BoardRoom
Smart Business Solutions

YOUR PARTNER OF CHOICE

ANNUAL REPORT 2015

CORPORATE PROFILE

Boardroom is a leader in corporate and advisory services. Our services include Corporate Secretarial, Share Registry Services, Accounting, Taxation, and Payroll, Governance, Risk and Compliance (GRC), and Human Resources.

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

We care for your success. Our associates serve as your partners, acting for you. We know how to do it.

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

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

Let us be your partner of choice.

CONTENTS

“Despite a challenging year, the Group was able to achieve steady growth in all business and geographic segments. This is a good testament of Boardroom’s business resilience and organisational capability.

Across the Group, we have broadened our capability to deliver more comprehensive services to meet our clients’ complex outsourcing needs.

We will continue to adopt best practices and strive to harness the advantages of our regional network of offices, business associates, and clients.

We are cautiously confident that Boardroom will be able to continue to grow in the current year.”

Mr Goh Geok Khim
Chairman

FINANCIAL HIGHLIGHTS

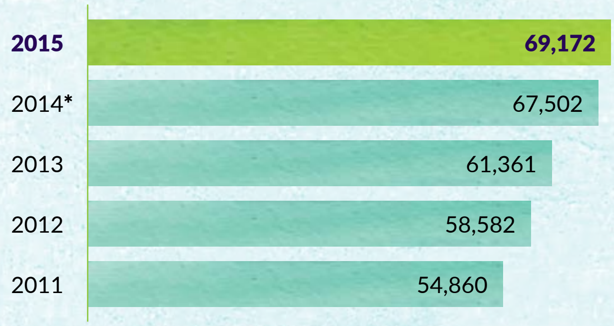
INCOME STATEMENT

	2015	2014*	2014	2013	2012	2011
Year Ended Period	**31 December 12-month**	31 December 12-month	31 December 18-month	30 June 12-month	30 June 12-month	30 June 12-month
Revenue ($'000)	**69,172**	67,502	99,337	61,361	58,582	54,860
EBITDA ($'000)	**13,033**	14,406	21,526	13,943	13,713	25,203
Profit Before Tax ($'000)	**9,243**	10,826	16,280	10,207	8,340	21,891
Profit After Tax ($'000)	**6,722**	9,174	13,117	8,011	6,902	19,123

REVENUE
($'000)

$69,172

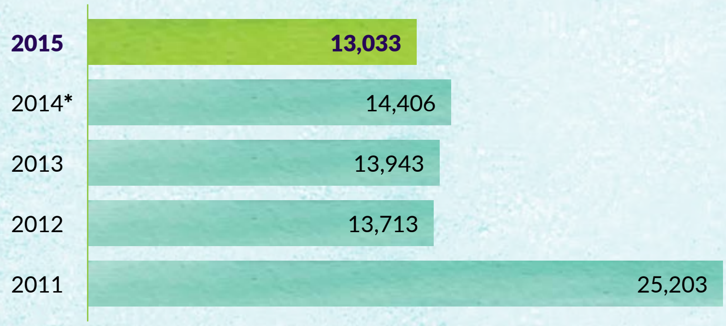
Increase by **2.5%**



EBITDA
($'000)

$13,033

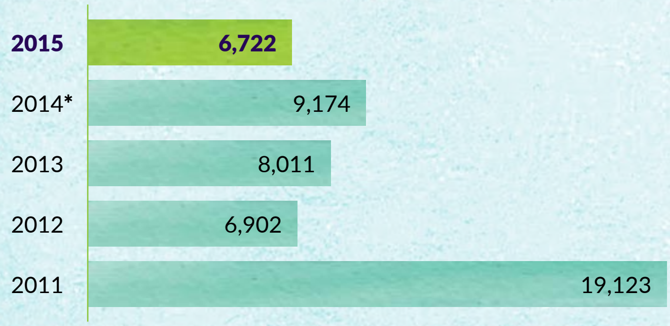
Decrease by **9.5%**



PROFIT AFTER TAX
($'000)

$6,722

Decrease by **26.7%**



* Unaudited 12-month results presented for comparison purposes

FINANCIAL HIGHLIGHTS (Continued)

FINANCIAL POSITION

	2015	2014*	2014	2013	2012	2011
Year Ended Period	**31 December 12-month**	31 December 12-month	31 December 18-month	30 June 12-month	30 June 12-month	30 June 12-month
Total Assets ($'000)	**107,761**	105,881	105,881	102,018	108,781	107,432
Total Liabilities ($'000)	**34,786**	36,036	36,036	38,036	41,553	40,547
Total Shareholders' Equity ($'000)	**72,975**	69,845	69,845	63,982	67,228	66,885
Net Current Assets/ (Liabilities) ($'000)	**18,182**	14,486	14,486	(1,315)	(470)	1,306

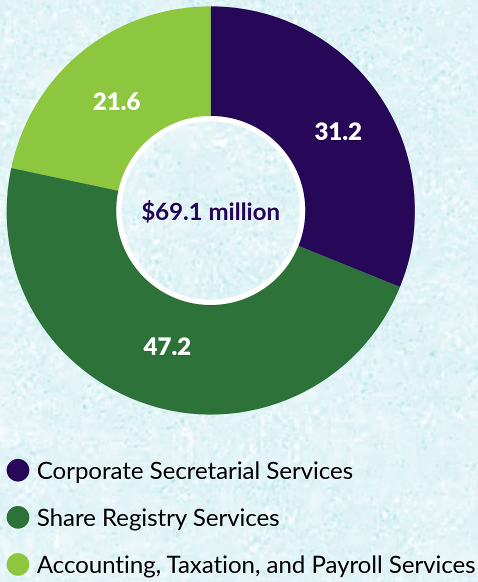
KEY FINANCIAL RATIOS

	2015	2014*	2014	2013	2012	2011
Year Ended Period	**31 December 12-month**	31 December 12-month	31 December 18-month	30 June 12-month	30 June 12-month	30 June 12-month
Earnings Per Share (cents)	**3.47**	4.90	7.01	4.50	4.03	10.23
Return on Equity (%)	**9.2**	13.1	18.8	12.5	10.3	28.6
Net Asset Value (cents)	**37.68**	36.07	36.07	34.72	36.71	36.25
Current Ratio (times)	**1.97**	1.82	1.82	0.95	0.98	1.07
Debt-to-Equity (times)	**0.16**	0.19	0.19	0.23	0.26	0.27

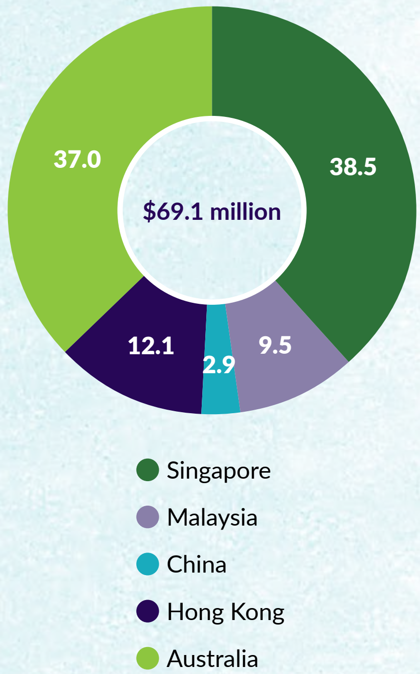
SEGMENTAL RESULTS

For the year ended 31 December 2015

Revenue by Business Division (%)



Revenue by Region (%)



* Unaudited 12-month results presented for comparison purposes

CHAIRMAN'S MESSAGE

On behalf of the Board of Directors, I am pleased to present Boardroom's Annual Report for the financial year ended 31 December 2015 ("FY15"), the first full year of operations for the Group since the change of financial year end from 30 June to 31 December.

FY15 was another challenging year. Nevertheless, the Group was still able to achieve steady growth in all business and geographic segments. This is a good testament of Boardroom's business resilience and organisational capability.

THE SHAPE OF OUR BUSINESS

Group revenue for FY15 grew moderately by 2.5% to $69.1 million. However, on a constant currency basis, growth would have been 6.5%. Exchange rate movements have to some extent masked improvements in some segments of our business. The Group's revenue is now diversified over five countries and three main business divisions as follows:

	Audited 2015 Revenue ($'m)	Revenue Mix (%)	2015 Revenue in Constant Currency ($'m)	YOY Growth in Constant Currency (%)
By Country				
Singapore	26.6	38.5	26.6	3.7
Australia	25.5	37.0	28.4	9.1
Malaysia	6.6	9.5	7.3	12.3
Hong Kong	8.4	12.1	7.7	3.4
China	2.0	2.9	1.9	(0.7)
Total Group	**69.1**	**100.0**	**71.9**	**6.5**
By Business				
Share Registry Services	32.7	47.2	35.3	9.0
Corporate Secretarial Services	21.5	31.2	21.8	6.1
Accounting, Taxation, and Payroll Services	14.9	21.6	14.8	1.3

Net profits dropped by almost 27% to $6.7 million, though on a constant currency basis, the decline would have been 20%. The higher cost base in FY15 was partially the result of the Group investing heavily in human and other resources to enhance its competitiveness and to gear up for future business growth.

DIVIDEND

The Board has recommended a first and final one-tier tax-exempt cash dividend of 2.0 cents per ordinary share, subject to approval of shareholders at the next Annual General Meeting. The total dividend for the 18-month period of FY14 was 4.0 cents, comprising scrip and cash.

The reduced dividend in part reflects the decline in profits in FY15, but it also reflects the desire of the Board to conserve resources for future business growth.

Total cash dividend pay-out for the financial year will amount to approximately $3.9 million, representing a dividend pay-out ratio of 57.6%.

MAJOR CORPORATE DEVELOPMENT

As at 31 December 2014, Salacca Pte. Ltd., a wholly-owned subsidiary of G. K. Goh Holdings Limited, owned or controlled 81.69% of Boardroom's paid-up share capital. Subsequently, Salacca, through open market share purchases, further increased its stake in Boardroom to 84.62% as at 31 December 2015. Salacca has been a significant shareholder of Boardroom since 2004, and the increase in its stake has not impacted the Group's business activities.

ENHANCING OUR STRENGTHS

After a period of expansion, the focus in FY15 was on driving organic growth. We focused on broadening and deepening our services, and the Group's client reach. To this end, we invested in our people, built new service teams, and enhanced our IT infrastructure and interfaces. In doing so, we have reinforced what we believe to be a strong and sustainable business model.

People form the core of our business, and attracting the right talent has been a strategic focus in FY15. Talent attraction and individual development are critical propositions in the service industry. In Boardroom, we seek to actively engage and upgrade our employees through personal development and employee engagement plans, both through one-on-one reviews and town hall meetings. During the year, we launched our inaugural regional town hall meeting on a digital platform and webcast it across our 14 offices. Our staff engagement has been stepped up, and I am pleased that Boardroom has become the employer of choice for many talented multinational individuals in our industry.

CHAIRMAN'S MESSAGE (Continued)

REMAINING RESILIENT

The Share Registry business across the Group remains one of our key drivers. We have built upon a strong foundation and have gained market share in every market in which we operate. Our people and systems are critical elements as we build out this service segment. To remain at the forefront of competition, it is imperative that we continue to be forward looking and adopt new technology. At Boardroom, we strive to be recognised as thought leaders and solution providers in the minds of our clients and business partners.

To this end, I am pleased that our eSolution suite of services has placed the Group in a strong position to benefit from the Singapore Exchange's new polling ruling which came into effect on 1 August 2015. All listed corporations are required to conduct voting on all resolutions at general meetings by way of poll. In Australia, we announced the collaboration with Omni Market Tide Limited, which will strengthen our client engagement through the adoption of digital technology.

Our corporate services business registered healthy growth in the year under review. We continued to successfully deliver GST compliance services to our clients in Malaysia. In China, we have provided a number of our clients with our market entry services. Across the Group, we have broadened our capability to deliver more comprehensive services to meet our clients' complex needs.

As we build our business reach, platforms, and services, we remain vigilant of cyber intrusion and place a high emphasis on operational risk management and oversight. We will continue to adopt best practices and strive to harness the advantages of our regional network of offices, business associates, and clients.

OUTLOOK

Globally, 2016 has started on a gloomy note. The financial markets have witnessed unprecedented financial volatility. Many institutional forecasts including those by the IMF and the World Bank, point to continued uncertainty in the year ahead.

The operating environment will be increasingly challenging. Businesses across the globe will be under pressure to rationalise and streamline operations for greater efficiency.

