

BoardRoom

Smart Business Solutions



FORGING AHEAD DRIVING SOLUTIONS

Annual Report 2016



CORPORATE PROFILE

Boardroom is Asia-Pacific's leader in Corporate and Advisory Services including Employee Share Plan Administration, Regional Payroll Solutions, Corporate Secretarial, Share Registry Services, Accounting, Taxation, 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.

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

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-Pacific to help your business realise its maximum potential.

Let us be your partner of choice.

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FINANCIAL HIGHLIGHTS

INCOME STATEMENT

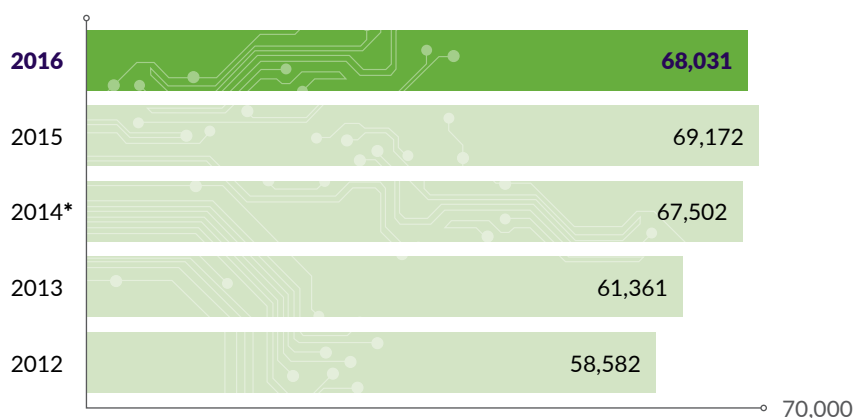
	2016	2015	2014*	2014	2013	2012
Year Ended Period	31 December 12-month	31 December 12-month	31 December 12-month	31 December 18-month	30 June 12-month	30 June 12-month
Revenue (\$'000)	68,031	69,172	67,502	99,337	61,361	58,582
EBITDA (\$'000)	11,665	13,033	14,406	21,526	13,943	13,713
Profit Before Tax (\$'000)	8,989	9,243	10,826	16,280	10,207	8,340
Profit After Tax (\$'000)	7,246	6,722	9,174	13,117	8,011	6,902

REVENUE

(\$'000)

\$68,031

Decrease by **1.6%**

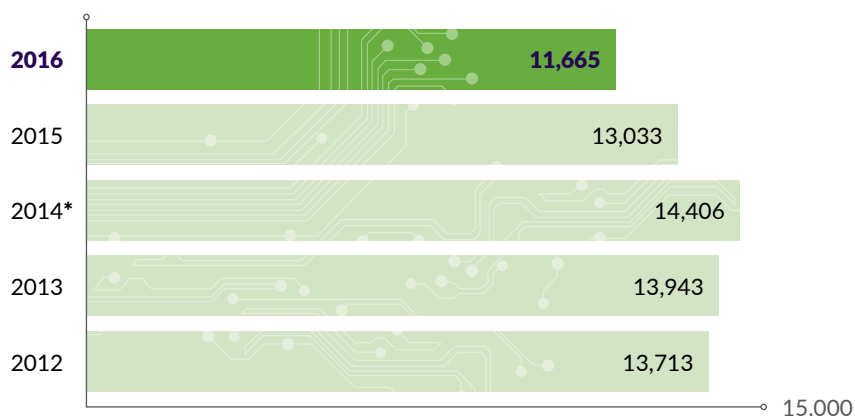


EBITDA

(\$'000)

\$11,665

Decrease by **10.5%**

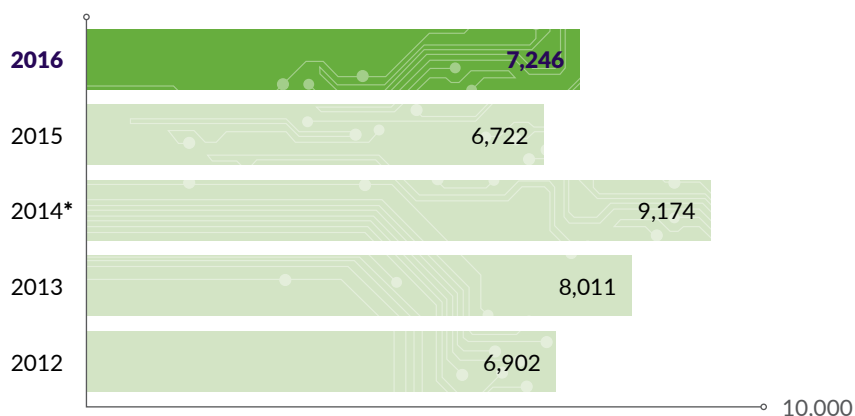


PROFIT AFTER TAX

(\$'000)

\$7,246

Increase by **7.8%**



FINANCIAL HIGHLIGHTS (continued)

FINANCIAL POSITION

	2016	2015	2014*	2014	2013	2012
Year Ended Period	31 December 12-month	31 December 12-month	31 December 12-month	31 December 18-month	30 June 12-month	30 June 12-month
Total Assets (\$'000)	108,726	107,761	105,881	105,881	102,018	108,781
Total Liabilities (\$'000)	31,501	34,786	36,036	36,036	38,036	41,553
Total Shareholders' Equity (\$'000)	77,225	72,975	69,845	69,845	63,982	67,228
Net Current Assets/ (Liabilities) (\$'000)	19,741	18,182	14,486	14,486	(1,315)	(470)

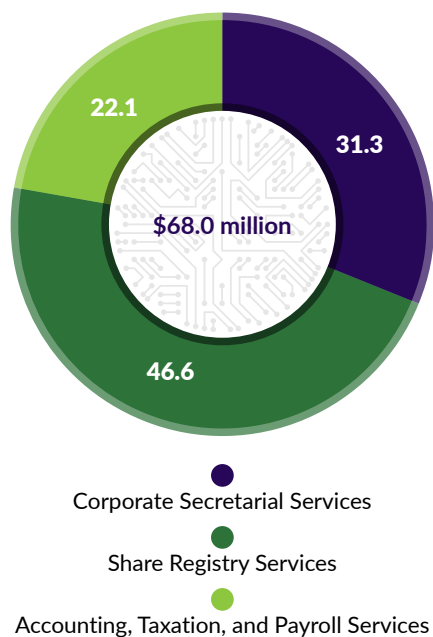
KEY FINANCIAL RATIOS

	2016	2015	2014*	2014	2013	2012
Year Ended Period	31 December 12-month	31 December 12-month	31 December 12-month	31 December 18-month	30 June 12-month	30 June 12-month
Earnings Per Share (cents)	3.74	3.47	4.90	7.01	4.50	4.03
Return on Equity (%)	9.38	9.20	13.10	18.80	12.50	10.30
Net Asset Value (cents)	39.88	37.68	36.07	36.07	34.72	36.71
Current Ratio (times)	2.11	1.97	1.82	1.82	0.95	0.98
Debt-to-Equity (times)	0.13	0.16	0.19	0.19	0.23	0.26

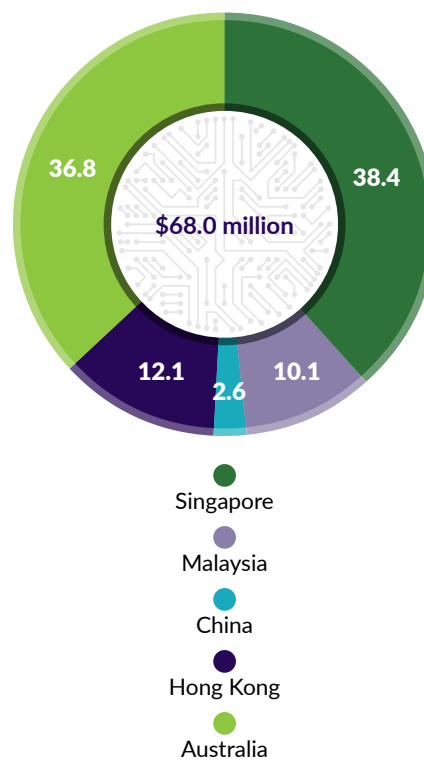
SEGMENTAL RESULTS

For the year ended 31 December 2016

Revenue by Business Division (%)



Revenue by Region (%)



* Unaudited 12-month results presented for comparison purposes

CHAIRMAN'S MESSAGE

For the financial year ended 31 December 2016 ("FY16"), Boardroom Limited ("The Group") continued to face cyclical and economic headwinds. The global trends towards populism and protectionism gathered pace over the course of 2016. The uncertainty presented by these new global trends has negatively affected business sentiment around the world. In the face of these challenges, the Group was able to perform well. We remained profitable in FY16 and continued to deliver reasonable returns to shareholders.

THE SHAPE OF OUR BUSINESS

Group revenue for FY16 came in at \$68.0m, a moderate decline of 1.6% from \$69.1m in the previous year. On a constant currency basis, the decrease would have been 0.9%. The impact of unfavourable foreign exchange accounted for 0.7% of the revenue decline.

The decline in revenue could partly be attributed to the fall in the number of IPOs in markets where we operate, adversely affecting the revenue of our Share Registry business in Singapore and Australia. The economic slowdown in China and measures to prevent capital outflow also dampened investment and corporate activities affecting our business services revenue in China and Hong Kong.

