong Tien Leong

(Independent)

Audit Committee

Sim Cheok Lim

Chairman

Mak Lye Mun

William Wong Tien Leong

Nominating Committee

Elizabeth Sam

Chairman

Goh Geok Khim

Sim Cheok Lim

Remuneration Committee

Goh Geok Khim

Chairman

Elizabeth Sam

William Wong Tien Leong

Company Secretaries

Sebastian Tan Cher Liang

Tan San-Ju

Registered Office

10 Collyer Quay

#19-08 Ocean Building

Singapore 049315

Telephone 6536 5355

Facsimile 6536 1360

Email Boardroom.SG@boardroomlimited.com

Share Registrar

Lim Associates (Pte) Limited

10 Collyer Quay

#19-08 Ocean Building

Singapore 049315

Telephone 6536 5355

Facsimile 6536 1360

Auditors

Foo Kon Tan Grant Thornton

47 Hill Street #05-01

Chinese Chamber of Commerce

Singapore 179365

Audit-Partner-in-Charge

Kon Yin Tong

Date of appointment

22 October 2004

Corporate Governance

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, 3 non-executive directors and 2 executive directors, namely:-

Non-Executive Independent Directors

Sim Cheok Lim
Elizabeth Sam
William Wong Tien Leong

Non-Executive Directors

Goh Geok Khim, Chairman
Goh Yew Lin, Alternate to Goh Geok Khim
Mak Lye Mun

Executive Directors

Thomas Yeoh Eng Leong,
Managing Director & Chief Executive Officer

Sebastian 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, organize 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. The Board also reviews the Group's annual budget.

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 and Committees are as follows:

Names	Type of Meetings	Board		Audit Committee		Nominating Committee		Remuneration Committee	
		No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Goh Geok Khim ⁽¹⁾ (Alternate - Goh Yew Lin)		5	5	-	-	-	-	-	-
Mak Lye Mun ⁽¹⁾		5	4	2	2	-	-	-	-
Sim Cheok Lim		9	9	3	3	2	2	2	2
Elizabeth Sam		9	9	1	1	2	2	2	2
William Wong Tien Leong ⁽²⁾		4	4	2	2	-	-	-	-
Thomas Yeoh Eng Leong		9	9	-	-	1	1	2	2
Sebastian Tan Cher Liang		9	9	1	1	1	1	-	-
Thomas Brian Stevenson ⁽³⁾		1	1	1	1	1	1	1	1

Note:

- (1) Appointed as a board member with effect from 18 November 2004
- (2) Appointed as a board member with effect from 14 January 2005
- (3) Resigned as a board member with effect from 7 October 2004
- (4) There were changes to the composition of the Audit Committee, Nominating Committee and Remuneration Committee during the financial year ended 30 June 2005

c) Assess 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 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 Goh Geok Khim is the Chairman of the Board and Mr Thomas Yeoh Eng Leong is the CEO cum Managing Director of the Company.

As Chairman, Mr Goh 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.

Audit Committee

The Audit Committee comprises Sim Cheok Lim, William Wong Tien Leong, both of whom are non-executives and independent, and Mak Lye Mun who is a non-executive director. The Chairman of the Audit Committee is Sim Cheok Lim.

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

In FY2005, 3 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 quarterly 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 Goh Geok Khim. The Chairman of the Nominating Committee is Elizabeth Sam.

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 and Elizabeth Sam and is satisfied that there are no relationships which would deem any of the non-executive directors not to be independent.

Key information on directors of the Company can be found on pages 7 – 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 FY2005.

Remuneration Committee

The Remuneration Committee comprises Goh Geok Khim, Elizabeth Sam and William Wong Tien Leong. The Chairman of the Committee is Goh Geok Khim.

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\$187,000 be paid quarterly in arrears for year ending 30 June 2006 and additional fees of S\$16,000 be paid for the financial year ended 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 pages 60 – 61 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.

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 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 recognizes 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 30 of the Notes to the Financial Statements, on pages 65 - 66 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: 5 October 2005

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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 2005.

Names of directors

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

Goh Geok Khim (appointed on 18.11.2004)
 Sim Cheok Lim
 Thomas Yeoh Eng Leong
 Tan Cher Liang
 Elizabeth Sam
 Mak Lye Mun (appointed on 18.11.2004)
 William Wong Tien Leong (appointed on 14.1.2005)
 Goh Yew Lin (alternate to Goh Geok Khim) (appointed on 18.11.2004)

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:

Name of director	Number of ordinary shares of \$0.05 each fully paid					
	As at 1.7.2004/date of appointment, if later	Shares registered in name of director		As at 1.7.2004/date of appointment, if later	Shares in which director is deemed to have an interest	
		As at 30.6.2005	As at 21.7.2005		As at 30.6.2005	As at 21.7.2005
Goh Geok Khim	-	-	-	42,300,686	42,300,686	52,875,857
Tan Cher Liang	2,155,000	1,055,000	1,319,000	-	-	-
Thomas Yeoh Eng Leong	150,000	450,000	562,500	-	-	-
Sim Cheok Lim	10,000	210,000	263,000	-	-	-
Elizabeth Sam	150,000	350,000	350,000	-	-	-
Goh Yew Lin (alternate to Goh Geok Khim)	-	-	-	42,300,686	42,300,686	52,875,857
Yvonne Choo (resigned on 1.7.2004)	2,050,000	n.a.	n.a.	-	-	-

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

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

	As at <u>1.7.2004</u>	As at 30.6.2005 and <u>21.7.2005</u>
<u>Exercisable at \$0.35 per option between 21.10.2004 and 20.10.2012</u>		
Tan Cher Liang	400,000	-
Yvonne Choo (resigned on 1.7.2004)	400,000	-
<u>Exercisable at \$0.38 per option between 17.10.2005 and 16.10.2013</u>		
Tan Cher Liang	200,000	200,000
Thomas Yeoh Eng Leong	150,000	150,000
Yvonne Choo (resigned on 1.7.2004)	200,000	200,000
<u>Exercisable at \$0.36 per option between 10.11.2006 and 9.11.2014</u>		
Tan Cher Liang	-	250,000
Thomas Yeoh Eng Leong	-	250,000
<u>Exercisable at \$0.39 per option between 17.8.2001 and 16.8.2005</u>		
Sim Cheok Lim	100,000	-
Elizabeth Sam	100,000	-
Thomas Yeoh Eng Leong	100,000	-
<u>Exercisable at \$0.305 per option between 24.9.2002 and 23.9.2006</u>		
Sim Cheok Lim	100,000	-
Elizabeth Sam	100,000	-
Thomas Yeoh Eng Leong	100,000	-
<u>Exercisable at \$0.44 per option between 21.10.2003 and 20.10.2007</u>		
Sim Cheok Lim	100,000	100,000
Elizabeth Sam	100,000	100,000
Thomas Yeoh Eng Leong	100,000	-
<u>Exercisable at \$0.47 per option between 17.10.2004 and 16.10.2008</u>		
Sim Cheok Lim	75,000	75,000
Elizabeth Sam	75,000	75,000
<u>Exercisable at \$0.445 per option between 10.11.2005 and 9.11.2009</u>		
Sim Cheok Lim	-	120,000
Elizabeth Sam	-	120,000

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:

	<u>Date options granted</u>	<u>Number of grantees</u>	<u>Discount to market price %</u>	<u>Total number of ordinary shares under options granted</u>	<u>Subscription price of options granted</u>	<u>Exercise period</u>
Executive Directors	10.11.2004	2	20%	500,000	\$0.36	10.11.2006 to 9.11.2014
Non-Executive Directors	10.11.2004	2	-	240,000	\$0.445	10.11.2005 to 9.11.2009
Executive employees	10.11.2004	32	20%	1,132,000	\$0.36	10.11.2006 to 9.11.2014
Non-Executive employees	10.11.2004	76	20%	712,000	\$0.36	10.11.2006 to 9.11.2014
		112		2,584,000		