With our core competencies, Boardroom is well placed to help businesses transition and navigate through efficiency improvement programs, business process outsourcing needs, and productivity growth. Our products and services support a wide range of day-to-day corporate services.

Our presence in five countries in the Asia-Pacific, together with our business associates network, provides a compelling value proposition to companies seeking support from a service provider with deep understanding of the business practices, regulatory regimes, and cultural nuances in the region.

Barring any unforeseen circumstances, we are cautiously confident that Boardroom will be able to continue to grow in the current year.

ACKNOWLEDGEMENTS

I would like to thank my fellow Directors for their contributions, guidance, and support in the Group's first full year of operations since the change of financial year end with effect from FY15. I would also like to express my appreciation to our Management and staff for their dedication and hard work in steering the Group through a challenging year.

Last but not least, I would like to thank our shareholders, clients, and business associates for their continued support and trust in us.

Mr Goh Geok Khim
Chairman

GROWING
WITH OUR PARTNERS

Our priority is to bring productivity improvements to our partners by driving service efficiencies through innovations.

YEAR IN REVIEW

Boardroom saw 2.5% growth in revenue for the financial year ended 31 December 2015 ("FY15"), the first full year of operations since the change of financial year end from 30 June to 31 December. Amidst a challenging environment, the Group achieved revenue of $69.1 million compared to $67.5 million in FY14. All our business divisions and regional offices registered stable growth.

In the year under review, the Group's performance was impacted by economic headwinds including depressed oil and commodity prices and currency volatility. However, on a constant currency basis, revenue growth would have been 6.5%.

FY15 was a year of consolidation for the Group. We enhanced the integration of our business divisions and regional offices so as to maximise efficiency in our value chain. We also focused on broadening the range of our services and expanding our client base.

SHARE REGISTRY SERVICES

Notwithstanding the economic slowdown dampening activities in the equity market, the Share Registry Services division's revenue grew 9.0% in constant currency terms to $35.3 million in FY15 from $32.3 million in the preceding year. This business division continued to be the Group's biggest revenue contributor, contributing 47.2% of total revenue.

In spite of the challenging business environment, the division was able to maintain steady progress. Through feedback from our client engagement and other research efforts, the division was able to refine and enhance its service offerings. Thus, in spite of the slowdown in IPO activities, the division was able to grow its business by offering innovative solutions to meet the diverse and complex needs of clients, especially in the regulatory compliance space. For example, we saw increased take-up of our electronic polling services by clients to comply with a change in the Singapore Exchange listing rules for both the Mainboard and Catalist requiring listed companies to conduct voting on all resolutions at general meetings by poll.

As a result of our customer-centric strategy, the division has been able to remain competitive and gain market share.

In Australia, the division continued to deepen our presence, making strides in expanding our service offerings to clients and securing more Australian Securities Exchange (ASX) 100 companies. The Group has entered into an exclusive strategic alliance with Omni Market Tide Limited, a leading digital stakeholder engagement solution provider. Under this alliance, Boardroom will be able to offer digital stakeholder engagement solutions to enable our clients to increase the quality of their engagement with shareholders, thereby adding value to our client support services.

Our Malaysia office continued to grow amidst the economic slowdown and market volatility. Corporate and capital market activities were subdued. We have been able to leverage our brand, network, and insight to expand our service offerings to existing clients and drive client acquisition.

Our Share Registry Services division continued to grow its client base in Hong Kong despite market volatility. The Group has and will continue to invest in our Hong Kong operations by strengthening our team and expanding our service portfolio.

Amidst market turmoil, regulators across the region are strengthening corporate governance standards. Over the years, Boardroom has developed an effective compliance framework which has enabled our clients to improve their compliance processes so that they can cost effectively negotiate the complex regulatory regimes in different jurisdictions. We have a comprehensive suite of core competencies. Our ability to add value by bundling services across different functional competencies and domain knowledge will place the Group in a strong position to grow in this competitive space.

YEAR IN REVIEW (Continued)

CORPORATE SECRETARIAL SERVICES

The Group's Corporate Secretarial Services division continued to make steady progress. Revenue for FY15 increased 6.1% in constant currency terms to $21.8 million. This unit was the second largest revenue contributor, accounting for 31.2% of the Group's revenue. Growth was broad based with encouraging performances in all our regional offices.

The division's stable performance in a challenging business environment could be attributed to our ability to deliver quality and cost-effective integrated solutions to clients operating in different regional jurisdictions. We will continue to build on our market leadership position, by strengthening our regional teams and enhancing our solution delivery platforms.

Increasingly, sustainability of businesses is driven by cost and efficiency considerations. With our wide range of corporate secretarial solutions, the Group is well placed to meet clients' requirements for regional services. There are opportunities in volatile markets, and the Group has the domain knowledge, expertise, and experience to seize upon these and grow our regional corporate secretarial business.

ACCOUNTING, TAXATION, AND PAYROLL SERVICES

The Accounting, Taxation, and Payroll Services division's revenue grew 1.3% in constant currency terms to $14.8 million in FY15, compared to $14.6 million in FY14. It is the smallest business unit in the Group, accounting for 21.6% of revenue.

We continued to make inroads in all our regional markets. In Malaysia, the implementation of GST on 1 April 2015 has provided many opportunities for Boardroom Business Solution Sdn. Bhd. to expand its tax services business. With our deep GST domain knowledge, we have been able to support existing and new clients.

In Greater China, the Group has been able to build a niche as an integrated service provider, advising and supporting European and US companies expanding into Hong Kong and China. Our in-depth knowledge of the financial and tax regulatory regimes in these two jurisdictions has established the Group as a solution provider of choice for multinational businesses seeking to expand their operations in these competitive and complex markets. We will continue to strengthen our teams and invest in product development, so as to deepen our presence in the world's second largest economy.

Our performance in FY15 was encouraging. Going forward, the operating environment will remain challenging, with continued uncertainty and volatility. We will continue our proactive client engagement efforts to further improve our services. We will use our extensive networks to expand our client base. We have and will use technology to enhance the efficiency and productivity of our products and services.

Our fundamentals are strong. We are confident we can weather the challenges ahead.

Barring any unforseen circumstances, we are cautiously confident that Boardroom will be able to continue to grow in the current year.

GROWING
OUR PRESENCE

Geographical diversification is an integral component of our growth strategy, hence our focus on strengthening our regional presence.

BOARDROOM OFFICE LISTING

SINGAPORE

Boardroom Limited
Group Head Office
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

T: +65-6536 5355
F: +65-6536 1360

MALAYSIA

KUALA LUMPUR

Boardroom Corporate Services (KL) Sdn. Bhd.
Lot 6.05, Level 6, KPMG Tower,
8 First Avenue,
Bandar Utama, 47800 Petaling Jaya,
Selangor, Malaysia

Boardroom Business Solution Sdn. Bhd.
1202, Level 12, Uptown 1,
No. 1 Jalan SS21/58
Damansara Uptown,
47400 Petaling Jaya
Selangor Darul Ehsan, Malaysia

PENANG

Boardroom Corporate Services (Penang) Sdn. Bhd.
Suite 16-1 (Penthouse Upper),
Menara Penang Garden,
42A, Jalan Sultan Ahmad Shah,
10050 Penang, Malaysia

JOHOR

Boardroom Corporate Services (Johor) Sdn. Bhd.
Suite 7E, Level 7, Menara Ansar,
65 Jalan Trus,
80000 Johor Bahru, Malaysia

T: +60-3-7720 1188
F: +60-3-7720 1111

HONG KONG

Boardroom Corporate Services (HK) Limited
31/F, 148 Electric Road
North Point
Hong Kong

T: +852-2598 5234
F: +852-2598 7500

CHINA

SHANGHAI

Boardroom China Limited
Unit 1701, Sunyoung Center
No. 398 Jiangsu Road
Changning District, 200050
Shanghai, P.R. China

BEIJING

Boardroom Beijing Limited
Room 1520, 15/F, NCI Tower
No. 12A Jianguomenwai Ave
Chaoyang District, 100022
Beijing, P.R. China

CHENGDU

Boardroom China Limited
Unit 2-2-709, Section 4,
Sun Dynasty International
No. 27 Renmin Nan Road,
Wuhou District, 610041
Chengdu, P.R. China

SHENZHEN

Boardroom China Limited
Room 701J, Floor 7, Block B,
Union Plaza,
No. 5022 Binhe Road,
Futian District, 518033
Shenzhen, P.R. China

SUZHOU

Boardroom China Limited
Unit 1136, 11th Floor,
Tower 2, Jinghope Plaza,
No. 88 Hua Chi Street,
Suzhou Industrial Park,
Suzhou 215021, P.R. China

T: +86-21-6375 8100
F: +86-21-6375 8101

AUSTRALIA

SYDNEY

Boardroom Pty Limited
Level 12, Grosvenor Place,
225 George Street,
Sydney NSW 2000, Australia

MELBOURNE

Boardroom Pty Limited
Level 8, 446 Collins Street
Melbourne VIC 3000, Australia

BRISBANE

Boardroom Pty Limited
Suite 46, Level 5, 320 Adelaide Street
Brisbane QLD 4000, Australia

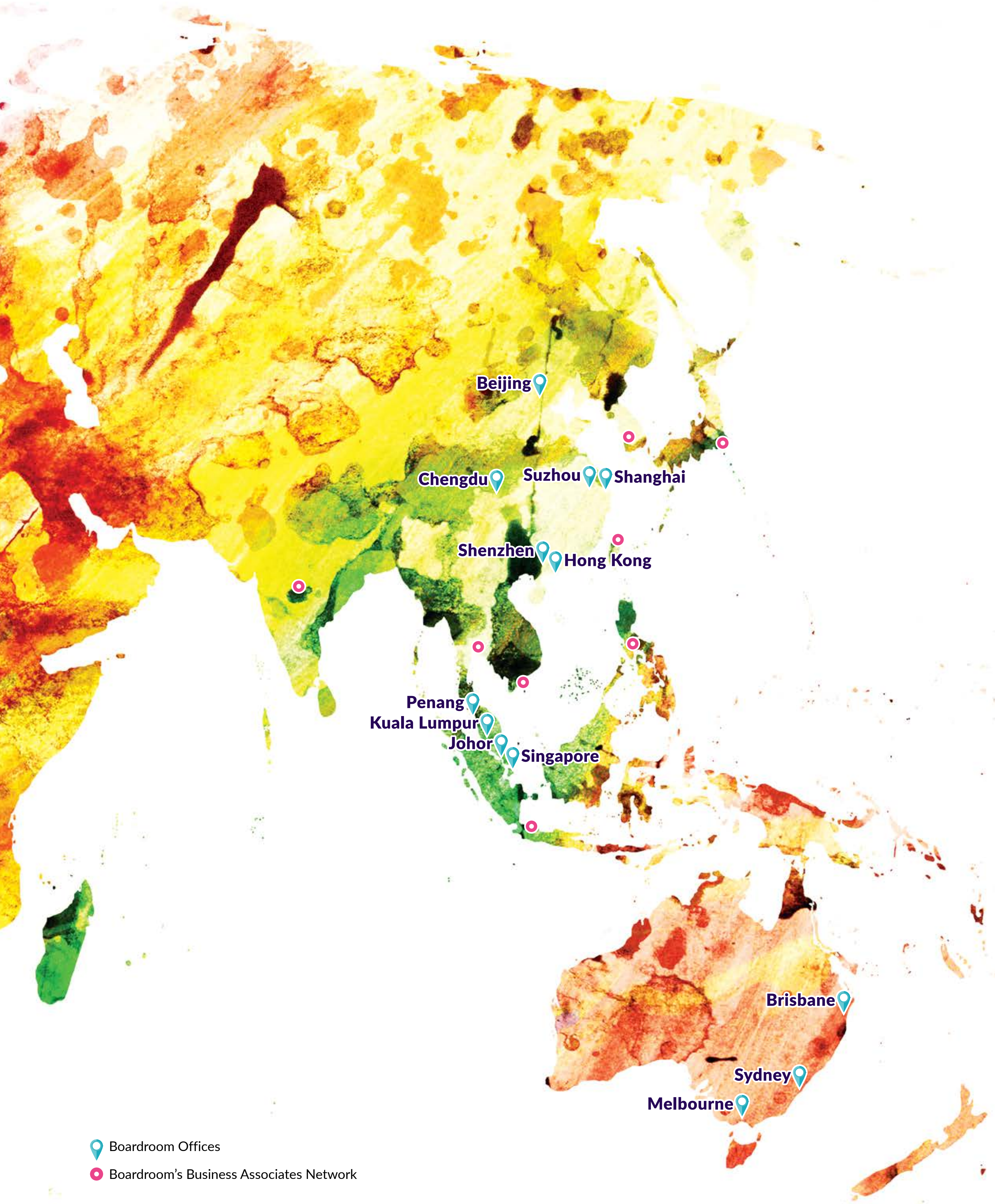
Within Australia:
T: +1300-737 760
F: +1300-653 459

International:
T: +61-2-9290 9600
F: +61-2-9279 0664

BOARDROOM'S BUSINESS ASSOCIATES NETWORK

India	Philippines
Indonesia	Taiwan
Japan	Thailand
South Korea	Vietnam

BOARDROOM OFFICE LISTING (Continued)



BOARD OF DIRECTORS

GOH GEOK KHIM

Non-Executive Chairman

Mr Goh Geok Khim was appointed as Non-Executive Chairman of the Board on 18 November 2004 and was last re-appointed as a Director on 27 April 2015. Mr Goh is a member of the Nominating Committee.