	Audited 2016 Revenue (\$'m)	Revenue (%)	2016 Revenue in Constant Currency (\$'m)	YOY Change in Constant Currency (%)
By Country				
Singapore	26.1	38.4	26.1	(1.9)
Australia	25.0	36.8	25.1	(1.6)
Malaysia	6.9	10.1	7.3	10.6
Hong Kong	8.3	12.2	8.2	(2.4)
China	1.7	2.5	1.8	(10.0)
Total Group	68.0	100.0	68.5	(0.9)
By Business				
Share Registry Services	31.7	46.6	31.8	(2.8)
Corporate Secretarial Services	21.3	31.3	21.5	0.0
Accounting, Taxation, and Payroll Services	15.0	22.1	15.2	2.0

Net profit before tax declined by 2.8% to \$9.0m compared to \$9.2m in FY15. If foreign exchange movement was discounted, the decline would have been 2.2%. Our cost containment measures were able to mitigate the impact of the adverse operating environment on our performance.

The Group's diversified business and presence in key markets in Asia enabled us to achieve a balanced result. We will strive to achieve positive growth in our operating regions and will continue to build upon our sound business service offerings. Whilst we expect the uncertain environment to continue, we believe we are well-positioned to overcome this.

DIVIDEND

The Board has recommended a final one-tier tax-exempt cash dividend of 2 cents per ordinary share, subject to approval of shareholders at the next Annual General Meeting.

Total cash dividend pay-out for FY16 is approximately \$3.9m, representing a dividend pay-out ratio of 53.5%.

REMAINING RESILIENT

The Group's creditable performance in FY16 can be attributed to our strong fundamentals and resilience, refined through the years of successfully weathering numerous business cycles, emerging each time stronger than before. Over the years, we have built a strong and complementary business model, supported by dedicated multi-national teams of professionals, advanced IT infrastructure, and efficient business processes.

In FY16, the Group continued to focus on measures to improve productivity and optimise cost structures across all our offices. We actively seek out opportunities to expand our share registry and business services in the region. Our eSolution services is experiencing strong demand in markets like Malaysia, where listed companies are increasingly adopting digital solutions to enhance shareholder relations.

The Boardroom brand is recognised throughout Asia for reliability, service quality, and extensive market and industry knowledge. The breadth and depth of our complementary services enable Boardroom to weather current as well as future challenges.

CHAIRMAN'S MESSAGE (continued)

MAJOR CORPORATE DEVELOPMENT

As at 31 December 2015, Salacca Pte. Ltd., a wholly-owned subsidiary of G. K. Goh Holdings Limited, owned or controlled 84.6% of Boardroom's paid-up share capital. Subsequently, Salacca, through open market share purchases, further increased its stake in Boardroom to 87.2% as at 31 December 2016. Salacca has been a significant shareholder of Boardroom since 2004, and the increase in its stake has not impacted the Group's business activities.

GROWTH OPPORTUNITIES AMIDST DISRUPTIONS

Global growth continues to be challenged.

Geopolitical tensions, policy uncertainty, and financial market volatility do not bode well for conducive business growth. In the face of the uncertain environment, corporations are deferring investment decisions. Some of our listed customers have privatised or restructured, adversely affecting our share registration business. We hope 2017 will see a better IPO pipeline.

In spite of these setbacks, there are opportunities which Boardroom can tap and grow. We operate in a region where the capital markets are dynamic. Despite economic headwinds, the corporate environment continues to be relatively active. Boardroom is able to maintain its leadership position in the Singapore share registry industry, capturing 8 of 16 new listings in 2016, representing 89.6% by market capitalisation.

Our eSolution suite of services continued to register steady growth. All listed corporations in Singapore and Malaysia are required to conduct voting on all resolutions at general meetings by way of poll, and many of the listed companies use our electronic solutions. The demand for our corporate services business in all our markets remained healthy. In Greater China, our deep knowledge of the Hong Kong and Chinese business practices and regulatory regimes put us in a strong position to provide taxation and consultancy services for cross-border financial transactions for multi-national companies operating in these markets.

We continue to build on our businesses in Australia, spanning Brisbane, Melbourne and Sydney. The environment, although challenging, has presented opportunities for our digital solutions applications. This was launched in the third quarter of 2016.

OUTLOOK

The outlook for 2017 is uncertain. Some challenges are cyclical and will pass. But certain global events have no precedent and their impact on investments and trade are unpredictable. There is no clarity on the policies of the new US government. Populism and anti-globalisation are rising.

The stabilisation in energy and oil prices will provide some stability for the global economy. Initial indications point to a gradual uptick in activities in global equity markets. In the Asia-Pacific, deal flows and IPO activities are expected to rise, whilst the IPO pipeline in Singapore in 2017 is expected to be strong.

However, under continued uncertain and volatile conditions, businesses will continue to restructure, rationalise operations and improve efficiency. In this scenario, Boardroom anticipates increased demand for our business services. We have the expertise and service offerings to help companies rationalise and improve efficiency as well as to meet their needs to outsource their business processes.

Our regional network of offices in the Asia-Pacific provides Boardroom a critical competitive advantage as a one-stop service provider to support businesses operating across diverse jurisdictions, regulatory regimes, and cultures. We will continue to explore opportunities to build on our regional presence.

Notwithstanding the uncertain conditions in 2017, we are cautiously confident that Boardroom has the resources and expertise to negotiate the challenges ahead and continues to grow steadily.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, management team and staff, I would like to thank our business associates and clients for their support and confidence in us.

I would like to thank my fellow Directors for their wise counsel and guidance during the year.

I am grateful to our shareholders for their patience and support as we strive to grow and develop Boardroom under challenging conditions.

Finally, I would like to express my appreciation to our management and staff for their diligence and dedication.

Mr Goh Geok Khim
Chairman

NURTURING COMPETITIVE CAPABILITIES



Our focus is to enhance our clients' competitiveness by broadening the range of our services through deepening capabilities and expanding talents.

YEAR IN REVIEW

FY16 was a challenging year for the Boardroom Group. Industries impacted by the oil and gas price declines bore the full year impact. Our clients in these related industries were not spared. Global political elections witnessed upheavals in the globalization framework. Protectionist and populist movements have re-emerged after decades of decline.

As the year unfolded, Boardroom, in anticipation of an increase in economic headwinds, focused on productivity and efficiency. We continued to strengthen the integration of all our business divisions and regional offices, an initiative which followed on from 2015.

In spite of our efforts, Group revenue slipped 1.6% to end the year at \$68.0m.

However, the efforts taken will hold us in good stead. We will continue to look to expand our range of services and to build added depth in the solutions we currently offer.

SHARE REGISTRY SERVICES

Faced with the knock on effects of the Oil and Gas price collapse, the Share Registry business bore the brunt of the global downturn in commodity prices.

Our clients in these and related industries were not spared. In addition, in line with the poor macro conditions, IPO pipelines remained weak.

The Share Registry Services division slipped 2.9% in revenue to \$31.7m. Nevertheless, the division continued to be the largest revenue generator for the group contributing 46.6%.

As a direct consequence of the poor macro conditions, 2016 saw a significant pick up in the number of corporates either delisting or going into Administration. Merger and Acquisitions picked up in the midst of the economic turmoil and in some cases our clients, as target companies, delisted.

Although operating in a challenging environment, the Registrar division was able to maintain its level of activity. We continued our customer focused strategy throughout and the division has been able to remain competitive.

CORPORATE SECRETARIAL SERVICES

The Group's Corporate Secretarial Services division also witnessed a slippage in turnover of 1.5% to \$21.3m. The unit was the second largest revenue contributor accounting for 31.3% of the Group's Revenue.

Although marginally down as a whole, the Singapore and Australia businesses did show year on year growth of 2.4% and 4.5% respectively. The slowdown in China however, affected our Hong Kong and China entities to a greater extent.

We continue to seek ways to build our service solutions and our geographic coverage. We are actively engaging our clients and seeking new business collaborations to drive productivity.

YEAR IN REVIEW (continued)

ACCOUNTING, TAXATION AND PAYROLL SERVICES

The Accounting, Taxation, and Payroll Services divisions' revenue grew a marginal 0.7% to \$15.0m in FY16 versus \$14.9m in FY15. This division, although the smallest of the three, continues to make steady progress in growing out and scaling up. Our strategy to build the Group's regional presence and services offerings continued.

The tax teams continued to make steady progress as did our accounting and payroll initiatives. In China, we delivered several successful innovative corporate solutions for clients, although the impact has been muted by China's current economic slowdown.

SUMMARY

Our performance in 2016, though marginally down in Revenue terms, was encouraging given the macro conditions and adverse headwinds. Going forward, we continue on our path of productivity which began in late 2015. Macro conditions are expected to remain volatile, unpredictable, and challenging. However, the core of our business is fundamentally strong. Our course and resolve unchanged. The client focus, technology focus, and service focus remains through into 2017 and will continue to position us well.

Barring any unforeseen circumstances, we are cautiously confident that with our strong fundamentals, will be able to face the challenges ahead.





FOSTERING CREATIVE INNOVATIONS

To be our client's partner of choice, we will continue to drive innovations by leveraging technology to enable us to deliver integrated solutions across diverse market segments and jurisdictions.

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 22 April 2016. 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-Principal Islamic Asset Management Sdn Bhd. He also sits on the Investment Committee of the National Kidney Foundation, is a Member of the National Crime Prevention Council, and is Co-Chairman of the Current Crime Sub-Committee. In addition, he is 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 22 April 2016. 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.

BOARD OF DIRECTORS (continued)

SPENCER LEE TIEN CHYE

Independent Director

Mr Spencer Lee was appointed on 27 October 2011 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 Maybank 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 over 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 solutions, 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 funds.

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.

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.