Options granted to directors were as follows:

<u>Name of directors</u>	<u>Options granted during the financial year</u>	<u>Aggregate options granted since commencement of the Scheme to 30.6.2005</u>	<u>Aggregate options exercised since commencement of the Scheme to 30.6.2005</u>	<u>Aggregate options outstanding as at 30.6.2005</u>
<u>Executive Directors</u>				
Tan Cher Liang	250,000	3,250,000	(2,800,000)	450,000
Thomas Yeoh Eng Leong	250,000	700,000	(300,000)	400,000
Yvonne Choo (resigned on 1.7.2004)	-	3,000,000	(2,800,000)	200,000
<u>Non-Executive Directors</u>				
Sim Cheok Lim	120,000	495,000	(200,000)	295,000
Elizabeth Sam	120,000	495,000	(200,000)	295,000

- (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 Goh Geok Khim (Chairman), Elizabeth Sam and William Wong Tien Leong. 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.
- (g) Pursuant to the rights issue as disclosed in Note 32 to the financial statements, the exercise price of the share options were adjusted downwards by 7%. The disclosed exercise price is before adjustment.

Share options exercised

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

- (i) 300,000 ordinary shares of \$0.05 each at a premium of \$0.34 per share.
- (ii) 51,000 ordinary shares of \$0.05 each at a premium of \$0.195 per share.
- (iii) 300,000 ordinary shares of \$0.05 each at a premium of \$0.255 per share.
- (iv) 17,000 ordinary shares of \$0.05 each at a premium of \$0.37 per share.
- (v) 1,988,000 ordinary shares of \$0.05 each at a premium of \$0.30 per share.
- (vi) 100,000 ordinary shares of \$0.05 each at a premium of \$0.39 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:

<u>Date granted</u>	<u>Exercise price</u>	<u>Number of options outstanding 1.7.2004</u>	<u>Options granted</u>	<u>Options exercised</u>	<u>Options cancelled/ lapsed</u>	<u>Number of options outstanding 30.6.2005</u>	<u>Exercise period</u>
17.8.2000	\$0.320	60,000	-	-	-	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
24.9.2001	\$0.245	117,000	-	(51,000)	-	66,000	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	154,000	-	(17,000)	-	137,000	18.7.2004 to 17.7.2012
21.10.2002	\$0.350	2,273,000	-	(1,988,000)	(86,000)	199,000	21.10.2004 to 20.10.2012
21.10.2002	\$0.440	300,000	-	(100,000)	-	200,000	21.10.2003 to 20.10.2007
17.10.2003	\$0.380	2,103,000	-	-	(272,000)	1,831,000	17.10.2005 to 16.10.2013
17.10.2003	\$0.470	150,000	-	-	-	150,000	17.10.2004 to 16.10.2008
10.11.2004	\$0.360	-	2,344,000	-	-	2,344,000	10.11.2006 to 9.11.2014
10.11.2004	\$0.445	-	240,000	-	-	240,000	10.11.2005 to 9.11.2009
		5,757,000	2,584,000	(2,756,000)	(358,000)	5,227,000	

Audit committee

The audit committee comprises the following members:

Sim Cheok Lim (Chairman) (non-executive independent director)

Mak Lye Mun (non-executive director)

William Wong Tien Leong (non-executive independent 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 2005 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: 12 September 2005

Statement by Directors

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 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 2005 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: 12 September 2005

Auditors' Report to the Members of Boardroom Limited

We have audited the accompanying financial statements of Boardroom Limited ("the Company") and its subsidiaries ("the Group") for the year ended 30 June 2005. 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 of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the Act) and 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 2005 and the results, changes in equity and cash flows of the Group for the year ended on that date; and
- (b) 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, 12 September 2005

Balance Sheets

	Note	The Company		The Group	
		30 June 2005	30 June 2004	30 June 2005	30 June 2004
		\$	\$	\$	\$
Assets					
Non-Current					
Property, plant and equipment	4	103,745	128,084	638,837	470,738
Intangible assets	5	235,067	227,445	33,878,201	4,998,820
Interests in subsidiaries	6	30,203,224	4,999,998	-	-
Interests in associate	7	1,914,794	-	1,529,520	-
Staff loans	8	-	2,500	-	2,500
Deferred tax assets	15	-	-	119,000	123,000
		32,456,830	5,358,027	36,165,558	5,595,058
Current					
Trade receivables	9	-	-	7,192,241	9,065,593
Unbilled disbursements		-	-	161,005	242,432
Amount owing by subsidiaries (non-trade)	6	3,015,895	2,501,514	-	-
Other receivables	10	737,316	1,947,104	771,324	1,241,890
Cash and cash equivalents	11	318,035	15,848,356	5,150,159	18,133,031
		4,071,246	20,296,974	13,274,729	28,682,946
Held under Trust					
Clients' bank account - contra		-	-	10,723,693	12,966,232
Clients' ledger balances - contra		-	-	(10,723,693)	(12,966,232)
		-	-	-	-
Total assets		36,528,076	25,655,001	49,440,287	34,278,004
Equity					
Capital and Reserves					
Share capital	12	7,232,850	7,095,050	7,232,850	7,095,050
Other reserves	13	13,468,581	12,638,446	13,635,234	12,997,410
Retained profits		10,006,734	4,341,682	11,104,925	9,538,412
		30,708,165	24,075,178	31,973,009	29,630,872
Liabilities					
Non-Current					
Deferred tax liabilities	15	74,000	74,000	121,326	102,000
Borrowings	16	4,000,000	-	4,000,000	-
		4,074,000	74,000	4,121,326	102,000
Current					
Trade payables	17	740,661	465,523	3,086,552	2,773,546
Other payables	17	5,250	-	5,476,142	134,235
Disbursements billed in advance		-	-	-	6,226
Excess of progress billings over work-in-progress	18	-	-	2,066,322	30,879
Amount owing to a subsidiary (non-trade)	6	-	1,040,300	-	-
Provision for taxation		-	-	1,716,936	1,600,246
Borrowings	16	1,000,000	-	1,000,000	-
		1,745,911	1,505,823	13,345,952	4,545,132
Total equity and liabilities		36,528,076	25,655,001	49,440,287	34,278,004

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

Consolidated Income Statement

	Note	Year ended 30 June 2005 \$	Year ended 30 June 2004 \$
Revenue	3	18,582,106	18,271,907
Other operating income	19	192,059	146,533
Staff costs	20	(9,558,753)	(8,938,987)
Depreciation and amortisation expenses		(346,444)	(873,811)
Other operating expenses		(2,954,622)	(2,269,710)
Profit from operations		5,914,346	6,335,932
Finance cost		(12,780)	-
Share of associates' profits		39,621	-
Profit before taxation	21	5,941,187	6,335,932
Taxation	22	(1,357,085)	(1,241,913)
Profit after taxation for the year from ordinary activities		4,584,102	5,094,019
Basic earnings per share	24	3.19 cents	3.62 cents
Diluted earnings per share	24	3.18 cents	3.59 cents

