BOARDROOM LIMITED
ANNUAL REPORT 2006

CONTENTS

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. We are committed to strengthening business relationships by ensuring clients of a high level of professionalism and service standards.

Our clients are the lifeblood of the Group. In acknowledging this we will strive to provide them with value-added services that will enable them to benefit from outsourcing to us.

Chairman's Message

" In FY2006, the Group achieved all round financial growth in each of its business sectors with revenue, operating profit and net profit all increasing significantly."

Dear Shareholders

I am pleased to report to you that we have started to reap the benefits of implementing our regional growth and development strategies during the past one year.

As we continue to build Boardroom into a major provider of quality business services in the region, we will also constantly strive to improve our service capabilities, particularly in the quality of our service delivery, the technical competencies of our people and the way we interact with our clients, to better serve their needs.

The Regional Footprint

With the two major acquisitions made in 2005, the Group is now able to project a regional footprint in Asia that covers Singapore, Hong Kong and Malaysia. We are pleased that the acquisitions have performed to our expectations.

On behalf of the Board, I would like to thank all our staff, our external partners and advisors, who have worked hard to achieve the smooth integration of the 2005 acquisitions. It is very commendable that post-acquisition, the Group retained all the key members of its regional management teams.

Financial Performance and Growth

In FY2006, the Group achieved all round financial growth in each of its business sectors with revenue, operating profit and net profit all increasing significantly. These results include the maiden full year contributions from our Hong Kong and Malaysian subsidiaries.

Group revenue for FY2006 increased 65.9% to $30.8 million (S$18.6 million in FY2005). This was largely due to the full year revenue contribution of our acquisitions, particularly in the areas of Corporate Secretarial and Accounting services.

Profit before tax grew 126.1% to S$12.7 million (S$5.6 million in FY2005). This includes an exceptional gain of S$1.84 million from the sale of our 35% equity interest in an associated company, Talent Shanghai Inc Ltd, a human resource firm based in Shanghai, PRC.

Profit after tax amounted to S$10.4 million, an increase of 143.4% from S$4.3 million in FY2005.

Fully diluted earnings per share of 5.73 cents almost doubled the 2.95 cents earned last year and net asset value per share of 26.82 cents was 21.4% higher (22.10 cents in FY2005).

Segmental Review

As the Group has expanded its regional footprint, it is now able to meaningfully report not only on a business segment basis but also on a geographical basis.

Chairman's Message

Looking at the business segments, the **Corporate Secretarial** business was the biggest revenue contributor, increasing by S$8.9 million or 98.7% to S$17.9 million in FY2006. Revenue from **Accounting** and **Share Registration** businesses also grew by 38.6% and 16.5% respectively. These increases were largely due to an expanding client base, the active IPO market in Singapore and the higher level of corporate activities in each of the geographic locations.

In terms of geographical segment, the Group has diversified its revenue and earnings streams primarily from **Singapore** to include **Hong Kong** and **Malaysia**. Singapore accounted for 64% (95% in FY2005) of the Group's revenue while **Hong Kong** and **Malaysia** accounted for 26% and 10% respectively. Earnings from the three geographical segments, excluding exceptional income, are also in similar proportion. Profitability of the Hong Kong and Malaysian operations however suffered a collective foreign currency exchange loss of S$1.2 million for FY2006 as a result of the strengthening Singapore dollar.

Dividend

In line with our overall business expansion and improved performance, the Directors have recommended a final tax-exempt dividend of 1.8 cents per ordinary share. Together with the interim tax-exempt dividend of 1.0 cent per ordinary share declared earlier, total dividends for FY 2006 amounted to 2.8 cents per ordinary share, an increase of 21% from 2.32 cents (after tax) for FY 2005.

"In line with our overall business expansion and improved performance, the Directors have recommended a final tax-exempt dividend of 1.8 cents per ordinary share. Together with the interim tax-exempt dividend of 1.0 cent per ordinary share declared earlier, total dividends for FY 2006 amounted to 2.8 cents per ordinary share, an increase of 21% from 2.32 cents (after tax) for FY 2005."

Enhancing our Management Team

As we seek to enhance the management structure of the expanded Group, the senior appointments in FY 2006 were as follows:

Ms Eliza Man was a Senior Manager of the Business Services department of Asialink Corporate Services (HK) Limited and was promoted to Director on 28 February 2006; and

Ms Khor Yoke Kean joined Lim Associates (Pte) Limited on 1 July 2006 as a Director and has responsibilities in the Share Registration and Unit Trust Registration business units.

The Year Ahead

The acquisitions of our Hong Kong and Malaysian subsidiaries were timely and have provided a significant boost to our performance during FY2006. Moving forward, the macro economic and business outlook in the Asia Pacific region is expected to remain encouraging. Corporate activities are expected to continue to be buoyant and contribute positively to the Group's revenue. Besides expanding its regional footprint, the Group is also broadening and deepening its service capabilities to include services such as investor relations management, to further enhance growth and to better serve its large customer base.

However, the Group continues to operate in a very competitive business environment. The year ahead will continue to be a challenge as we envisage increased operating costs from the relocation of our Singapore head office as well as new hires. Any further strengthening of the Singapore dollar will also adversely affect the Group's results in the case of our overseas subsidiaries. Management will need to be vigilant and cost conscious to ensure that we remain competitive in the way we serve our clients.

Appreciation

Lastly, on behalf of the Board of Directors, I would like to express my appreciation to our management and staff, our business partners and clients as well as our shareholders for all their support in yet another successful year for the Group.

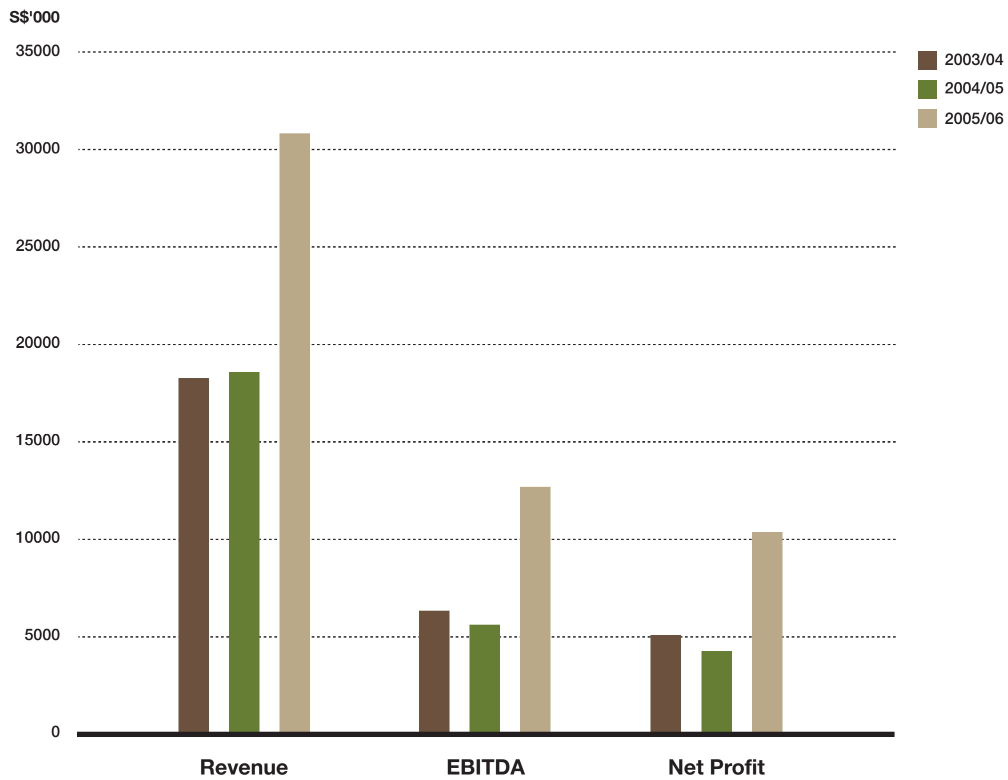
GOH GEOK KHIM
CHAIRMAN

Financial Highlights

Financial Highlights

	2005/06 S$000	2004/05 S$000	2003/04 S$000	2002/03 S$000	2001/02 S$000
Revenue	30,826	18,582	18,272	18,539	14,819
Profit Before Tax	12,702	5,617	6,336	6,324	5,471
Net Profit After Tax	10,367	4,260	5,094	4,810	4,371

Sales Revenue, EBIDTA & Net Profit 2004 to 2006



Financial Highlights

Balance Sheet Highlights

Balance Sheet Highlights

	2005/06 S$000	2004/05 S$000	2003/04 S$000	2002/03 S$000	2001/02 S$000
Total Assets	57,389	49,321	34,278	31,126	27,712
Total Liabilities	8,573	17,348	4,647	4,898	3,959
Total Shareholders' Funds	48,816	31,973	29,631	26,228	23,753
Net Current Assets	16,904	(72)	24,138	20,283	23,228

Key Financial Ratios

	2005/06	2004/05	2003/04	2002/03	2001/02
EPS (cents)	5.76	2.97	3.62	3.55	3.24
Net Asset Value (cents)	26.82	22.10	20.88	19.20	17.59
Current Ratio	3.00	0.99	6.31	5.19	6.93
Debt-to-Equity	0.18	0.54	0.16	0.19	0.17
Return on Equity (%)	21.2	13.3	17.2	18.3	18.4

Segmental Results

	2005/06 %	2004/05 %	2003/04 %	2002/03 %	2001/02 %
Revenue by Business Unit					
Corporate Secretarial	58.1	48.5	50.6	52.4	54.4
Share Registration	11.3	16.1	14.5	13.3	17.4
Clients Accounting	29.4	35.2	34.9	34.3	28.2
Others	1.2	0.2	0.0	0.0	0.0
	100.0	100.0	100.0	100.0	100.0
Revenue by Region					
Singapore	64.1	94.8	100.0	100.0	100.0
Hong Kong	25.8	3.5	0.0	0.0	0.0
Malaysia	10.1	1.7	0.0	0.0	0.0
	100.0	100.0	100.0	100.0	100.0
Profit before tax by Region					
Singapore	67.4	92.1	100.0	100.0	100.0
Hong Kong	22.8	5.4	0.0	0.0	0.0
Malaysia	8.1	1.8	0.0	0.0	0.0
China (Associate)	1.7	0.7	0.0	0.0	0.0
	100.0	100.0	100.0	100.0	100.0

Business Review

Strength in Numbers

Over the last two years Boardroom Limited's strategy for growth has been based on maximising our market share in the growing, but highly competitive, Singapore market and also extending the Group's base beyond its Singapore roots. This is in line with our strategy to develop Boardroom into a regional business services player.

The acquisitions of Asialink Services (HK) Limited in Hong Kong and the companies that now make up M&C Services Sdn Bhd in Malaysia in May 2005 have thus far been a success. FY2006 has seen their maiden full year contribution to the Group and they have contributed significantly to its financial development and growth. The third acquisition, which was completed in March 2005, was the purchase of a 35% equity stake in Talent Shanghai Inc. Ltd. ("Talent Shanghai"), a human resource outsourcing firm based in Shanghai in the PRC. However, after reassessing the impact of this acquisition in terms of strategic fit and financial performance, the decision was made to dispose of the full 35% equity stake and the transaction was completed in May 2006. An exceptional gain of S$1.84 million was recorded in this year's financial statements.

The rapid integration of these subsidiaries into the Boardroom Group has provided great satisfaction for all those involved and has only been achieved with considerable determination and effort. By having "Strength in Numbers" both in terms of our professional competences and the fact that Boardroom has become one of Asia's leading business service providers with a presence in three of Asia's regional commercial centres; we can now offer corporate secretarial, accounting and payroll services in Singapore, Hong Kong and Malaysia. Boardroom also offers share registration services in Singapore and trade support services in Hong Kong.

