

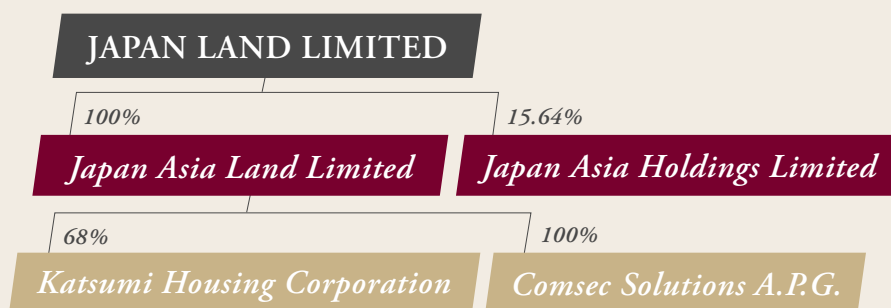
FOR FINANCIAL YEAR TO 31 MARCH 2005



# JAPAN LAND LIMITED



# CORPORATE PROFILE



## ON TRACK FOR SUCCESS

Formerly known as Japan Asia Limited, Japan Land Limited (“Japan Land”) changed its name on 29 July 2004. The Group has been listed on the Mainboard of the Singapore Exchange Securities Trading Limited since 2000.

Based in Singapore, Japan Land’s business has evolved to focus on property investment and development in the Japan real estate market, leveraging on its core competencies and extensive knowledge of this sector. Together with its subsidiaries, Japan Land is a formidable force in the Japan real estate sector, possessing the capabilities and expertise to penetrate and grow the business further.

### JAPAN ASIA LAND LIMITED

Japan Asia Land Limited is a wholly-owned subsidiary of Japan Land, incorporated in Japan. It is an investment holding company, owning 68% of Katsumi Housing Corporation and 100% of Comsec Solutions A.P.G.

### KATSUMI HOUSING CORPORATION

Katsumi Housing Corporation was founded in 1976 as a property broker, before expanding into the development and sale of customised housing, as well as architectural and design consultancy services in 1998. It is today one of the largest developers of customised wood-based houses in the Hyogo prefecture in Japan, which is located in central Honshu, where Osaka and Kobe are.

### JAPAN ASIA HOLDINGS LIMITED

Japan Asia Holdings Limited is a Hong Kong-based investment holding company engaged principally in the acquisition of companies with a view to raising value in its investments through value-added activities, including taking over the management of acquired businesses and undertaking a restructuring, consolidation and integration process.

### COMSEC SOLUTIONS A.P.G.

Comsec Solutions A.P.G. was established in January 2004 specialising in offering planning, coordination and consultancy services to clients. The Tokyo-based company was acquired on 24 December 2004 as part of Japan Land’s strategy to strengthen its presence in the Japan real estate sector.

# CHAIRMAN'S MESSAGE

Japan Land is no longer the entity it used to be. We are now the only SGX-listed company with a focus on the Japan real estate market, and we remain committed to our vision to become a leading provider of real estate and related services.



## Dear Shareholders

The last financial year was extremely significant for Japan Land. It marked the end of a transformation process that kicked off in 2002 and heralded the start of a new growth phase for us. Having successfully streamlined our business by winding down loss-making operations, we began a fresh chapter in our history with a name change from WizOffice.com Limited



Yusen Building in Tokyo where *Japan Asia Land Limited* is located.

to Japan Asia Limited in June 2003, and subsequently to Japan Land Limited in July 2004, in line with a new business strategy to focus on the Japan real estate market and establish ourselves as a new and leading player there.

Making a bold move, we acquired a 68% stake in Katsumi Housing Corporation, through our wholly-owned subsidiary in Japan. One of the largest developers of landed residential properties in Japan's Hyogo Prefecture, KHC has more than 20 years' experience in the development and sale of real estate in Japan and boasts a solid financial track record and sound balance sheet. With the Japan economy now on the recovery path, KHC is expected to benefit from the continuing demand for landed housing as consumer confidence and spending continue to improve. The acquisition of KHC is hence timely, and provides us with an immediate foothold in the Japan real estate market. We hope to leverage on KHC's established market position as a springboard to

penetrate and further expand into this sector in the coming years.

Reflecting the change in strategy and direction, the Group recorded a 94% decline in revenue for the 12 months ended 31 March 2005 against that in the 15 months ended 31 March 2004. This was due to our continued focus on activities to build a strong position in the Japan real estate market, including the acquisition of KHC and two other companies, Japan Asia Land Limited and Comsec Solutions A.P.G. The 90% decrease in net profits during the financial year ended 31 March 2005 was due to the decreased profits of, and our reduced shareholding in, associate company Japan Asia Holdings Limited.