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

Consolidated Statement of Changes in Equity

	Share capital	Exchange translation reserves	Share premium	Reserve arising on consolidation	Total other reserves	Retained earnings	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 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 June 2004	7,095,050	-	12,638,446	358,964	12,997,410	9,538,412	29,630,872
Issue of shares on exercise of employees' share options	137,800	-	830,135	-	830,135	-	967,935
Transfer from reserve on consolidation on adoption of FRS 103 [Note 2(b)]	-	-	-	(358,964)	(358,964)	358,964	-
Net profit for the year	-	-	-	-	-	4,584,102	4,584,102
2004 final dividend of \$0.01925 per share less tax of 20% paid	-	-	-	-	-	(2,221,281)	(2,221,281)
2005 interim dividend of \$0.01 per share less tax of 20% paid	-	-	-	-	-	(1,155,272)	(1,155,272)
Exchange translation difference arising from financial statements of foreign subsidiaries and associate company	-	166,653	-	-	166,653	-	166,653
Balance at 30 June 2005	7,232,850	166,653	13,468,581	-	13,635,234	11,104,925	31,973,009

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

Consolidated Cash Flow Statement

	Year ended 30 June 2005 \$	Year ended 30 June 2004 \$
Cash Flows from Operating Activities		
Profit before taxation	5,941,187	6,335,932
Adjustments for:		
Amortisation of intangible assets	85,672	649,292
Depreciation of property, plant and equipment	260,772	224,519
Dividend income	(187)	(77)
Exchange difference	166,658	-
Impairment of intangible assets	687,388	-
Profit on sale of property, plant and equipment	(914)	(280)
Interest income	(162,198)	(128,064)
Interest expense	12,780	-
Share of associates' profits	(39,621)	-
Operating profit before working capital changes	6,951,537	7,081,322
Decrease/(increase) in operating receivables	5,549,037	(3,685,040)
(Decrease)/increase in operating payables	(53,453)	667,489
Increase/(decrease) in excess of progress billings over work-in-progress	32,157	(871,114)
Cash generated from operations	12,479,278	3,192,657
Income tax paid	(1,436,381)	(1,623,812)
Interest paid	(12,780)	-
Net cash generated from operating activities	11,030,117	1,568,845
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(292,790)	(173,729)
Acquisition of computer software	(67,143)	(215,902)
Acquisition of associates	(1,914,794)	-
Acquisition of subsidiaries (Note A)	(24,576,800)	-
Proceeds from sale of property, plant and equipment	1,249	280
Dividend received	187	77
Interest received	245,720	47,424
Net cash used in investing activities	(26,604,371)	(341,850)
Cash Flows from Financing Activities		
Dividends paid	(3,376,553)	(3,208,517)
Proceeds from exercise of employee share options	967,935	1,516,945
Term loan from financial institution	5,000,000	-
Net cash generated from/(used in) financing activities	2,591,382	(1,691,572)
Net decrease in cash and cash equivalents	(12,982,872)	(464,577)
Cash and cash equivalents at beginning	18,133,031	18,597,608
Cash and cash equivalents at end (Note 11)	5,150,159	18,133,031

Consolidated Cash Flow Statement (cont'd)

Note:

A. Acquisition of subsidiaries

The Group acquired certain subsidiaries. The fair value of assets acquired and liabilities assumed were as follows:

	Year ended 30 June 2005 \$	Year ended 30 June 2004 \$
Net assets acquired		
Property, plant and equipment	136,416	-
Trade receivables	2,302,224	-
Other receivables	919,934	-
Trade payables	(1,020,915)	-
Other payables	(47,080)	-
Excess of progress billings over work-in-progress	(2,003,287)	-
Provision for taxation	(249,630)	-
Deferred taxation	(6,415)	-
Cash and cash equivalents	434,707	-
Goodwill	29,179,697	-
Purchase consideration	29,645,651	-
Less: Payable to vendor	(4,634,144)	-
	25,011,507	-
Less: Cash and cash equivalents acquired	(434,707)	-
Cash outflow on acquisitions	24,576,800	-

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

Notes to the Financial Statements

1 General information

The financial statements of the Company and of the Group for the year ended 30 June 2005 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 number of employees of the Company and the Group are 25 (2004 - 19) and 280 (2004 - 175) respectively for the year.

2(a) Summary of significant accounting policies

Basis of preparation

The financial statements of the Company and of the Group, expressed in Singapore dollars, are prepared under the historical cost convention and in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Council on Corporate Disclosure and Governance.

The financial statements have been prepared in compliance with the same accounting policies and methods of computation adopted in the financial statements of the last financial year, except for FRS 103 - Business Combinations, revised FRS 36 - Impairment of Assets and revised FRS 38 - Intangible Assets, which have been adopted by the Group from 1 July 2004 on a prospective basis as detailed in Note 2(b) Changes in Accounting Policies.

Significant accounting estimates

The preparation of the financial statements in conformity with FRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Significant accounting estimates for the Group include accrual for unbilled revenue earned, allowance for anticipated losses under work-in-progress and impairment losses of goodwill under intangible assets with indefinite useful life.

Consolidation

The financial statements of the Group include the financial statements of the Company and its subsidiaries made up to the end of the financial year.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Information on its subsidiaries is given in Note 6 to the financial statements.

Consolidation (cont'd)

With effect from 1 July 2004, all business combinations are accounted for by applying the acquisition method. For acquisition of subsidiaries which are accounted for under acquisition method, fair values are assigned to the assets owned by the subsidiaries at the date of acquisition as determined by the directors. Any excess or deficiency of the purchase consideration over the fair values assigned to the net assets acquired is accounted for as goodwill or negative goodwill (see accounting policy on Intangible Assets).

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 balances, transactions, and resulting unrealised profits or losses are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

Where accounting policies of a subsidiary do not conform with those of the Company, adjustments are made on consolidation when the amounts involved are considered significant to the Group.

Reserve arising on consolidation prior to 1 July 2001 represents the excess of the fair value of the net tangible assets of subsidiaries acquired over the purchase price at the date of acquisition had been transferred to retained earnings on adoption of FRS 103 [Note 2(b)].

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
Motor vehicles	5 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 assetsGoodwill

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

Goodwill arising on acquisition or purchased goodwill is stated at cost less accumulated amortisation and impairment losses. Goodwill is no longer amortised with effect from 1 July 2004 but is tested at least annually for impairment.

Negative goodwill

Negative goodwill arising on acquisition represents the excess of the fair value of the identifiable net assets acquired over the cost of acquisition. With effect from 1 July 2004, negative goodwill is recognised directly in income statement.

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.

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account.

Shares in subsidiaries are stated at cost less allowance for impairment losses on an individual subsidiary basis in the Company's balance sheet.

Associates

An associate is defined as a Company, not being a subsidiary, in which the Group has a long-term interest of 20% to 50% of the equity and over whose financial and operating policy the Group exercises significant influence.

Investments in associates at Company level are stated at cost less allowance for impairment losses on an individual company basis.

The Group's share of the post-acquisition results of associates is included in the consolidated income statement using the equity method of accounting. In applying the equity method, unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

When the Group's share of losses of an associate equals or exceeds the carrying amount of an investment, the Group ordinarily discontinues including its share of further losses. The investment is reported at nil value. Additional losses are provided for to the extent that the Group has incurred obligations or made payments on behalf of the associate to satisfy obligations of the associate that the Group has guaranteed or otherwise committed for example, in the forms of loans. When the associate subsequently reports profits, the Group resumes including its share of those profits only after its share of the profits equals the share of net losses recognised.

The Group's share of the net assets and post-acquisition retained profits and reserves of associates is reflected in the book values of the investments in the consolidated balance sheet.

Where accounting policies of an associate do not conform with those of the Group, adjustments are made on consolidation when the amounts involved are considered significant to the Group.

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.

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.

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. Allowance, 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 and associate, 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 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).

Income taxes (cont'd)

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.