BOARDROOM OFFICE LISTING

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AUSTRALIA

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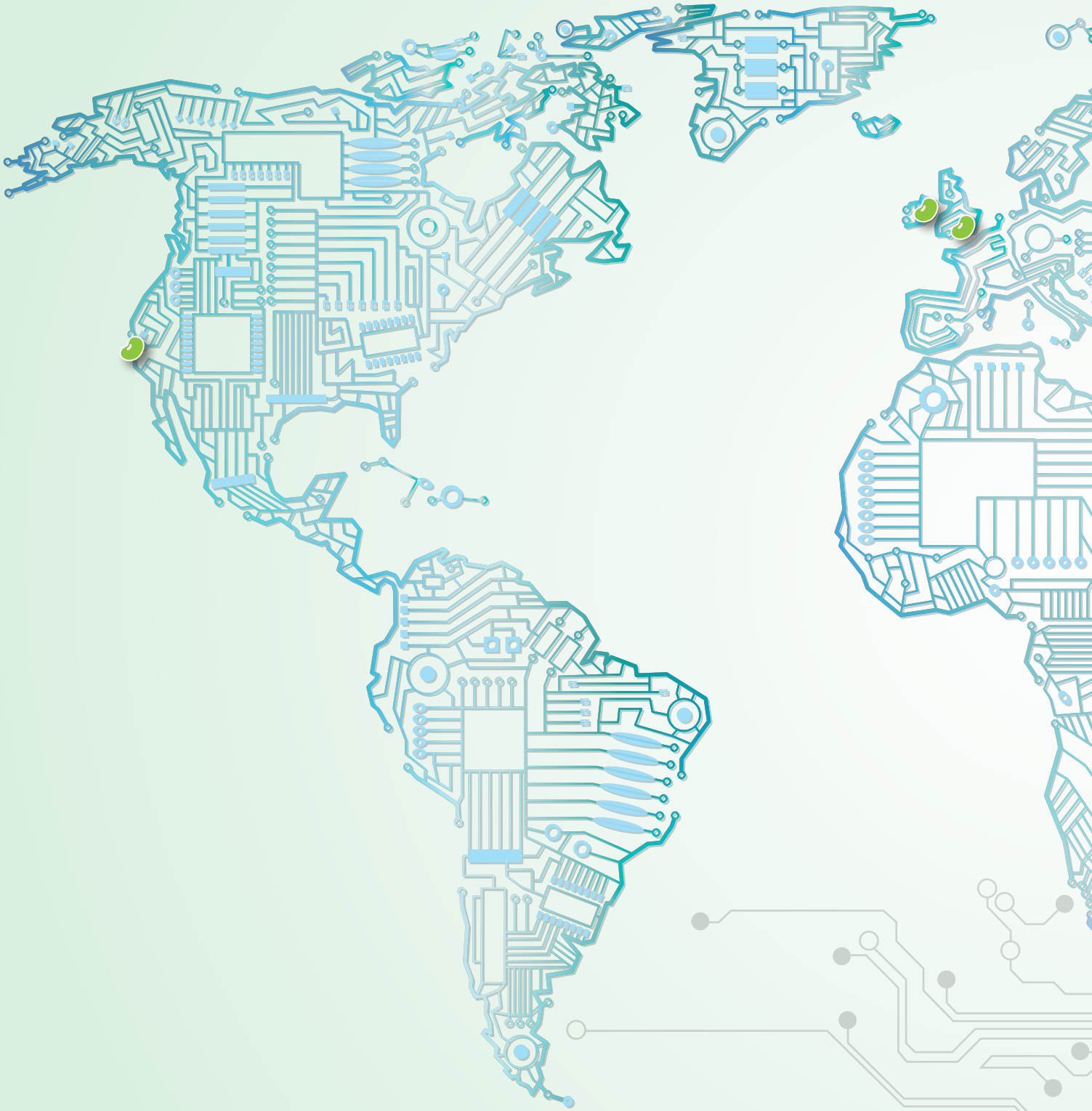
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BOARDROOM'S PARTNER NETWORK

India	Thailand
Indonesia	Vietnam
Japan	Dubai
South Korea	United States
New Zealand	United Kingdom
Macau	Ireland
Philippines	Myanmar
Taiwan	

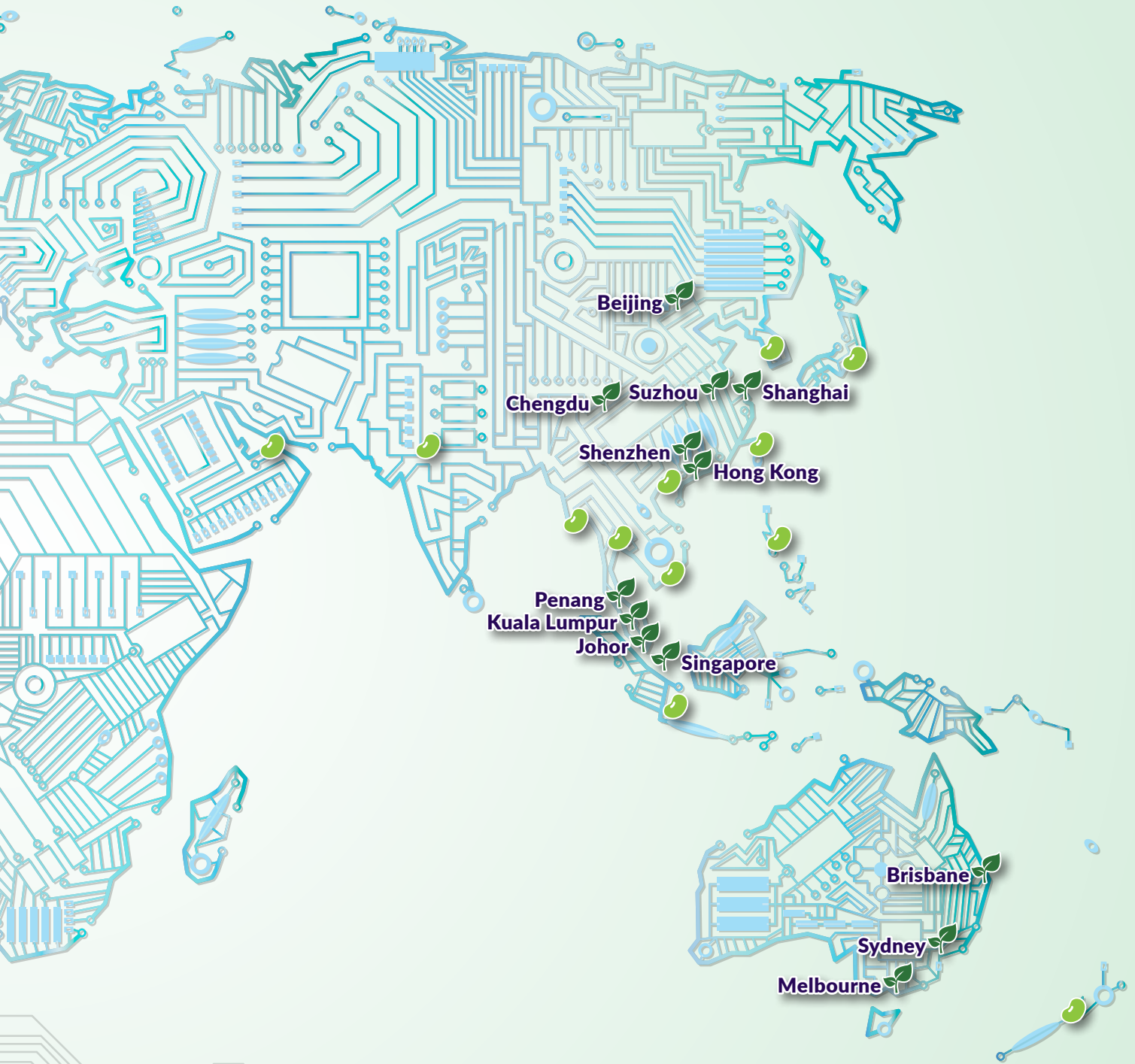
BOARDROOM OFFICE LISTING (continued)



 Boardroom Offices

 Boardroom's Partner Network

BOARDROOM OFFICE LISTING (continued)



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

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AUDITOR

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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 2016 ("FY16"), 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 Manual 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 FY16 are as follows:

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

CORPORATE GOVERNANCE (Continued)

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 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.

CORPORATE GOVERNANCE (Continued)

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.

CORPORATE GOVERNANCE (Continued)

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 10 to 11 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.

CORPORATE GOVERNANCE (Continued)

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 \$275,000 for the year ending 31 December 2017 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 - FY16	Salary %	Bonus %	Fees %	Other Benefits %	Total %
\$750,000 to below \$1,000,000					
Kim Teo Poh Jin	56	43	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 in FY16 was \$1,073,580.

CORPORATE GOVERNANCE (Continued)

The remuneration in FY16 of key management personnel are set out below in bands of \$250,000.

Key Management Personnel (not being Directors) - FY16	Salary %	Bonus %	Fees %	Other Benefits %	Total %
\$1,000,000 to below \$1,250,000					
Rhett Tregunna	43	56	0	1	100
\$250,000 to below \$500,000					
Lee Yow Fee	63	13	0	24	100
Patrick Fu Ming Hon	86	14	0	0	100
Samantha Tai Yit Chan	84	15	0	1	100
Adrian Kow Tuck Hoong	99	0	0	1	100

The aggregate remuneration paid to the above key management personnel (who are not Directors) for FY16 was \$2,598,738.37.

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 FY16.

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.

CORPORATE GOVERNANCE (Continued)

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 28 of the Notes to the Financial Statements, on pages 76 to 80 of the Annual Report.