As a result of these fresh regional impetus and increased activities in our core Singapore businesses, revenue for the Group increased by 65.9% to S$30.8 million, and profit after tax grew 143.4% and exceeded S$10 million; the first time in the Group's history. Even when the effect of the exceptional gain is extracted from the financial statements, the growth in profit before tax was 90.9% or S$10.6 million (S$12.7 million when the exceptional gain is included).

Corporate Secretarial fees accounted for 58.1% of total revenue with a contribution of S$17.9 million. Fees from Accountancy services of S$9.1 million provided the second highest overall contribution, with 29.4% of total revenue, whilst Share Registration accounted for 11.3% of total revenue with fees of S$3.4 million. Other services such as trade support services in Hong Kong made up the remaining 1.2% or $0.36 million of total revenue.

The recorded profit after tax enabled us to declare 2.8 cents per share in dividends, generating a yield of approximately 5.8% on Boardroom's share price.

Boardroom continues to ride on the global outsourcing trend and our 4,000 plus clients in Asia, comprising Fortune 500 multinational companies and locally listed companies in each of our strategic locations, come from a wide range of industries and vary in scale and service needs. Boardroom is proud of its client retention rate and we believe it is a major strength and testament to our reputation for providing excellent tailored service and professional counsel to our clients.

As we seek to provide enhanced value to our clients in terms of our range of services, we also aspire to continue to extend our geographical network to be where our clients are, and need us. For each client engagement, we assign a team to maintain an on-going relationship as well as to promote the other services provided by the Group. Our constant interactions with our clients also provide us with excellent opportunities to obtain feedback to develop and improve our services.

Boardroom will continue to actively seek further growth opportunities beyond the shores of Singapore, in the regional commercial centres of Asia and especially in the PRC. This will be achieved both organically and through mergers and acquisitions. The Board of Directors and Management of Boardroom will continue to appraise these markets, 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 and expect from their trusted business partners.

Singapore – Strength at home

Boardroom operates in Singapore through its subsidiary companies, Ee Peng Liang Consultants Pte Ltd and Lim Associates (Pte) Ltd. We are the market leader in the corporate secretarial and share registration business segments in Singapore.

Singapore's international reputation as a reliable and safe place to do business, coupled with its skilled work force and quality infrastructure, has attracted investments from more than 7,000 multinational corporations, many of whom have regional headquarters here. Along with some of the biggest locally-based

Business Review

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corporations, many of these multinational corporations are also Boardroom's clients.

The Singapore businesses accounted for 64.1% of total revenue, an increase of 12.1% to S$19.7 million from S$17.6 million in FY2005. This represents an excellent organic growth rate as we have developed new clients and provided additional services to our existing ones as corporate activities have increased. Profit before tax from the Singapore businesses was S$8.6 million or 67.4% of total profit, an increase of 65.5% over the previous 12 months.

Hong Kong – Strength in the Region

In Hong Kong, Boardroom operates through its subsidiary Asialink Services (HK) Ltd, a leading business services firm. We view our presence in this market as a key factor in our ability to offer our clients a truly regional service. Hong Kong is the world's 11th largest trading economy and the world's third largest financial centre and is the regional home to hundreds of multinational companies.

The Hong Kong stock market has the second largest market capitalisation in Asia and, similarly to Singapore, China-based companies have used the territory as a base to raise funds in the equity market. This positive economic momentum, and Hong Kong's role as a global financial centre and growing market, fits well into the regional growth strategy for Boardroom.

Our Hong Kong operations contributed S$8.0 million in revenue, or 25.8% of total revenue. Profit was S$2.9 million and this represented 22.8% of total Group profit. This was the first year of full contribution from Asialink to Boardroom.

Whilst the outlook for Hong Kong's economy remains positive, Asialink is expected to continue to contribute positively to the Group's financial performance going forward.

Malaysia – Strength with expansion

In Malaysia, four companies in three strategic locations, Kuala Lumpur, Penang and Johor represent Boardroom. The companies are now known as M&C Services Sdn Bhd, M&C Services (Johor) Sdn Bhd, M&C Services (Penang) Sdn Bhd and M&C Services (KL) Sdn Bhd. The M&C brand is well established in Malaysia and has been around since its foundation in 1960. All four companies work closely together to offer a wide range of services to local and international clients, including many of the companies listed on the Bursa Malaysia.

Malaysia has witnessed rapid development over the last 30 years and from an agriculture base, the economy is now firmly manufacturing orientated with high levels of foreign direct investment. It has a strong oil and gas sector and continues to be the world's leading exporter of palm oil. The services sector has also grown in tandem with the development of these industries.

Against the background of this positive forward looking economic environment, Malaysian companies, both home grown and international, are expected to grow in line with their home market expectations. Boardroom hopes to assist many of these companies in handling the demands of their growing businesses. In addition, we expect growth through cross selling opportunities that can be developed by leveraging the Group's respective client bases in its three strategic locations.

In FY2006 the Malaysia based subsidiaries contributed 10.1% of the total revenue for the Group with S$3.1 million. Profitability was S$1.0 million or 8.1% of total profits. Again, this was the maiden full year contribution from these companies.

Corporate Developments

As one of Asia's leading providers of professional business services, Boardroom understands that its people, and their skills, are its greatest asset.

As we consolidate our enlarged Group and leverage on the smooth integration process of our new regional businesses, the Board of Directors and Management of Boardroom continue to formulate and assess those longer term growth strategies that will drive the next wave of corporate development.

Boardroom persists in striving to provide greater value to its shareholders and clients and will continue to actively seek further growth opportunities both organically and through mergers and acquisitions.

During the year, our decision to divest the 35% stake held in Talent Shanghai Inc. Ltd. was due to the financial performance of Talent Shanghai which was below expectations. The Board of Directors concluded that the company did not offer the scope required to fully contribute to our encouraging financial performance and that of the other recently acquired subsidiaries.

However, the PRC offers a great deal in terms of economic activity and growth, and we continue to keep abreast of developments there, especially with a view to introducing our core businesses of corporate secretarial and accounting and payroll outsourcing services.

Our ambitions are not limited only to the PRC. Our concept is one of providing a multi-national platform for all our clients. In addition to expanding our regional footprint and increasing revenue of services we currently offer to clients, the management is developing new and related services, such as investor relations services, in order to further enhance revenue streams and cater to a host of professional needs of our clients all under the umbrella of one united professional services group.

The Rights Issue in July 2005 raised S$10.8 million. This provides us with the financial strength to move quickly once an opportunity has been identified and is deemed to be appropriate to the needs of our clients, shareholders and the Group.

The economic outlook in the Asia Pacific region is expected to remain positive. Corporate activities and the global outsourcing trend are expected to continue to contribute positively to the Group's overall financial performance. However, there are indications that increased business costs and competitive pressures are likely to continue and this could affect our margins.

Human Resources and People Development

As one of Asia's leading providers of professional business services, Boardroom understands that its people, and their skills, are its greatest asset. In order to build upon our dynamic corporate culture and develop and retain our professional staff, we consistently invest in their professional development and appraise our capabilities in order to be equipped with the necessary skills and technical knowledge to take the Group forward.

Our cohesiveness as a team has become even more important as Boardroom has expanded its staff to 288 and now operates in three distinct Asian markets. At Boardroom, we aim to continue to cultivate this team of resourceful, professional staff and infuse them with pride in relation to all of our operations.

Everyone matters in the Boardroom team and by increasing our skills and our strength in numbers we continue to strive for bigger market share and client base.

Staff Training and Development

At Boardroom, all of our employees are encouraged to attend relevant external courses in addition to attending our on-going in-house training programmes. The in-house training programmes ensure that professional standards are maintained and upgraded.

Many of the in-house training programmes are conducted by our Directors and include updates on issues such as changes in statutes, listing rules and other regulations relating to accounting, share registration services and taxation. These programmes

Corporate Developments

It touches on acquiring the skills, mindset and attitudes essential for success in a career with Boardroom and the professional business services industry in general, that is, how to project a professional image and conduct interactions with clients, colleagues and other day-to-day encounters in a professional manner.

ensure that throughout the Group we maintain our strength in our professional skills and attain high standards of technical competency.

Additionally, each new professional recruit undergoes a thorough induction programme and every professional staff member is expected to undertake a certain minimum hours of relevant continued professional development and training throughout the year.

During FY2006, we have also developed and delivered a number of core skills training programmes which were designed to enhance our current and future Managers' abilities to provide leadership and direction as the Group consolidates its recent merger and acquisition activities and looks to expand further in the medium term.

Executive Management Skills

This programme was designed to further develop the interpersonal skills and techniques of our more senior Managers in undertaking their day-to-day people management responsibilities. The guiding principal is to enable Managers to exceed their clients' expectations without compromising on service quality and costs to the Company.

Effective Presentation Skills

As the name suggests, the programme covers public-speaking and how to develop and demonstrate further competence in making effective and interesting business related presentations in areas such as business development and client management. This programme was also designed for our Managerial staff.

School for the In-Charge

This two-day course targets Assistant Managers and Supervisors and aims to provide a foundation for the development and understanding of their supervisory roles. In order to become effective in their roles, we feel that it is imperative to deliver a programme which also provides the building blocks for those who will become the future managers of Boardroom.

The main objectives of the course are to recognise not only clients' expectations, but also those of the Group, and identify and develop the knowledge and skills required to meet those expectations. The course introduced techniques for building effective teams and issues such as project/job management and control and enhancing productivity and performance of staff through effective use of delegation and supervision.

Core Skills for Staff

This course aims to impress upon staff the core skills which are the foundation for a successful professional career and personal development.

It touches on acquiring the skills, mindset and attitudes essential for success in a career with Boardroom and the professional business services industry in general, that is, how to project a professional image and conduct interactions with clients, colleagues and other day-to-day encounters in a professional manner. Incorporating healthy time management techniques and encouraging an understanding of the importance of team-work and communication, this programme has proven to be popular and effective.

Our service excellence depends on the people who deliver it and we will continue to assess the needs of our staff and clients and invest in training and development programmes which will allow us not only to maintain and improve our service standards, but also to improve our competitive edge.

Board of Directors

BOARD OF DIRECTORS

GOH GEOK KHIM
CHAIRMAN AND ACTING CHIEF EXECUTIVE OFFICER ("CEO")

Appointed as Chairman and Non-Executive Director on 18 November 2004, Mr Goh Geok Khim is the Chairman and Managing Director of G. K. Goh Holdings Ltd, which owns a 29.04% stake in Boardroom. Mr Goh has assumed all the responsibilities of the CEO and will act as CEO until a new CEO is recruited. Mr Goh is also Chairman of Federal Iron Works Sdn Bhd and a Non-Executive Director of Lam Soon (M) Bhd. He has been appointed a member of CIMB International Advisory Panel and he 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 DIRECTOR TO GOH GEOK KHIM

Appointed as an Alternate Director to Mr Goh Geok Khim on 18 November 2004, Mr Goh Yew Lin 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 Allan Management Ltd, Boyer Allan 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 and Deputy Chairman of the Singapore Symphonia Company Ltd. 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 and re-elected at the AGM in 2005, Mr Mak Lye Mun 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 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 2005, Mr Sim Cheok Lim stepped down as Chairman in 2005 and was re-elected an Independent Non-Executive Director. He chairs the Audit Committee and is a member of the Nominating Committee. Mr Sim is also 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 (First Class 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 2004, Mrs Sam chairs the Nominating Committee and is a member of the Remuneration Committee. Mrs Sam is a Director of SC Global Ltd, AV Jennings Ltd, Kasikorn Bank and Banyan Tree Holdings Ltd. 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 and re-elected at the AGM in 2005, Mr Wong chairs

Board of Directors

the Remuneration Committee and is a member of the Audit Committee. 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 pupilage with Arthur Loke & Partners, which was affiliated with Baker McKenzie from July 1985 to March 1986. Upon completion of his pupilage, 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 traveling and dealings with lawyers and other professionals in foreign jurisdictions.