Borrowings

Interest –bearing loans and borrowings are recognised initially at fair value less any attributable transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortised cost which is the initial fair value less any principal repayments. The interest expense is chargeable on the amortised cost over the period of the borrowings using the effective interest method.

Employee benefitsPension 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 in Singapore. The Company’s and the Group’s contributions to CPF and similar defined contribution plans, respectively, 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.

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 granted 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 previously recognised for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised.

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 previously.

Impairment of assets (cont'd)

A reversal of an impairment loss is recognised as an income in the income statement. An impairment loss recognised for goodwill is not reversed.

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, 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. Revenue excludes disbursements.

Revenue from trade support services is recognised when services are rendered.

Dividend income from investments 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.

Measurement currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the measurement currency"). The consolidated financial statements and the financial statements of the Company are presented in Singapore dollars, which is also the measurement currency of the Company.

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.

Assets and liabilities of foreign subsidiaries and associates are translated at the rate of exchange ruling at the balance sheet date. The income statement of foreign subsidiaries and associates are translated using the average monthly rates. Foreign currency translation adjustments arising are recorded directly in exchange translation reserves.

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, if any, mainly comprise non-income earning assets and revenue, and corporate assets and expenses.

Segment reporting (cont'd)

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 geographical and business segments. The primary format, geographical segments and the secondary format, business segments, is based on the Group's management and internal reporting structure. Segment revenue by geographical segments is based on location of customers. The assets and capital expenditure are based on location of these assets. In presenting information on the basis of business segments, segment revenue, assets, liabilities and capital expenditure are based on the nature of the products or services provided by the Group.

Financial instruments

Financial instruments carried on the balance sheet include cash and cash equivalents, 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 30.

2(b) Changes in accounting policies**Adoption of new FRS 103 - Business Combinations,
revised FRS 36 - Impairment of Assets and
revised FRS 38 - Intangible Assets**

On 1 July 2004, the Council on Corporate Disclosure and Governance issued new FRS 103 Business Combinations ("FRS 103"), revised FRS 36 - Impairment of Assets ("FRS 36") and revised FRS 38 - Intangible Assets ("FRS 38"). Accordingly, FRS 22 Business Combinations was withdrawn. These 3 FRS are to be applied to the accounting for business combinations for annual periods beginning on or after 1 July 2004. Accordingly, the Group has adopted these FRS with effect from 1 July 2004.

The impact on the Group's retained earnings on adoption of these FRS is as follows:

- Increase in retained earnings by \$358,964 caused by transfers of Reserve arising from consolidation of \$358,964 previously recognised as part of other reserves.
- Cessation of amortisation of goodwill. The opening carrying value of goodwill is tested annually for impairment.

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 excludes inter-company transactions. Significant categories of revenue are detailed as follows:

	2005	2004
	\$	\$
Accounting	6,547,224	6,373,844
Corporate secretarial	9,013,965	9,246,873
Share registration	2,981,373	2,651,190
Trade support services	39,544	-
	18,582,106	18,271,907

Revenue for the Group excludes applicable goods and services tax.

4 Property, plant and equipment

	Computers	Office machinery	Office furniture	Office renovation	Total
	\$	\$	\$	\$	\$
The Company					
Cost					
At 1 July 2004	57,960	4,791	38,756	56,095	157,602
Additions	7,760	2,318	4,636	-	14,714
Disposals	-	(785)	-	-	(785)
At 30 June 2005	65,720	6,324	43,392	56,095	171,531
Accumulated depreciation					
At 1 July 2004	11,957	1,181	10,183	6,197	29,518
Depreciation for the year	20,186	1,068	8,114	9,349	38,717
Disposals	-	(449)	-	-	(449)
At 30 June 2005	32,143	1,800	18,297	15,546	67,786
Depreciation for 2004	10,827	935	5,569	5,138	22,469
Net book value					
At 30 June 2005	33,577	4,524	25,095	40,549	103,745
At 30 June 2004	46,003	3,610	28,573	49,898	128,084

4 Property, plant and equipment (cont'd)

	Computers \$	Office machinery \$	Office furniture \$	Office renovation \$	Motor vehicles \$	Total \$
The Group						
Cost						
At 1 July 2004	973,890	93,882	219,463	1,053,586	-	2,340,821
Acquisitions	216,092	100,986	101,734	124,703	71,332	614,847
Additions	273,194	14,610	4,986	-	-	292,790
Disposals	(139,167)	(2,083)	-	-	-	(141,250)
At 30 June 2005	1,324,009	207,395	326,183	1,178,289	71,332	3,107,208
Accumulated depreciation						
At 1 July 2004	844,280	70,630	113,313	841,860	-	1,870,083
Acquisitions	198,381	87,293	62,062	83,337	47,358	478,431
Depreciation for the year	142,510	15,596	40,279	60,239	2,148	260,772
Disposals	(139,167)	(1,748)	-	-	-	(140,915)
At 30 June 2005	1,046,004	171,771	215,654	985,436	49,506	2,468,371
Depreciation for 2004	113,334	17,574	39,021	54,590	-	224,519
Net book value						
At 30 June 2005	278,005	35,624	110,529	192,853	21,826	638,837
At 30 June 2004	129,610	23,252	106,150	211,726	-	470,738

5 Intangible assets

The Company	Computer software \$
Cost	
At 1 July 2004	249,995
Additions	42,374
At 30 June 2005	292,369
Accumulated amortisation	
At 1 July 2004	22,550
Amortisation for the year	34,752
At 30 June 2005	57,302
Amortisation for 2004	12,400
Net book value	
At 30 June 2005	235,067
At 30 June 2004	227,445

5 Intangible assets (cont'd)

	Goodwill on consolidation	Computer software	Total
	\$	\$	\$
The Group			
Cost			
At 1 July 2004 as previously reported	5,873,878	432,087	6,305,965
Effect of adopting FRS 38 and FRS 103 [Note 2(b)]	(1,174,776)	-	(1,174,776)
At 1 July 2004, restated	4,699,102	432,087	5,131,189
Acquisitions	29,310,749	-	29,310,749
Additions	405,600	67,143	472,743
At 30 June 2005	34,415,451	499,230	34,914,681
Accumulated amortisation and impairment losses			
At 1 July 2004 as previously reported	1,174,776	132,369	1,307,145
Effect of adopting FRS 38 and FRS 103 [Note 2(b)]	(1,174,776)	-	(1,174,776)
At 1 July 2004, restated	-	132,369	132,369
Acquisitions	131,051	-	131,051
Amortisation for the year	-	85,672	85,672
Impairment loss	687,388	-	687,388
At 30 June 2005	818,439	218,041	1,036,480
Amortisation for 2004	587,388	61,904	649,292
Net book value			
At 30 June 2005	33,597,012	281,189	33,878,201
At 30 June 2004	4,699,102	299,718	4,998,820

6 Subsidiaries

	2005 \$	2004 \$
The Company		
Unquoted equity investments, at cost	5,000,000	4,999,998
Loan to subsidiaries - interest-bearing	6,352,712	-
- non-interest-bearing	18,850,512	-
	30,203,224	4,999,998
Amount owing by subsidiaries (non-trade)	3,015,895	2,501,514
Amount owing to a subsidiary (non-trade)	-	1,040,300

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

The loan to subsidiaries, representing extension of net investments in subsidiaries, is unsecured and not expected to be repaid within the next twelve months. The effective interest rate is 2.19% per annum. As the repayment period of the loan (quasi-equity) is indeterminate, it is not possible to determine the fair value of the loan.