For FY16, 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 2016 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.

CORPORATE GOVERNANCE (Continued)

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 FY16, 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) 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;
- (d) 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;
- (e) 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;
- (f) review results of internal audits as well as Management's responses to the recommendations of the internal auditors;
- (g) review the cost effectiveness and the independence and objectivity of the external auditors;
- (h) review the nature and extent of non-audit services provided by the external auditors yearly to determine their independence;
- (i) 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;
- (j) review the Company's hedging contracts and the structure and underlying conditions for hedging activities;
- (k) review interested person transactions falling within the scope of the Listing Manual of the SGX-ST; and
- (l) 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.

CORPORATE GOVERNANCE (Continued)

During FY16, 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 FY16, the aggregate amount of audit fees due to the external auditors for audit services rendered to the Group was \$264,876.

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.

CORPORATE GOVERNANCE (Continued)

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 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 within the meaning of the Listing Manual of the SGX-ST in FY16.

MATERIAL CONTRACTS

The Company and its subsidiaries did not enter into any material contracts involving the interests of any Director or controlling shareholder, either still subsisting at the end of the FY16 or if not then subsisting, entered into since the end of the previous financial year.

FINANCIAL STATEMENTS

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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 the balance sheet of the Company for the financial year ended 31 December 2016.

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 2016 and the financial performance, changes in equity and cash flows of the Group for the financial 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 of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT (Continued)

DIRECTORS' INTERESTS 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:

Name of Director	Number of ordinary shares fully paid					
	Shares registered in name of Director			Shares in which Director is deemed to have an interest		
	As at 1.1.2016	As at 31.12.2016	As at 21.1.2017	As at 1.1.2016	As at 31.12.2016	As at 21.1.2017
The Company						
Goh Geok Khim	-	-	-	163,868,038	168,824,875	168,914,875
Goh Yew Lin (Alternate to Goh Geok Khim)	-	-	-	163,868,038	168,824,875	168,914,875
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	-	-	-	195,508,922	196,121,722	196,121,722
Goh Yew Lin (Alternate to Goh Geok Khim)	-	-	-	195,508,922	196,121,722	196,121,722
Thomas Teo Liang Huat	125,741	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.

SHARE OPTIONS

The Company no longer has any share option scheme.

DIRECTORS' STATEMENT (Continued)

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. The principal functions of the AC are to:

- review the annual audit plan of the Company's internal auditors and external auditors;
- 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;
- 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 Singapore Exchange Securities Trading Limited ("SGX-ST");
- 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;
- 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;
- review results of internal audits as well as Management's responses to the recommendations of the internal auditors;
- review the cost effectiveness and the independence and objectivity of the external auditors;
- review the nature and extent of non-audit services provided by the external auditors yearly to determine their independence;
- 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;
- review the Company's hedging contracts and the structure and underlying conditions for hedging activities;
- review interested person transactions falling within the scope of the Listing Manual of the SGX-ST; and
- conduct 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.

DIRECTORS' STATEMENT (Continued)

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

15 March 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of Boardroom Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Boardroom Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and Company as at 31 December 2016, and the consolidated statements of changes in equity, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

1. Estimation in revenue recognition

The Group's revenue for the year 2016 generated from corporate secretarial services and accounting, taxation & payroll services amounted to \$21.3 million and \$15.0 million respectively.

A significant portion of the revenue for these services is recognised when time is recorded on an assignment and the amount recognised is based on estimated margins. The estimation of margin is made by management based on an assessment of the agreed fees, budgeted costs and prior year margin. This estimated revenue will be adjusted if the actual billing for an assignment differs from the total revenue recognised at completion of the assignment.

This assessment process contains significant management judgment and estimates, and may have a significant impact on the results of the Group. As such, we determined this to be key audit matter.

INDEPENDENT AUDITOR'S REPORT (Continued)

To the Members of Boardroom Limited

Key Audit Matters (continued)

1. Estimation in revenue recognition (continued)

Our procedures included the following:

- Evaluated the design and tested the effectiveness of internal controls over revenue recognition process
- Evaluated management's assumptions in determining the margin by considering the historical accuracy and consistency of similar management's estimates made in previous years
- Performed a variance analysis against the average of actual margin extracted for the financial year with the margin used by the management to confirm management's estimation accuracy is within reasonable range. We also investigated the reasons for any significant variance noted from the variance analysis
- Independently re-calculated a sample of the adjustments made during the financial year and substantiated these adjustments with the relevant underlying documents
- Performed tests to check that revenue was recorded in the correct period and reviewed if there is any significant reversal of revenue subsequent to year end
- Reviewed the adequacy and accuracy of the disclosures made in Note 17

Similar audit procedures were performed by the subsidiary auditors responsible for the Boardroom Limited's subsidiaries, we were involved in the planning of the subsidiary auditor's work; reviewed the procedures they performed and evaluated the audit evidence obtained as a basis for forming our opinion as a whole.

2. Goodwill

As at 31 December 2016, goodwill, arising from the acquisition of Singapore, Australia, Hong Kong, Malaysia and China subsidiaries, is carried at \$47.3 million which represents approximately 61% of the Group's net assets. We considered the audit of management's annual goodwill impairment test to be a key audit matter because the assessment process is complex, involved significant management judgment, and is based on assumptions that are affected by expected future market and economic conditions. Based on the annual impairment test, management has concluded that goodwill is not impaired.

As disclosed in Note 4, goodwill is allocated to five cash-generating units ("CGUs") which comprise the Group's Singapore, Australia, Hong Kong, Malaysia and China acquired businesses. The recoverable amounts of these CGUs have been determined based on value in use calculations using cash flow projections. The cash flow projections include assumptions of net profitability, discount rates and growth rates.

Our procedures included the following:

- Evaluated management's forecasting process by comparing previous forecasts to actual results and test check on a sample basis that new revenue growth projected for financial year 2017 are supported by new contracts.
- Evaluated net profitability and growth rates used by comparing to historical data as well as recent trends and market outlooks.
- Evaluated discount rates used to determine the present value by comparing to external comparable data. Our internal valuation specialists assisted us in performing these procedures.
- Reviewed the accuracy and adequacy of the disclosures made on the goodwill impairment test in Note 4.

Similar audit procedures were performed by the subsidiary auditors responsible for the Boardroom Limited's subsidiaries, we were involved in the planning of the subsidiary auditor's work; reviewed the procedures they performed and evaluated the audit evidence obtained as a basis for forming our opinion as a whole.

INDEPENDENT AUDITOR'S REPORT (Continued)

To the Members of Boardroom Limited

Other information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors 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 Act and FRSs, 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT (Continued)

To the Members of Boardroom Limited

Auditor's responsibilities for the audit of the financial statements (continued)

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

The engagement partner on the audit resulting in this independent auditor's report is Alvin Phua Chun Yen.



Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
15 March 2017

BALANCE SHEETS

As at 31 December 2016

	Note	Company		Group	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Assets					
Non-current assets					
Property, plant and equipment	3	495	118	1,972	1,820
Intangible assets	4	257	366	68,939	67,952
Investments in subsidiaries	5	84,793	86,303	-	-
Deferred tax assets	6	-	-	260	1,095
		85,545	86,787	71,171	70,867
Current assets					
Trade and other receivables	7	1,448	1,787	16,705	15,241
Unbilled disbursements		-	-	45	101
Amounts due from subsidiaries	8	3,431	7,480	-	-
Income tax receivable		-	-	156	11
Prepayments		88	58	464	551
Cash and cash equivalents	10	5,386	2,084	20,185	20,990
		10,353	11,409	37,555	36,894
Total assets		95,898	98,196	108,726	107,761
Equity and liabilities					
Current liabilities					
Trade and other payables	11	1,061	1,679	13,221	13,910
Disbursements billed in advance		-	-	52	28
Amounts due to customers for work-in-progress	12	-	-	2,327	2,383
Bank borrowings	13	1,500	1,500	1,500	1,500
Amounts due to subsidiaries	8	67	26	-	-
Derivative liabilities	9	-	30	-	30
Income tax payable		559	787	714	861
		3,187	4,022	17,814	18,712
Net current assets		7,166	7,387	19,741	18,182
Non-current liabilities					
Provision for employees benefits	14	-	-	351	363
Deferred tax liabilities	6	143	143	4,836	5,711
Bank borrowings	13	8,500	10,000	8,500	10,000
		8,643	10,143	13,687	16,074
Total liabilities		11,830	14,165	31,501	34,786
Net assets		84,068	84,031	77,225	72,975
Equity attributable to owners of the Company					
Share capital	15	37,554	37,554	37,554	37,554
Other reserves	16	-	634	(24,206)	(25,330)
Retained earnings		46,514	45,843	63,877	60,751
Total equity		84,068	84,031	77,225	72,975
Total equity and liabilities		95,898	98,196	108,726	107,761

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
Revenue	17	68,031	69,172
Other operating income	18	793	659
Employee benefits expense	19	(42,673)	(42,711)
Interest on bank borrowings		(300)	(289)
Depreciation and amortisation expenses		(2,626)	(3,079)
Impairment of intangible assets		-	(624)
Other operating expenses		(14,236)	(13,885)
Profit before tax	20	8,989	9,243
Income tax expense	21	(1,743)	(2,521)
Profit for the financial year, net of tax		<u>7,246</u>	<u>6,722</u>
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		877	(1,655)
Total comprehensive income for the financial year		<u>8,123</u>	<u>5,067</u>
Profit for the financial year attributable to owners of the Company		<u>7,246</u>	<u>6,722</u>
Total comprehensive income for the financial year attributable to owners of the Company		<u>8,123</u>	<u>5,067</u>
Earnings per share (cents per share)			
Basic and diluted	22	<u>3.74</u>	<u>3.47</u>