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

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

GOH YEW LIN

Alternate Director to Goh Geok Khim

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

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

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

KIM TEO POH JIN

Executive Director and Group CEO

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

Mr Teo is the Chairman of the Investment Committee of CIMB Principal Asset Management Berhad and CIMB Wealth Advisors Berhad. He was appointed on 18 May 2015 as an Investment Committee Member of CIMB-Principal Islamic Asset Management Sdn Bhd. He also sits on the Investment Committee of the National Kidney Foundation and is the Finance Chairman of the National Crime Prevention Council. He is also a trustee of The UWCSEA Foundation Limited.

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

MAK LYE MUN

Independent Director

Mr Mak Lye Mun was appointed on 18 November 2004 and was last re-elected as a Director on 23 October 2013. He is the Chairman of the Nominating Committee and the Remuneration Committee. Mr Mak is the Country Head and CEO of CIMB Group, Singapore. His portfolio was further expanded in 2013 to include the oversight of the Group's Private Banking business within the region. In addition to these roles, he is also a Non-Executive Director of CIMB Securities (Singapore) Pte Ltd.

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

SPENCER LEE TIEN CHYE

Independent Director

Mr Spencer Lee was appointed on 23 October 2012 and was last re-elected as a Director on 27 April 2015. He is Chairman of the Audit Committee and a member of the Nominating Committee.

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

Mr Lee is a Non-Executive Director of Maybank Cambodia Plc, a trustee of Maybank Foundation, and is also a commissioner of PT Bank Internasional Indonesia Tbk.

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

CHRISTOPHER GRUBB

Independent Director

Mr Christopher Grubb was appointed as a Director on 13 August 2013 and was last re-elected on 23 October 2013. Mr Grubb is a member of the Audit Committee and the Remuneration Committee.

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

Mr Grubb was previously Chairman of Investorweb Limited, Investors Mutual Limited, So Natural Foods Limited, and a Director of Odyssey House McGrath Foundation, Instinet Australia. He is currently the Chairman of Boardroom Holdings Australia Pty Ltd, and a Director of companies in the Coupland Cardiff Asset Management business. He is also a Trustee of the Australian Museum Foundation and a Director of Bush Heritage Australia.

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

THOMAS TEO LIANG HUAT

Non-Executive Director

Mr Thomas Teo was appointed as Non-Executive Director on 5 February 2013. He was last re-elected as a Director on 23 October 2013 and is a member of the Audit Committee and the Remuneration Committee.

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

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

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

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

KEY MANAGEMENT

ADRIAN KOW TUCK HOONG

Group Chief Financial Officer
Chief Operating Officer (Singapore)

Boardroom Limited, Singapore

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

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

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

SAMANTHA TAI YIT CHAN

Chief Executive Officer, Malaysia

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

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

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

Ms Tai is also a Board member of MIRA.

LEE YOW FEE

Chief Executive Officer, China

Boardroom China Limited, China

Mr Lee Yow Fee joined Boardroom in 2013. Prior to joining Boardroom, Mr Lee held various senior executive positions with financial services firms and has more than 25 years of experience in foreign direct investment, trust and transaction banking, operations outsourcing solution, and capital market services in the Asian region.

Mr Lee's extensive industry experience and leadership has acquainted him with accounting and fund administration, financial reporting, and regulatory administration for cross border direct investment and its attendant risk management, and compliance expertise. He has advised, established and administered offshore and in-country investment vehicles including exchange traded fund.

Mr Lee holds a Bachelor of Economics (Honours) degree from Monash University, an MBA from National University of Singapore, and is a member of CPA Australia.

KEY MANAGEMENT (Continued)

PATRICK FU MING HON

Chief Executive Officer, Hong Kong

Boardroom Corporate Services (HK) Limited, Hong Kong

Mr Patrick Fu joined Boardroom Corporate Services (HK) Limited in September 2013. Prior to joining Boardroom, Mr Fu was the Chief Operating Officer of Maybank Asset Management Singapore, overseeing traditional funds as well as hedge funds.

Mr Fu has over 25 years of experience in the financial services industry in Asia, specialising in asset management, investment funds, and structuring solutions for institutional and private clients.

Mr Fu holds a Bachelor of Science degree in Computer Science from the Chinese University of Hong Kong.

RHETT TREGUNNA

Chief Executive Officer, Australia

Boardroom Pty Limited, Australia

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

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

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Goh Geok Khim
Non-Executive Chairman

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

Mr Mak Lye Mun
Independent Director

Mr Spencer Lee Tien Chye
Independent Director

Mr Christopher Grubb
Independent Director

Mr Thomas Teo Liang Huat
Non-Executive Director

Mr Goh Yew Lin
Alternate Director to Mr Goh Geok Khim

AUDIT COMMITTEE

Mr Spencer Lee Tien Chye *(Chairman)*

Mr Christopher Grubb

Mr Thomas Teo Liang Huat

NOMINATING COMMITTEE

Mr Mak Lye Mun *(Chairman)*

Mr Goh Geok Khim

Mr Spencer Lee Tien Chye

REMUNERATION COMMITTEE

Mr Mak Lye Mun *(Chairman)*

Mr Christopher Grubb

Mr Thomas Teo Liang Huat

COMPANY SECRETARY

Ms Ngiam May Ling

REGISTERED OFFICE

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

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623
Tel: +65-6536 5355
Fax: +65-6536 1360

AUDITOR

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

AUDIT PARTNER-IN-CHARGE

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

CORPORATE GOVERNANCE

The Board continues to uphold high standards of corporate governance to enhance long-term value for shareholders. This report outlines Boardroom's corporate governance practices and activities that were in place during the financial year ended 31 December 2015 ("FY15"), in compliance with the Code of Corporate Governance 2012 (the "Code"). Where there is any material deviation from the Code, an explanation has been provided within this report.

BOARD MATTERS

Board's Conduct of Its Affairs

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

The Board is accountable to shareholders and responsible for the long-term success of the Company. The Board's principal duties include setting the overall business direction, providing guidance on the Company's strategic plans, with particular attention paid to growth and financial performance, approving adequacy of internal controls, risk management, financial reporting and compliance matters. The Board also oversees and provides guidance to Management. The Board delegates the formulation of business policies and day-to-day management to the Group Chief Executive Officer ("Group CEO").

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

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

- corporate strategies and financial restructuring;
- annual budget, funding, and investment proposals;
- the release of financial results announcements;
- annual report and accounts;
- share issuances and dividend payment to shareholders;
- interested person transactions;
- matters involving conflict of interest for a substantial shareholder or a Director; and
- transactions that are material in nature and price-sensitive and requiring announcement under the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST").

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

The number of meetings held and attended by each member of the Board and Board Committees during FY15 are as follows:

Type of Meetings	Board	AC	NC	RC
No. of Meetings Held	4	4	1	2
Name of Directors	**No. of Meetings Attended**			
Goh Geok Khim (Alternate – Goh Yew Lin)	3	na	1	na
Kim Teo Poh Jin	4	na	na	na
Mak Lye Mun	3	na	1	2
Spencer Lee Tien Chye	4	4	1	na
Thomas Teo Liang Huat	4	4	na	2
Christopher Grubb	4	4	na	2

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

Board Composition and Guidance

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

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

The Independent Directors make up at least half of the Board and provide the independent element to the Board. The Independent Directors are able to exercise independent judgement in the best interests of the Company and the Group and this enables Management to benefit from their external and objective perspectives of issues that are brought before the Board. A Director who has an interest that may conflict with a subject matter under discussion by the Board would declare his interest and abstain from the discussion and the decision-making process.

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

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

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

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

The Board, through the NC, reviews the size and composition of the Board to ensure that the size of the Board is conducive to effective discussion and decision-making. When there is a vacancy or a need for new appointments to the Board, the NC would select and recommend candidates based on their skills, experience, knowledge and diversity in terms of expertise. 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 and provides an appropriate balance and diversity of skills, experience and knowledge as well as the necessary core competencies.

Chairman and Group CEO

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

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

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

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

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

Board Membership

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

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

The NC's key terms of reference 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.

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

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

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

Though some of the Board members have multiple board representations and other principal commitments, the NC is satisfied that the Directors have devoted sufficient time and attention to their duties to the Company. The Board does not set a maximum number of listed board representations that any Director may hold as all the Directors have demonstrated that they are able to devote to the Company's affairs in light of their other commitments.

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

Key information on the Directors can be found on pages 12 to 13 of the Annual Report.

Board Performance

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

The performance of the Board is reflected in the performance of the Company. The NC will assess the performance of the Board as a whole and its committees every year and will ascertain key focus areas for continuous improvement. The performance criterion for the board evaluation includes, amongst others, composition structure and size of the board, board processes, board information and accountability, board performance and constitution of committees and performance of the board committees' delegated roles.

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

Although the Directors are not evaluated individually, the factors taken into consideration for the re-nomination of Directors at the AGM are based on the Directors' attendance at meetings held during the financial period, including the contribution made by the Directors at the meetings.

Access to Information

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

Management provides the Directors with complete, adequate and timely information prior to Board meetings and on an on-going basis. In addition, all relevant information on budgets, forecasts, monthly accounts, material events and transactions complete with background and explanations are circulated to the Directors as and when they are available.

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

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

Level and Mix of Remuneration

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

Disclosure on Remuneration

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

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

The key terms of reference of the RC are to review and recommend a general framework of remuneration for the Board, the remuneration packages of the Group CEO and key management personnel, and ensure that a sufficient number of suitable candidates are recruited and/or promoted to leadership positions. The RC seeks expert advice from external consultants whenever required.

The RC has adopted a framework for Non-Executive Directors' fees. Within that framework, the RC had recommended that the Directors' fees of $284,000 for the year ending 31 December 2016 to be paid quarterly in arrears. The Directors' fees are subject to the approval of shareholders at the AGM. No Director is involved in the decision concerning his own fee.

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

Directors' Remuneration – FY15	Salary %	Bonus %	Fees %	Other Benefits %	Total %
$500,000 to $749,000					
Kim Teo Poh Jin	71	28	0	1	100
Below $250,000					
Goh Geok Khim	0	0	100	0	100
Spencer Lee Tien Chye	0	0	100	0	100
Mak Lye Mun	0	0	100	0	100
Thomas Teo Liang Huat	0	0	100	0	100
Christopher Grubb	0	0	100	0	100
Goh Yew Lin (Alternate to Goh Geok Khim)	0	0	0	0	0

The aggregate remuneration paid to the above Directors for the financial year was $892,000.

The remuneration in FY15 of key management personnel are set out below in bands of $250,000.

Key Management Personnel (not being Directors) – FY15	Salary %	Bonus %	Fees %	Other Benefits %	Total %
$1,000,000 to below $1,249,000					
Rhett Tregunna	44	55	0	1	100
$250,000 to below $500,000					
Lee Yow Fee	62	13	0	25	100
Patrick Fu Ming Hon	83	17	0	0	100
Samantha Tai Yit Chan	89	10	0	1	100
Adrian Kow Tuck Hoong *	99	0	0	1	100
Cheng Soon Keong #	51	38	0	11	100

* Appointed with effect from 11 August 2015.
\# Appointment ceased with effect from 8 May 2015.

The aggregate remuneration paid to the above key management personnel (who are not Directors) for the year ended 31 December 2015 was $2,441,000.

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

Due to confidentiality and sensitivity attached to remuneration matters, it would not be in the best interest of the Company to disclose information on performance conditions of the key management personnel.

There are no termination or retirement benefits that are granted to the Group CEO and key management personnel of the Group. There are no contractual provisions to allow the Company to reclaim incentive components of remuneration from the Group CEO and key management personnel in exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company.