SEBASTIAN TAN CHER LIANG
MANAGING DIRECTOR & FINANCE DIRECTOR

Appointed 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 re-designated as 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 and M&C Services (KL) Sdn Bhd, M&C Services Sdn Bhd, M&C Services (Johor) Sdn Bhd and M&C Services (Penang) Sdn Bhd in May 2005. Prior to 1992, 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 Charities Association and a Director of D.S. Lee Foundation.

Mr Tan is a member of the Institute of Certified Public Accountants of Singapore and a Fellow of the Association of Chartered Certified Accountants, U.K. He was conferred the Public Service Medal (PBM) in 1996.

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 Business Unit. 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 Associates (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 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.

KHOR YOKE KEAN
DIRECTOR, SHARE REGISTRATION / UNIT TRUST REGISTRATION

Ms Khor Yoke Kean is a director in the Share Registration and Unit Trust Registration Business Units of Lim Associates (Pte) Limited. She brings with her more than 14 years' experience in this industry. Prior to that, she was with Tricor Barbinder Share Registration Services. Yoke Kean is a member of the Singapore Association of the Institute of Chartered Secretaries & Administrators (SAICSA). In addition, she holds a Practising Certificate from SAICSA.

Hong Kong

ELIZA MAN LAI CHUN
DIRECTOR, BUSINESS SERVICES

Ms Eliza Man is a Director and heads the Business Services Business Unit. Prior to Boardroom's acquisition, she was a Senior Manager with RSM Nelson Wheeler. She managed various accounting, payroll, MPF and administration services for clients across different industries from local entrepreneurial organisations to international trading and service companies.

CHEUNG FU LAM
MANAGER, BUSINESS SERVICES

Mr Cheung Fu Lam joined RSM Nelson Wheeler in 1981. Following Boardroom's acquisition of the outsourcing services of RSM Nelson Wheeler in 2005, he joined Asialink Services (HK) Limited. Mr Cheung has more than 30 years of accounting and audit experience in the Certified Public Accountants firms.

IDA CHEE MEI FUNG
MANAGER, BUSINESS SERVICES

Ms Ida Chee joined Asialink Services (HK) Limited after her graduation. She has over 10 years' professional experience in accounting, payroll and pensions administration services and managed clients across different industries. She is a member of ACCA, HKICPA, ACIS and ACS.

FANNY LI FUNG HAN
MANAGER, CORPORATE SECRETARIAL

Ms Fanny Li began her career as a Company Secretary in 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 of RSM Nelson Wheeler. Following the acquisition of its outsourcing services by Boardroom in 2005, she joined Asialink Services (HK) Limited.

GRACE SIOW YUET CHEW
MANAGER, CORPORATE SECRETARIAL

Ms Grace Siow is an Associate of both the Hong Kong Institute of Chartered Secretaries (HKICS) and the Institute of Chartered Secretaries & Administrators (UK). She joined the secretarial arm of RSM Nelson Wheeler in 1993 and following the acquisition by Boardroom in 2005, joined Asialink Services (HK) Limited.

Management Team

KAREN TONG CHAU HAR
MANAGER, CORPORATE SECRETARIAL

Ms Karen Tong is an Associate of both the Hong Kong Institute of Chartered Secretaries (HKICS) and the Institute of Chartered Secretaries & Administrators (UK). She joined the secretarial arm of RSM Nelson Wheeler in 1991 and following the acquisition by Boardroom in 2005, joined Asialink Services (HK) Limited.

PHOEBE LAI YUET CHUN
MANAGER
TRADE SERVICES

Ms Phoebe Lai joined RSM Nelson Wheeler in June 1992. Prior to joining the company, she worked in two major banks and import and export trading companies where she had 9 years of practical and solid experience in billings, letter of credit procedures, shipping and trading matters. Following Boardroom's acquisition, she joined Asialink Services (HK) Limited.

Malaysia

KUALA LUMPUR

SAMANTHA TAI YIT CHAN
MANAGING DIRECTOR

Ms Samantha Tai 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 appointed a Director of M&C Services (KL) 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 she subsequently joined Barbinder & Co. (the secretarial arm of the former Messrs Coopers & Lybrand in Singapore) in 1994.

MAGGIE SAW BEE LEAN
EXECUTIVE DIRECTOR

Ms Maggie Saw 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 operations in Penang. She is a Chartered Accountant and a member of the Malaysian Institute of Accountants and a member of the Malaysian Institute of Certified Public Accountants. She did her accountancy articleship with KPMG and was a senior audit manager before taking up the post in M&C, Penang.

JOHOR BAHRU

ANG MUI KIOW
MANAGING DIRECTOR

Ms Ang Mui Kiow started her career with KPMG, Johor Bahru in 1984. She joined M&C Services Sdn Bhd, Johor Bahru Branch in May 1990 and is currently the Managing Director of M&C Services (Johor) Sdn Bhd. She is a Company Secretary licenced by the Companies Commission of Malaysia and holds a Diploma in Business Studies.

Corporate Information

Board of Directors

Goh Geok Khim
Chairman and Acting CEO

Goh Yew Lin
Alternate Director to Goh Geok Khim

Sebastian Tan Cher Liang
Managing Director and
Finance Director

Mak Lye Mun
Non-Executive Director

Sim Cheok Lim
Independent Director

Elizabeth Sam
Independent Director

William Wong Tien Leong
Independent Director

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
William Wong Tien Leong (Chairman)
Elizabeth Sam
Goh Geok Khim

Company Secretaries
Sebastian Tan Cher Liang
Tan San-Ju

Registered Office
10 Collyer Quay
#19-08 Ocean Building
Singapore 049315
Tel: +65 6536 5355
Fax: +65 6536 1360
E-mail: boardroom.SG@boardroomlimited.com
Website: www.boardroomlimited.com

Share Registrar
Lim Associates (Pte) Ltd
10 Collyer Quay
#19-08 Ocean Building
Singapore 049315
Tel: +65 - 6536 5355
Fax: +65 - 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 its 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

The Board comprises 3 non-executive independent directors, 1 non-executive director, 2 executive directors and 1 alternate director:

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.

Managing Directors are not subject to retirement by rotation as our success is dependent on their experience and skills.

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:

TYPE OF MEETINGS	BOARD		AUDIT COMMITTEE		NOMINATING COMMITTEE		REMUNERATION COMMITTEE	
NAMES	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 (Alternate – Goh Yew Lin)	7	7	–	–	3	3	2	2
Mak Lye Mun	7	7	6	5	–	–	–	–
Sim Cheok Lim	7	5	6	6	3	3	–	–
Elizabeth Sam	7	5	–	–	3	3	2	2
William Wong Tien Leong	7	7	6	6	–	–	2	2
Thomas Yeoh Eng Leong (Resigned on 23 September 2006)	7	5	–	–	–	–	–	–
Sebastian Tan Cher Liang	7	7	–	–	–	–	–	–

Corporate Governance

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 was a distinctive separation of responsibilities between the Chairman and the 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. Mr Thomas Yeoh Eng Leong was the CEO cum Managing Director of the Company until 22 September 2006. Since Mr Yeoh's departure, Mr Goh has assumed the responsibilities of the CEO on a temporary basis until a new CEO is recruited.

The Chairman 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.

The CEO is responsible for the day-to-day management affairs of the Group. He also executes the strategic plans set out by the Board and ensures that the Directors are 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.

The Audit Committee carried out its functions in accordance with the Companies Act, Cap. 50 and its terms of reference. 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.

Corporate Governance

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 them not to be independent.

Key information on directors of the Company can be found on pages 10 - 11 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 FY2006.

Remuneration Committee
The Remuneration Committee comprises Goh Geok Khim, Elizabeth Sam and William Wong Tien Leong. Since 3rd August 2006, William Wong Tien Leong has been Chairman of the Committee.

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$203,000 be paid quarterly in arrears for year ending 30 June 2007 and additional fees of S$16,000 be paid for the financial year ended 30 June 2006.

Details of remuneration paid to the Directors of the Company are set out on page 57 - 58 of the Annual Report.

Instead of setting out the names of the 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.

Corporate Governance

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 each quarter and full year are published through the SGXNET; 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 despatched to shareholders, together with explanatory notes 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. The Company has complied with its Best Practices Guide on Securities Transactions which states that Officers of the Company should not deal in the Company's securities on short-term considerations and during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year or one month before the announcement of the Company's full year financial statements.

4. Risk Management

The practice of risk management is undertaken by the Company's Executive Directors and senior executives of each business unit 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 29 of the Notes to the Financial Statements, on pages 62 - 63 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 were interested person transactions during the financial year under review but these were below S$100,000 in aggregate.

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

Corporate Governance

- 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: 27 September 2006

CONTENTS

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 2006.

Names of directors

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

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

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:

	NUMBER OF ORDINARY SHARES FULLY PAID					
	SHARES REGISTERED IN NAME OF DIRECTOR			SHARES IN WHICH DIRECTOR IS DEEMED TO HAVE AN INTEREST		
NAME OF DIRECTOR	AS AT 1.7.2005	AS AT 30.6.2006	AS AT 21.7.2006	AS AT 1.7.2005	AS AT 30.6.2006	AS AT 21.7.2006
Goh Geok Khim	–	**–**	**–**	42,300,686	**52,875,857**	**52,875,857**
Tan Cher Liang	1,055,000	**1,519,000**	**1,519,000**	–	**–**	**–**
Thomas Yeoh Eng Leong	450,000	**562,500**	**562,500**	–	**–**	**–**
Sim Cheok Lim	210,000	**263,000**	**263,000**	–	**–**	**–**
Elizabeth Sam	350,000	**350,000**	**350,000**	–	**–**	**–**
Goh Yew Lin (alternate to Goh Geok Khim)	–	**–**	**–**	42,300,686	**52,875,857**	**52,875,857**

Directors' Report

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

	Number of options over ordinary shares in the Company registered in the name of director	
	As at 1.7.2005	As at 30.6.2006 and 21.7.2006
Exercisable at $0.355 per option between 17.10.2005 and 16.10.2013		
Tan Cher Liang	200,000	**–**
Thomas Yeoh Eng Leong	150,000	**150,000**
Exercisable at $0.335 per option between 10.11.2006 and 9.11.2014		
Tan Cher Liang	250,000	**250,000**
Thomas Yeoh Eng Leong	250,000	**250,000**
Exercisable at $0.41 per option between 21.10.2003 and 20.10.2007		
Sim Cheok Lim	100,000	**100,000**
Elizabeth Sam	100,000	**100,000**
Exercisable at $0.44 per option between 17.10.2004 and 16.10.2008		
Sim Cheok Lim	75,000	**75,000**
Elizabeth Sam	75,000	**75,000**
Exercisable at $0.415 per option between 10.11.2005 and 9.11.2009		
Sim Cheok Lim	120,000	**120,000**
Elizabeth Sam	120,000	**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.

Directors' Report

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) No options were granted during the financial year to take up unissued shares of the Company.