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2016

	Attributable to owners of the Company					Total \$'000
	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	
Balance at 1 January 2016	37,554	(12,514)	(12,569)	(247)	60,751	72,975
Profit for the financial year	-	-	-	-	7,246	7,246
Other comprehensive income for the financial year						
- Expiry of employee share options	-	-	-	247	(247)	-
- Foreign currency translation	-	877	-	-	-	877
Total comprehensive income for the financial year	-	877	-	247	6,999	8,123
Contributions by and distributions to owners						
Cash dividends on ordinary shares (Note 23)	-	-	-	-	(3,873)	(3,873)
Balance at 31 December 2016	37,554	(11,637)	(12,569)	-	63,877	77,225
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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
Operating activities			
Profit before tax		8,989	9,243
Adjustments for:			
Amortisation of intangible assets	4	1,712	1,796
Depreciation of property, plant and equipment	3	914	1,283
Allowance for impairment of trade receivables, net		882	-
Impairment of intangible assets		-	624
Exchange differences		62	14
Loss on disposal of property, plant and equipment	20	3	1
Interest income	18	(249)	(201)
Interest expense	20	300	289
Operating profit before working capital changes		12,613	13,049
(Increase)/decrease in operating receivables and prepayments		(2,056)	1,756
(Decrease)/increase in operating payables		(747)	2,077
Decrease in amounts due to customers for work-in-progress		(124)	(785)
Cash generated from operations		9,686	16,097
Interest paid		(280)	(289)
Income tax paid		(2,150)	(3,264)
Net cash generated from operating activities		7,256	12,544
Investing activities			
Acquisition of property, plant and equipment	3	(1,075)	(902)
Acquisition of intangible assets	4	(1,913)	(1,445)
Proceeds from sale of property, plant and equipment		13	12
Interest received		242	201
Net cash used in investing activities		(2,733)	(2,134)
Financing activities			
Cash dividends paid on ordinary shares	23	(3,873)	(1,937)
Repayment of bank borrowings		(1,500)	(1,500)
Net cash used in financing activities		(5,373)	(3,437)
Net (decrease)/increase in cash and cash equivalents		(850)	6,973
Effect of exchange rate changes on cash and cash equivalents		45	(205)
Cash and cash equivalents at 1 January	10	20,990	14,222
Cash and cash equivalents at 31 December		20,185	20,990

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 2016

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.

The Accounting Standards Council announced on 29 May 2014 that Singapore incorporated companies listed on the Singapore Exchange will apply a new financial reporting framework identical to the International Financial Reporting Standards. The Group will adopt the new financial reporting framework on 1 January 2018.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year 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 2016. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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
Amendments to FRS 7 <i>Disclosure Initiative</i>	1 January 2017
Amendments to FRS 12 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2018
FRS 109 <i>Financial Instruments</i>	1 January 2018
Amendments to FRS 102 <i>Classification and Measurement of Share-Based Payment Transactions</i>	1 January 2018
Amendments to FRS 40 <i>Transfers of Investment Property</i>	1 January 2018
FRS 116 <i>Leases</i>	1 January 2019
Amendments to FRS 110 and FRS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined
Amendments to FRS 104 <i>Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts</i>	1 January 2018
Improvements to FRSS (December 2016)	
(a) Amendments To FRS 101 <i>First-Time Adoption Of Financial Reporting Standards</i>	1 January 2018
(b) Amendments To FRS 112 <i>Disclosure Of Interests In Other Entities</i>	1 January 2017
(c) Amendments To FRS 28 <i>Investments In Associates And Joint Ventures</i>	1 January 2018
INT FRS 122 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018

Except for FRS 109, FRS 115 and FRS 116, 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 109, FRS 115 and FRS 116 are described below.

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. Majority of our services are recurring with delivery and customer payment completed within one year. Our customer base consists of a large number of clients and our trade receivables are categorised by common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The Group expects to apply the simplified approach by recognising a loss allowance based on lifetime expected credit losses at each reporting date. The Group does not expect any significant impact to arise from the change but it will need to perform a more detailed analysis to determine the extent of impact.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model to account for 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 new revenue standard will supersede all current revenue recognition requirements under FRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted.

During the year, the Group performed a preliminary assessment of FRS 115 which covering five areas such as contracts with the customer, performance obligations in the contract, transaction price determination, transaction price allocation and revenue recognition when a performance obligation is satisfied. Our contracts with customers fall within the scope of FRS 115 because the criteria are met. Our services are distinct and substantially the same and have the same pattern of transfer to customers. Our transaction price can be easily determined and allocated. There is no variable consideration. Revenue is recognised after works have been performed. The Group does not expect any significant impact to arise from the FRS 115 application. The final impact to the Group may change arising from a more detailed ongoing analysis to be completed in FY2017.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. The Group expects the adoption of the new standard will result in increase in total assets and total liabilities, EBITDA and gearing ratio.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(a) **Basis of consolidation** (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.

(b) **Business combinations**

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

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 include 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

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 considers 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

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.

2.19 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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) *Work-in-progress and revenue recognition*

A significant portion of the revenue is recognised when time is recorded on an assignment and the amount recognised is based on the estimated margin. The estimation of margin is made by management based on an assessment of the agreed fees, budgeted costs and prior year margin. This estimated revenue will be adjusted if the actual billing for an assignment differs from the total revenue recognised at completion of the assignment.

In making these estimates, the management has relied on past experience and knowledge. The carrying amounts of amounts due to customers for work-in-progress at the end of the reporting period are disclosed in Note 12 to the financial statements.

If the estimated margin had been 10% higher than the management estimate, the carrying amount of the amounts due to customers for work-in-progress would have been \$119,000 (FY15: \$23,000) lower.

(ii) *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 2016 is \$47,279,000 (FY15: \$46,702,000).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Significant accounting estimates and judgements (continued)

(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.

Income taxes

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 receivable, income tax payable, deferred tax liabilities and deferred tax assets at 31 December 2016 were \$156,000 (FY15: \$11,000), \$714,000 (FY15: \$861,000), \$4,836,000 (FY15: \$5,711,000) and \$260,000 (FY15: \$1,095,000) respectively.

3. PROPERTY, PLANT AND EQUIPMENT

	Computers \$'000	Office machinery \$'000	Furniture, fittings & leasehold improvements \$'000	Total \$'000
Company				
Cost				
At 1 January 2015	485	55	648	1,188
Additions	27	-	8	35
Disposals	(8)	-	-	(8)
At 31 December 2015 and 1 January 2016	504	55	656	1,215
Additions	398	6	83	487
Disposals	(10)	-	-	(10)
At 31 December 2016	892	61	739	1,692
Accumulated depreciation				
At 1 January 2015	374	45	501	920
Depreciation charge for the financial year	59	3	123	185
Disposals	(8)	-	-	(8)
At 31 December 2015 and 1 January 2016	425	48	624	1,097
Depreciation charge for the financial year	65	3	42	110
Disposals	(10)	-	-	(10)
At 31 December 2016	480	51	666	1,197
Net carrying amount				
At 31 December 2016	412	10	73	495
At 31 December 2015	79	7	32	118

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

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 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 and 1 January 2016	3,314	941	36	4,950	9,241
Exchange differences	(6)	11	(1)	1	5
Additions	886	88	-	101	1,075
Disposals	(104)	(12)	-	(858)	(974)
At 31 December 2016	4,090	1,028	35	4,194	9,347
Accumulated depreciation					
At 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 and 1 January 2016	2,775	642	8	3,996	7,421
Exchange differences	(6)	10	(1)	(4)	(1)
Depreciation charge for the financial year	507	79	7	321	914
Disposals	(95)	(12)	-	(852)	(959)
At 31 December 2016	3,181	719	14	3,461	7,375
Net carrying amount					
At 31 December 2016	909	309	21	733	1,972
At 31 December 2015	539	299	28	954	1,820

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

4. INTANGIBLE ASSETS

	Computer software \$'000
Company	
Cost	
At 1 January 2015	998
Additions	5
At 31 December 2015, 1 January 2016 and 31 December 2016	<u>1,003</u>
Accumulated amortisation	
At 1 January 2015	526
Amortisation for the financial year	111
At 31 December 2015 and 1 January 2016	<u>637</u>
Amortisation for the financial year	109
At 31 December 2016	<u>746</u>
Net carrying amount	
At 31 December 2016	<u>257</u>
At 31 December 2015	<u>366</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

4. INTANGIBLE ASSETS (continued)

	Goodwill on consolidation \$'000	Customer relationships \$'000	Computer software \$'000	Brand name \$'000	Total \$'000
Group					
Cost					
At 1 January 2015	47,804	26,404	4,825	294	79,327
Exchange differences	(315)	(1,226)	(163)	(13)	(1,717)
Additions	-	-	1,445	-	1,445
At 31 December 2015 and 1 January 2016	47,489	25,178	6,107	281	79,055
Exchange differences	574	295	37	3	909
Additions	-	-	1,913	-	1,913
Disposal	-	-	(10)	-	(10)
At 31 December 2016	48,063	25,473	8,047	284	81,867
Accumulated amortisation and impairment					
At 1 January 2015	187	6,086	2,510	294	9,077
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 and 1 January 2016	787	7,128	2,907	281	11,103
Exchange differences	(3)	112	11	3	123
Amortisation for the financial year	-	1,307	405	-	1,712
Disposal	-	-	(10)	-	(10)
At 31 December 2016	784	8,547	3,313	284	12,928
Net carrying amount					
At 31 December 2016	47,279	16,926	4,734	-	68,939
At 31 December 2015	46,702	18,050	3,200	-	67,952

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	
	2016 \$'000	2015 \$'000
Australia	20,429	20,198
Hong Kong	20,174	19,725
Malaysia	4,136	4,225
Singapore	2,475	2,475
China	65	79
	47,279	46,702

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

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	
	2016	2015
Growth rates	2%	2% to 3%
Pre-tax discount rates	8% to 13%	9% to 14%

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

In the previous financial year, an impairment loss was recognised to write-down the carrying amount of goodwill in Singapore CGU. The impairment loss of \$624,000 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 average remaining useful lives of these customer relationships are estimated to be 13 years (FY15: 14 years). Amortisation expense is included in the "depreciation and amortisation expenses" line item in profit or loss.