There were no employees who were immediate family members of the Directors and earned in excess of $50,000 in FY15.

ACCOUNTABILITY AND AUDIT

Accountability

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

The Board is responsible for presenting a balanced and comprehensive assessment of the Company's performance, position and prospects, including interim and other price-sensitive public reports and reports to the regulators (if required). Financial reports and other price-sensitive information are disseminated to shareholders through announcements via SGXNET and the Company's website.

Management provides the Board with information, including management accounts and updates on performance on a timely basis, in order that the Board may effectively discharge its duties by making a balanced and informed assessment of the performance, position, and prospects of the Company.

Risk Management and Internal Controls

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

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

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

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

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

The Group's financial risk management objectives and policies are further discussed under Note 27 of the Notes to the Financial Statements, on pages 74 to 78 of the Annual Report.

For FY15, the Board and the AC had received assurance from the Group CEO and the Group CFO on the effectiveness of the Group's risk management and internal controls. In addition, the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, reviews performed by Management, as well as assurance from the Group CEO and Group CFO, the Board, with the concurrence of the AC, is of the opinion that the internal controls are adequate and effective as at 31 December 2015 to address the financial, operational, information technology, and compliance risks which the Group considers relevant and material to its operations.

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

Audit Committee

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

The AC comprises Spencer Lee Tien Chye and Christopher Grubb, both of whom are Independent Directors, and Thomas Teo Liang Huat, a Non-Executive Director. Independent Directors make up the majority of the AC. The Chairman of the AC is Spencer Lee Tien Chye. All members of the AC have relevant accounting and financial management experience.

During FY15, the AC carried out its functions in accordance with the Companies Act, Chapter 50 and its terms of reference. The principal functions of the AC are to:

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

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

(c) nominate the internal auditors and the external auditors of the Company for re-appointment;

(d) review the Company's quarterly results announcements, the financial 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) review the adequacy and effectiveness of the Company's and the Group's system of accounting controls and the co-operation given by Management to the internal auditors and external auditors;

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

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

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

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

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

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

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

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

The AC has also put in place a whistle-blowing policy, whereby staff of the Group and any other person may raise concerns about possible improprieties in matters of financial reporting, fraudulent acts and other matters. It also ensures that arrangements are in place for independent investigations of reported matters and the implementation of appropriate follow-up actions.

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

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

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

During FY15, the AC reviewed the quarterly financial statements, the quality and reliability of information prepared for inclusion in financial reports, policies and practices put in place by Management, results of the audits performed by the internal auditors and external auditors, and the register of interested person transactions. The AC also reviewed risk profiles and adequacy of the internal audit function, audit plans and scope, and the effectiveness of the internal audit.

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

For FY15, the aggregate amount of audit fees due to the external auditors for audit services rendered to the Group was $250,000.

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

Internal Audit

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

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

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

The scope of internal audit is to ascertain that:

- key business and operational risks are identified and managed;
- internal controls are in place and functioning as intended; and
- operations are conducted in an effective and efficient manner.

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

The AC is of the view that the internal auditors have adequate resources to perform its functions and is independent from the activities that it audits.

SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

Shareholder Rights

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

Communication with Shareholders

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

Conduct of Shareholder Meetings

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

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

Information is communicated to shareholders on a timely basis through:

- annual reports that are prepared and made available to all shareholders;
- quarterly financial statements containing a summary of the financial information and affairs of the Group are published through SGXNET;
- timely announcements of acquisitions; and
- notices of general meetings.

The Company also maintains a corporate website at www.boardroomlimited.com where the public can access investor-related information of the Group.

In addition, shareholders are encouraged to attend the AGM to clarify issues relating to the Company's performance and directions and ensure a high level of accountability. The AGM is the principal forum for dialogue with shareholders, which includes institutional and retail investors. Every matter requiring approval is proposed as a separate resolution.

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

The Board welcomes questions from shareholders who have an opportunity to raise issues either informally or formally before or at the AGM. The Chairpersons of the AC, RC, and NC would be present at the AGM to answer those questions relating to the work of these committees.

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.

INTERESTED PERSON TRANSACTIONS

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

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

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

There were no interested person transactions in FY15.

MATERIAL CONTRACTS

The Company and its subsidiary companies did not enter into any material contracts involving the interests of any Director or controlling shareholder, either still subsisting at the end of the FY15 or if not then subsisting, entered into since the end of the previous financial year.

FINANCIAL
STATEMENTS

CONTENTS

DIRECTORS' STATEMENT

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of Boardroom Limited (the "Company") and its subsidiaries (collectively, the "Group") and balance sheet of the Company for the financial year ended 31 December 2015.

OPINION OF THE DIRECTORS

In the opinion of the Directors,

(a) the consolidated financial statements of the Group and the balance sheet of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date, and

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

DIRECTORS

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

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

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

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

DIRECTORS' INTEREST IN SHARES OR DEBENTURES

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

	Number of ordinary shares fully paid					
	Shares registered in name of Director			Shares in which Director is deemed to have an interest		
	As at 1.1.2015	As at 31.12.2015	As at 21.1.2016	As at 1.1.2015	As at 31.12.2015	As at 21.1.2016
Name of Director						
The Company						
Goh Geok Khim	–	–	–	158,201,932	163,868,038	164,191,138
Goh Yew Lin (Alternate to Goh Geok Khim)	–	–	–	158,201,932	163,868,038	164,191,138
Thomas Teo Liang Huat	150,000	150,000	150,000	–	–	–
Salacca Pte. Ltd., the immediate holding company						
Goh Geok Khim	–	–	–	2	2	2
Goh Yew Lin (Alternate to Goh Geok Khim)	–	–	–	2	2	2
G. K. Goh Holdings Limited, the intermediate holding company						
Goh Geok Khim	–	–	–	185,062,460	195,508,922	195,508,922
Goh Yew Lin (Alternate to Goh Geok Khim)	–	–	–	185,062,460	195,508,922	195,508,922
Thomas Teo Liang Huat	120,000	125,741	125,741	–	–	–
GKG Investment Holdings Pte Ltd, the ultimate holding company						
Goh Geok Khim	2,500,500	2,500,500	2,500,500	704,500	704,500	704,500
Goh Yew Lin (Alternate to Goh Geok Khim)	1,495,000	1,495,000	1,495,000	–	–	–

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

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

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial period, no Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

SHARE OPTIONS

The Company no longer has any share option scheme.

AUDIT COMMITTEE

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

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

The AC carries out its functions in accordance with Section 201B(5) of the Companies Act, Chapter 50, including the following:

- Reviews the annual audit plan of the Company's internal auditors and external auditors;
- Reviews significant financial reporting issues and judgements and the results of examination by the internal auditors and external auditors and their evaluation of the Group's internal control system;
- Nominates the internal auditors and the external auditors of the Company for re-appointment;
- Reviews the Company's quarterly results announcements, the financial 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;
- Reviews the adequacy and effectiveness of the Company's and the Group's system of accounting controls and the co-operation given by Management to the internal auditors and external auditors;
- Reviews the adequacy and effectiveness of the Company's and the Group's material internal controls, including financial, operational, compliance, information technology controls and risk management framework, relying on reviews carried out by the internal auditors;
- Reviews results of internal audits as well as Management's responses to the recommendations of the internal auditors;
- Reviews the cost effectiveness and the independence and objectivity of the external auditors;
- Reviews the nature and extent of non-audit services provided by the external auditors yearly to determine their independence;
- Recommends to the Board the appointment and re-appointment of external auditors, approve the compensation and terms of engagement of the external auditors, and review the scope and results of the audit;
- Reviews the Company's hedging contracts and the structure and underlying conditions for hedging activities;
- Reviews interested person transactions falling within the scope of the Listing Manual of the SGX-ST; and
- Conducts any other reviews as required by the Listing Manual of the SGX-ST.

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

INDEPENDENT AUDITOR

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

On behalf of the Board of Directors:

Kim Teo Poh Jin
Director

Thomas Teo Liang Huat
Director

11 March 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of Boardroom Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Boardroom Limited (the "Company") and its subsidiaries (collectively, the "Group") as set out on pages 33 to 81, which comprise the balance sheets of the Group and the Company as at 31 December 2015, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, 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 Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Ernst & Young LLP

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
11 March 2016

BALANCE SHEETS

As at 31 December 2015

	Note	Company 2015 $'000	Company 2014 $'000	Group 2015 $'000	Group 2014 $'000
Assets					
Non-current assets					
Property, plant and equipment	3	118	268	1,820	2,278
Intangible assets	4	366	472	67,952	70,250
Investments in subsidiaries	5	86,303	86,303	–	–
Deferred tax assets	6	–	–	1,095	1,192
		86,787	87,043	70,867	73,720
Current assets					
Trade and other receivables	7	1,787	1,649	15,252	16,780
Unbilled disbursements		–	–	101	157
Amounts due from subsidiaries	8	7,480	7,310	–	–
Prepayments		58	125	551	909
Derivative assets	9	–	93	–	93
Cash and cash equivalents	10	2,084	2,794	20,990	14,222
		11,409	11,971	36,894	32,161
Total assets		98,196	99,014	107,761	105,881
Equity and liabilities					
Current liabilities					
Trade and other payables	11	1,679	1,291	13,910	12,096
Disbursements billed in advance		–	–	28	41
Amounts due to customers for work-in-progress	12	–	–	2,383	2,990
Bank borrowings	13	1,500	1,500	1,500	1,500
Amounts due to subsidiaries	8	26	4,170	–	–
Derivative liabilities	9	30	–	30	–
Current tax payable		787	6	861	1,048
		4,022	6,967	18,712	17,675
Net current assets		7,387	5,004	18,182	14,486
Non-current liabilities					
Provision for employees benefits	14	–	–	363	273
Deferred tax liabilities	6	143	164	5,711	6,588
Bank borrowings	13	10,000	11,500	10,000	11,500
		10,143	11,664	16,074	18,361
Total liabilities		14,165	18,631	34,786	36,036
Net assets		84,031	80,383	72,975	69,845
Equity attributable to owners of the Company					
Share capital	15	37,554	37,554	37,554	37,554
Other reserves	16	634	634	(25,330)	(23,675)
Retained earnings		45,843	42,195	60,751	55,966
Total equity		84,031	80,383	72,975	69,845
Total equity and liabilities		98,196	99,014	107,761	105,881

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2015

	Note	1 January 2015 to 31 December 2015 $'000	1 July 2013 to 31 December 2014 $'000
Revenue	17	69,172	99,337
Other operating income	18	659	1,026
Employee benefits expense	19	(42,711)	(58,969)
Interest on bank borrowings		(289)	(479)
Depreciation and amortisation expenses		(3,079)	(4,914)
Impairment of intangible assets		(624)	–
Other operating expenses		(13,885)	(19,721)
Profit before tax	20	9,243	16,280
Income tax expense	21	(2,521)	(3,163)
Profit for the financial year/period, net of tax		6,722	13,117
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(1,655)	(2,912)
Total comprehensive income for the financial year/period		5,067	10,205
Profit for the financial year/period attributable to owners of the Company		6,722	13,117
Total comprehensive income for the financial year/period attributable to owners of the Company		5,067	10,205
Earnings per share (cents per share)			
Basic and diluted	22	3.47	7.01

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2015

	Attributable to owners of the Company					
	Share capital (Note 15) $'000	Exchange translation reserve (Note 16) $'000	Premium paid on acquisition of non-controlling interests (Note 16) $'000	Share option capital reserve (Note 16) $'000	Retained earnings $'000	Total $'000
Balance at 1 January 2015	37,554	(10,816)	(12,569)	(290)	55,966	69,845
Profit for the financial year	–	–	–	–	6,722	6,722
Other comprehensive income for the financial year						
– Foreign currency translation	–	(1,698)	–	43	–	(1,655)
Total comprehensive income for the financial year	–	(1,698)	–	43	6,722	5,067
Contributions by and distributions to owners						
Cash dividends on ordinary shares (Note 23)	–	–	–	–	(1,937)	(1,937)
Balance at 31 December 2015	37,554	(12,514)	(12,569)	(247)	60,751	72,975
Balance at 1 July 2013	32,584	(7,830)	(12,569)	(364)	52,162	63,983
Profit for the financial period	–	–	–	–	13,117	13,117
Other comprehensive income for the financial period						
– Foreign currency translation	–	(2,986)	–	74	–	(2,912)
Total comprehensive income for the financial period	–	(2,986)	–	74	13,117	10,205
Contributions by and distributions to owners						
Issue of shares on exercise of employee's share options	69	–	–	–	–	69
Cash dividends on ordinary shares (Note 23)	–	–	–	–	(4,412)	(4,412)
Scrip dividends on ordinary shares (Note 23)	4,901	–	–	–	(4,901)	–
Total contributions by and distribution to owners	4,970	–	–	–	(9,313)	(4,343)
Balance at 31 December 2014	37,554	(10,816)	(12,569)	(290)	55,966	69,845