Options granted to directors were as follows:

NAME OF DIRECTORS	OPTIONS GRANTED DURING THE FINANCIAL YEAR	AGGREGATE OPTIONS GRANTED SINCE COMMENCEMENT OF THE SCHEME TO 30.6.2006	AGGREGATE OPTIONS EXERCISED SINCE COMMENCEMENT OF THE SCHEME TO 30.6.2006	AGGREGATE OPTIONS OUTSTANDING AS AT 30.6.2006
EXECUTIVE DIRECTORS				
Tan Cher Liang	–	3,250,000	(3,000,000)	250,000
Thomas Yeoh Eng Leong	–	700,000	(300,000)	400,000
NON-EXECUTIVE DIRECTORS				
Sim Cheok Lim	–	495,000	(200,000)	295,000
Elizabeth Sam	–	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 12(a) to the financial statements, the exercise price of the share options were adjusted downwards by 7%.

Directors' Report

Share options exercised

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

(i) 38,000 ordinary shares of $0.05 each at a premium of $0.18 per share.

(ii) 13,000 ordinary shares of $0.05 each at a premium of $0.28 per share.

(iii) 60,000 ordinary shares of $0.05 each at a premium of $0.25 per share.

(iv) 1,043,000 ordinary shares of $0.05 each at a premium of $0.305 per share.

(v) 46,000 ordinary shares at an exercise price of $0.355 per share.

(vi) 10,000 ordinary shares at an exercise price 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:

DATE GRANTED	ADJUSTED EXERCISE PRICE	NUMBER OF OPTIONS OUTSTANDING 1.7.2005	OPTIONS GRANTED	OPTIONS EXERCISED	OPTIONS CANCELLED/ LAPSED	NUMBER OF OPTIONS OUTSTANDING 30.6.2006	EXERCISE PERIOD
17.8.2000	$0.300	60,000	–	(60,000)	–	–	17.8.2002 to 16.8.2010
24.9.2001	$0.230	66,000	–	(38,000)	–	28,000	24.9.2003 to 23.9.2011
18.7.2002	$0.390	137,000	–	(10,000)	(10,000)	117,000	18.7.2004 to 17.7.2012
21.10.2002	$0.330	199,000	–	(13,000)	(5,000)	181,000	21.10.2004 to 20.10.2012
21.10.2002	$0.410	200,000	–	–	–	200,000	21.10.2003 to 20.10.2007
17.10.2003	$0.355	1,831,000	–	(1,089,000)	(67,000)	675,000	17.10.2005 to 16.10.2013
17.10.2003	$0.440	150,000	–	–	–	150,000	17.10.2004 to 16.10.2008
10.11.2004	$0.335	2,344,000	–	–	(242,000)	2,102,000	10.11.2006 to 9.11.2014
10.11.2004	$0.415	240,000	–	–	–	240,000	10.11.2005 to 9.11.2009
		5,227,000	–	(1,210,000)	(324,000)	3,693,000	

Directors' Report

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 2006 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

GOH GEOK KHIM

TAN CHER LIANG

DATED: 8 SEPTEMBER 2006

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 2006 and of the results of the business, changes in equity and 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

GOH GEOK KHIM

TAN CHER LIANG

DATED: 8 SEPTEMBER 2006

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 2006. 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 2006 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, 8 SEPTEMBER 2006

Balance Sheets

	NOTE	THE COMPANY 30 JUNE 2006 $	THE COMPANY 30 JUNE 2005 $ (RESTATED)	THE GROUP 30 JUNE 2006 $	THE GROUP 30 JUNE 2005 $ (RESTATED)
Assets					
Non-Current					
Property, plant and equipment	4	**82,408**	103,745	**528,487**	638,837
Intangible assets	5	**202,287**	235,067	**31,515,013**	33,878,201
Interests in subsidiaries	6	**5,407,166**	5,262,622	**–**	–
Interests in associate	7	**–**	1,914,794	**–**	1,529,520
Deferred tax assets	8	**–**	–	**–**	119,000
		5,691,861	7,516,228	**32,043,500**	36,165,558
Current					
Trade receivables	9	**–**	–	**8,006,652**	7,192,241
Unbilled disbursements		**–**	–	**71,416**	161,005
Amount owing by subsidiaries	6	**29,116,456**	28,219,119	**–**	–
Other receivables	10	**1,518,602**	737,316	**1,270,336**	771,324
Cash and cash equivalents	11	**10,952,361**	318,035	**16,289,653**	5,150,159
		41,587,419	29,274,470	**25,638,057**	13,274,729
Held under Trust					
Clients' bank account - contra		**–**	–	**11,070,006**	10,723,693
Clients' ledger balances - contra		**–**	–	**(11,070,006)**	(10,723,693)
		–	–	**–**	–
Total assets		**47,279,280**	36,790,698	**57,681,557**	49,440,287
Equity					
Capital and Reserves					
Share capital	12	**31,794,394**	7,232,850	**31,794,394**	7,232,850
Other reserves	13	**692,833**	13,916,076	**581,124**	14,082,729
Retained profits		**12,037,685**	9,821,861	**16,440,502**	10,657,430
		44,524,912	30,970,787	**48,816,020**	31,973,009
Liabilities					
Non-Current					
Deferred tax liabilities	8	**74,000**	74,000	**131,495**	121,326
Borrowings	15	**–**	4,000,000	**–**	4,000,000
		74,000	4,074,000	**131,495**	4,121,326
Current					
Trade payables	16	**842,294**	740,661	**4,141,107**	3,086,552
Other payables	17	**4,980**	5,250	**182,102**	5,476,142
Disbursements billed in advance		**–**	–	**147,420**	–
Excess of progress billings over work-in-progress	18	**–**	–	**2,092,064**	2,066,322
Amount owing to a subsidiary	6	**1,833,094**	–	**–**	–
Current tax payable		**–**	–	**2,171,349**	1,716,936
Borrowings	15	**–**	1,000,000	**–**	1,000,000
		2,680,368	1,745,911	**8,734,042**	13,345,952
Total equity and liabilities		**47,279,280**	36,790,698	**57,681,557**	49,440,287

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 2006 $	YEAR ENDED 30 JUNE 2005 $ (RESTATED)
Revenue	3	**30,825,649**	18,582,106
Other operating income	19	**587,941**	192,059
Staff costs	20	**(14,335,555)**	(9,911,561)
Depreciation and amortisation expenses		**(482,789)**	(346,444)
Other operating expenses		**(5,823,247)**	(2,926,233)
Profit on sale of associate		**1,839,286**	–
Share of associates' profits		**215,948**	39,621
Finance cost		**(125,583)**	(12,780)
Profit before taxation	21	**12,701,650**	5,616,768
Taxation	22	**(2,334,501)**	(1,357,085)
Profit after taxation for the year attributable to shareholders		**10,367,149**	4,259,683
Basic earnings per share	23	**5.76 cents**	2.97 cents
Diluted earnings per share	23	**5.73 cents**	2.95 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 OPTION CAPITAL RESERVE $	SHARE PREMIUM $	RESERVE ARISING ON CONSOLIDATION $	TOTAL OTHER RESERVES $	RETAINED EARNINGS $	TOTAL $
Balance at 1 July 2004 as reported previously	7,095,050	–	–	12,638,446	358,964	12,997,410	9,538,412	29,630,872
Effect of adopting FRS 102 [Note 2(b)]	–	–	123,076	–	–	123,076	(123,076)	–
As restated	7,095,050	–	123,076	12,638,446	358,964	13,120,486	9,415,336	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	–	–	–	–	(358,964)	(358,964)	358,964	–
Net profit for the year {restated on adoption of FRS 102 [Note 2(b)]}	–	–	–	–	–	–	4,259,683	4,259,683
Fair value of employee services received in exchange for grant of share options [Note 2(b)]	–	–	324,419	–	–	324,419	–	324,419
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	447,495	13,468,581	–	14,082,729	10,657,430	31,973,009
Balance at 1 July 2005 as reported previously	**7,232,850**	**166,653**	**–**	**13,468,581**	**–**	**13,635,234**	**11,104,925**	**31,973,009**
Effect of adopting FRS 102 Note 2(b)	**–**	**–**	**447,495**	**–**	**–**	**447,495**	**(447,495)**	**–**
As restated	**7,232,850**	**166,653**	**447,495**	**13,468,581**	**–**	**14,082,729**	**10,657,430**	**31,973,009**
Issue of shares from Rights Issue [Note 12(a)]	**1,808,213**	**–**	**–**	**9,041,062**	**–**	**9,041,062**	**–**	**10,849,275**
Rights Issue costs [Note 12(a)]	**–**	**–**	**–**	**(177,837)**	**–**	**(177,837)**	**–**	**(177,837)**
Issue of shares on exercise of employees' share options	**57,700**	**–**	**–**	**343,595**	**–**	**343,595**	**–**	**401,295**
Reclassification of share premium account [Note 12(b)]	**22,675,401**	**–**	**–**	**(22,675,401)**	**–**	**(22,675,401)**	**–**	**–**
Issue of shares on exercise of employees' share options	**20,230**	**–**	**–**	**–**	**–**	**–**	**–**	**20,230**
Net profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**10,367,149**	**10,367,149**
Fair value of employee services received in exchange for grant of share options	**–**	**–**	**245,338**	**–**	**–**	**245,338**	**–**	**245,338**
2005 final dividend of $0.004 per share less tax of 20% paid	**–**	**–**	**–**	**–**	**–**	**–**	**(581,977)**	**(581,977)**
2005 one-tier tax exempt dividend of $0.012 per share paid	**–**	**–**	**–**	**–**	**–**	**–**	**(2,182,347)**	**(2,182,347)**
2006 interim one-tier tax exempt dividend of $0.01 per share paid	**–**	**–**	**–**	**–**	**–**	**–**	**(1,819,753)**	**(1,819,753)**
Exchange translation difference arising from financial statements of foreign subsidiaries and associate company	**–**	**(278,362)**	**–**	**–**	**–**	**(278,362)**	**–**	**(278,362)**
Balance at 30 June 2006	**31,794,394**	**(111,709)**	**692,833**	**–**	**–**	**581,124**	**16,440,502**	**48,816,020**

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 2006 $	YEAR ENDED 30 JUNE 2005 $ (RESTATED)
Cash Flows from Operating Activities		
Profit before taxation	**12,701,650**	5,616,768
Adjustments for:		
Amortisation of intangible assets	**59,583**	85,672
Depreciation of property, plant and equipment	**423,206**	260,772
Dividend income	**(267)**	(187)
Exchange difference	**759,403**	166,658
Fair value of employee services received in exchange for grant of share options	**245,338**	324,419
Impairment of intangible assets	**440,541**	687,388
Loss/(profit) on sale of property, plant and equipment	**573**	(914)
Interest income	**(304,542)**	(162,198)
Interest expense	**125,583**	12,780
Share of associates' profits	**(215,948)**	(39,621)
Profit on sale of associate	**(1,839,286)**	–
Operating profit before working capital changes	**12,395,834**	6,951,537
(Increase)/decrease in operating receivables	**(1,039,158)**	5,549,037
Decrease in operating payables	**(3,789,609)**	(53,453)
Increase in excess of progress billings over work-in-progress	**120,840**	32,157
Cash generated from operations	**7,687,907**	12,479,278
Income tax paid	**(1,690,275)**	(1,436,381)
Interest paid	**(110,315)**	(12,780)
Net cash generated from operating activities	**5,887,317**	11,030,117
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	**(316,619)**	(292,790)
Acquisition of computer software	**(12,749)**	(67,143)
Acquisition of associates	**–**	(1,914,794)
Acquisition of subsidiaries (Note A)	**–**	(24,576,800)
Proceeds from sale of property, plant and equipment	**824**	1,249
Proceeds from sale of associate	**3,914,250**	–
Dividend received	**267**	187
Interest received	**259,356**	245,720
Net cash generated from/(used in) investing activities	**3,845,329**	(26,604,371)
Cash Flows from Financing Activities		
Dividends paid	**(4,584,077)**	(3,376,553)
Proceeds from exercise of employee share options	**421,525**	967,935
Proceeds from rights issue	**10,671,438**	–
Term loan from financial institution (repaid)/obtained	**(5,000,000)**	5,000,000
Net cash generated from financing activities	**1,508,886**	2,591,382
Net increase/(decrease) in cash and cash equivalents	**11,241,532**	(12,982,872)
Cash and cash equivalents at beginning	**5,150,159**	18,133,031
Exchange loss arising from translation of foreign currencies cash and cash equivalents	**(102,038)**	–
Cash and cash equivalents at end (Note 11)	**16,289,653**	5,150,159

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

Consolidated Cash Flow Statement (cont'd)

Note:

A. Acquisition of subsidiaries

The Group acquired certain subsidiaries in 2005. The fair value of assets acquired and liabilities assumed were as follows:

	$
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 2006 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 principal activity of the Company is investment holding.