5. INVESTMENTS IN SUBSIDIARIES

	Company	
	2016 \$'000	2015 \$'000
Unquoted equity investments, at cost	87,903	87,903
Impairment losses	(3,110)	(1,600)
	<u>84,793</u>	<u>86,303</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

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
		2016 \$'000	2015 \$'000	2016 %	2015 %	
* 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 Executive Services Pte. Ltd.	Singapore	-	-	100	-	Share Plan Administration, payroll services & employee benefits
# 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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

5. INVESTMENTS IN SUBSIDIARIES (continued)

Name	Country of incorporation/ principal place of business	Carrying value of investment		Percentage of equity held		Principal activities
		2016	2015	2016	2015	
		\$'000	\$'000	%	%	
# Boardroom Corporate Services (KL) Sdn. Bhd. ⁽²⁾	Malaysia	-	-	100	100	Corporate secretarial, investor relations, other allied services and investment holding
# 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	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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

5. INVESTMENTS IN SUBSIDIARIES (continued)

Name	Country of incorporation/ principal place of business	Carrying value of investment		Percentage of equity held		Principal activities
		2016	2015	2016	2015	
		\$'000	\$'000	%	%	
^ 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
^ 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
# Asialink Holdings Ltd (Seychelles) ⁽¹¹⁾	Seychelles	-	-	100	100	Nominee services
# Asialink Holdings Ltd (Cook Islands) ⁽¹¹⁾	Cook Islands	-	-	100	100	Nominee services
# Kirkliston Limited ⁽¹²⁾	Hong Kong	-	-	100	100	Nominee services
# Green Joy Holdings Limited ⁽¹¹⁾	British Virgin Islands	-	-	100	100	Nominee services
# Asialink Trust Ltd ⁽¹²⁾	British Virgin Islands	-	-	100	100	Trust services
# ATL Limited ⁽¹²⁾	Nevis	-	-	100	100	Nominee services
# Knapdale Ltd ⁽¹³⁾	British Virgin Islands	-	-	100	100	Nominee services
# Kirkcowan Ltd ⁽¹³⁾	British Virgin Islands	-	-	100	100	Nominee services

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

5. INVESTMENTS IN SUBSIDIARIES (continued)

Name	Country of incorporation/ principal place of business	Carrying value of investment		Percentage of equity held		Principal activities
		2016	2015	2016	2015	
		\$'000	\$'000	%	%	
# Callumberg Ltd ⁽¹³⁾	British Virgin Islands	-	-	100	100	Nominee services
# Thornpool Ltd ⁽¹³⁾	British Virgin Islands	-	-	100	100	Nominee services
# Jackaroo Ltd ⁽¹³⁾	British Virgin Islands	-	-	100	100	Nominee services
# Karalon Ltd ⁽¹³⁾	Hong Kong	-	-	100	100	Nominee services
# Abagtha Ltd ⁽¹³⁾	Hong Kong	-	-	100	100	Nominee services
		<u>84,793</u>	<u>86,303</u>			

† 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

^ Audited by Deloitte Touche Tohmatsu Limited, Australia

(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

(11) Subsidiary of BL Services Limited

(12) Subsidiary of Asialink Holdings Ltd (Seychelles)

(13) Subsidiary of Green Joy Holdings Limited

Incorporation of a subsidiary

On 6 December 2016, the Company incorporated a wholly-owned subsidiary, Boardroom Executive Services Pte. Ltd. in Singapore with an initial issued and paid-up share capital of 2 shares at \$1.00 each. Boardroom Executive Services Pte. Ltd. provides employee share plan administration, payroll services and employee benefit services.

Allowance for impairment on investment in a subsidiary

During the financial year, an allowance for impairment was recognised to write-down the investment in Boardroom China Holdings Pte. Ltd. The allowance for impairment of \$1,510,000 (FY15: Nil) has been recognised in the profit or loss of the Company.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

6. DEFERRED TAX ASSETS/(LIABILITIES)

	Company		Group			
	Balance sheet		Consolidated balance sheet		Consolidated statement of comprehensive income	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Deferred tax assets						
Provisions	-	-	28	955	(10)	44
Unutilised tax losses	-	-	232	140	(12)	(3)
	-	-	260	1,095	(22)	41
Deferred tax liabilities						
Acquired intangibles	-	-	(4,640)	(5,528)	-	(501)
Differences in depreciation for tax purposes	(143)	(143)	(196)	(183)	(68)	(99)
	(143)	(143)	(4,836)	(5,711)	(68)	(600)
Deferred income tax (Note 21)					(90)	(559)

Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting year, no deferred tax liability has been recognised for taxes that would be payable on the undistributed earnings of the subsidiary 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 \$6,812,000 (FY15: \$7,016,000). The deferred tax liability is estimated to be \$681,000 (FY15: \$702,000).

7. TRADE AND OTHER RECEIVABLES

	Company		Group	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Trade receivables	-	-	15,912	13,385
<i>Less:</i>				
Allowance for impairment of trade receivables	-	-	(1,253)	(463)
	-	-	14,659	12,922
<i>Add:</i>				
Sundry receivables	20	54	564	664
Management fee receivable from subsidiaries	664	806	-	-
Deposits	764	927	1,475	1,655
Interest receivable	-	-	7	-
Total trade and other receivables	1,448	1,787	16,705	15,241
<i>Add:</i>				
Unbilled disbursements	-	-	45	101
Amounts due from subsidiaries (Note 8)	3,431	7,480	-	-
Cash and cash equivalents (Note 10)	5,386	2,084	20,185	20,990
Total loans and receivables	10,265	11,351	36,935	36,332

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

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.

Receivables that are past due but not impaired

The Group has trade receivables amounting to \$12,011,000 (FY15: \$10,370,000) 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	
	2016	2015
	\$'000	\$'000
Past due 1 day to 3 months	9,235	7,323
Past due 3 to 6 months	1,484	2,516
Past due over 6 months	1,292	531
	12,011	10,370

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	
	2016	2015
	\$'000	\$'000
Trade receivables – nominal amounts	1,546	592
Impairment of trade receivables		
Beginning balance	(463)	(713)
Exchange differences	(16)	24
Impairment made (Note 20)	(1,195)	(391)
Impairment utilised	108	327
Impairment written back (Note 20)	313	290
Ending balance	(1,253)	(463)
Net trade receivables	293	129

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

8. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2016 \$'000	2015 \$'000
Loans to a subsidiary – interest bearing	3,190	3,119
Amounts due from subsidiaries – non-trade	3,577	4,361
	6,767	7,480
Less: Allowance for impairment	(3,336)	-
Total amounts due from subsidiaries	3,431	7,480
Amounts due to subsidiaries – non-trade	(67)	(26)
Total amounts due to subsidiaries	(67)	(26)

Loans to a subsidiary bear interest rate at 2.45% (FY15: 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.

The movement of the allowance accounts used to record the impairment are as follows:

	Company	
	2016 \$'000	2015 \$'000
Amounts due from subsidiaries – nominal amounts	3,336	-
Impairment of amounts due from subsidiaries		
Beginning balance	-	-
Impairment made	(3,336)	-
Ending balance	(3,336)	-
Net amounts due from subsidiaries	-	-

9. DERIVATIVE LIABILITIES

	Company and Group			
	2016		2015	
	Contract/ Notional Amount A\$'000	Liabilities \$'000	Contract/ Notional Amount A\$'000	Liabilities \$'000
Forward currency contracts, representing total financial liabilities at fair value through profit or loss	-	-	1,800	(30)

Forward currency contracts were 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

10. CASH AND CASH EQUIVALENTS

	Company		Group	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Fixed deposits	-	-	2,927	1,673
Cash and bank balances	5,386	2,084	17,258	19,317
	5,386	2,084	20,185	20,990

Fixed deposits are placed with financial institutions and earned interest at the rates ranging from 0.60% to 3.50% (FY15: 3.00% to 3.26%) per annum. The fixed deposits have maturity terms of 1 day to 30 days (FY15: 1 day to 30 days) 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.