6 Subsidiaries (cont'd)

The subsidiaries as at 30 June 2005 are:

Name	Country of incorporation/ principal place of business	Cost of investment		Percentage of equity held		Principal activities
		2005 \$	2004 \$	2005	2004	
* 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
@Boardroom China Limited	British Virgin Islands/ Hong Kong	1	-	100%	-	Investment holding
# AsiaLink Services (HK) Limited (1)	Hong Kong	-	-	100%	-	Corporate secretarial, accounting, payroll and trade support services
@ M&C Boardroom Malaysia Sdn Bhd	Malaysia	1	-	100%	-	Investment holding
# M&C Services Sdn Bhd (2)	Malaysia	-	-	100%	-	Corporate secretarial services
# K3 Corporate Services Sdn Bhd (2)	Malaysia	-	-	100%	-	Corporate secretarial services
# M&C Services (Johor) Sdn Bhd (formerly known as "3-Link Corporate Services Sdn Bhd") (2)	Malaysia	-	-	100%	-	Corporate secretarial services
# M&C Services (Penang) Sdn Bhd (formerly known as "Agriteum Sdn Bhd") (2)	Malaysia	-	-	100%	-	Corporate secretarial services
		5,000,000	4,999,998			

@ Not required to be audited by the law in the country of incorporation

* Audited by Foo Kon Tan Grant Thornton

Audited by member of Grant Thornton International

(1) Subsidiary of Boardroom China Limited

(2) Subsidiary of M&C Boardroom Malaysia Sdn Bhd

7 Associate

	The Company		The Group	
	2005 \$	2004 \$	2005 \$	2004 \$
Unquoted equity investments, at cost	1,914,794	-	1,914,794	-
Goodwill on acquisition	-	-	(405,600)	-
Share of post acquisition profits	-	-	20,326	-
	1,914,794	-	1,529,520	-

The associate is:

Name	Country of incorporation	Percentage of equity held		Principal activities
		2005	2004	
Talent Shanghai Co. Ltd	China	35%	-	Human resource services

8 Staff loans

	The Company		The Group	
	2005 \$	2004 \$	2005 \$	2004 \$
Staff loans	2,500	5,625	2,500	5,625
Receivable not later than one year (Note 10)	(2,500)	(3,125)	(2,500)	(3,125)
Receivable later than one year	-	2,500	-	2,500

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

9 Trade receivables

The Group

Trade receivables are stated after allowance for doubtful debts of \$1,133,738 (2004 - \$936,678).

Trade receivables are denominated in the following currencies:

	The Group	
	2005 \$	2004 \$
Singapore dollar	5,010,787	9,065,593
Hong Kong dollar	1,378,648	-
Malaysia ringgit	802,806	-
	7,192,241	9,065,593

10 Other receivables

	The Company		The Group	
	2005	2004	2005	2004
	\$	\$	\$	\$
Staff loans (Note 8)	2,500	3,125	2,500	3,125
Sundry receivables	1,652	364,695	92,535	497,630
Management fee receivable from subsidiaries	175,777	897,658	-	-
Prepayments	174,366	40,141	227,042	77,313
Deposits	167,083	301,225	209,949	323,562
Interest receivable	-	83,522	-	83,522
Tax recoverable	215,938	256,738	239,298	256,738
	737,316	1,947,104	771,324	1,241,890

11 Cash and cash equivalents

	The Company		The Group	
	2005	2004	2005	2004
	\$	\$	\$	\$
Fixed deposits	-	15,700,000	839,885	15,700,000
Cash and bank balances	318,035	148,356	4,310,274	2,433,031
	318,035	15,848,356	5,150,159	18,133,031

Fixed deposits are placed with financial institutions and earned interest at the rates ranging from 0.4075% to 1.9075% (2004 - 0.283% to 0.938%) per annum, with a maturity of up to 12 months.

Cash and cash equivalents are denominated in the following currencies:

	The Company		The Group	
	2005	2004	2005	2004
	\$	\$	\$	\$
Singapore dollar	318,035	15,848,356	2,627,879	18,133,031
Hong Kong dollar	-	-	1,046,191	-
Malaysia ringgit	-	-	1,476,089	-
	318,035	15,848,356	5,150,159	18,133,031

12 Share capital

The Company and The Group	2005	2004	2005	2004
	Number of shares		\$	\$
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	141,901,000	136,640,000	7,095,050	6,832,000
Issued and fully paid at a premium of:				
- \$0.27 per share	-	3,080,000	-	154,000
- \$0.18 per share	-	200,000	-	10,000
- \$0.195 per share	51,000	1,981,000	2,550	99,050
- \$0.34 per share	300,000	-	15,000	-
- \$0.255 per share	300,000	-	15,000	-
- \$0.37 per share	17,000	-	850	-
- \$0.30 per share	1,988,000	-	99,400	-
- \$0.39 per share	100,000	-	5,000	-
Balance at end	144,657,000	141,901,000	7,232,850	7,095,050

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 is as follows:

The Company and The Group	2005	2004
	Number of options	
Balance at beginning	5,757,000	9,073,000
Granted	2,584,000	2,589,000
Exercised	(2,756,000)	(5,261,000)
Cancelled / lapsed	(358,000)	(644,000)
Balance at end	5,227,000	5,757,000

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

Exercise period	Exercise price	Granted		Cancelled/Lapsed	
		2005	2004	2005	2004
Number of options					
18.7.2004 to 17.7.2012	\$0.420	-	-	-	92,000
21.10.2004 to 20.10.2012	\$0.350	-	-	86,000	211,000
24.9.2003 to 23.9.2011	\$0.245	-	-	-	5,000
17.10.2005 to 16.10.2013	\$0.380	-	2,439,000	272,000	336,000
17.10.2004 to 16.10.2008	\$0.470	-	150,000	-	-
10.11.2006 to 9.11.2014	\$0.360	2,344,000	-	-	-
10.11.2005 to 9.11.2009	\$0.445	240,000	-	-	-
		2,584,000	2,589,000	358,000	644,000
Aggregate proceeds if shares are issued based on exercise price (\$)		\$950,640	\$997,320		

12 Share capital (cont'd)

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

Exercise period	Exercise price	Number of options exercised	
		2005	2004
17.8.2002 to 16.8.2010	\$0.320	-	3,080,000
17.1.2003 to 16.1.2011	\$0.230	-	200,000
24.9.2003 to 23.9.2011	\$0.245	51,000	1,981,000
24.9.2002 to 23.9.2006	\$0.305	300,000	-
17.8.2001 to 16.8.2005	\$0.390	300,000	-
18.7.2004 to 17.7.2012	\$0.420	17,000	-
21.10.2004 to 20.10.2012	\$0.350	1,988,000	-
21.10.2003 to 20.10.2007	\$0.440	100,000	-
		2,756,000	5,261,000
Aggregate proceeds of shares issued (\$)		\$967,935	\$1,516,945

Terms of share options outstanding as at 30 June 2005 are as follows:

Exercise period	Exercise price	Number outstanding	Number exercisable
17.8.2002 to 16.8.2010	\$0.320	60,000	60,000
24.9.2003 to 23.9.2011	\$0.245	66,000	66,000
18.7.2004 to 17.7.2012	\$0.420	137,000	137,000
21.10.2004 to 20.10.2012	\$0.350	199,000	199,000
21.10.2003 to 20.10.2007	\$0.440	200,000	200,000
17.10.2005 to 16.10.2013	\$0.380	1,831,000	-
17.10.2004 to 16.10.2008	\$0.470	150,000	150,000
10.11.2006 to 9.11.2014	\$0.360	2,344,000	-
10.11.2005 to 9.11.2009	\$0.445	240,000	-
		5,227,000	812,000