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

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 in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Council on Corporate Disclosure and Governance ("CCDG"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

During 2004, the CCDG issued a series of new and revised FRSs which is applicable from 1 January 2005 for which the Company and the Group apply these new and revised standards from 1 July 2005. This includes the following new and revised standards, which are relevant to the Company and the Group:

FRS 1 (revised 2004)	Presentation of Financial Statements
FRS 8 (revised 2004)	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 10 (revised 2004)	Events after Balance Sheet Date
FRS 16 (revised 2004)	Property, Plant and Equipment
FRS 17 (revised 2004)	Leases
FRS 21 (revised 2004)	The Effects of Changes in Foreign Exchange Rates
FRS 24 (revised 2004)	Related Party Disclosures
FRS 32 (revised 2004)	Financial Instruments: Disclosure and Presentation
FRS 39 (revised 2004)	Financial Instruments: Recognition and Measurement
FRS 102	Share Based Payment
INT FRS 101	Changes in Existing Decommissioning, Restoration and Similar Liabilities

The adoption of the above FRS and INT FRS are not significant and did not result in substantial changes to the Company's and the Group's accounting policies except as disclosed under Note 2(b).

At the date of authorisation of these financial statements, the following FRS and other INT FRSs were issued but not effective:

FRS 39	Amendments to hedge accounting provisions of FRS 39 Financial Instruments: Recognition and Measurement
FRS 40	Investment Property
FRS 106	Exploration for and Evaluation of Mineral Resources
FRS 107	Financial Instruments: Disclosures

The directors do not anticipate that the adoption of these FRSs and INT FRSs in the period of initial application will have a material impact on the financial statements.

Notes to the Financial Statements

2(a) Summary of significant accounting policies (cont'd)

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.

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 the 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.

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.

Accrual for unbilled revenue earned is based on time recorded on an assignment estimated to be recoverable in subsequent financial periods and when there are no significant uncertainties regarding the recovery of the consideration due.

Allowance for anticipated losses under work-in-progress is based on the estimated average percentage of job costs recoverable during the financial year. This allowance is made for losses expected to arise on completion of contract assignment entered into before balance sheet date.

Impairment losses of goodwill under intangible assets with indefinite useful life are based on estimated future cash flows covering a period of 10 to 12 years. These cash flows projections are based on the net profitability of the acquired businesses. The estimated future cash flows are discounted to their present value using a pre-tax discount rate of 4% to 6% that reflects current market assessments of the time value of money.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Notes to the Financial Statements

2(a) Summary of significant accounting policies (cont'd)

Property, plant and equipment and depreciation (cont'd)
The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment, 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.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the assets and is recognised in the income statement.

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

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

Intangible assets
Intangible assets are accounted for using the cost model. With the exception of goodwill, capitalised costs are amortised on a straight-line basis over their estimated useful lives as they are considered finite. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to annual impairment testing. Indefinite life intangible are not amortised but subject to at least an annual impairment testing.

Intangible assets are written off where, in the opinion of the directors, no further future economic benefits are expected to arise.

<u>Goodwill</u>
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, more frequently if there are indications of impairment.

<u>Negative goodwill</u>
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.

Notes to the Financial Statements

2(a) Summary of significant accounting policies (cont'd)

Intangible assets (cont'd)
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 5 years.

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 investment 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.

Financial assets
The Company and the Group classify its financial assets, other than hedging instruments, into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the financial assets were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

Notes to the Financial Statements

2(a) Summary of significant accounting policies (cont'd)

Financial assets (cont'd)

All financial assets are recognised on their trade date - the date on which the Company and the Group commit to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at each balance sheet date whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in income statement when received, regardless of how the related carrying amount of financial assets is measured.

As at the balance sheet date, the Company and the Group carry loans and receivables on its balance sheet. The Company and the Group have no financial assets to be classified as held-to-maturity or available-for-sale and do not carry any financial assets at fair value through profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company and the Group provide money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in income statement. Any reversal shall not result in a carrying amount that exceeds what the amortised cost would have been had any impairment loss not been recognised at the date the impairment is reversed. Any reversal is recognised in the income statement.

Receivables are provided against when objective evidence is received that the Company and the Group will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Loans and receivables include unbilled disbursements, trade and other receivables and related companies balances on the balance sheet.

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.

Notes to the Financial Statements

2(a) Summary of significant accounting policies (cont'd)

Financial liabilities

The Company's and the Group's financial liabilities include borrowings and payables. Financial liabilities are recognised when the Company and the Group become a party to the contractual agreements of the instrument. All interest-related charges, if any, are recognised as an expense in finance costs in the income statement.

Payables which are consideration to be paid in the future for goods and services received, are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method. Payables include trade and other payables, disbursements billed in advance and related companies' balances on the balance sheet.

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.

Borrowings which are due to be settled within twelve months after the balance sheet date are included in current borrowings in the balance sheet even though the original terms was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the balance sheet date and before the financial statements are authorised for issue. Other borrowings due to be settled more than twelve months after the balance sheet date are included in non-current borrowings in the balance sheet.

Dividend distributions to shareholders are included in "current liabilities" when the dividends are payable.

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).

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.

Notes to the Financial Statements

2(a) Summary of significant accounting policies (cont'd)

Income taxes (cont'd)
Group tax relief is available with effect from Year of Assessment 2004 for the Singapore incorporated holding company and all its Singapore incorporated subsidiaries with at least 75% equity ownership, directly or indirectly (excluding any foreign shareholdings in the ownership chain) held by Singapore incorporated companies within the group. Current year unabsorbed losses and capital allowances are available to be set off against taxable profit of profitable subsidiaries within the Group in accordance with the rules.

Loss-carry-back is available with effect from Year of Assessment 2006. Current year unabsorbed capital allowances and trade losses of up to $100,000 incurred can be carried back and be set off against the assessable income of the year of assessment immediately preceding the year in which the capital allowance or trade loss arose. The loss carry-back will be given on due claim and subject to satisfaction of the substantial shareholding test and same business test.

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

Employee benefits
Pension obligations
The Company and the Group contribute to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees 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-based compensation
The Company operates an equity-settled, share-based compensation plan for executive directors, non-executive directors and full time employees of the Company and its subsidiaries to subscribe for shares in the Company. The fair value of the employee's services received in exchange for the grant of the options is recognised on a straight-line basis over the vesting period as an expense in the income statement with a corresponding increase in share option capital reserve. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets), on the date of grant. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

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 non-financial 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.

Notes to the Financial Statements

2(a) Summary of significant accounting policies (cont'd)

Impairment of assets (cont'd)

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belongs will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the company at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually, more often if there are indications of impairment. All other individual assets or cash-generating units are tested annually for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the income statement.

With the exception of goodwill,

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

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

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

Revenue recognition

Revenue is recognised when the significant risks and rewards of ownership have been transferred and the amount of revenue and the costs of the transaction can be measured reliably. Revenue excludes goods and services tax and is arrived at after deduction of trade discounts, if any.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

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.

Notes to the Financial Statements

2(a) Summary of significant accounting policies (cont'd)

Revenue recognition (cont'd)
Management fee and interest income are recognised on a time apportioned basis.

Operating leases
Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as 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.

Functional 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 functional currency"). The consolidated financial statements and the financial statements of the Company are presented in Singapore dollars, which is also the functional currency of the Company.

Conversion of foreign currencies
Monetary assets and liabilities, and non-monetary items carried at fair value 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 including taxation.

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, financial assets and financial liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Notes to the Financial Statements

2(a) Summary of significant accounting policies (cont'd)

Financial instruments (cont'd)
Disclosures on financial risk management objectives and policies are provided in Note 29.

2(b) Change in accounting policies - adoption of FRS 102 - Share Based Payment

Previously, the provision of share options to employees did not result in any change in the income statement. The Company recognised an increase in equity when the share options were exercised. On adoption of FRS 102, an expense is recognised on a straight-line basis over the vesting period in the income statement for employee services received in exchange for the grant of options with a corresponding increase in the share option capital reserve.

This change was effected retrospectively for share options issued after 22 November 2002 and not yet vested by 1 January 2005. Consequently, the following previously reported balances as at/for the year ended 30 June 2005 were adjusted.

The adoption of FRS 102 resulted in changes to the following comparative figures:

	THE COMPANY $	THE GROUP $
Increase/(decrease) in:		
Balance sheet		
Retained profits	**(184,873)**	**(447,495)**
Share option capital reserve	**447,495**	**447,495**
Interest in subsidiaries	**262,622**	**–**
Income statement		
Staff costs	**137,150**	**324,419**
Net profit for the year	**(137,150)**	**(324,419)**

The effects on the balance sheet as at 30 June 2005 and the income statement for the year ended 30 June 2005 are set out in statement in changes in equity.

3 Revenue

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

	2006 $	2005 $
Accounting	**9,076,310**	6,547,224
Corporate secretarial	**17,910,608**	9,013,965
Share registration	**3,474,118**	2,981,373
Trade support services	**364,613**	39,544
	30,825,649	18,582,106

Revenue for the Group excludes applicable goods and services tax.