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2015

	1 January 2015 to 31 December 2015 $'000	1 July 2013 to 31 December 2014 $'000
Operating activities		
Profit before tax	9,243	16,280
Adjustments for:		
Amortisation of intangible assets	1,796	3,079
Depreciation of property, plant and equipment	1,283	1,835
Impairment of intangible assets	624	–
Exchange differences	14	(222)
Loss on disposal of property, plant and equipment	1	30
Interest income	(201)	(147)
Interest expense	289	479
Operating profit before working capital changes	13,049	21,334
Decrease/(increase) in operating receivables and prepayments	1,756	(2,877)
Increase in operating payables	2,077	369
(Decrease)/increase in amounts due to customers for work-in-progress	(785)	891
Cash generated from operations	16,097	19,717
Interest expense paid	(289)	(479)
Income tax paid	(3,264)	(4,221)
Net cash generated from operating activities	12,544	15,017
Investing activities		
Acquisition of property, plant and equipment	(902)	(1,866)
Acquisition of intangible assets	(1,445)	(1,606)
Proceeds from sale of property, plant and equipment	12	6
Interest received	201	147
Net cash used in investing activities	(2,134)	(3,319)
Financing activities		
Cash dividends paid on ordinary shares	(1,937)	(4,412)
Repayment of bank borrowings	(1,500)	(13,875)
Proceeds from bank borrowings	–	12,125
Proceeds from exercise of employee share options	–	69
Net cash used in financing activities	(3,437)	(6,093)
Net increase in cash and cash equivalents	6,973	5,605
Exchange loss arising from translation of foreign currencies cash and cash equivalents	(205)	(257)
Cash and cash equivalents at beginning of the financial year/period	14,222	8,874
Cash and cash equivalents at end of the financial year/period (Note 10)	20,990	14,222

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

1. GENERAL INFORMATION

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

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

The principal activity of the Company is investment holding.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 *Basis of preparation*

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

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

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

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial period except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2015. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Company and the Group.

2.3 *Standards issued but not yet effective*

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

Description	Effective for annual periods beginning on or after
FRS 114 *Regulatory Deferral Accounts*	1 January 2016
Amendments to FRS 16 and FRS 41 *Agriculture – Bearer Plants*	1 January 2016
Amendments to FRS 27 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to FRS 16 and FRS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 111 *Accounting for Acquisitions of Interest in Joint Operations*	1 January 2016
Improvements to FRSs (November 2014)	
– Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2016
– Amendments to FRS 107 *Financial Instruments: Disclosures*	1 January 2016
– Amendments to FRS 19 *Employee Benefits*	1 January 2016
– Amendments to FRS 34 *Interim Financial Reporting*	1 January 2016
Amendments to FRS 1 *Disclosure Initiative*	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 *Investment Entities: Applying the Consolidation Exception*	1 January 2016
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
Amendments to FRS 109 *Financial Instruments*	1 January 2018
Amendments to FRS 110 and FRS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Except for FRS 115 and FRS 109, the Directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115 and FRS 109 are described below.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

2.4 *Basis of consolidation and business combinations*

(a) Basis of consolidation

Basis of consolidation from 1 July 2009

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(a) Basis of consolidation (continued)

Basis of consolidation from 1 July 2009 (continued)

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

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

Basis of consolidation prior to 1 July 2009

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

- Acquisition of non-controlling interests, prior to 1 July 2009, were accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of the net assets acquired were recognised in goodwill.
- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further losses were attributed to the Group, unless the non-controlling interest had a binding obligation to cover these. Losses prior to 1 July 2009 were not reallocated between non-controlling interest and the owners of the Company.
- Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost. The carrying value of such investments as at 1 July 2009 have not been restated.

(b) Business combinations

Business combinations from 1 July 2009

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(b) Business combinations (continued)

Business combinations from 1 July 2009 (continued)

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

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

Business combinations prior to 1 July 2009

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

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

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

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

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

2.5 *Foreign currency*

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

(a) Transactions and balances

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 *Foreign currency* (continued)

(b) Consolidated financial statements

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

2.6 *Property, plant and equipment*

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

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

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

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

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

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

2.7 *Intangible assets*

(a) Goodwill

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 *Intangible assets* (continued)

(a) Goodwill (continued)

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

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

(b) Other intangible assets

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

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

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

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

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

(i) Computer software

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

(ii) Customer relationships

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

(iii) Brand name

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 *Impairment of non-financial assets*

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

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

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

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

2.9 *Subsidiaries*

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

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

2.10 *Financial instruments*

(a) Financial assets

Initial recognition and measurement

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

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

Subsequent measurement

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

(i) Loans and receivables

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 *Financial instruments* (continued)

(a) Financial assets (continued)

Subsequent measurement (continued)

(ii) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group. Derivatives, including separated embedded derivatives are also classified as held for trading.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

De-recognition

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

(b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 *Financial instruments* (continued)

(b) Financial liabilities (continued)

Subsequent measurement (continued)

(ii) Other financial liabilities

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

De-recognition

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

2.11 *Impairment of financial assets*

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

(a) Financial assets carried at amortised cost

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 *Impairment of financial assets* (continued)

(b) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2.12 *Work-in-progress*

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

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

2.13 *Cash and cash equivalents*

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

2.14 *Provisions*

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

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

2.15 *Employee benefits*

(a) Defined contribution plans

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

(b) Employee leave entitlements

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 *Employee benefits* (continued)

(c) Employee share-based compensation

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 profit or loss 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 profit or loss, 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. Share option expenses are not considered significant to the Group.

(d) Key management personnel

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

2.16 *Operating leases*

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

2.17 *Revenue recognition*

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

(a) Rendering of services

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

(b) Interest income

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

2.18 *Taxes*

(a) Current income tax

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 *Taxes* (continued)

(b) Deferred tax

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

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

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

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

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

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

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

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

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

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

(c) Sales tax

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 *Share capital and share issuance expenses*

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

2.20 *Contingencies*

A contingent liability is:

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

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

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

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

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

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

2.21 *Related parties*

A related party is defined as follows:

(a) a person or a close member of that person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) an entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a); or

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 *Significant accounting estimates and judgements*

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

(a) Key sources of estimation uncertainty

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

(i) Impairment losses of goodwill

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

The carrying amount of the goodwill as at 31 December 2015 is $46,702,000 (FY14: $47,617,000).

(ii) Amortisation and impairment of customer relationships and brand name

Customer relationships and brand name are amortised on a straight-line basis over their estimated useful lives. Management estimate the useful lives of customer relationships and brand name to be within 5 to 19.6 years and 5 years respectively. The life expectancies applied are based on management assessment on the current market share of the brand and the expected customer's contract period. Further details may be found in Note 4 to the financial statements.

(b) Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements.

<u>Income taxes</u>

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income tax. There are also claims for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's income tax payables, deferred tax liabilities and deferred tax assets at 31 December 2015 were $861,000 (FY14: $1,048,000), $5,711,000 (FY14: $6,588,000) and $1,095,000 (FY14: $1,192,000) respectively.

3. PROPERTY, PLANT AND EQUIPMENT

	Computers $'000	Office machinery $'000	Furniture, fittings & leasehold improvements $'000	Total $'000
Company				
Cost				
At 1 July 2013	371	45	559	975
Additions	118	10	106	234
Disposals	(4)	–	(17)	(21)
At 31 December 2014 and 1 January 2015	485	55	648	1,188
Additions	27	–	8	35
Disposals	(8)	–	–	(8)
At 31 December 2015	504	55	656	1,215
Accumulated depreciation				
At 1 July 2013	313	35	315	663
Depreciation charge for the financial period	62	10	194	266
Disposals	(1)	–	(8)	(9)
At 31 December 2014 and 1 January 2015	374	45	501	920
Depreciation charge for the financial year	59	3	123	185
Disposals	(8)	–	–	(8)
At 31 December 2015	425	48	624	1,097
Net carrying amount				
At 31 December 2015	79	7	32	118
At 31 December 2014	111	10	147	268

3. PROPERTY, PLANT AND EQUIPMENT (continued)

	Computers $'000	Office machinery $'000	Motor vehicles $'000	Furniture, fittings & leasehold improvements $'000	Total $'000
Group					
Cost					
At 1 July 2013	2,684	777	–	3,758	7,219
Exchange differences	(48)	(28)	–	(48)	(124)
Additions	647	234	–	985	1,866
Disposals	(78)	(13)	–	(52)	(143)
At 31 December 2014 and 1 January 2015	3,205	970	–	4,643	8,818
Exchange differences	(50)	(35)	–	(67)	(152)
Additions	346	13	36	507	902
Disposals	(187)	(7)	–	(133)	(327)
At 31 December 2015	3,314	941	36	4,950	9,241
Accumulated depreciation					
At 1 July 2013	2,051	446	–	2,404	4,901
Exchange differences	(34)	(17)	–	(40)	(91)
Depreciation charge for the financial period	604	149	–	1,082	1,835
Disposals	(62)	(7)	–	(36)	(105)
At 31 December 2014 and 1 January 2015	2,559	571	–	3,410	6,540
Exchange differences	(25)	(19)	–	(44)	(88)
Depreciation charge for the financial year	422	97	8	756	1,283
Disposals	(181)	(7)	–	(126)	(314)
At 31 December 2015	2,775	642	8	3,996	7,421
Net carrying amount					
At 31 December 2015	539	299	28	954	1,820
At 31 December 2014	646	399	–	1,233	2,278

4. INTANGIBLE ASSETS

	Computer software $'000
Company	
Cost	
At 1 July 2013	466
Additions	532
At 31 December 2014 and 1 January 2015	998
Additions	5
At 31 December 2015	1,003
Accumulated amortisation	
At 1 July 2013	406
Amortisation for the financial period	120
At 31 December 2014 and 1 January 2015	526
Amortisation for the financial year	111
At 31 December 2015	637
Net carrying amount	
At 31 December 2015	366
At 31 December 2014	472

4. INTANGIBLE ASSETS (continued)

	Goodwill on consolidation $'000	Customer relationships $'000	Computer software $'000	Brand name $'000	Total $'000
Group					
Cost					
At 1 July 2013	52,794	28,529	3,398	318	85,039
Exchange differences	(1,166)	(2,125)	(179)	(24)	(3,494)
Additions	–	–	1,606	–	1,606
At 31 December 2014 and 1 January 2015	51,628	26,404	4,825	294	83,151
Exchange differences	(315)	(1,226)	(163)	(13)	(1,717)
Additions	–	–	1,445	–	1,445
At 31 December 2015	51,313	25,178	6,107	281	82,879
Accumulated amortisation and impairment					
At 1 July 2013	4,021	4,316	1,941	111	10,389
Exchange differences	(10)	(433)	(106)	(18)	(567)
Amortisation for the financial period	–	2,203	675	201	3,079
At 31 December 2014 and 1 January 2015	4,011	6,086	2,510	294	12,901
Exchange differences	(24)	(281)	(76)	(13)	(394)
Amortisation for the financial year	–	1,323	473	–	1,796
Impairment loss	624	–	–	–	624
At 31 December 2015	4,611	7,128	2,907	281	14,927
Net carrying amount					
At 31 December 2015	46,702	18,050	3,200	–	67,952
At 31 December 2014	47,617	20,318	2,315	–	70,250

Impairment testing of goodwill

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

	Group	
	2015 $'000	2014 $'000
Australia	20,198	21,175
Hong Kong	19,725	18,422
Malaysia	4,225	4,849
Singapore	2,475	3,099
China	79	72
	46,702	47,617

4. INTANGIBLE ASSETS (continued)

Impairment testing of goodwill (continued)

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

	Group	
	2015	**2014**
Growth rates	2% to 3%	2%
Pre-tax discount rates	9% to 14%	5% to 15%

Key assumptions used in the value in use calculations

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

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

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

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

Sensitivity to changes in assumptions

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

Impairment loss recognised

During the financial year, an impairment loss was recognised to write-down the carrying amount of goodwill. The impairment loss of $624,000 (FY14: Nil) has been recognised in profit or loss.

Customer relationships

Customer relationships relate to the customers data that were acquired as part of the acquisitions of the business of Newreg Pty Ltd in FY11 and of CRA Plan Managers Pty Ltd in FY12. The useful lives of these customer relationships are estimated to be in range from 5 to 19.6 years. Amortisation expense is included in the “depreciation and amortisation expenses” line item in profit and loss account.