13 Other reserves (non-distributable)

	The Company		The Group	
	2005	2004	2005	2004
	\$	\$	\$	\$
Share premium (Note 14)	13,468,581	12,638,446	13,468,581	12,638,446
Reserve arising on consolidation	-	-	-	358,964
Exchange translation reserves	-	-	166,653	-
	13,468,581	12,638,446	13,635,234	12,997,410

14 Share premium

The Company and The Group	2005	2004	2005	2004
	Number of shares		\$	\$
Balance at beginning			12,638,446	11,384,551
Issue of ordinary shares at a premium of:				
- \$0.27 per share	-	3,080,000	-	831,600
- \$0.18 per share	-	200,000	-	36,000
- \$0.195 per share	51,000	1,981,000	9,945	386,295
- \$0.34 per share	300,000	-	102,000	-
- \$0.255 per share	300,000	-	76,500	-
- \$0.37 per share	17,000	-	6,290	-
- \$0.30 per share	1,988,000	-	596,400	-
- \$0.39 per share	100,000	-	39,000	-
Balance at end	2,756,000	5,261,000	13,468,581	12,638,446

15 (Deferred tax assets)/deferred tax liabilities

	The Company		The Group	
	2005	2004	2005	2004
	\$	\$	\$	\$
Balance at beginning	74,000	12,200	(21,000)	8,200
Charged/(credited) to income statement (Note 22)	-	61,800	23,326	(29,200)
Balance at end	74,000	74,000	2,326	(21,000)

Represented by:

Deferred tax assets	-	-	(119,000)	(123,000)
Deferred tax liabilities	74,000	74,000	121,326	102,000
	74,000	74,000	2,326	(21,000)

The balance comprises tax on:

	Interest receivable	Excess of net book value over tax written down value of qualifying property, plant and equipment	Allowance for doubtful debts	Total
	\$	\$	\$	\$
The Company				
Balance at 1 July 2004	17,000	57,000	-	74,000
Charged/(credited) to income statement	-	-	-	-
Balance at 30 June 2005	17,000	57,000	-	74,000

The Group				
Balance at 1 July 2004	17,000	118,500	(156,500)	(21,000)
Charged/(credited) to income statement	-	30,026	(6,700)	23,326
Balance at 30 June 2005	17,000	148,526	(163,200)	2,326

16 Borrowings

	2005	2004
	\$	\$
The Company and The Group		
Term loan	5,000,000	-
Repayable:		
Not later than one year	1,000,000	-
Later than one year and not later than five years	4,000,000	-
Later than five years	-	-

The loan from a financial institution is unsecured, bears interest at 1% per annum above the cost of funds of the financial institution and repayable in 20 quarterly instalments of \$250,000 each commencing 31 August 2005. The effective interest rate charged is 3.11% per annum.

17 Trade payables and other payables

The Company

Included in trade payables is an amount owing to subsidiary of \$33,930 (2004 - \$Nil)

Trade payables are denominated in the following currencies:

	The Company		The Group	
	2005	2004	2005	2004
	\$	\$	\$	\$
Singapore dollar	740,661	465,523	2,244,357	2,773,546
Hong Kong dollar	-	-	448,681	-
Malaysia ringgit	-	-	393,514	-
	740,661	465,523	3,086,552	2,773,546

Included in other payables for the Group is \$4,634,144 due to vendor for the acquisition of AsiaLink Services (HK) Limited.

18 Excess of progress billing over work-in-progress

	2005	2004
	\$	\$
The Group		
Work-in-progress	1,816,147	8,411,865
Allowance for anticipated losses	(284,622)	(678,111)
	1,531,525	7,733,754
Progress billings	(3,597,847)	(7,764,633)
	(2,066,322)	(30,879)

19 Other operating income

	2005	2004
The Group	\$	\$
Interest income - fixed deposits	162,198	128,064
Gross dividend from quoted equity investment	187	77
Other income	29,674	18,392
	192,059	146,533

20 Staff costs

	2005	2004
The Group	\$	\$
Directors' remuneration other than fees		
- directors of the Company		
- Salaries and related expenses	1,198,341	1,530,595
- CPF contributions	32,100	61,244
Staff costs		
- Salaries and related expenses	7,582,923	6,611,113
- Contributions to CPF or other defined contribution plans	745,389	736,035
	9,558,753	8,938,987

21 Profit before taxation

	2005	2004
The Group	\$	\$
	Note	
Profit before taxation has been arrived at		
after charging:		
Amortisation of intangible assets	5 85,672	649,292
Auditors' remuneration		
- auditors of the company		
- audit fee	40,010	39,990
- non-audit fee (tax-compliance)	29,800	11,500
Bad debts written off - trade	88,560	3,467
Depreciation of property, plant and equipment	4 260,772	224,519
Directors' fee	147,000	129,048
Doubtful debts - trade	42,010	309,242
Impairment of intangible assets	5 687,388	-
Interest expense - term loan	12,780	-
Operating lease rentals	737,740	682,037
and crediting:		
Allowance for doubtful debts written back - trade	77,915	-
Profit on sale of property, plant and equipment	914	280

22 Taxation

	2005	2004
	\$	\$
The Group		
Current taxation	1,314,482	1,335,666
Deferred taxation (Note 15)	23,326	(29,200)
	1,337,808	1,306,466
Overprovision of current taxation in respect of prior years	(18)	(64,553)
Share of associate's taxation	19,295	-
	1,357,085	1,241,913

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 and share of associates' profits	5,901,566	6,335,932
Tax at statutory rate of 20%	1,180,314	1,267,187
Change in tax rate of Nil% (2004 - 2%)	-	(52,042)
Tax effect on non-taxable income	(11,419)	-
Tax effect on non-deductible expenses	202,075	122,821
Singapore statutory stepped income exemption	(31,500)	(31,500)
Deferred tax assets on temporary differences not recognised	(1,948)	-
Difference in foreign tax rates	286	-
	1,337,808	1,306,466

23 Dividend

At the Annual General Meeting to be held, a final dividend comprising of \$0.004 per share less tax at 20% amounting to \$578,628 and a one-tier tax exempt dividend of \$0.012 per share amounting to \$2,169,855 will be proposed based on 180,821,250 number of ordinary shares in issue (see Note 32). 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 2006.

24 Earnings per share

The earnings per share is calculated based on the Group profit after taxation of \$4,584,102 (2004 - \$5,094,019) on the weighted average number of ordinary shares in issue of 143,631,371 (2004 - 140,586,081) shares during the financial year.

Diluted earnings per share was calculated on the Group profit after taxation of \$4,584,102 (2004 - \$5,094,019) divided by 144,351,242 (2004 - 141,718,743) 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.