Clients' monies held under trust represent the following:

	Group	
	2016 \$'000	2015 \$'000
Held under trust		
Clients' bank accounts – contra	24,078	25,718
Clients' ledger balances – contra	(24,078)	(25,718)
	-	-

11. TRADE AND OTHER PAYABLES

	Company		Group	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Trade and other payables:				
Trade payables	34	261	5,178	5,531
Accrued operating expenses	948	1,363	7,460	8,055
Other payables	79	55	583	324
Total trade and other payables	1,061	1,679	13,221	13,910
<i>Add/(less):</i>				
GST receivable/(payable)	98	63	(501)	(484)
	1,159	1,742	12,720	13,426
<i>Add:</i>				
Amounts due to subsidiaries (Note 8)	67	26	-	-
Bank borrowings (Note 13)	10,000	11,500	10,000	11,500
Total financial liabilities carried at amortised cost	11,226	13,268	22,720	24,926

Trade and other payables are non-interest bearing. Trade payables are generally on 30 days credit term (FY15: 30 days) while other payables generally have a term of 3 to 6 months (FY15: 3 to 6 months).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

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

	Group	
	2016 \$'000	2015 \$'000
Aggregate amount of costs incurred and recognised profits (less expected losses) to date	1,988	1,373
Less:		
Progress billings and advances	(4,315)	(3,756)
	<u>(2,327)</u>	<u>(2,383)</u>
Advances received included in gross amount due to customers for work-in-progress	<u>2,541</u>	<u>2,342</u>

13. BANK BORROWINGS

	Company and Group	
	2016 \$'000	2015 \$'000
Current:		
Term loan	1,500	1,500
Non-current:		
Term loan	8,500	10,000
Total bank borrowings	<u>10,000</u>	<u>11,500</u>

The term loan is unsecured, bears interest at 2.22% to 2.85% per annum (FY15: 2.11% to 2.54% 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			
	2016 Number of shares	2015	2016 \$'000	2015 \$'000
Issued and fully paid:				
Beginning and 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

16. OTHER RESERVES

	Company		Group	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Exchange translation reserve	-	-	(11,637)	(12,514)
Premium paid on acquisition of non-controlling interests	-	-	(12,569)	(12,569)
Share option capital reserve	-	634	-	(247)
	-	634	(24,206)	(25,330)

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

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.

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	
	2016 \$'000	2015 \$'000
Corporate secretarial services	21,264	21,579
Share registry services	31,733	32,665
Accounting, taxation & payroll services	15,034	14,928
	68,031	69,172

Revenue for the Group excludes applicable goods and services tax.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

18. OTHER OPERATING INCOME

	Group	
	2016	2015
	\$'000	\$'000
Interest income – fixed deposits	249	201
Productivity and Innovation Credit cash (refund)/payout	(8)	32
Wage and other employment credit scheme	389	260
Other income	163	166
	793	659

19. EMPLOYEE BENEFITS EXPENSE

	Group	
	2016	2015
	\$'000	\$'000
Employee benefits expense (including Directors):		
Salaries and bonuses	37,850	38,659
Defined contribution expenses	3,459	2,510
Other short-term benefits	1,364	1,542
	42,673	42,711

20. PROFIT BEFORE TAX

		Group	
	Note	2016	2015
		\$'000	\$'000
Profit before tax has been arrived at after charging:			
Allowance for impairment of trade receivables	7	1,195	391
Amortisation of intangible assets	4	1,712	1,796
Auditor's remuneration			
– Statutory auditor of the Company		141	131
– Statutory auditor of subsidiaries		124	119
Depreciation of property, plant and equipment	3	914	1,283
Directors' fee		403	402
Interest expense		300	289
Loss on disposal of property, plant and equipment		3	1
Employee benefits expense	19	42,673	42,711
Exchange differences		52	14
Operating lease rentals of office premises and equipment		5,711	4,956
and crediting:			
Net fair value gain on derivatives		48	70
Reversal of allowance for impairment of trade receivables	7	313	290

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

21. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the financial year ended 31 December 2016 and 2015 are:

	Group	
	2016 \$'000	2015 \$'000
Consolidated statement of comprehensive income		
Current income tax:		
Current income taxation	1,703	2,841
Under provision in respect of prior years	130	239
	1,833	3,080
Deferred income tax (Note 6):		
Origination and reversal of temporary differences	(80)	(555)
Over provision in respect of prior years	(10)	(4)
	(90)	(559)
Income tax expense recognised in profit or loss	1,743	2,521

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 ended 31 December 2016 and 2015 is as follows:

	Group	
	2016 \$'000	2015 \$'000
Profit before tax	8,989	9,243
Tax at statutory rate of 17% (FY15: 17%)	1,528	1,571
Income not subject to taxation	(55)	(382)
Non-deductible expenses	226	599
Effect of partial tax exemption and tax relief	(738)	(244)
Deferred tax asset not recognised	-	31
Difference in foreign tax rates	415	476
Under provision of current taxation in respect of prior years	130	239
Over provision of deferred taxation in respect of prior years	(10)	(4)
Withholding tax deducted at source	242	233
Others	5	2
	1,743	2,521

The tax rates used in computing taxes for entities incorporated in other countries in FY16 and FY15 are as follows:

	2016	2015
Malaysia	24.0%	25.0%
Hong Kong	16.5%	16.5%
Australia	30.0%	30.0%
China	25.0%	25.0%

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

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 \$7,246,000 (FY15: \$6,722,000), by the weighted average number of ordinary shares outstanding during the financial year:

	Company and Group	
	2016	2015
Weighted average number of ordinary shares used in the computation of basic and diluted EPS	193,660,184	193,660,184

23. DIVIDENDS

	Company and Group	
	2016	2015
	\$'000	\$'000

Declared and paid during the financial year:

Cash dividends on ordinary shares:

2015 final one-tier tax-exempt cash dividend of \$0.02 per share paid (FY14: \$0.01)	3,873	1,937
	<u>3,873</u>	<u>1,937</u>

Proposed but not recognised as a liability as at 31 December:

Dividends on ordinary shares, subject to shareholders' approval at the AGM:

2016 final one-tier tax-exempt dividend of \$0.02 per share (FY15: \$0.02)	3,873	3,873
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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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

24. STATEMENT OF OPERATIONS BY SEGMENT (continued)

(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.

	Singapore \$'000	Malaysia \$'000	Hong Kong \$'000	Australia \$'000	China \$'000	Consolidated \$'000
31 December 2016						
Revenue						
External sales	26,117	6,894	8,253	25,035	1,732	68,031
Results						
Profit/(loss) before tax	4,006	1,310	1,060	3,036	(423)	8,989
Income tax expense	(450)	(285)	(227)	(781)	-	(1,743)
Profit/(loss) for the financial year	3,556	1,025	833	2,255	(423)	7,246
Other information						
Segment assets	19,232	8,802	27,845	51,896	951	108,726
Segment liabilities	16,089	1,737	5,316	8,084	275	31,501
Capital expenditure						
- Property, plant and equipment	563	81	34	392	5	1,075
- Intangible assets	74	39	-	1,800	-	1,913
Interest income	70	143	-	36	-	249
Interest expense	300	-	-	-	-	300
Depreciation and amortisation expenses	437	188	65	1,875	61	2,626
Allowance for impairment of debts - trade	498	35	338	195	129	1,195
Loss on disposal of property, plant and equipment	3	-	-	-	-	3

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

24. STATEMENT OF OPERATIONS BY SEGMENT (continued)

(c) Segment assets and liabilities (continued)

	Singapore \$'000	Malaysia \$'000	Hong Kong \$'000	Australia \$'000	China \$'000	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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

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	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Corporate secretarial services	21,264	21,579	18,010	18,540
Share registry services	31,733	32,665	42,358	42,024
Accounting, taxation & payroll services	15,034	14,928	10,803	10,303
	<u>68,031</u>	<u>69,172</u>	<u>71,171</u>	<u>70,867</u>

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

25. RELATED PARTY TRANSACTIONS

Sale and purchases 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:

	Group	
	2016 \$'000	2015 \$'000
Ultimate holding company:		
– Service fee income	1	1
Intermediate holding company:		
– Service fee income	66	66
Immediate holding company:		
– Service fee income	1	1
Related companies*:		
– Service fee income	50	33

* Related companies are subsidiaries of the ultimate holding company.

Compensation of key management personnel

	Group	
	2016 \$'000	2015 \$'000
Directors of the Company:		
Short-term employee benefits:		
– salaries and other short-term benefits	447	436
– bonus paid	340	170
Defined contribution expenses	13	10
Directors of the subsidiaries:		
Short-term employee benefits:		
– salaries other short-term benefits	3,313	2,468
– bonus paid	1,136	948
Defined contribution expenses	231	162
	5,480	4,194

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

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	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Not later than one year	2,907	2,892	5,402	5,409
Later than one year and not later than five years	3,757	6,730	10,544	13,225
Later than five years	-	-	1,160	2,620
	6,664	9,622	17,106	21,254

The lease on the Group's office premises for which rentals are payable will expire between 30 June 2017 and 31 October 2022 (FY15: 30 April 2017 and 31 October 2022).

27. LITIGATION

A claim form has been served on the Group's wholly owned entity which provides trust services. The Group has denied and will defend any claims for costs but will abide by the ruling of the BVI Courts under BVI trust laws.

28. 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

28. 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 borrowings from financial institutions. At the end of the reporting period, the Group's maximum exposure to interest rate risk is disclosed in Note 10 and Note 13.

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 2016.