5. INVESTMENTS IN SUBSIDIARIES

	Company	
	2015 $’000	**2014 $’000**
Unquoted equity investments, at cost	87,903	87,903
Impairment losses	(1,600)	(1,600)
	86,303	86,303

5. INVESTMENTS IN SUBSIDIARIES (continued)

Details of subsidiaries are as follows:

Name	Country of incorporation/ principal place of business	Carrying value of investment		Percentage of equity held		Principal activities
		2015 $'000	2014 $'000	2015 %	2014 %	
* Boardroom Corporate & Advisory Services Pte. Ltd.	Singapore	4,258	4,258	100	100	Corporate secretarial and share registry services
* Boardroom Business Solutions Pte. Ltd.	Singapore	1,198	1,198	100	100	Accounting, taxation & payroll services
* Aspire CS Pte. Ltd.	Singapore	–	–	100	100	Corporate secretarial services
# Boardroom Corporate Services (HK) Limited	Hong Kong	19,750	19,750	100	100	Corporate secretarial, accounting, taxation & payroll services
# Boardroom Corporate Secretaries (HK) Limited (1)	Hong Kong	–	–	100	100	Corporate secretarial services
† BL Services Limited (1)	British Virgin Islands/ Hong Kong	–	–	100	100	Dormant
# Boardroom Share Registrars (HK) Limited (1)	Hong Kong	–	–	100	100	Share registry services
# Boardroom Trustee Limited (1)	Hong Kong	–	–	100	100	Dormant
# Boardroom (Malaysia) Sdn. Bhd.	Malaysia	4,879	4,879	100	100	Investment holding
# Boardroom Corporate Services (KL) Sdn. Bhd. (2)	Malaysia	–	–	100	100	Corporate secretarial, investor relations, other allied services and investment holding

5. INVESTMENTS IN SUBSIDIARIES (continued)

Name	Country of incorporation/ principal place of business	Carrying value of investment		Percentage of equity held		Principal activities
		2015 $'000	2014 $'000	2015 %	2014 %	
# Boardroom Corporate Services (Johor) Sdn. Bhd. (2)	Malaysia	–	–	100	100	Corporate secretarial and accounting services
# Boardroom Corporate Services (Penang) Sdn. Bhd. (2)	Malaysia	–	–	100	100	Corporate secretarial and accounting services
# Boardroom Communications Sdn. Bhd. (2)	Malaysia	–	–	100	100	Dormant
# Boardroom Nominees (Tempatan) Sdn. Bhd. (3)	Malaysia	–	–	100	100	Dormant
# Boardroom Business Solution Sdn. Bhd. (2)	Malaysia	–	–	100	100	Accounting, taxation & payroll and consultancy services
* Boardroom China Holdings Pte. Ltd.	Singapore	1,510	1,510	100	100	Investment holding
@ Boardroom China Limited (4)	China	–	–	100	100	Business advisory and consultancy services
@ Boardroom Beijing Limited (5)	China	–	–	100	100	Business advisory and consultancy services
# Boardroom Holdings Australia Pty Ltd	Australia	54,708	54,708	100	100	Investment holding
# Newreg Pty Ltd (6)	Australia	–	–	100	100	Investment holding
# Registries Holdings Australia Pty Limited (7)	Australia	–	–	100	100	Investment holding
# Registries Pty Limited (8)	Australia	–	–	100	100	Investment holding

5. INVESTMENTS IN SUBSIDIARIES (continued)

Name	Country of incorporation/ principal place of business	Carrying value of investment		Percentage of equity held		Principal activities
		2015 $'000	2014 $'000	2015 %	2014 %	
# Boardroom Pty Limited [9]	Australia	–	–	100	100	Share registry and related services
# Boardroom Financial Services Pty Limited [10]	Australia	–	–	100	100	Registry related services
# Boardroom (Victoria) Pty Limited [10]	Australia	–	–	100	100	Share registry and related services
# CRA Plan Managers Pty Ltd [6]	Australia	–	–	100	100	Consultancy services
		86,303	86,303			

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

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

Increase in share capital of subsidiary

On 14 April 2015, the Company further increased the share capital of its indirect wholly owned subsidiary, Boardroom China Limited from CNY 14,500,000 (equivalent to $2,900,000) to CNY 15,700,000 (equivalent to $3,200,000) through an injection of cash. The capital contribution was funded through internal resources through its holding company, Boardroom China Holdings Pte. Ltd., a wholly owned subsidiary of the Company.

Transfer of shares in Aspire CS Pte. Ltd.

On 3 February 2015, Boardroom Corporate & Advisory Services Pte. Ltd. has transferred 30,000 ordinary share capital of Aspire CS Pte. Ltd. at a consideration of $1 to the Company.

6. DEFERRED TAX ASSETS/(LIABILITIES)

	Company		Group			
	Balance sheet		Consolidated balance sheet		Consolidated statement of comprehensive income	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	1 January 2015 to 31 December 2015 $'000	1 July 2013 to 31 December 2014 $'000
Deferred tax assets						
Provisions	–	–	955	1,055	44	(391)
Unutilised tax losses	–	–	140	137	(3)	(101)
	–	–	1,095	1,192	41	(492)
Deferred tax liabilities						
Acquired intangibles	–	–	(5,528)	(6,305)	(501)	(674)
Differences in depreciation for tax purposes	(143)	(164)	(183)	(283)	(99)	112
	(143)	(164)	(5,711)	(6,588)	(600)	(562)
Deferred income tax (Note 21)					(559)	(1,054)

Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting year, no deferred tax liability (FY14: Nil) has been recognised for taxes that would be payable on the undistributed earnings of the subsidiaries as the Company is able to control the timing of the reversal of the temporary differences.

Such temporary differences for which no deferred tax liability has been recognised aggregate to $7,016,000 (FY14: $6,042,000). The deferred tax liability is estimated to be $702,000 (FY14: $604,000).

7. TRADE AND OTHER RECEIVABLES

	Company		Group	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Trade receivables	–	–	13,385	14,811
Less:				
Allowance for doubtful trade receivables	–	–	(463)	(713)
	–	–	12,922	14,098
Add:				
Staff loans	–	–	2	5
Sundry receivables	54	117	662	694
Management fee receivable from subsidiaries	806	721	–	–
Deposits	927	811	1,655	1,968
Interest receivable	–	–	–	1
Tax recoverable	–	–	11	14
Total trade and other receivables	1,787	1,649	15,252	16,780
Add:				
Unbilled disbursements	–	–	101	157
Amounts due from subsidiaries (Note 8)	7,480	7,310	–	–
Cash and cash equivalents (Note 10)	2,084	2,794	20,990	14,222
Total loans and receivables	11,351	11,753	36,343	31,159

7. TRADE AND OTHER RECEIVABLES (continued)

Trade receivables

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

Staff loans

Staff loans are unsecured, interest-free and repayable by monthly instalments within the next 12 months. Staff loans are carried at absolute loan amount as these are not considered significant.

Receivables that are past due but not impaired

The Group has trade receivables amounting to $10,370,000 (FY14: $14,098,000) that are past due at the balance sheet date but not impaired. These receivables are unsecured and the analysis of their aging at the balance sheet date is as follows:

	Group	
	2015 $'000	2014 $'000
Past due 1 day to 3 months	7,323	11,955
Past due 3 to 6 months	2,516	999
Past due over 6 months	531	1,144
	10,370	14,098

Receivables that are impaired

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

	Group	
	2015 $'000	2014 $'000
Trade receivables – nominal amounts	592	794
Impairment of trade receivables		
Beginning balance	(713)	(831)
Exchange differences	24	12
Impairment made (Note 20)	(391)	(633)
Impairment utilised	327	343
Impairment written back (Note 20)	290	396
Ending balance	(463)	(713)
Net trade receivables	129	81

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

8. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2015 $'000	2014 $'000
Loans to a subsidiary – interest bearing	3,119	2,764
Amounts due from subsidiaries – non-trade	4,361	4,546
Total amounts due from subsidiaries	7,480	7,310
Amounts due to subsidiaries		
– trade	(26)	(25)
– non-trade	–	(4,145)
Total amounts due to subsidiaries	(26)	(4,170)

Loans to a subsidiary bear interest rate at 2.45% (FY14: 2.45%) per annum are unsecured and repayable on demand.

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

Trade balances are generally due on presentation.

9. DERIVATIVE (LIABILITIES)/ASSETS

	Company and Group			
	2015		2014	
	Contract/ Notional Amount A$'000	Liabilities $'000	Contract/ Notional Amount A$'000	Assets $'000
Forward currency contracts, representing total financial (liabilities)/assets at fair value through profit or loss	1,800	(30)	2,700	93

Forward currency contracts are used to hedge foreign currency risk arising from the Group's foreign currency exposure in respect of the Australian Dollar.

The Company and the Group do not apply hedge accounting.

10. CASH AND CASH EQUIVALENTS

	Company		Group	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Fixed deposits	–	10	1,673	758
Cash and bank balances	2,084	2,784	19,317	13,464
	2,084	2,794	20,990	14,222

Fixed deposits are placed with financial institutions and earned interest at the rates ranging from 3.00% to 3.26% (FY14: 0.25% to 3.48%) per annum. The fixed deposits have maturity terms of 1 day to 30 days (FY14: 1 day to 12 months) from the balance sheet date. Fixed deposits can be readily converted into known amount of cash and subject to insignificant risk of change in values.

10. CASH AND CASH EQUIVALENTS (continued)

Clients' monies held under trust represent the following:

	Group 2015 $'000	Group 2014 $'000
Held under trust		
Clients' bank accounts – contra	25,718	37,119
Clients' ledger balances – contra	(25,718)	(37,119)
	–	–

11. TRADE AND OTHER PAYABLES

	Company 2015 $'000	Company 2014 $'000	Group 2015 $'000	Group 2014 $'000
Trade and other payables:				
Trade payables	261	198	5,531	6,716
Accrued operating expenses	1,363	1,041	8,055	5,125
Other payables	55	52	324	255
Total trade and other payables	1,679	1,291	13,910	12,096
Add/(less):				
GST receivable/(payable)	63	77	(484)	(972)
	1,742	1,368	13,426	11,124
Add:				
Amounts due to subsidiaries (Note 8)	26	4,170	–	–
Bank borrowings (Note 13)	11,500	13,000	11,500	13,000
Total financial liabilities carried at amortised cost	13,268	18,538	24,926	24,124

Trade and other payables are non-interest bearing. Trade payables are generally on 30 days credit term (FY14: 30 days) while other payables generally have a term of 3 to 6 months (FY14: 3 to 6 months).

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

	Group 2015 $'000	Group 2014 $'000
Aggregate amount of costs incurred and recognised profits (less expected losses) to date	1,373	2,001
Less:		
Progress billings and advances	(3,756)	(4,991)
	(2,383)	(2,990)
Advances received included in gross amount due to customers for work-in-progress	2,342	2,076

13. BANK BORROWINGS

	Company and Group	
	2015 $'000	2014 $'000
Current:		
Term loan	1,500	1,500
Non-current:		
Term loan	10,000	11,500
Total bank borrowings	11,500	13,000

The term loan is unsecured, bears interest at 2.11% to 2.54% per annum (FY14: 2.13% to 2.53% per annum) for interest periods of 1, 3 and 6 months.

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

14. PROVISION FOR EMPLOYEES BENEFITS

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

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

15. SHARE CAPITAL

	Company and Group			
	2015 Number of shares	2014 Number of shares	2015 $'000	2014 $'000
Issued and fully paid:				
Beginning balance	193,660,184	184,265,250	37,554	32,584
Issue of shares pursuant to Scrip Dividend Scheme	–	9,191,934	–	4,901
Issued and fully paid pursuant to employee share options exercised at an exercise price of:				
– $0.355 per share	–	34,000	–	12
– $0.335 per share	–	169,000	–	57
Ending balance	193,660,184	193,660,184	37,554	37,554

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

For the financial period ended 31 December 2014, the Company allotted and issued 3,027,234 ordinary shares at the issue price of 56.0 cents and 6,164,700 ordinary shares at 52.0 cents per share to eligible shareholders who have validly elected to participate in the Scrip Dividend Scheme in respect of the final ordinary dividend of 2.0 cents per share for the financial year ended 30 June 2013 and the second interim dividend of 2.0 cents for the financial period ended 31 December 2014 respectively. The Scrip Dividend Scheme was implemented on 23 October 2013.