25 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:

Number of directors	2005	2004
\$500,000 and above	-	-
\$250,000 to \$499,999	3	3
below \$250,000	7	4
	10	7

\$250,000 to \$499,999

	Yvonne Choo (resigned on 1.7.2004)		Tan Cher Liang		Thomas Yeoh Eng Leong	
	2005 %	2004 %	2005 %	2004 %	2005 %	2004 %
Fee	-	-	-	-	-	-
Salary	-	61	52	53	71	66
Bonus	-	5	4	5	3	8
Allowance	-	1	1	1	12	12
Leave entitlement	7	-	-	-	-	-
Profit share	-	28	39	36	11	11
CPF contributions	1	5	4	5	3	3
Notice in lieu	-	-	-	-	-	-
Ex-gratia payment	92	-	-	-	-	-
	100	100	100	100	100	100

below \$250,000

	Evelyn Tan (resigned on 3.10.2003)		Sim Cheok Lim		Elizabeth Sam		Thomas Brian Stevenson (resigned on 22.10.2004)	
	2005 %	2004 %	2005 %	2004 %	2005 %	2004 %	2005 %	2004 %
Fee	-	-	100	100	100	100	100	100
Salary	-	29	-	-	-	-	-	-
Bonus	-	-	-	-	-	-	-	-
Allowance	-	1	-	-	-	-	-	-
Profit share	-	-	-	-	-	-	-	-
CPF contributions	-	1	-	-	-	-	-	-
Notice in lieu	-	69	-	-	-	-	-	-
	-	100	100	100	100	100	100	100

25 Disclosure of directors' remuneration (cont'd)

	Goh Gek Khim		Goh Yew Lin		Mak Lye Mun		William Wong Tien Leong	
	2005 %	2004 %	2005 %	2004 %	2005 %	2004 %	2005 %	2004 %
Fee	100	-	-	-	100	-	100	-
Salary	-	-	-	-	-	-	-	-
Bonus	-	-	-	-	-	-	-	-
Allowance	-	-	-	-	-	-	-	-
Profit share	-	-	-	-	-	-	-	-
CPF contributions	-	-	-	-	-	-	-	-
Notice in lieu	-	-	-	-	-	-	-	-
	100	-	-	-	100	-	100	-

26 Statement of operations by segment

The Group

(a) Geographical Segments

Segmentation of revenue, expenses, assets and liabilities is based on the geographical area in which the customers, assets and liabilities are located.

(b) Segment revenue and expense

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

(c) Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating receivables, unbilled disbursements, staff loans, property, plant and equipment 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 include deferred tax assets, provision for taxation and deferred tax liabilities.

26 Statement of operations by segment (cont'd)

2005	Singapore \$	Malaysia \$	Hong Kong \$	China \$	Elimination \$	Consolidated \$
Revenue						
External sales	17,609,568	328,860	643,678	-	-	18,582,106
Results						
Profit before taxation	5,496,002	99,289	306,275	39,621	-	5,941,187
Income taxes	1,236,659	35,224	65,907	19,295	-	1,357,085
Profit for the year from ordinary activities	4,259,343	64,065	240,368	20,326	-	4,584,102
Other information						
Segment assets	15,344,027	8,212,442	27,120,382	-	(1,355,564)	49,321,287
Unallocated corporate assets						119,000
Consolidated total assets						49,440,287
Segment liabilities	7,699,169	1,659,177	6,480,378	-	(209,708)	15,629,016
Unallocated corporate liabilities						1,838,262
Consolidated total liabilities						17,467,278
Capital expenditure						
- property, plant and equipment	292,790	-	-	-	-	292,790
- intangible assets	67,143	5,837,302	23,473,447	405,600	-	29,783,492
Depreciation and amortisation expenses	341,913	3,929	602	-	-	346,444
Allowance for doubtful debts - trade	39,632	2,378	-	-	-	42,010
Impairment of intangible assets	687,388	-	-	-	-	687,388
Profit on disposal of property, plant and equipment	914	-	-	-	-	914

In 2004, the Group's businesses were carried out solely in Singapore.

26 Statement of operations by segment (cont'd)

The Group

(d) 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 public listed corporations. 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 public listed corporations. 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(a).

Others

This represents income from trade support services.

	Corporate secretarial \$	Share registration \$	Accounting \$	Others \$	Elimination \$	Consolidated \$
2005						
Revenue	9,013,965	2,981,373	6,547,224	39,544	-	18,582,106
Segment assets	26,364,758	1,099,405	12,370,099	4,546,574	(209,708)	44,171,128
Unallocated corporate assets						5,269,159
Consolidated total assets						49,440,287
2004						
Revenue	9,246,873	2,651,190	6,373,844	-	-	18,271,907
Segment assets	6,730,805	2,621,963	6,207,019	2,048,395	(897,658)	16,710,524
Unallocated corporate assets						17,567,480
Consolidated total assets						34,278,004

It is not practical to allocate capital expenditures among the secondary segments. Primary segment information has been shown above.

27 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.

	The Company		The Group	
	2005	2004	2005	2004
	\$	\$	\$	\$
Not later than one year	684,706	687,307	1,047,409	701,130
Later than one year and not later than five years	342,218	991,313	922,553	1,001,336
Later than five years	-	-	-	-

The leases on the Group's office equipment on which rentals are payable will expire between 25 April 2006 and 31 August 2010, subject to an option to renew and the current rent payable on all leases range from \$282 per month to \$768 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 31 December 2006 subject to an option to renew and the current rent payable on the leases are \$2,093, \$2,523 and \$52,421 per month respectively which are subject to revision on renewal.

The Company recharges rental of office premises of \$29,973 and \$20,787 respectively to its subsidiaries.

The total of future minimum sublease payments expected to be received from its subsidiaries at balance sheet date is \$913,676.

28 Commitments

	2005	2004
	\$	\$
The Company and The Group		
Uncalled capital contribution in associate	-	1,620,948

29 Contingent liabilities (unsecured)

The Group

There is a claim for \$216,000 against a subsidiary for a purported breach of contract, pertaining to the sale of shares at a specified offer price. The Group has sought legal advice and are of the opinion that no loss will arise.

30 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:

30.1 Currency risk

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

The Group's operational activities are carried out in Singapore dollars, Malaysia ringgit and Hong Kong dollar. The Group's exposure to risk arising from movements in foreign currencies exchange rates is not significant as each entity's transactions are mainly transacted and settled in their respective local currency.

30.2 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 0.4075% to 1.9075% (2004 - 0.283% to 0.938%) per annum and the borrowings from a financial institution at an effective interest of 3.11% per annum.

30.3 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.

30.4 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.

30.5 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.

30 Financial risk management (cont'd)

30.6 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 have exposure to cash flows risk. The borrowings from a financial institution bears interest at the effective rate of 3.11% per annum.

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

31 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 other than as mentioned in Note 6. The loans to subsidiaries are considered quasi-equity.

32 Events after the balance sheet date

The Company and The Group

Subsequent to the balance sheet date, on 11 July 2005, 36,164,250 new ordinary shares of par value of \$0.05 each in the capital of the Company were allotted. The new ordinary shares is in relation to the rights issue on the basis of one rights share for every four existing shares of par value of \$0.05 each in the capital of the Company held by the shareholders. The Company's issued share capital was \$9,041,062 divided into 180,821,250 ordinary shares of \$0.05 each. Exercise prices for employee share options have been adjusted accordingly subsequent to balance sheet date.

33 Comparative figures

	Restated 2004 \$	Reported 2004 \$
The Group		
Balance Sheet		
Current assets		
Other receivables	1,241,890	985,152
Current liabilities		
Provision for taxation	1,600,246	1,343,508
Income statement		
Revenue	18,271,907	21,766,299
Other operating expenses	2,269,710	5,764,102

The comparative figures have been restated to conform with current year's management reporting structure.