Notes to the Financial Statements

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
Additions	38,291	2,920	–	–	41,211
Disposals	(4,330)	–	–	–	(4,330)
At 30 June 2006	**99,681**	**9,244**	**43,392**	**56,095**	**208,412**
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 the year	24,956	1,751	8,393	27,033	62,133
Disposals	(3,915)	–	–	–	(3,915)
At 30 June 2006	**53,184**	**3,551**	**26,690**	**42,579**	**126,004**
Net book value					
At 30 June 2006	**46,497**	**5,693**	**16,702**	**13,516**	**82,408**
At 30 June 2005	33,577	4,524	25,095	40,549	103,745

Notes to the Financial Statements

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
Exchange difference on translation	(6,249)	(2,920)	(3,461)	(3,606)	(2,063)	(18,299)
Additions	137,344	37,279	53,627	71,105	17,264	316,619
Disposals	(146,831)	(3,027)	–	–	–	(149,858)
At 30 June 2006	**1,308,273**	**238,727**	**376,349**	**1,245,788**	**86,533**	**3,255,670**
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
Exchange difference on translation	(6,209)	(2,691)	(2,310)	(3,063)	(1,661)	(15,934)
Depreciation for the year	164,297	18,692	59,339	169,280	11,598	423,206
Disposals	(146,414)	(2,046)	–	–	–	(148,460)
At 30 June 2006	**1,057,678**	**185,726**	**272,683**	**1,151,653**	**59,443**	**2,727,183**
Net book value						
At 30 June 2006	**250,595**	**53,001**	**103,666**	**94,135**	**27,090**	**528,487**
At 30 June 2005	278,005	35,624	110,529	192,853	21,826	638,837

Notes to the Financial Statements

5 Intangible assets

	COMPUTER SOFTWARE $
The Company	
Cost	
At 1 July 2004	249,995
Additions	42,374
At 30 June 2005	292,369
Additions	4,689
At 30 June 2006	**297,058**
Accumulated amortisation	
At 1 July 2004	22,550
Amortisation for the year	34,752
At 30 June 2005	57,302
Amortisation for the year	37,469
At 30 June 2006	**94,771**
Net book value	
At 30 June 2006	**202,287**
At 30 June 2005	235,067

Notes to the Financial Statements

5 Intangible assets (cont'd)

	GOODWILL ON CONSOLIDATION $	COMPUTER SOFTWARE $	TOTAL $
The Group			
Cost			
At 1 July 2004	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
Exchange difference on translation	(1,474,003)	–	(1,474,003)
Additions	–	12,749	12,749
Disposals	(405,600)	–	(405,600)
At 30 June 2006	**32,535,848**	**511,979**	**33,047,827**
Accumulated amortisation and impairment losses			
At 1 July 2004	–	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
Exchange difference on translation	(3,790)	–	(3,790)
Amortisation for the year	–	59,583	59,583
Impairment loss	440,541	–	440,541
At 30 June 2006	**1,255,190**	**277,624**	**1,532,814**
Net book value			
At 30 June 2006	**31,280,658**	**234,355**	**31,515,013**
At 30 June 2005	33,597,012	281,189	33,878,201

6 Subsidiaries

	2006 $	2005 $
The Company		
Unquoted equity investments, at cost	**5,407,166**	5,262,622
Loan to subsidiaries - interest-bearing	**–**	6,352,712
- non interest-bearing	**27,327,340**	18,850,512
Amount owing by subsidiaries (non-trade)	**1,789,116**	3,015,895
	29,116,456	28,219,119

The amount owing by/to subsidiaries, representing advances, is unsecured, interest-free and repayable on demand.

The loan to subsidiaries is unsecured and repayable on demand. The effective interest rate is Nil% (2005 - 2.19%) per annum.

Notes to the Financial Statements

6 Subsidiaries (cont'd)

The subsidiaries as at 30 June 2006 are:

	NAME	COUNTRY OF INCORPORATION/ PRINCIPAL PLACE OF BUSINESS	COST OF INVESTMENT		PERCENTAGE OF EQUITY HELD		PRINCIPAL ACTIVITIES
			2006 $	2005 $	2006	2005	
*	Lim Associates (Private) Limited	Singapore	**4,261,643**	4,180,370	**100%**	100%	Secretarial and share registration services
*	Ee Peng Liang Consultants Pte Ltd	Singapore	**1,145,521**	1,082,250	**100%**	100%	Accounting services
@	Boardroom China Limited	British Virgin Islands/ Hong Kong	**1**	1	**100%**	100%	Investment holding
#	AsiaLink Services (HK) Limited (1)	Hong Kong	**–**	–	**100%**	100%	Corporate secretarial, accounting, payroll and trade support services
#	M&C Boardroom Malaysia Sdn Bhd	Malaysia	**1**	1	**100%**	100%	Investment holding
#	M&C Services Sdn Bhd (2)	Malaysia	**–**	–	**100%**	100%	Corporate secretarial services
#	M&C Services (KL) Sdn Bhd (formerly known as K3 Corporate Services Sdn Bhd) (2)	Malaysia	**–**	–	**100%**	100%	Corporate secretarial services
#	M&C Services (Johor) Sdn Bhd (2)	Malaysia	**–**	–	**100%**	100%	Corporate secretarial services
#	M&C Services (Penang) Sdn Bhd (2)	Malaysia	**–**	–	**100%**	100%	Corporate secretarial services
			5,407,166	5,262,622			

@ 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

Notes to the Financial Statements

7 Associate

	THE COMPANY		THE GROUP	
	2006 $	2005 $	2006 $	2005 $
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 was:

NAME	COUNTRY OF INCORPORATION	PERCENTAGE OF EQUITY HELD		PRINCIPAL ACTIVITIES
		2006	2005	
Talent Shanghai Co. Ltd	China	**–**	35%	Human resource services

8 (Deferred tax assets)/deferred tax liabilities

	THE COMPANY		THE GROUP	
	2006 $	2005 $	2006 $	2005 $
Balance at beginning	**74,000**	74,000	**2,326**	(21,000)
Charged to income statement (Note 22)	**–**	–	**129,169**	23,326
Balance at end	**74,000**	74,000	**131,495**	2,326
Represented by:				
Deferred tax assets	**–**	–	**–**	(119,000)
Deferred tax liabilities	**74,000**	74,000	**131,495**	121,326
	74,000	74,000	**131,495**	2,326

The balance comprises tax on:

	INTEREST RECEIVABLE $	EXCESS OF NET BOOK VALUE OVER TAX WRITTEN DOWN VALUE OF QUALIFYING PROPERTY, PLANT AND EQUIPMENT $	OTHERS $	TOTAL $
The Company				
Balance at 1 July 2005	17,000	57,000	–	74,000
Charged/(credited) to income statement	–	–	–	–
Balance at 30 June 2006	**17,000**	**57,000**	**–**	**74,000**
The Group				
Balance at 1 July 2005	17,000	148,526	(163,200)	2,326
Charged/(credited) to income statement	-	(34,031)	163,200	129,169
Balance at 30 June 2006	**17,000**	**114,495**	**–**	**131,495**

Notes to the Financial Statements

9 Trade receivables

The Group

Trade receivables are stated after allowance for impairment of trade debts of $738,405 (2005 - $1,133,738).

Trade receivables are normally on a 90 days payment terms. The Group does not identify any specific concentrations of credit risk as the amounts resemble a large number of receivables spread over a number of clients.

Trade receivables are denominated in the following currencies:

	THE GROUP	
	2006 $	2005 $
Singapore dollar	**5,255,782**	5,010,787
Hong Kong dollar	**1,848,953**	1,378,648
Malaysia ringgit	**901,917**	802,806
	8,006,652	7,192,241

10 Other receivables

	THE COMPANY		THE GROUP	
	2006 $	2005 $	2006 $	2005 $
Staff loans	**5,000**	2,500	**5,000**	2,500
Sundry receivables	**750**	1,652	**106,853**	92,535
Management fee receivable from subsidiaries	**718,611**	175,777	**–**	–
Prepayments	**41,411**	174,366	**110,322**	227,042
Deposits	**560,267**	167,083	**729,525**	209,949
Interest receivable	**45,185**	–	**45,185**	–
Tax recoverable	**147,378**	215,938	**273,451**	239,298
	1,518,602	737,316	**1,270,336**	771,324

Staff loans are unsecured, interest-free and repayable within the next 12 months.

11 Cash and cash equivalents

	THE COMPANY		THE GROUP	
	2006 $	2005 $	2006 $	2005 $
Fixed deposits	**10,750,804**	–	**13,521,295**	839,885
Cash and bank balances	**201,557**	318,035	**2,768,358**	4,310,274
	10,952,361	318,035	**16,289,653**	5,150,159

Fixed deposits are placed with financial institutions and earned interest at the rates ranging from 1.8125% to 3.5000% (2005 - 0.4075% to 1.9075%) per annum, with a maturity of up to 12 months.

Notes to the Financial Statements

11 Cash and cash equivalents (cont'd)

Cash and cash equivalents are denominated in the following currencies:

	THE COMPANY		THE GROUP	
	2006 $	2005 $	2006 $	2005 $
Singapore dollar	**10,952,361**	318,035	**12,605,260**	2,627,879
Hong Kong dollar	**–**	–	**2,128,429**	1,046,191
Malaysia ringgit	**–**	–	**1,555,964**	1,476,089
	10,952,361	318,035	**16,289,653**	5,150,159

12 Share capital

	2006	2005	2006	2005
The Company and The Group	NUMBER OF SHARES		$	$
Authorised ordinary shares of $0.05 each	**(b)**	300,000,000	**(b)**	15,000,000
Issued and fully paid:				
Balance at beginning	**144,657,000**	141,901,000	**7,232,850**	7,095,050
Issue of ordinary shares at a premium of $0.25 per share from Rights Issue (a)	**36,164,250**	–	**1,808,213**	–
Issued and fully paid pursuant to options exercised at a premium of:				
- $0.25 per share	**60,000**	–	**3,000**	–
- $0.18/$0.195 per share	**38,000**	51,000	**1,900**	2,550
- $0.34 per share	**–**	300,000	**–**	15,000
- $0.255 per share	**–**	300,000	**–**	15,000
- $0.37 per share	**–**	17,000	**–**	850
- $0.28/$0.30 per share	**13,000**	1,988,000	**650**	99,400
- $0.305/$0.39 per share	**1,043,000**	100,000	**52,150**	5,000
	181,975,250	144,657,000	**9,098,763**	7,232,850
Transfer from share premium (b)			**22,675,401**	–
Issued and fully paid pursuant to options exercised at an exercise price of:				
- $0.355 per share	**46,000**	–	**16,330**	–
- $0.390 per share	**10,000**	–	**3,900**	–
Balance at end	**182,031,250**	144,657,000	**31,794,394**	7,232,850

(a) 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 shares for every four existing shares of par value of $0.05 each in the capital of the Company held by the shareholders ("Rights Issue"). Exercise prices for employee share options have been adjusted downwards by 7% accordingly.

(b) On 30 January 2006, in line with the amendments to the Companies Act, Cap, 50, the concept of par value of shares and authorised share capital have been abolished and on that date, the shares of the Company ceased to have a par value. Accordingly, the amount standing in the share premium account was transferred and became part of the Company's share capital.

Notes to the Financial Statements

12 Share capital (cont'd)

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

The Company and The Group	2006	2005
	NUMBER OF OPTIONS	
Balance at beginning	**5,227,000**	5,757,000
Granted	**–**	2,584,000
Exercised	**(1,210,000)**	(2,756,000)
Cancelled/lapsed	**(324,000)**	(358,000)
Balance at end	**3,693,000**	5,227,000

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

Exercise period	EXERCISE PRICE 2006*	EXERCISE PRICE 2005	GRANTED 2006	GRANTED 2005	CANCELLED/LAPSED 2006	CANCELLED/LAPSED 2005
				NUMBER OF OPTIONS		
18.7.2004 to 17.7.2012	**$0.390**	$0.420	**–**	–	**10,000**	–
21.10.2004 to 20.10.2012	**$0.330**	$0.350	**–**	–	**5,000**	86,000
17.10.2005 to 16.10.2013	**$0.355**	$0.380	**–**	–	**67,000**	272,000
10.11.2006 to 9.11.2014	**$0.335**	$0.360	**–**	2,344,000	**242,000**	–
10.11.2005 to 9.11.2009	**$0.415**	$0.445	**–**	240,000	**–**	–
				2,584,000	**324,000**	358,000
Aggregate proceeds if shares are issued based on exercise price ($)			**–**	$950,640		

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

Exercise period	EXERCISE PRICE 2006*	EXERCISE PRICE 2005	NUMBER OF OPTIONS EXERCISED 2006	NUMBER OF OPTIONS EXERCISED 2005
17.8.2002 to 16.8.2010	**$0.30**	$0.320	**60,000**	–
24.9.2003 to 23.9.2011	**$0.23**	$0.245	**38,000**	51,000
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	**$0.390**	$0.420	**10,000**	17,000
21.10.2004 to 20.10.2012	**$0.330**	$0.350	**13,000**	1,988,000
21.10.2003 to 20.10.2007	**–**	$0.440	**–**	100,000
17.10.2005 to 16.10.2013	**$0.355**	$0.380	**1,089,000**	–
			1,210,000	2,756,000
Aggregate proceeds of shares issued ($)			**$421,525**	$967,935

* Pursuant to the Rights Issue on 11 July 2005, the exercise price of the share options were adjusted downwards by 7%.