	Increase/(decrease) in profit before tax	
	2016 \$'000	2015 \$'000
Company		
Interest rate		
- Decreased by 0.4% per annum (FY15: 0.4%)	40	46
- Increased by 0.4% per annum (FY15: 0.4%)	(40)	(46)
Group		
Interest rate		
- Decreased by 0.4% per annum (FY15: 0.4%)	28	39
- Increased by 0.4% per annum (FY15: 0.4%)	(28)	(39)

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. There are no forward currency contracts as at 31 December 2016.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

28. 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	
	2016 \$'000	2015 \$'000
<u>By geographical areas</u>		
Singapore	4,882	5,088
Australia	5,076	4,549
Hong Kong	3,234	2,041
Malaysia	1,280	965
China	187	279
	<u>14,659</u>	<u>12,922</u>

(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).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

28. 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 15% (FY15: 13%) 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			
2016			
Financial assets:			
Trade and other receivables (Note 7)	1,448	-	1,448
Amounts due from subsidiaries (Note 8)	3,431	-	3,431
Cash and cash equivalents (Note 10)	5,386	-	5,386
Total undiscounted financial assets	<u>10,265</u>	<u>-</u>	<u>10,265</u>
Financial liabilities:			
Trade and other payables, excluding GST receivable (Note 11)	1,159	-	1,159
Amounts due to subsidiaries (Note 8)	67	-	67
Bank borrowings	1,774	8,921	10,695
Total undiscounted financial liabilities	<u>3,000</u>	<u>8,921</u>	<u>11,921</u>
Total net undiscounted financial assets/(liabilities)	<u>7,265</u>	<u>(8,921)</u>	<u>(1,656)</u>
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	<u>11,351</u>	<u>-</u>	<u>11,351</u>
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	<u>3,581</u>	<u>10,619</u>	<u>14,200</u>
Total net undiscounted financial assets/(liabilities)	<u>7,770</u>	<u>(10,619)</u>	<u>(2,849)</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

	One year or less \$'000	One to five years \$'000	Total \$'000
Group			
2016			
Financial assets:			
Trade and other receivables (Note 7)	16,705	-	16,705
Unbilled disbursements	45	-	45
Cash and cash equivalents (Note 10)	20,185	-	20,185
Total undiscounted financial assets	<u>36,935</u>	-	<u>36,935</u>
Financial liabilities:			
Trade and other payables, excluding GST payable (Note 11)	12,720	-	12,720
Bank borrowings	1,774	8,921	10,695
Total undiscounted financial liabilities	<u>14,494</u>	<u>8,921</u>	<u>23,415</u>
Total net undiscounted financial assets/(liabilities)	<u>22,441</u>	<u>(8,921)</u>	<u>13,520</u>
2015			
Financial assets:			
Trade and other receivables (Note 7)	15,241	-	15,241
Unbilled disbursements	101	-	101
Cash and cash equivalents (Note 10)	20,990	-	20,990
Total undiscounted financial assets	<u>36,332</u>	-	<u>36,332</u>
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	<u>15,239</u>	<u>10,619</u>	<u>25,858</u>
Total net undiscounted financial assets/(liabilities)	<u>21,093</u>	<u>(10,619)</u>	<u>10,474</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

29. 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	
	2016 \$'000	2015 \$'000
Trade and other receivables (Note 7)	16,705	15,241
Unbilled disbursements	45	101
Prepayments	464	551
Income tax receivable	156	11
Cash and cash equivalents (Note 10)	20,185	20,990
Total current assets	37,555	36,894
Trade and other payables (Note 11)	13,221	13,910
Disbursements billed in advance	52	28
Amounts due to customers for work-in-progress (Note 12)	2,327	2,383
Bank borrowings (Note 13)	1,500	1,500
Derivative liabilities (Note 9)	-	30
Income tax payable	714	861
Total current liabilities	17,814	18,712
Current ratio	2.11	1.97

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

30. 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			Total \$'000
	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant other observable inputs (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	
2015				
Financial liabilities:				
Derivatives				
- Forward currency contracts (Note 9)	-	(30)	-	(30)
At 31 December 2015	-	(30)	-	(30)

** There are no forward currency contracts as at 31 December 2016.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the financial year ended 31 December 2016

30. 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.

31. AUTHORISATION OF CONSOLIDATED FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2016 were authorised for issue in accordance with a resolution of the Directors on 15 March 2017.

STATISTICS OF SHAREHOLDINGS

As at 3 March 2017

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	10	2.04	503	0.00
100 - 1,000	42	8.59	28,998	0.02
1,001 - 10,000	233	47.65	1,089,598	0.56
10,001 - 1,000,000	199	40.70	12,016,528	6.20
1,000,001 and above	5	1.02	180,524,557	93.22
Total	489	100.00	193,660,184	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	United Overseas Bank Nominees (Private) Limited	158,509,524	81.85
2	Salacca Pte. Ltd.	10,712,943	5.53
3	Raffles Nominees (Pte) Limited	5,554,265	2.87
4	Jen Shek Voon	3,901,664	2.01
5	Ong Eng Teong	1,846,161	0.95
6	Yeo Seng Kia	678,000	0.35
7	DBS Nominees (Private) Limited	665,548	0.34
8	Seah Jim Hong Gerard	485,262	0.25
9	Liew Swee Lian	469,000	0.24
10	Low Wing Keong	398,657	0.21
11	DB Nominees (Singapore) Pte Ltd	390,308	0.20
12	Chang Yue	276,304	0.14
13	Timms Steven Martin	251,369	0.13
14	Goh Geok Ling	251,000	0.13
15	Tan Beng Chuan Frederick	247,000	0.13
16	Neo Ee Lye	232,587	0.12
17	Tay Yee Mrs Seah Hark Meng	226,402	0.12
18	Ng Teck Hong	202,500	0.10
19	Tan Boon Khak Holdings Pte Ltd	200,000	0.10
20	Wong Hong Sun	184,993	0.10
	Total	185,683,487	95.87

PUBLIC FLOAT

As at 3 March 2017, 12.57% 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 the Singapore Exchange Securities Trading Limited.

STATISTICS OF SHAREHOLDINGS (Continued)

As at 3 March 2017

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 3 March 2017)

Names of Substantial Shareholders	Direct Interest	%	Deemed Interest	%
Salacca Pte. Ltd. ⁽¹⁾	10,712,943	5.53	158,201,932	81.69
Goh Geok Khim ⁽²⁾	-	-	168,914,875	87.22
Goh Yew Lin ⁽³⁾	-	-	168,914,875	87.22
G. K. Goh Holdings Limited ⁽⁴⁾	-	-	168,914,875	87.22
GKG Investment Holdings Pte Ltd ⁽⁵⁾	-	-	168,914,875	87.22

Notes:

- ⁽¹⁾ Pursuant to a loan facility granted by a bank, a charge has been created over Salacca'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, which is the holding company of Salacca Pte. Ltd. ("**Salacca**"), is deemed to have an interest in the shares in which Salacca has an interest in.
- ⁽⁵⁾ GKGI as the ultimate holding company of G. K. Goh Holdings Limited is deemed to have an interest in the shares in which G. K. Goh Holdings Limited has an interest in.

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 Monday, 17 April 2017 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 of the Company for the year ended 31 December 2016 together with the Auditors' 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 2016 (FY15: A final one-tier tax-exempt cash dividend of 2.0 cents per ordinary share).
(Resolution 2)
3. To re-elect the following Directors of the Company retiring pursuant to Article 110 of the Constitution of the Company:

Mr Thomas Teo Liang Huat **(Resolution 3)**
Mr Christopher Grubb **(Resolution 4)**

Mr Teo will, upon re-election as a Director of the Company, remain as a member of the Audit and Remuneration Committees and will be considered non-independent.

Mr Grubb will, upon re-election as a Director of the Company, remain as a member of the Audit and Remuneration Committees and will be considered independent.
4. To approve the payment of Directors' fees of \$275,000 for the year ending 31 December 2017, to be paid quarterly in arrears (FY16: \$284,000).
(Resolution 5)
5. To re-appoint Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.
(Resolution 6)
6. 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:

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

NOTICE OF ANNUAL GENERAL MEETING (Continued)

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 (i)]

(Resolution 7)

8. 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 (ii)]

(Resolution 8)

By Order of the Board

Ngiam May Ling
Company Secretary

Singapore, 31 March 2017

NOTICE OF ANNUAL GENERAL MEETING (Continued)

Explanatory Notes:

- (i) The Ordinary Resolution 7 in item 7 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.

- (ii) The Ordinary Resolution 8 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 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 one or two proxies to attend and vote at the Annual General Meeting (the "Meeting").
- (b) A member who is a relevant intermediary, is entitled to appoint more than two proxies to attend 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.

"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 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 forty-eight (48) hours before the time appointed for holding the Meeting.

NOTICE OF ANNUAL GENERAL MEETING (Continued)

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting 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 Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (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.

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BOARDROOM LIMITEDCompany Registration No. 200003902Z
(Incorporated in Singapore with limited liability)**IMPORTANT:**

1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 4 for the definition of "relevant intermediary").
2. For CPF/SRS investors who have used their CPF/SRS monies to buy shares in Boardroom Limited, this form of proxy is not valid for use 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.

PROXY FORM*(Please see notes overleaf before completing this Form)*

I/We (Name), _____ (NRIC/Passport/UEN No.) _____

of (Address) _____

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 Monday, 17 April 2017 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, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

No.	Resolutions relating to:	No. of Votes/ For ⁽¹⁾	No. of Votes/ Against ⁽¹⁾
1.	Adoption of Directors' Statement and Audited Financial Statements for the year ended 31 December 2016		
2.	Payment of a final one-tier tax exempt cash dividend of 2.0 cents per ordinary share for the year ended 31 December 2016		
3.	Re-election of Mr Thomas Teo Liang Huat as a Director of the Company		
4.	Re-election of Mr Christopher Grubb as a Director of the Company		
5.	Approval of Directors' fees of \$275,000 for the year ending 31 December 2017, to be paid quarterly in arrears		
6.	Re-appointment of Ernst & Young LLP as Auditors 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		

⁽¹⁾ If you wish to exercise all your votes "For" or "Against", please tick within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2017

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

Signature of Member(s)

or, Common Seal of Corporate Shareholder

* Delete where inapplicable

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

“Relevant intermediary” means:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
 6. 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.
 7. 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.
 8. 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.

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 31 March 2017.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.



Company Registration No. 200003902Z

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