15. SHARE CAPITAL (continued)

The Company also operates the Boardroom Share Option Scheme (the "Scheme"). Particulars of the Scheme have been set out in the Directors' Report for the financial year ended 30 June 2001. There is no outstanding share options granted under the scheme as all share options expired and lapsed on 9 November 2014. The scheme had since been discontinued. Information with respect to the movement of the share options granted under the Scheme is as follows:

	Company and Group	
	2015	2014
	Number of options	
Beginning balance	–	307,000
Exercised	–	(203,000)
Cancelled/lapsed	–	(104,000)
Ending balance	–	–

Details of share options exercised and cancelled/lapsed during FY14 are as follows:

	Exercise price	Exercised		Cancelled/Lapsed	
		2015	2014	2015	2014
		Number of options			
Exercise period					
17.10.2005 to 16.10.2013	$0.355	–	34,000	–	45,000
10.11.2006 to 9.11.2014	$0.335	–	169,000	–	59,000
		–	203,000	–	104,000

The aggregate proceeds of share options exercised is $Nil (FY14: $69,000).

16. OTHER RESERVES

	Company		Group	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Exchange translation reserve	–	–	(12,514)	(10,816)
Premium paid on acquisition of non-controlling interests	–	–	(12,569)	(12,569)
Share option capital reserve	634	634	(247)	(290)
	634	634	(25,330)	(23,675)

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

16. OTHER RESERVES (continued)

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

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 and the Group. It is not available for distribution as dividend as it is capital in nature.

17. REVENUE

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

	Group	
	1 January 2015 to 31 December 2015 $'000	1 July 2013 to 31 December 2014 $'000
Corporate secretarial services	21,579	30,379
Share registry services	32,665	47,829
Accounting, taxation & payroll services	14,928	21,129
	69,172	99,337

Revenue for the Group excludes applicable goods and services tax.

18. OTHER OPERATING INCOME

	Group	
	1 January 2015 to 31 December 2015 $'000	1 July 2013 to 31 December 2014 $'000
Interest income – fixed deposits	201	147
Productivity and Innovation Credit cash payout	32	216
Wage and other employment credit scheme	260	124
Other income	166	539
	659	1,026

19. EMPLOYEE BENEFITS EXPENSE

	Group	
	1 January 2015 to 31 December 2015 $'000	1 July 2013 to 31 December 2014 $'000
Employee benefits expense (including Directors):		
Salaries and bonuses	38,659	53,754
Defined contribution expenses	2,510	3,281
Other short-term benefits	1,542	1,934
	42,711	58,969

20. PROFIT BEFORE TAX

	Note	Group	
		1 January 2015 to 31 December 2015 $'000	1 July 2013 to 31 December 2014 $'000
Profit before tax has been arrived at after charging:			
Allowance for impairment of trade receivables	7	391	633
Amortisation of intangible assets	4	1,796	3,079
Auditor's remuneration			
– Statutory auditor of the Company		131	138
– Statutory auditor of subsidiaries		119	132
Depreciation of property, plant and equipment	3	1,283	1,835
Directors' fee		402	507
Interest expense		289	479
Loss on disposal of property, plant and equipment		1	30
Employee benefits expense	19	42,711	58,969
Exchange differences		14	(222)
Net fair value (gain)/loss on derivatives		(70)	21
Operating lease rentals of office premises and equipment		4,956	6,877
and crediting:			
Reversal of allowance for impairment of trade receivables	7	290	396

21. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the financial year/period ended 31 December 2015 and 2014 are:

	Group	
	1 January 2015 to 31 December 2015 $'000	1 July 2013 to 31 December 2014 $'000
Consolidated statement of comprehensive income		
Current income tax:		
Current income taxation	2,841	4,277
Under provision/(over provision) of current taxation in respect of prior years	239	(60)
	3,080	4,217
Deferred income tax (Note 6):		
Origination and reversal of temporary differences	(555)	(1,054)
Over provision of deferred taxation in respect of prior years	(4)	–
	(559)	(1,054)
Income tax expense recognised in profit or loss	2,521	3,163

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial year/period ended 31 December 2015 and 2014 is as follows:

	Group	
	1 January 2015 to 31 December 2015 $'000	1 July 2013 to 31 December 2014 $'000
Profit before tax	9,243	16,280
Tax at statutory rate of 17% (1 July 2013 to 31 December 2014: 17%)	1,571	2,768
Income not subject to taxation	(382)	(592)
Non-deductible expenses	599	778
Effect of partial tax exemption and tax relief	(244)	(1,028)
Benefits from previously unrecognised tax losses	–	(77)
Deferred tax asset not recognised	31	49
Difference in foreign tax rates	476	997
Under provision/(over provision) of current taxation in respect of prior years	239	(60)
Over provision of deferred taxation in respect of prior years	(4)	–
Tax deducted at source	233	425
Others	2	(97)
	2,521	3,163

21. INCOME TAX EXPENSE (continued)

Relationship between tax expense and accounting profit (continued)

The tax rates used in computing taxes for entities incorporated in other countries in FY15 and FY14 are as follows:

Malaysia	25.0%
Hong Kong	16.5%
Australia	30.0%
China	25.0%

22. EARNINGS PER SHARE

Basic and diluted earnings per share ("EPS") are calculated by dividing the profit for the financial year attributable to owners of the Company of $6,722,000 (1 July 2013 to 31 December 2014: $13,117,000), by the weighted average number of ordinary shares outstanding during the financial year/period:

	Company and Group	
	1 January 2015 to 31 December 2015	1 July 2013 to 31 December 2014
Weighted average number of ordinary shares used in the computation of basic and diluted EPS	193,660,184	187,204,625

23. DIVIDENDS

	Company and Group	
	1 January 2015 to 31 December 2015 $'000	1 July 2013 to 31 December 2014 $'000
Declared and paid during the financial year/period:		
Cash dividends on ordinary shares:		
2014 final one-tier tax-exempt cash dividend of $0.01 per share paid (FY13: $0.02)	1,937	1,993
2014 interim one-tier tax-exempt cash dividend of $0.01 per share paid	–	1,875
2014 interim one-tier tax-exempt cash dividend of $0.02 per share paid	–	544
	1,937	4,412
Scrip dividends on ordinary shares:		
2013 final one-tier tax-exempt scrip dividend of $0.02 per share paid	–	1,695
2014 interim one-tier tax-exempt scrip dividend of $0.02 per share paid	–	3,206
	–	4,901
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
2015 final one-tier tax-exempt dividend of $0.02 per share (FY14: $0.01)	3,873	1,937

24. STATEMENT OF OPERATIONS BY SEGMENT

Group

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

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

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

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

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

(b) Segment revenue and expense

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

(c) Segment assets and liabilities

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

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

24. STATEMENT OF OPERATIONS BY SEGMENT (continued)

(c) Segment assets and liabilities (continued)

	Singapore $'000	Malaysia $'000	Hong Kong $'000	Australia $'000	China $'000	Elimination $'000	Notes	Consolidated $'000
31 December 2015								
Revenue								
External sales	26,600	6,604	8,402	25,585	1,981	–		69,172
Results								
Profit/(loss) before tax	3,544	1,238	1,194	3,474	(207)	–		9,243
Income tax expense	(1,020)	(376)	(217)	(908)	–	–		(2,521)
Profit/(loss) for the financial year	2,524	862	977	2,566	(207)	–		6,722
Other information								
Segment assets	20,120	8,592	25,178	52,627	1,244	–		107,761
Segment liabilities	19,015	1,411	4,048	9,985	327	–		34,786
Capital expenditure								
– Property, plant and equipment	203	105	98	481	15	–		902
– Intangible assets	5	24	–	1,415	1	–		1,445
Interest income	35	116	–	50	–	–		201
Interest expense	289	–	–	–	–	–		289
Depreciation and amortisation expenses	627	195	200	1,970	87	–		3,079
Allowance for impairment of debts – trade	165	28	127	52	19	–		391
Impairment of intangible assets	624	–	–	–	–	–		624
(Gain)/loss on disposal of property, plant and equipment	(1)	1	1	–	–	–		1
31 December 2014								
Revenue								
External sales	37,637	9,317	10,809	38,778	2,796	–		99,337
Results								
Profit/(loss) before tax	6,164	1,854	1,784	7,222	(744)	–		16,280
Income tax expense	(563)	(412)	(317)	(1,871)	–	–		(3,163)
Profit/(loss) for the financial period	5,601	1,442	1,467	5,351	(744)	–		13,117
Other information								
Segment assets	16,526	8,429	25,025	54,957	1,579	(635)	A	105,881
Segment liabilities	19,991	741	4,157	11,340	652	(845)	B	36,036

24. STATEMENT OF OPERATIONS BY SEGMENT (continued)

(c) Segment assets and liabilities (continued)

	Singapore $'000	Malaysia $'000	Hong Kong $'000	Australia $'000	China $'000	Elimination $'000	Notes	Consolidated $'000
31 December 2014								
Other information (continued)								
Capital expenditure								
– Property, plant and equipment	509	450	240	490	177	–		1,866
– Intangible assets	734	76	–	786	10	–		1,606
Interest income	2	35	–	108	2	–		147
Interest expense	479	–	–	–	–	–		479
Depreciation and amortisation expenses	911	199	442	3,218	144	–		4,914
Allowance for impairment of debts – trade	317	141	120	55	–	–		633
Loss on disposal of property, plant and equipment	9	–	21	–	–	–		30

The nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements are as follows:

A. The following items are deducted from segment assets to arrive total assets reported in the consolidated balance sheet:

	2015 $'000	2014 $'000
Inter-segment assets	–	(635)
Ending balance	–	(635)

B. The following items are deducted from segment liabilities to arrive total liabilities reported in the consolidated balance sheet:

	2015 $'000	2014 $'000
Inter-segment liabilities	–	(845)
Ending balance	–	(845)

24. STATEMENT OF OPERATIONS BY SEGMENT (continued)

(d) Business segments information

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

Corporate secretarial services

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

Share registry services

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

Accounting, taxation & payroll services

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

Business information

	Revenue		Non-current assets	
	1 January 2015 to 31 December 2015 $'000	1 July 2013 to 31 December 2014 $'000	2015 $'000	2014 $'000
Corporate secretarial services	21,579	30,379	18,540	18,896
Share registry services	32,665	47,829	42,024	44,914
Accounting, taxation & payroll services	14,928	21,129	10,303	9,910
	69,172	99,337	70,867	73,720

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

Major customer information

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

25. RELATED PARTY TRANSACTIONS

Sale and purchase of services

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

	Group	
	1 January 2015 to 31 December 2015 $'000	1 July 2013 to 31 December 2014 $'000
Ultimate holding company		
– Service fee income	1	1
Intermediate holding company		
– Service fee income	66	71
Immediate holding company		
– Service fee income	1	1
Related companies *		
– Service fee income	33	27

* Related companies are subsidiaries of the ultimate holding company.

Compensation of key management personnel

	Group	
	1 January 2015 to 31 December 2015 $'000	1 July 2013 to 31 December 2014 $'000
Directors of the Company:		
Short-term employee benefits	606	1,650
Defined contribution expenses	10	21
Directors of the subsidiaries:		
Short-term employee benefits	3,416	4,841
Defined contribution expenses	162	245
	4,194	6,757

26. OPERATING LEASE COMMITMENTS

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

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

	Company		Group	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Not later than one year	2,892	2,563	5,409	4,483
Later than one year and not later than five years	6,730	618	13,225	6,777
Later than five years	–	–	2,620	4,265
	9,622	3,181	21,254	15,525

The lease on the Group's office premises for which rentals are payable will expire between 30 April 2017 and 31 October 2022 (FY14: 28 February 2015 and 31 October 2022).

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

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

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate risk

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

The Company's and the Group's exposure to interest rates risk arises primarily due to its fixed/short-term deposits placed with and its bank borrowing from financial institutions.

The sensitivity analysis performed below is based on the exposure to interest rates for financial instruments at the balance sheet date and the stipulated change taking place at the beginning of the financial year with all other variables held constant throughout the financial year ended 31 December 2015.

	Increase/(decrease) in profit before tax	
	1 January 2015 to 31 December 2015 $'000	1 July 2013 to 31 December 2014 $'000
Company		
Interest rate		
– Decreased by 0.4% per annum (FY14: 1.0%)	46	130
– Increased by 0.4% per annum (FY14: 1.0%)	(46)	(130)
Group		
Interest rate		
– Decreased by 0.4% per annum (FY14: 1.0%)	39	122
– Increased by 0.4% per annum (FY14: 1.0%)	(39)	(122)

Currency risk

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

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

The Group is exposed to foreign exchange fluctuation risk to the extent of the difference between the revenue earned in various currencies and the respective local components of cost of sales incurred. The Company uses forward contracts to hedge the Group's foreign currency exposure to the AUD fluctuation.