Statistics of Shareholdings

AS AT 14 SEPTEMBER 2005

DISTRIBUTION OF SHAREHOLDINGS

<u>Size of Holdings</u>	<u>No. of Shareholders</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
1 - 999	6	0.64	681	0.00
1,000 - 10,000	525	55.73	2,336,001	1.29
10,001 - 1,000,000	394	41.83	25,346,637	14.02
1,000,001 and above	17	1.80	153,143,931	84.69
TOTAL	942	100.00	180,827,250	100.00

TWENTY LARGEST SHAREHOLDERS

<u>No.</u>	<u>Name</u>	<u>No. of Shares</u>	<u>%</u>
1	CIMB-GK Securities Pte. Ltd.	53,006,562	29.31
2	Citibank Nominees Singapore Pte Ltd	26,332,284	14.56
3	Seapac Investment Pte Ltd	22,616,612	12.51
4	HSBC (Singapore) Nominees Pte Ltd	15,584,750	8.62
5	Wong Chau Yuen	5,001,000	2.77
6	Glen Holdings Pte Ltd	4,778,000	2.64
7	Jen Shek Voon	4,381,711	2.42
8	Tan Man Eng	3,923,537	2.17
9	Merrill Lynch (Singapore) Pte Ltd	3,207,363	1.77
10	Morgan Stanley Asia (Singapore) Securities Pte Ltd	2,481,250	1.37
11	Tan Sai Gek @ Ng Sai Gek	2,282,701	1.26
12	The Asia Life Assurance Society Ltd - Par Fund	2,060,000	1.14
13	Ong Eng Teong	1,846,161	1.02
14	Yvonne Choo Mrs Yvonne Goh	1,730,000	0.96
15	Tan Cher Liang	1,319,000	0.73
16	Chia Kee Koon	1,298,000	0.72
17	Siew Lai Chan	1,295,000	0.72
18	The Asia Life Assurance Society Ltd - Shareholders Fund	938,000	0.52
19	DBS Nominees Pte Ltd	876,250	0.48
20	Yeo Seng Kia	678,000	0.37
	Total	155,636,181	86.06

SHAREHOLDERS' INFORMATION AS AT 14 SEPTEMBER 2005

Authorised share capital	:	S\$15,000,000.00
Issued and fully paid-up capital	:	S\$9,041,362.50
Class of shares	:	Ordinary share of S\$0.05 each
Voting rights	:	One vote per share

SUBSTANTIAL SHAREHOLDERS AS AT 14 SEPTEMBER 2005

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
G.K. Goh Holdings Limited (3)	–	–	52,875,857	29.24
GKG Investment Holdings Pte Ltd (4)	–	–	52,875,857	29.24
Goh Geok Khim (1)	–	–	52,875,857	29.24
Goh Yew Lin (2)	–	–	52,875,857	29.24
Salacca Pte Ltd	52,875,857	29.24	–	–
Seapac Investment Pte Ltd	22,616,612	12.51	–	–
Third Avenue Management LLC (5)	–	–	16,580,000	9.17

Notes:

- (1) Mr Goh Geok Khim is deemed to have an interest in the shares which GKG Investment Holdings Pte Ltd has an interest by virtue of his holding not less than 20% of the voting shares in GKG Investment Holdings Pte Ltd.
- (2) Mr Goh Yew Lin is deemed to have an interest in the shares which GKG Investment Holdings Pte Ltd has an interest by virtue of his holding not less than 20% of the voting shares in GKG Investment Holdings Pte Ltd.
- (3) G.K. Goh Holdings Limited, which is the holding company of Salacca Pte Ltd, is deemed to have an interest in the shares in which Salacca Pte Ltd has an interest in.
- (4) GKG Investment Holdings Pte Ltd as the ultimate holding company of G.K. Goh Holdings Limited is deemed to have an interest in the shares in which G.K. Goh Holdings Limited has an interest in.
- (5) Third Avenue Management LLC is deemed to have an interest in 16,580,000 shares held by Citibank Nominees Singapore Pte Ltd.

Percentage of Shareholding in Public's Hands

As at 14 September 2005, 47.70% 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 SGX-ST.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Boardroom Limited ("the Company") will be held at The Executives' Club, 65 Chulia Street, OCBC Centre #33-01 (Room 3 & 4) on Friday, 21 October 2005 at 10.00 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 2005 together with the Auditors' Report thereon. **(Resolution 1)**
2. To declare a final dividend of 0.4 Singapore cent per ordinary share less income tax and a final tax-exempt dividend of 1.2 Singapore cents per ordinary share for the year ended 30 June 2005. (2004: A final dividend of 1.925 Singapore cents per ordinary share less income tax) **(Resolution 2)**
3. (a) To pass the following Ordinary Resolution pursuant to Section 153(6) of the Companies Act, Cap. 50:
 "That pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Goh Geok Khim be re-appointed a Director of the Company to hold office until the next Annual General Meeting." **(Resolution 3)**
- (b) To re-elect the following Directors retiring pursuant to Articles 110 and 120 of the Company's Articles of Association:

Mr Sim Cheok Lim	(Retiring under Article 110)	(Resolution 4)
Mr Mak Lye Mun	(Retiring under Article 120)	(Resolution 5)
Mr William Wong Tien Leong	(Retiring under Article 120)	(Resolution 6)

Mr Sim and Mr Wong will, upon re-election as Directors of the Company, remain as members 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. Mr Mak will, upon re-election as a Director of the Company, remain a member of the Audit Committee and will be considered non-independent for the purposes of Rule 704(8) of Listing Manual of the Singapore Exchange Securities Trading Limited.
4. To approve the payment of additional Directors' fees of S\$16,000 for the year ended 30 June 2005. **(Resolution 7)**
5. To approve the payment of Directors' fees of S\$187,000 for the year ending 30 June 2006 to be paid quarterly in arrears. (2005: S\$147,000) **(Resolution 8)**
6. To re-appoint Foo Kon Tan Grant Thornton as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 9)**
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 10)

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 and that such authority shall, unless revoked or varied by the Company in general meeting, continue in force 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. [See Explanatory Note (ii)]

(Resolution 11)

By Order of the Board

Tan Cher Liang

Tan San-Ju

Secretaries

Singapore, 5 October 2005

Explanatory Notes:

- (i) The Ordinary Resolution 10 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 11 proposed in item 9 above, if passed, will empower the Directors of the Company, from the date of this Meeting until 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 revoke by the Company in general meeting, whichever is the earlier, 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 forty-eight (48) hours before the time appointed for holding the Meeting.

Notice of Books Closure

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of Boardroom Limited (the "Company") will be closed on 3 November 2005 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 2005 will be registered to determine shareholders' entitlements to the said dividends. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 2 November 2005 will be entitled to the proposed dividends.

Payment of the dividends, if approved by members at the Annual General Meeting to be held on 21 October 2005, will be made on 21 November 2005 for the Final Taxed Dividend and 22 November 2005 for the Final Tax Exempt Dividend.

BOARDROOM LIMITED

Company Registration No: 200003902Z

(Incorporated In The Republic of Singapore with limited liability)

IMPORTANT:

- For investors who have used their CPF monies to buy Boardroom Limited's shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
- 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.

Proxy Form

(Please see notes overleaf before completing this Form)

I/We,

of

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

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

and/or (delete as appropriate)

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

or failing 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 Friday, 21 October 2005 at 10.00 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.

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

No.	Resolutions relating to:	For	Against
1	Directors' Report and Audited Accounts for the year ended 30 June 2005		
2	Payment of proposed a final dividend		
3	Re-appointment of Mr Goh Geok Khim as a Director		
4	Re-election of Mr Sim Cheok Lim as a Director		
5	Re-election of Mr Mak Lye Mun as a Director		
6	Re-election of Mr William Wong Tien Leong as a Director		
7	Approval of additional Directors' Fees amounting to S\$16,000 for the year ended 30 June 2005		
8	Approval of Directors' fees amounting to S\$187,000 for the year ending 30 June 2006		
9	Re-appointment of Messrs Foo Kon Tan Grant Thornton as Auditors		
10	Authority to allot and issue new shares		
11	Authority to allot and issue shares under the Boardroom Share Option Scheme		

Dated this day of 20

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

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

*Delete where inapplicable

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.

Affix
Postage
Here

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10 Collyer Quay
#19-08 Ocean Building
Singapore 049315



BOARDROOM
LIMITED

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