However, with the recovering Japan economy and a stronger foothold in the real estate sector, I am confident that Japan Land's outlook in the coming years is indeed a promising one. We will continue to strive to deliver value to our shareholders with strong management leadership and experience.



Strengthening our management team to support this new business direction, we appointed Mr. Mitsutoshi Ono as Managing Director in October 2004. A veteran in the property and construction arena, Mr. Ono has been involved in projects across the world, particularly during his 32-year tenure at Japan-based international construction firm Kajima Corporation. As MD, Mr. Ono is responsible for strategic planning and business development, and works with a tight team to spearhead its strategic developments in the Japan real estate sector. Mr. Ono, together with Japan Land's directors and management team, will no doubt play an instrumental role in Japan Land's efforts to become an established and leading player in the real estate and related services sector going forward.

As part of the restructuring, Japan Land will be disposing part of, or its entire stake in, JAH, a move approved by shareholders at our EGM in March 2005. This will be carried out through various arrangements,

including an initial public offering exercise, open-market sales, and placement to investors or brokerages. The sale will enable Japan Land to not only realise part or all of its potential gains on its investments in JAH, but the proceeds raised will also facilitate the company's business growth in Japan.

I would like to welcome both Mr. Samuel Guok and Mr. S. Chandra Das to our Board as independent directors. Mr. Guok is a respected figure in Singapore's financial sector with close to 20 years' experience in the investment banking and fund management businesses, while Mr. Das, a former Member of Parliament, is a renowned business personality in Singapore's corporate arena. We are privileged to have them as members of our Board of Directors. Preceding their appointments is the retirement of Dr. Teh Ban Lian as independent director in July 2004. I would like to thank Dr. Teh for his contributions.

Finally, I would like to extend sincere thanks to our shareholders

for their patience, continued support and confidence in us. Japan Land is no longer the entity it used to be. We are now the only SGX-listed company with a focus on the Japan real estate market, and we remain committed to our vision to become a leading provider of real estate and related services. It is not our intention to be a company that specialises solely in building up a portfolio of real estate. Rather, by leveraging on our knowledge and expertise, we hope to evolve into a new type of knowledge-intensive real estate player with an entire suite of offerings that include the development of concepts and ideas, project and asset management, as well as consultancy services. We expect the journey ahead to be an exciting and rewarding one.

**TETSUO YAMASHITA**  
Chairman

# BOARD OF DIRECTORS



**TETSUO YAMASHITA**  
CHAIRMAN

Mr. Tetsuo Yamashita joined the Board of Directors of Japan Land Limited in August 2003 and held the position of Executive Chairman from 13 May 2004 to 28 October 2004. Mr. Yamashita is the founder and Chairman of Japan Asia Holdings Limited. He has over 25 years of broad and in-depth experience in the financial industry, including roles with Japan's Ministry of Finance and Nomura Securities Co. Ltd., and was involved in numerous urban development projects and real estate securitisation transactions around the world.

Mr. Yamashita holds degrees in Business Administration and Political Science from Keio University, Japan.



**MITSUTOSHI ONO**  
MANAGING DIRECTOR

Mr. Mitsutoshi Ono was appointed Managing Director of Japan Land Limited on 4 October 2004.

Prior to this, Mr. Ono was President at Comsec Solutions A.P.G., an architectural and design consultancy services firm.

Mr. Ono brings to Japan Land Limited a wealth of experience in the international property arena having spent 32 years at Japanese construction giant Kajima Corporation. As its General Manager, he led the establishment of its Life Cycle Management Department and also spearheaded the set-up of its new building management and engineering risk-related services business.

Mr. Ono's career milestones include the design of Osaka Gakuin University and the overall project management for the Shanghai Exhibition Centre in China.

Mr. Ono holds a Bachelor of Architecture degree from Waseda University, Japan.



**WU WEN-HSIU SANDRA**

NON-EXECUTIVE DIRECTOR

Ms. Wu Wen-Hsiu Sandra joined Japan Land Limited in December 2003 as a non-executive director. She is the co-founder of Japan Asia Holdings Limited. She is now the President of Japan Asia Holdings (Japan) Limited and oversees the entire Japan operations of the Japan Asia Holdings Limited group.

Ms. Wu has more than 10 years' experience in financial industries specialising in mergers and acquisitions and securities trading. She is the first woman to head a Tokyo Stock Exchange member firm and is a member of the Japan Interim Executive Women's Association.

Ms. Wu graduated from the National Taiwan University with a major in Chinese literature.





**GOH KIAN HWEE**  
NON-EXECUTIVE DIRECTOR

Mr. Goh Kian Hwee was appointed Director of Japan Land Limited on 30 May 2004. He is a partner of the law firm Rajah & Tann and serves as a non-executive director on the Boards of Singapore-listed companies Hwa Hong Corporation Ltd., Hotel Negara Ltd., Hong Leong Asia Ltd., Achieva Ltd. and MAE Engineering Ltd.

