

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

ACQUISITION OF THE ENTIRE ISSUED CAPITAL OF CORPORATE COUNSEL PTY LIMITED

1. INTRODUCTION

The Board of Directors of Boardroom Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s wholly-owned subsidiary, Boardroom Pty Limited (“**BR Australia**”) had, on 31 January 2018, entered into a sale and purchase agreement (the “**Agreement**”) with Sophie Karzis (the “**Vendor**”) pursuant to which the Vendor had agreed to sell, and BR Australia had agreed to purchase, all of the shares in the capital in Corporate Counsel Pty Limited (“**Corporate Counsel**” and such shares, the “**Sale Shares**”).

Pursuant to the Agreement, the Sale Shares have been transferred to BR Australia, free from all encumbrances with all rights, title and interest in and to the Sale Shares attaching to them as at the completion of the sale and purchase of the Sale Shares (“**Completion**”).

In accordance with the Agreement, Completion took place immediately after the execution of the Agreement. Accordingly, Corporate Counsel became a wholly-owned indirect subsidiary of the Company upon Completion.

For the purpose of this announcement, the currency exchange rate is S\$1: A\$1.04.

2. INFORMATION ON CORPORATE COUNSEL

Corporate Counsel is a company incorporated in Australia and was founded by the Vendor in 2009.

It is principally engaged in the business of providing corporate secretarial services and corporate governance services to both publicly listed and private companies in Melbourne, Australia.

Based on the reported financial statements of Corporate Counsel for the financial year ended 30 June 2017:

- (i) the book value of the Sale Shares as at 30 June 2017 was A\$865,866 (approximately S\$832,563.46); and
- (ii) the net profit after tax of Corporate Counsel was A\$446,345 (approximately S\$429,177.88).

3. SALIENT TERMS OF THE ACQUISITION

The Acquisition was conditional upon, *inter alia*:

- (i) the Vendor entering into an employment agreement with BR Australia, pursuant to which the Vendor will be employed as General Manager, Corporate Counsel of BR

Australia for a fixed term of two years, commencing from 1st of February 2018 and ending on 31st of January 2020; and

- (ii) the Vendor ensuring that any amount lent by the Company to her is repaid by her on or prior to Completion.

4. CONSIDERATION

The Sale Shares were purchased by BR Australia at an aggregate consideration of A\$2,250,000 (approximately S\$2,163,461.54) (the “**Consideration**”) and was paid wholly in cash by BR Australia to the Vendor on the date of Completion.

The Consideration was arrived at on an arms’ length willing-seller-willing-buyer basis and in arriving at the Consideration, BR Australia had taken into account, *inter alia*:

- (a) Corporate Counsel’s reported financial statements for the financial year ended 30 June 2017;
- (b) the current market conditions in the corporate secretarial services industry; and
- (c) the business prospects of Corporate Counsel, taking into account various factors, such as its client profile and client reach.

5. RATIONALE FOR THE ACQUISITION

The Acquisition would enable BR Australia to strategically increase its operational footprint and presence in Melbourne, and acquire a profitable business that would be a good fit for the Group.

6. FINANCIAL EFFECTS AND FUNDING

6.1 Financial Effects

The financial effects of the Acquisition have been prepared, for illustrative purposes, based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2016 and the reported financial statements of Corporate Counsel for the financial year ended 30 June 2017 and based on the following assumptions:

- (a) for the purpose of computing the financial effects of the Acquisition on the net tangible assets (the “**NTA**”) per ordinary share of the Company (“**Share**”), the Acquisition is assumed to have been effected on 31 December 2016; and
- (b) for the purpose of computing the financial effects of the Acquisition on the earnings per Share (“**EPS**”), the Acquisition is assumed to have been effected on 1 January 2016.

	<u>Before the Acquisition</u>	<u>After the Acquisition</u>
NTA (S\$ million)	8,286,000	8,286,000 ⁽¹⁾
Number of Shares	193,660,184	193,660,184
NTA per share (Singapore cents)	4.28	4.28

Notes:

- (1) There is no change to the Group's NTA after completion of the Acquisition because immediately prior to completion of the Acquisition, the full NTA amount of Corporate Counsel (save for A\$2 (approximately \$1.92), being its paid-up capital), had been paid out to the Vendor in the form of dividends.

	<u>Before the Acquisition</u>	<u>After the Acquisition</u>
Profits after tax and minority interest (S\$ million)	7,246,000	7,710,199
Number of Shares	193,660,184	193,660,184
EPS (Singapore cents)	3.74	3.98

6.2 Funding: The Consideration would be financed entirely with internal resources.

1. DISCLOSEABLE TRANSACTION

The relative figures in relation to the Acquisition computed on the applicable bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**") are as follows:

Bases	The Acquisition (S\$ million)	Group (S\$ million)	Relative figures (%)
Rule 1006(a) - Net asset value of the assets disposed of, compare with the Group's net asset value	Not applicable	Not applicable	Not applicable
Rule 1006(b) – Net profits ⁽³⁾ attributable to the Sale Shares, compared with the Group's net profits	647,157 ⁽¹⁾	8,989,000 ⁽²⁾	7.2
Rule 1006(c) – Consideration to be given, compared with the Company's market capitalisation as at 30 January 2018 ⁽⁴⁾	2,340,000	127,041,081	1.8
Rule 1006(d) – Number of equity securities issued by the Company as consideration for the Acquisition, compared with the number of securities previously in issue	Not applicable	Not applicable	Not applicable

Notes:

- (1) Based on the reported financial statements of Corporate Counsel for the financial year ended 30 June 2017.

- (2) Based on the audited consolidated financial statements of the Group for the financial year ended December 2016.
- (3) Pursuant to Rule 1002(3) of the Listing Manual, the term “net profits” means profit or loss before income tax, minority interests and extraordinary items.
- (4) “Market Capitalisation” means the weighted average price of the Company’s shares transacted on 24 January 2018, being the latest weighted average price available immediately preceding the date of the Agreement.

As the relative figure under Rule 1006(b) above exceeds five (5) per cent but does not exceed twenty (20) per cent, the Acquisition constitutes a discloseable transaction under Chapter 10 of the Listing Manual.

2. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors of the Company has any interest, direct or indirect, in the Acquisition (save through their respective shareholdings in the Company) and the Company has not received any notification from any of its controlling shareholders that it has any interest, director or indirect, in the Acquisition. No person is proposed to be appointed as a Director to the Company arising from or in connection with the Acquisition.

3. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Agreement will be made available for inspection by Shareholders during normal business hours (from 9.00am to 5.00pm) on any business day at the registered office of the Company for a period of 3 months from the date of this Announcement.

By Order of the Board

Ngiam May Ling
Company Secretary

31 January 2018