Notes to the Financial Statements

12 Share capital (cont'd)

Terms of share options outstanding as at 30 June 2006 are as follows:

Exercise period	ADJUSTED EXERCISE PRICE	NUMBER OUTSTANDING	NUMBER EXERCISABLE
24.9.2003 to 23.9.2011	$0.230	28,000	28,000
18.7.2004 to 17.7.2012	$0.390	117,000	117,000
21.10.2004 to 20.10.2012	$0.330	181,000	181,000
21.10.2003 to 20.10.2007	$0.410	200,000	200,000
17.10.2005 to 16.10.2013	$0.355	675,000	675,000
17.10.2004 to 16.10.2008	$0.440	150,000	150,000
10.11.2006 to 9.11.2014	$0.335	2,102,000	-
10.11.2005 to 9.11.2009	$0.415	240,000	240,000
		3,693,000	1,591,000

13 Other reserves (non-distributable)

	THE COMPANY		THE GROUP	
	2006 $	2005 $	2006 $	2005 $
Share option capital reserve	**692,833**	447,495	**692,833**	447,495
Share premium (Note 14)	**–**	13,468,581	**–**	13,468,581
Exchange translation reserves	**–**	–	**(111,709)**	166,653
	692,833	13,916,076	**581,124**	14,082,729

Share option capital reserve refers to capital reserve on the grant of the options in exchange for employee services. The reserve is made up of cumulative services received from employees of the Company and the Group and recorded on grant of equity-settled share options by the Company. It is not available for distribution as dividend as it is capital in nature.

Share premium account is set up in accordance with Section 69 of the Companies Act, Cap. 50 where the Company issued shares above par at a premium. Share premium account has been transferred and became part of the Company's share capital (Note 12 (b)).

Exchange translation reserves arise from the translations of foreign subsidiaries' and associate's assets and liabilities.

Notes to the Financial Statements

14 Share premium

The Company and The Group	2006 NUMBER OF SHARES	2005 NUMBER OF SHARES	2006 $	2005 $
Balance at beginning			**13,468,581**	12,638,446
Issue of ordinary shares at a premium of $0.25 per share from Rights Issue	**36,164,250**	–	**9,041,062**	–
Rights Issue costs	**–**	–	**(177,837)**	–
Issue of ordinary shares pursuant to options exercised at a premium of:				
- $0.25 per share	**60,000**	–	**15,000**	–
- $0.18/$0.195 per share	**38,000**	51,000	**6,840**	9,945
- $0.34 per share	**–**	300,000	**–**	102,000
- $0.255 per share	**–**	300,000	**–**	76,500
- $0.37 per share	**–**	17,000	**–**	6,290
- $0.28/$0.30 per share	**13,000**	1,988,000	**3,640**	596,400
- $0.305/$0.39 per share	**1,043,000**	100,000	**318,115**	39,000
			22,675,401	13,468,581
Transfer to share capital [Note 12(b)]			**(22,675,401)**	–
Balance at end			**–**	13,468,581

15 Borrowings

	2006 $	2005 $
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% (2005 - 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 was 3.745% (2005 - 3.11%) per annum.

Notes to the Financial Statements

16 Trade payables

The Company

Included in trade payables is an amount owing to subsidiary of $Nil (2005 - $33,930).

Trade payables are denominated in the following currencies:

	THE COMPANY		THE GROUP	
	2006 $	2005 $	2006 $	2005 $
Singapore dollar	**842,294**	740,661	**3,061,463**	2,244,357
Hong Kong dollar	**–**	–	**490,284**	448,681
Malaysia ringgit	**–**	–	**589,360**	393,514
	842,294	740,661	**4,141,107**	3,086,552

Trade payables are generally on a 30 days credit terms.

17 Other payables

The Group

Included in other payables for the Group is $Nil (2005 - $4,634,144) due to vendor for the acquisition of AsiaLink Services (HK) Limited.

18 Excess of progress billing over work-in-progress

	2006 $	2005 $
The Group		
Work-in-progress	**2,103,247**	1,816,147
Allowance for anticipated losses	**(735,564)**	(284,622)
	1,367,683	1,531,525
Progress billings	**(3,459,747)**	(3,597,847)
	(2,092,064)	(2,066,322)

Notes to the Financial Statements

19 Other operating income

	2006 $	2005 $
The Group		
Interest income - fixed deposits	**304,542**	162,198
Gross dividend from quoted equity investment	**267**	187
Other income	**283,132**	29,674
	587,941	192,059

20 Staff costs

	2006 $	2005 $
The Group		
Directors' remuneration other than fees (key management)		
- directors of the Company		
- Salaries and related expenses	**1,254,575**	1,198,341
- CPF contributions	**25,620**	32,100
- Grant of share options	**54,305**	63,975
- directors of the subsidiaries		
- Salaries and related expenses	**899,870**	20,821
- CPF contributions	**19,889**	–
- Grant of share options	**16,749**	–
Staff costs		
- Salaries and related expenses	**11,132,351**	7,590,491
- CPF contributions or other defined contribution plans	**757,912**	745,389
- Grant of share options	**174,284**	260,444
	14,335,555	9,911,561

Notes to the Financial Statements

21 Profit before taxation

	NOTE	2006 $	2005 $
The Group			
Profit before taxation has been arrived at			
after charging:			
Allowance for impairment of trade debts		**280,474**	42,010
Amortisation of intangible assets	5	**59,583**	85,672
Auditors' remuneration			
- auditors of the company			
- audit fee		**66,000**	40,010
- non-audit fee (tax-compliance)		**–**	29,800
- auditors of subsidiaries		**49,132**	5,507
Bad debts written off - trade		**374,111**	88,560
Depreciation of property, plant and equipment	4	**423,206**	260,772
Directors' fee		**202,247**	147,000
Impairment of intangible assets	5	**440,541**	687,388
Interest expense - term loan		**125,583**	12,780
Loss on sale of property, plant and equipment		**573**	–
Operating lease rentals		**1,177,596**	737,740
and crediting:			
Reversal of allowance for impairment of trade debts		**868,976**	77,915
Profit on sale of property, plant and equipment		**–**	914

22 Taxation

	2006 $	2005 $
The Group		
Current taxation	**2,140,338**	1,314,482
Deferred taxation (Note 8)	**129,169**	23,326
	2,269,507	1,337,808
Overprovision of current taxation in respect of prior years	**(11,110)**	(18)
Share of associate's taxation	**76,104**	19,295
	2,334,501	1,357,085

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	**12,485,702**	5,577,147
Tax at statutory rate of 20%	**2,497,140**	1,115,429
Tax effect on non-taxable income	**(401,438)**	(11,419)
Tax effect on non-deductible expenses	**251,112**	266,960
Singapore statutory stepped income exemption	**(31,500)**	(31,500)
Deferred tax assets on temporary differences not recognised	**2,848**	(1,948)
Difference in foreign tax rates	**(48,655)**	286
	2,269,507	1,337,808

Notes to the Financial Statements

23 Earnings per share

The earnings per share is calculated based on the Group profit after taxation of $10,367,149 (2005 - $4,259,683) on the weighted average number of ordinary shares in issue of 180,077,530 (2005 - 143,631,371) shares during the financial year.

Diluted earnings per share was calculated on the Group profit after taxation of $10,367,149 (2005 - $4,259,683) divided by 180,912,646 (2005 - 144,351,242) 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.

24 Dividend

At the Annual General Meeting to be held, a final one-tier tax exempt dividend of $0.018 per share amounting to $3,276,563 will be proposed based on 182,031,250 number of ordinary shares in issue. 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 2007.

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:

	2006 $	2005 $
Number of directors		
$500,000 to $749,999	**2**	–
$250,000 to $499,999	**–**	3
below $250,000	**6**	7
	8	10

$500,000 to $749,999

	TAN CHER LIANG		THOMAS YEOH ENG LEONG	
	2006 %	2005 %	2006 %	2005 %
Fee	**–**	–	**–**	–
Salary	**41**	52	**45**	71
Bonus	**3**	4	**4**	3
Allowance	**1**	1	**8**	12
Leave entitlement	**–**	–	**–**	–
Profit share	**52**	39	**42**	11
CPF contributions	**3**	4	**1**	3
Notice in lieu	**–**	–	**–**	–
Ex-gratia payment	**–**	–	**–**	–
	100	100	**100**	100

Notes to the Financial Statements

25 Disclosure of directors' remuneration (cont'd)

$250,000 to $499,999

	YVONNE CHOO (RESIGNED ON 1.7.2004)	
	2006 %	2005 %
Fee	**–**	–
Salary	**–**	–
Bonus	**–**	–
Allowance	**–**	–
Leave entitlement	**–**	7
Profit share	**–**	–
CPF contributions	**–**	1
Notice in lieu	**–**	–
Ex-gratia payment	**–**	92
	–	100

below $250,000

	SIM CHEOK LIM		ELIZABETH SAM		THOMAS BRIAN STEVENSON (RESIGNED ON 22.10.2004)	
	2006 %	2005 %	2006 %	2005 %	2006 %	2005 %
Fee	**100**	100	**100**	100	**–**	100
Salary	**–**	–	**–**	–	**–**	–
Bonus	**–**	–	**–**	–	**–**	–
Allowance	**–**	–	**–**	–	**–**	–
Profit share	**–**	–	**–**	–	**–**	–
CPF contributions	**–**	–	**–**	–	**–**	–
Notice in lieu	**–**	–	**–**	–	**–**	–
	100	100	**100**	100	**–**	100

	GOH GEK KHIM		GOH YEW LIN		MAK LYE MUN		WILLIAM WONG TIEN LEONG	
	2006 %	2005 %	2006 %	2005 %	2006 %	2005 %	2006 %	2005 %
Fee	**100**	100	**–**	–	**100**	100	**100**	100
Salary	**–**	–	**–**	–	**–**	–	**–**	–
Bonus	**–**	–	**–**	–	**–**	–	**–**	–
Allowance	**–**	–	**–**	–	**–**	–	**–**	–
Profit share	**–**	–	**–**	–	**–**	–	**–**	–
CPF contributions	**–**	–	**–**	–	**–**	–	**–**	–
Notice in lieu	**–**	–	**–**	–	**–**	–	**–**	–
	100	100	**–**	–	**100**	100	**100**	100

Notes to the Financial Statements

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 exclude deferred tax assets, provision for taxation and deferred tax liabilities.