He holds a LLB (Honours) degree from the University of Singapore and has been a practising lawyer since 1980.



**JEN SHEK VOON**  
INDEPENDENT DIRECTOR

Mr. Jen Shek Voon joined the Board of Directors of Japan Land Limited on 1 July 2003. He is currently the Chairman of the Audit Committee.

Mr. Jen was a Senior Partner of Ernst & Young Singapore and acted as its Executive Partner-Far East and Country Managing Partner of its Brunei firm. He remains as Senior Adviser to Ernst & Young, but he currently does not carry out any professional work for the firm. Mr. Jen sits as an independent and non-executive director on the Boards of a number of publicly-listed companies in Singapore.

Mr. Jen holds a Bachelor of Accountancy (Honours) from the University of Singapore and a Master of Commerce (Honours) from the University of New South Wales, Sydney, Australia.



**GUOK CHIN HUAT SAMUEL**  
INDEPENDENT DIRECTOR

Mr. Guok Chin Huat Samuel was appointed Independent Director of Japan Land Limited on 1 October 2004. He is the Chairman of the Nomination Committee.

Mr. Guok has close to 20 years' experience in the investment banking, venture capital and private equity businesses having worked at a Japan-based investment bank in Singapore, sat on the board of a venture capital fund and held the positions of CEO and Director of SGX-Sesdaq listed Wee Poh Holdings Ltd, specialising in the provision of industrial engineering services. He is currently also a director at StarHealth Pte. Ltd., a Singapore-based company specialising in the import and distribution of health and medical products.

Mr. Guok holds a Bachelor of Science in Business Administration degree from Boston University, USA, with majors in Economics and Finance and a minor in Chemistry.



**S. CHANDRA DAS**  
INDEPENDENT DIRECTOR

Mr. S. Chandra Das was appointed Independent Director of Japan Land Limited on 1 December 2004. He is the Chairman of the Remuneration Committee.

Mr. Das is the Chairman of NTUC Fairprice Cooperative Ltd. He is also a director of several publicly-listed companies, such as Nera Telecommunications Ltd., Nera Electronics Ltd. and The Ascott Group Ltd., as well as private companies in the trading and manufacturing businesses.

A former Member of Parliament, Mr. Das has been conferred numerous awards, including the President's Medal by the Singapore Australian Business Council in 2000 and Distinguished Service Award (STAR) by the National Trades Union Congress in 2005.

Mr. Das is an Economics honours graduate from the University of Singapore, and holds a Certificate of Education from the former Singapore Teachers' Training College.

# OPERATIONS & FINANCIAL REVIEW

Going forward, Japan Land is well positioned to take advantage of the rising demand for customised, high quality residential housing in Japan. Japan Land is on its next phase of growth.



During the year in review, Japan Land Limited (“Japan Land”) focused its resources on establishing a position in the Japan real estate sector and strengthening its capabilities to capitalise on the recovery of the Japan economy. In addition, the Group continued its efforts to exit its non-performing businesses, divesting its product- and e-businesses.

In line with its new strategy to be a leading real estate player in Japan, the Group acquired three companies: Japan Asia Land Limited (“JALL”), Comsec Solutions A.P.G., (“APG”) and Katsumi Housing Corporation

(“KHC”) on 25 October 2004, 24 December 2004 and 29 March 2005, respectively. Through these strategic acquisitions, Japan Land gained the ability to provide value-added services in the design and architectural consulting arena and a strong foothold in the investment and development of real estate in Japan.

During the year, the Group’s shareholding in associate company Japan Asia Holdings Limited (“JAH”) was reduced from 16.35% to 15.64% as at 31 March 2005. This reduction resulted in a loss on deemed disposal of the associate company of S\$810,000.

For the financial year ended 31 March 2005 (“FY2005”), the Group recorded a decline in revenue from S\$2.1 million to S\$130,000. This was due to a halt in the trading of marketable securities, which had generated S\$1.8 million in revenue in the previous financial period. This excess cash has





been used to strengthen the Group's position in the Japan real estate market through the strategic acquisitions.

Other income decreased from S\$268,000 in the previous financial period to S\$39,000 in FY2005 due to the absence of recovery of loans from affiliated companies, which generated income for the Group in the previous financial period.

In line with its strategy of growing its business in the Japan real estate market, Japan Land is in the process of winding down its technology-based businesses. It is expected that the Group will be completely out of this sector before the end of the next financial year.

The Group reported a profit from ordinary activities before taxation of S\$1.0 million for FY2005, compared to a profit of S\$6.3 million in the preceding period. This was attributable to the Group's reduced stake in, and hence smaller

contributions from, JAH during the year in review.