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

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

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

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

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

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

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

	Group	
	2015 $'000	2014 $'000
By geographical areas		
Singapore	5,088	5,093
Australia	4,549	4,970
Hong Kong	2,041	2,521
Malaysia	965	1,207
China	279	307
	12,922	14,098

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

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

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

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

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

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

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

The Company's and the Group's objective is to maintain a balance between sufficient cash and cash equivalents and internally generated cash flows and the use of credit facilities to finance their operating activities and committed liabilities. At the end of the reporting year, approximately 13% (FY14: 12%) of the Group's bank borrowings will mature in less than one year based on the carrying amount reflected in the financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low as access to sources of funding is sufficiently available.

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

	One year or less $'000	One to five years $'000	Total $'000
Company			
2015			
Financial assets:			
Trade and other receivables (Note 7)	1,787	–	1,787
Amounts due from subsidiaries (Note 8)	7,480	–	7,480
Cash and cash equivalents (Note 10)	2,084	–	2,084
Total undiscounted financial assets	11,351	–	11,351
Financial liabilities:			
Trade and other payables, excluding GST receivable (Note 11)	1,742	–	1,742
Amounts due to subsidiaries (Note 8)	26	–	26
Derivative liabilities (Note 9)	30	–	30
Bank borrowings	1,783	10,619	12,402
Total undiscounted financial liabilities	3,581	10,619	14,200
Total net undiscounted financial assets/(liabilities)	7,770	(10,619)	(2,849)
2014			
Financial assets:			
Trade and other receivables (Note 7)	1,649	–	1,649
Amounts due from subsidiaries (Note 8)	7,310	–	7,310
Derivative assets (Note 9)	93	–	93
Cash and cash equivalents (Note 10)	2,794	–	2,794
Total undiscounted financial assets	11,846	–	11,846
Financial liabilities:			
Trade and other payables, excluding GST receivable (Note 11)	1,368	–	1,368
Amounts due to subsidiaries (Note 8)	4,170	–	4,170
Bank borrowings	1,746	12,250	13,996
Total undiscounted financial liabilities	7,284	12,250	19,534
Total net undiscounted financial assets/(liabilities)	4,562	(12,250)	(7,688)

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

	One year or less $'000	One to five years $'000	Total $'000
Group			
2015			
Financial assets:			
Trade and other receivables (Note 7)	15,252	–	15,252
Unbilled disbursements	101	–	101
Cash and cash equivalents (Note 10)	20,990	–	20,990
Total undiscounted financial assets	36,343	–	36,343
Financial liabilities:			
Trade and other payables, excluding GST payable (Note 11)	13,426	–	13,426
Derivative liabilities (Note 9)	30	–	30
Bank borrowings	1,783	10,619	12,402
Total undiscounted financial liabilities	15,239	10,619	25,858
Total net undiscounted financial assets/(liabilities)	21,104	(10,619)	10,485
2014			
Financial assets:			
Trade and other receivables (Note 7)	16,780	–	16,780
Unbilled disbursements	157	–	157
Derivative assets (Note 9)	93	–	93
Cash and cash equivalents (Note 10)	14,222	–	14,222
Total undiscounted financial assets	31,252	–	31,252
Financial liabilities:			
Trade and other payables, excluding GST payable (Note 11)	11,124	–	11,124
Bank borrowings	1,746	12,250	13,996
Total undiscounted financial liabilities	12,870	12,250	25,120
Total net undiscounted financial assets/(liabilities)	18,382	(12,250)	6,132

28. CAPITAL MANAGEMENT

The Group's objectives when managing capital are:

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

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

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

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

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

	Group	
	2015 $'000	2014 $'000
Trade and other receivables (Note 7)	15,252	16,780
Unbilled disbursements	101	157
Prepayments	551	909
Derivative assets (Note 9)	–	93
Cash and cash equivalents (Note 10)	20,990	14,222
Total current assets	36,894	32,161
Trade and other payables (Note 11)	13,910	12,096
Disbursements billed in advance	28	41
Amounts due to customers for work-in-progress (Note 12)	2,383	2,990
Bank borrowings (Note 13)	1,500	1,500
Derivative liabilities (Note 9)	30	–
Current tax payable	861	1,048
Total current liabilities	18,712	17,675
Current ratio	1.97	1.82

29. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair values of financial instruments that are carried at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Company and Group			
	Quoted prices in active markets for identical instruments (Level 1) $'000	Significant other observable inputs (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
2015				
Financial liabilities:				
Derivatives				
– Forward currency contracts (Note 9)	–	(30)	–	(30)
At 31 December 2015	–	(30)	–	(30)
2014				
Financial assets:				
Derivatives				
– Forward currency contracts (Note 9)	–	93	–	93
At 31 December 2014	–	93	–	93

Fair value hierarchy

The Group classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

(b) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivatives

Forward currency contracts are valued using a valuation technique with marketable observable inputs. The most frequently applied valuation technique includes forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and forward rate curves.

29. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

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

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

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

30. COMPARATIVE INFORMATION

The comparative period for 2014 covered a period of 18 months from 1 July 2013 to 31 December 2014 as the Company changed its financial year end from 30 June to 31 December.

31. AUTHORISATION OF CONSOLIDATED FINANCIAL STATEMENTS.

The financial statements for the financial year ended 31 December 2015 were authorised for issue in accordance with a resolution of the Directors on 11 March 2016.

STATISTICS OF SHAREHOLDINGS
As at 9 March 2016

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

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	7	1.48	245	0.00
100 – 1,000	37	7.79	25,329	0.01
1,001 – 10,000	214	45.05	984,744	0.51
10,001 – 1,000,000	211	44.42	12,884,409	6.65
1,000,001 and above	6	1.26	179,765,457	92.83
Total	**475**	**100.00**	**193,660,184**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	United Overseas Bank Nominees (Private) Limited	158,502,224	81.85
2	Salacca Pte. Ltd.	5,989,206	3.09
3	Raffles Nominees (Pte) Limited	5,648,665	2.92
4	Jen Shek Voon	4,451,664	2.30
5	Tan Man Eng @Tan Mang Eng	3,327,537	1.72
6	Ong Eng Teong	1,846,161	0.95
7	Yeo Seng Kia	678,000	0.35
8	DBS Nominees (Private) Limited	546,048	0.28
9	Seah Jim Hong Gerard	475,262	0.25
10	Liew Swee Lian	469,000	0.24
11	ABN AMRO Clearing Bank N.V.	458,192	0.24
12	Low Wing Keong	398,657	0.21
13	DB Nominees (Singapore) Pte Ltd	390,308	0.20
14	Chang Yue	276,304	0.14
15	Timms Steven Martin	251,369	0.13
16	Goh Geok Ling	251,000	0.13
17	OCBC Nominees Singapore Private Limited	241,264	0.12
18	Neo Ee Lye	232,587	0.12
19	Tay Yee Mrs Seah Hark Meng	226,402	0.12
20	Tan Beng Chuan Frederick	214,000	0.11
	Total	**184,873,850**	**95.47**

PUBLIC FLOAT

As at 9 March 2016, 15.01% 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.

STATISTICS OF SHAREHOLDINGS (Continued)

As at 9 March 2016

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 9 March 2016)

Names of Substantial Shareholders	Direct Interest	%	Deemed Interest	%
Salacca Pte. Ltd. [(1)]	5,989,206	3.09	158,201,932	81.69
Goh Geok Khim [(2)]	–	–	164,191,138	84.78
Goh Yew Lin [(3)]	–	–	164,191,138	84.78
G. K. Goh Holdings Limited [(4)]	–	–	164,191,138	84.78
GKG Investment Holdings Pte Ltd [(5)]	–	–	164,191,138	84.78

Notes:

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

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

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

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

(5) GKGI as the ultimate holding company of GKGH is deemed to have an interest in the shares in which GKGH has an interest in.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Boardroom Limited ("the Company") will be held at Seminar Room, CIMB Investment Centre, Ground Floor, 50 Raffles Place, #01-02 Singapore Land Tower, Singapore 048623 on Friday, 22 April 2016 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the audited financial statements for the year ended 31 December 2015 together with the Auditor's Report thereon.

(Resolution 1)

2. To declare a final (one-tier) tax-exempt cash dividend of 2.0 cents per ordinary share for the year ended 31 December 2015. [FY14: A final (one-tier) tax-exempt cash dividend of 1.0 cent per ordinary share]

(Resolution 2)

3. To re-elect Mr Mak Lye Mun who will be retiring by rotation pursuant to Article 110 of the Constitution of the Company.

(Resolution 3)

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

4. To re-appoint Mr Goh Geok Khim who was previously re-appointed to hold office until this Annual General Meeting pursuant to Section 153(6) of the Companies Act, Chapter 50, which was in force immediately before 3 January 2016.

[See Explanatory Note (i)] **(Resolution 4)**

Mr Goh will, upon re-appointment as a Director of the Company, remain as Chairman of the Board and a member of the Nominating Committee and will be considered non-independent.

5. To approve the payment of Directors' fees of $284,000 for the year ended 31 December 2016 to be paid quarterly in arrears. [FY15: $275,000]

(Resolution 5)

6. To re-appoint Ernst & Young LLP as the auditor of the Company and to authorise the Directors of the Company to fix their remuneration.

(Resolution 6)

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**

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

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

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

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

(b) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force, provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury 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 total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury 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;

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

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

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

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

[See Explanatory Note (ii)] **(Resolution 7)**

9. **Authority to issue shares under the Boardroom Limited Scrip Dividend Scheme**

That pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual of the SGX-ST, the Directors of the Company be authorised and empowered to issue such number of shares in the Company as may be required to be issued pursuant to the application of the Boardroom Limited Scrip Dividend Scheme from time to time and that such authority shall, unless revoked or varied by the Company in a 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 (iii)] **(Resolution 8)**

By Order of the Board

Ngiam May Ling
Company Secretary

Singapore, 6 April 2016

Explanatory Notes:

(i) Resolution 4 is for the re-appointment of Mr Goh Geok Khim as a Director of the Company. This resolution is to approve and authorise the continuation of Mr Goh Geok Khim in office, as a Director of the Company, from the date of the Annual General Meeting onwards without limitation in tenure save for prevailing applicable laws, listing rules and/or regulations, including the Company's Constitution. This is consequent upon the repeal of Section 153 of the Companies Act, Chapter 50 with effect from 3 January 2016. The resolution passed pursuant to Section 153(6) of the Companies Act, Chapter 50 at last year's Annual General Meeting (as Section 153 was then still in force) could only permit the re-appointment of the Director, being over 70 years of age, to hold office as Director of the Company until this Annual General Meeting.

(ii) The Ordinary Resolution 7 in item 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro rata basis to shareholders.

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

(iii) The Ordinary Resolution 8 proposed in item 9 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or when such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company from time to time pursuant to the application of the Boardroom Limited Scrip Dividend Scheme.

Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting.

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

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

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

3. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

Personal Data Privacy:

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

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

PROXY FORM

(Please see notes overleaf before completing this Form)

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

Personal Data Privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 6 April 2016.

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 at Seminar Room, CIMB Investment Centre, Ground Floor, 50 Raffles Place, #01-02 Singapore Land Tower, Singapore 048623 on Friday, 22 April 2016 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.

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

No.	Resolutions relating to:	For	Against
1.	Adoption of Directors' Statement and audited financial statements for the year ended 31 December 2015		
2.	Payment of a final (one-tier) tax-exempt cash dividend of 2.0 cents per ordinary share for the year ended 31 December 2015		
3.	Re-election of Mr Mak Lye Mun as a Director		
4.	Re-appointment of Mr Goh Geok Khim as a Director		
5.	Approval of Directors' fees of $284,000 for the year ended 31 December 2016		
6.	Re-appointment of Ernst & Young LLP as auditor of the Company and to authorise the Directors to fix their remuneration		
7.	Authority to issue new shares (General Mandate)		
8.	Authority to issue shares under the Boardroom Limited Scrip Dividend Scheme		

Dated this __________ day of ______________________ 2016

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

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

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

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

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

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

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

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his 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.

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 (including any related attachment). 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 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

BoardRoom
Smart Business Solutions

Company Registration No. 200003902Z

50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623
Tel: +65-6536 5355 Fax: +65-6536 1360

www.boardroomlimited.com