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

	SINGAPORE $	MALAYSIA $	HONG KONG $	CHINA $	ELIMINATION $	CONSOLIDATED $
2006						
Revenue						
External sales	19,741,632	3,125,268	7,958,749	–	–	30,825,649
Results						
Profit before taxation	8,561,801	1,032,691	2,891,210	215,948	–	12,701,650
Income taxes	1,482,033	270,402	505,962	76,104	–	2,334,501
Profit for the year attributable to shareholders	7,079,768	762,289	2,385,248	139,844	–	10,367,149
Other information						
Segment assets	23,803,400	8,340,108	26,234,854	–	(696,805)	57,681,557
Unallocated corporate assets						–
Consolidated total assets						57,681,557
Segment liabilities	4,170,261	1,116,179	1,994,863	–	(718,610)	6,562,693
Unallocated corporate liabilities						2,302,844
Consolidated total liabilities						8,865,537
Capital expenditure						
- property, plant and equipment	206,245	91,717	18,657	–	–	316,619
- intangible assets	12,749	27,273	(2,369)	–	–	37,653
Depreciation and amortisation expenses	390,619	82,791	9,379	–	–	482,789
Allowance for impairment of debts - trade	146,596	49,143	84,735	–	–	280,474
Impairment of intangible assets	440,541	–	–	–	–	440,541
Loss on disposal of property, plant and equipment	367	206	–	–	–	573

Notes to the Financial Statements

26 Statement of operations by segment (cont'd)

	SINGAPORE $	MALAYSIA $	HONG KONG $	CHINA $	ELIMINATION $	CONSOLIDATED $
2005						
Revenue						
External sales	17,609,568	328,860	643,678	–	–	18,582,106
Results						
Profit before taxation	5,171,583	99,289	306,275	39,621	–	5,616,768
Income taxes	1,236,659	35,224	65,907	19,295	–	1,357,085
Profit for the year attributable to shareholders	3,934,924	64,065	240,368	20,326	–	4,259,683
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 impairment of 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

Notes to the Financial Statements

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 $
2006						
Revenue	**17,910,608**	**3,474,118**	**9,076,310**	**364,613**	**–**	**30,825,649**
Segment assets	**26,091,104**	**1,088,431**	**11,655,286**	**3,253,889**	**(696,805)**	**41,391,905**
Unallocated corporate assets						**16,289,652**
Consolidated total assets						**57,681,557**
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

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

Notes to the Financial Statements

27 Operating lease commitments

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

	THE COMPANY		THE GROUP	
	2006 $	2005 $	2006 $	2005 $
Not later than one year	**412,190**	684,706	**792,974**	1,047,409
Later than one year and not later than five years	**–**	342,218	**320,912**	922,553
Later than five years	**–**	–	**–**	–

The leases on the Group's office equipment on which rentals are payable will expire between 31 March 2010 and 31 October 2010, subject to an option to renew and the current rent payable on all leases range from $767 per month to $1,142 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.

The Company recharges rental of office premises of $33,727 and $28,455 respectively to its subsidiaries.

The total of future minimum sublease payments expected to be received by the Company from its subsidiaries at balance sheet date is $373,096.

28 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.

29 Financial risk management objectives and policies

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:

29.1 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.

29.2 Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Notes to the Financial Statements

29 Financial risk management objectives and policies (cont'd)

29.2 Cash flow and fair value interest rate risk (cont'd)

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 1.8125% to 3.5000% (2005 - 0.4075% to 1.9075%) per annum and the borrowings from a financial institution which were at an effective interest of 3.745% (2005 - 3.11%) per annum.

29.3 Price risk

Price 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.

29.4 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.

29.5 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.

29.6 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 bore interest at the effective rate of 3.745% (2005 - 3.11%) per annum.

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

Notes to the Financial Statements

30 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.

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

31 Comparative figures

	THE COMPANY		THE GROUP	
	RESTATED 2005 $	REPORTED 2005 $	RESTATED 2005 $	REPORTED 2005 $
Balance sheet				
Interest in subsidiaries	5,262,622	30,203,224	–	–
Other reserves	13,916,076	13,468,581	14,082,729	13,635,234
Retained profits	9,821,861	10,006,734	10,657,430	11,104,925
Amount owing by subsidiaries (non-trade)	28,219,119	3,015,895	–	–
Income Statement				
Staff costs			9,911,561	9,558,753
Other operating expenses			2,926,233	2,954,622
Profit before taxation			5,616,768	5,941,187

The comparative figures have been restated to conform with the change in the accounting policies as disclosed in Note 2(b) and change in management internal reporting presentation.

Statistics of Shareholdings

AS AT 7 SEPTEMBER 2006

Distribution of shareholders by size of shareholdings

SIZE OF HOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 999	8	1.04	1,201	0.00
1,000 - 10,000	422	54.73	1,867,455	1.03
10,001 - 1,000,000	325	42.15	23,020,869	12.64
1,000,001 and above	16	2.08	157,216,725	86.33
	771	100.00	182,106,250	100.00

Twenty Largest Shareholders

NO.	NAMES OF SHAREHOLDERS	NO. OF SHARES	%
1	CIMB-GK Securities Pte. Ltd.	52,882,356	29.04
2	Citibank Nominees Singapore Pte Ltd	36,432,284	20.01
3	Seapac Investment Pte Ltd	22,616,612	12.42
4	HSBC (Singapore) Nominees Pte Ltd	12,003,750	6.59
5	Wong Chau Yuen	5,001,000	2.75
6	Glen Holdings Pte Ltd	4,778,000	2.62
7	Jen Shek Voon	4,381,711	2.41
8	Tan Man Eng	3,480,537	1.91
9	Merrill Lynch (Singapore) Pte Ltd	3,238,363	1.78
10	Morgan Stanley Asia (Singapore) Securities Pte Ltd	2,481,250	1.36
11	Tan Sai Gek @ Ng Sai Gek	2,282,701	1.25
12	Ong Eng Teong	1,846,161	1.01
13	The Asia Life Assurance Society Ltd - Par Fund	1,701,000	0.93
14	Tan Cher Liang	1,519,000	0.84
15	Chia Kee Koon	1,365,000	0.75
16	Yvonne Choo Mrs Yvonne Goh	1,207,000	0.66
17	The Asia Life Assurance Society Ltd - Shareholders Fund	774,000	0.43
18	Phillip Securities Pte Ltd	706,000	0.39
19	Yeo Seng Kia	678,000	0.37
20	DBS Nominees Pte Ltd	645,250	0.35
	Total	160,019,975	87.87

Statistics of Shareholdings

AS AT 7 SEPTEMBER 2006

Shareholders' Information as at 7 September 2006

CLASS OF EQUITY SECURITIES	NUMBER OF EQUITY SECURITIES	VOTING RIGHTS
Ordinary	182,106,250	One vote per share

Substantial shareholders

(As Recorded in the Register of Substantial Shareholders)

	DIRECT INTEREST	%	DEEMED INTEREST	%
G.K. Goh Holdings Limited [3]	–	–	52,875,857	29.04
GKG Investment Holdings Pte Ltd [4]	–	–	52,875,857	29.04
Goh Geok Khim [1]	–	–	52,875,857	29.04
Goh Yew Lin [2]	–	–	52,875,857	29.04
Salacca Pte Ltd	52,875,857	29.04	–	–
Seapac Investment Pte Ltd	22,616,612	12.42	–	–
Third Avenue Management LLC [5]	–	–	21,839,784	11.99

Notes:

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

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

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

(5) Third Avenue Management LLC is deemed to have an interest in 21,839,784 shares held by Citibank Nominees Singapore Pte Ltd.

As at 7 September 2006, 45.07% of the Company's shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of SGX-ST which requires that at least 10% of the equity securities (excluding preference shares and convertible equity securities) in a class that is listed to be in the hands of the public.

BOARDROOM LIMITED
Company Registration No. 200003902Z
(Incorporated in the Republic of Singapore)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Boardroom Limited ("the Company") will be held at Tower Club Singapore, 9 Raffles Place, Penthouse, Republic Plaza Tower 1, Boardroom/Andaman Room, 62nd Floor, Singapore 048619 on Friday, 20 October 2006 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 2006 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a final (one-tier) tax-exempt dividend of 1.8 Singapore cents per ordinary share for the year ended 30 June 2006. [2005: A final dividend of 0.4 Singapore cent per ordinary share less income tax and a final (one-tier) tax-exempt dividend of 1.2 Singapore cents per ordinary share] **(Resolution 2)**

3. (a) To re-appoint Mr Goh Geok Khim, a Director retiring under Section 153(6) of the Companies Act, Cap. 50, to hold office from the date of this Annual General Meeting until the next Annual General Meeting. **(Resolution 3)**

   (b) To re-elect Mrs Elizabeth Sam retiring pursuant to Article 110 of the Company's Articles of Association: **(Resolution 4)**

4. To approve the payment of additional Directors' fees of S$16,000 for the year ended 30 June 2006. **(Resolution 5)**

5. To approve the payment of Directors' fees of S$203,000 for the year ending 30 June 2007 to be paid quarterly in arrears. (2006: S$187,000) **(Resolution 6)**

6. To re-appoint Foo Kon Tan Grant Thornton as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 7)**

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 issue shares up to 50 per centum (50%) of the issued shares in the capital of the Company

   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:

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

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

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

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

Notice of Annual General Meeting (cont'd)

AS SPECIAL BUSINESS (cont'd)

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) shall not exceed fifty per centum (50%) of the issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the number of issued shares in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

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

(b) any subsequent consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting), such authority shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (i)] **(Resolution 8)**

Notice of Annual General Meeting (cont'd)

9. Authority to 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 offer and grant options and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted under the Boardroom Share Option Scheme (the "Scheme"), provided always that the aggregate number of shares to be issued pursuant to the Scheme shall not exceed fifteen per centum (15%) of the issued shares in the 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 next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. [See Explanatory Note (ii)] **(Resolution 9)**

By Order of the Board

TAN CHER LIANG
TAN SAN-JU
SECRETARIES

SINGAPORE, 27 SEPTEMBER 2006

Explanatory Notes:

(i) The Ordinary Resolution 8 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 such authority is varied or revoked by the Company in general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, fifty per centum (50%) of the issued shares in the capital of the Company, of which twenty per centum (20%) may be issued other than on a pro rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the percentage of issued shares will be calculated based on the number of issued shares in the capital of the Company at the time this Resolution is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or the vesting of share awards which are outstanding or subsisting at the time that this Resolution is passed, and any subsequent consolidation or subdivision of shares.

(ii) The Ordinary Resolution 9 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 such authority is varied or revoked by the Company in general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Boardroom Share Option Scheme up to a number not exceeding in total (for the entire duration of this scheme) fifteen per centum (15%) of the issued shares in the capital of the Company from time to time.

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.

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BOARDROOM LIMITED
Company Registration No. 200003902Z
(Incorporated In the Republic of Singapore)

IMPORTANT:

1. For investors who have used their CPF monies to buy shares in the capital of Boardroom Limited, this Report is sent to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as observers must submit their requests through their CPF Approved Nominees within the time frame specified. Any voting instructions must also be submitted to the CPF Approved Nominees within the time frame specified to enable them to vote on a CPF Investor's behalf.

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 the person, or either or both of the persons, referred to above, 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 20 October 2006 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 2006		
2	Payment of a final (one-tier) tax-exempt dividend		
3	Re-appointment of Mr Goh Geok Khim as a Director		
4	Re-election of Mrs Elizabeth Sam as a Director		
5	Approval of additional Directors' fees amounting to S$16,000 for the year ended 30 June 2006		
6	Approval of Directors' fees amounting to S$203,000		
7	Re-appointment of Messrs Foo Kon Tan Grant Thornton as Auditors		
8	Authority to issue new shares		
9	Authority to issue shares under the Boardroom Share Option Scheme		

Dated this ____________________ day of ____________________ 2006

TOTAL NUMBER OF SHARES IN:	NO. OF SHARES
(a) CDP Register	
(b) Register of Members	

____

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

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

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 10 Collyer Quay #19-08 Ocean Building Singapore 049315 not less than 48 hours before the time appointed for the Meeting.

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

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

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his 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.

BOARDROOM
LIMITED

10 Collyer Quay, #19-08 Ocean Building, Singapore 049315
Tel: 6536 5355 Fax: 6536 1360

www.boardroomlimited.com