In its continued efforts to downsize and exit its loss making businesses, the Group successfully reduced its general and administrative expenses by S\$38,000 and other operating expenses by S\$781,000 respectively.

Overall, losses from operating activities were reduced, from S\$3.7 million to S\$3.3 million in FY2005.

The Group's net assets position has improved from S\$26.0 million to S\$51.9 million, up 99.8% from a year ago. This increase is attributable to the acquisitions of JALL, APG and KHC made during the year in review.

The Group has taken on loans in order to fund its acquisitions. As such, the Group's total debt level has risen to S\$153.5 million. Although total loans have increased, this level is considered reasonable for a real estate company.

## BUSINESS OUTLOOK

Going forward, the Group is well positioned to take advantage of the rising demand for customised, high quality residential housing in Japan. Targeting the demographic segment of young, married professionals and starting with the densely-populated Hyogo prefecture, Japan Land is ready to start on its next phase of growth.

Sales of new houses are increasing due to a number of factors, including lower land prices, declining property prices, increased land supply and higher purchasing power of second-generation baby boomers (commonly referred to as 'baby-boomer juniors' in Japan). Making up the market of baby-boomer juniors are buyers in their early 30's, born between 1970 and 1974. According to figures of housing starts compiled by the Ministry of Land, Infrastructure and Transport, the number of houses built in 2004 grew a healthy 7.8%. With



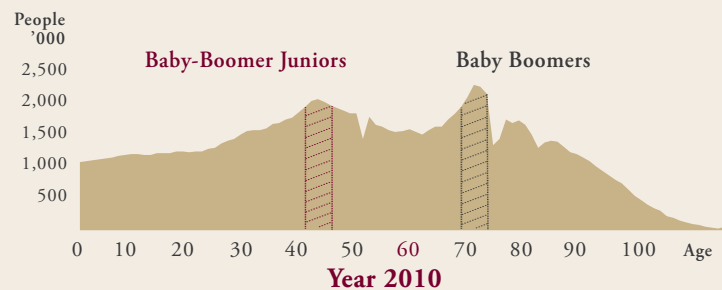
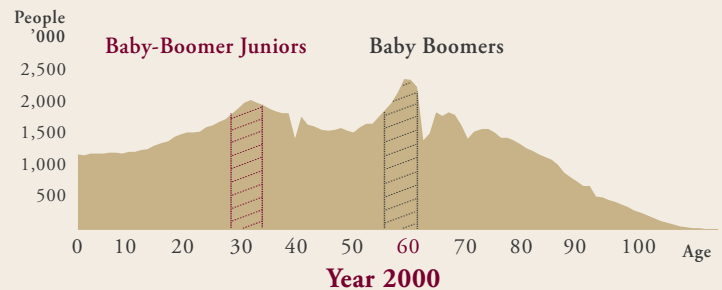
baby-boomer juniors potentially making first-home purchases over the next few years, the number of new houses constructed and sold is set to increase further going forward.

Japan Land is also targeting the baby boomers. These soon-to-be senior citizens will be in their retirement years, and compared to their predecessors, are comparatively affluent and have a greater appetite for the finer things in life. This opens up an opportunity for Japan Land to capture this segment of the market by helping them enjoy their retirement years through the provision of new offerings such as resort-like facilities, sports amenities and health-care conveniences. Japan Land is poised to capitalise on these developments and grow its business further.

Looking ahead, Japan Land is well placed to move beyond the traditional property business and into the real-estate services segment by adding project and asset management services as well as the generation of housing

ideas and concepts to its portfolio. The Group's strategy will be supported by the continuing recovery of the Japan economy and a growing population of home buyers keen to embrace new ideas.

### JAPAN'S ESTIMATED FUTURE POPULATION



Source: National Institute of Population and Security Research



# CORPORATE GOVERNANCE

Japan Land Limited believes in having high standards of corporate governance and is committed to ensure that self-regulatory controls exist throughout the Company and its subsidiary companies (“the Group”) to protect and enhance shareholders’ interests and the performance of the Group. This report outlines the Company’s corporate governance processes and activities with specific reference to the Code of Corporate Governance (the “Code”).

This report should be read as a whole, instead of being compartmentalised under the various principles of the Code. The headings and sub-headings for each section are included for ease of reference only.

## PRINCIPLE 1 : BOARD’S CONDUCT OF ITS AFFAIRS

The Board is responsible for the Company’s system of corporate governance, and is accountable for the business affairs of the Group. The Board reviews and determines the Group’s overall strategy and policies on business direction, financial objectives, financial control, performance and resource allocation.

The Company has in place procedures and authorization limits for cheque signatory arrangements, investments and operating and capital expenditures. Matters that require specific Board’s decisions include interested person transactions, material acquisition and disposal of assets, corporate or financial restructuring, share issuances and other transactions of a material price sensitive nature requiring announcement under the listing rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The Board is assisted in its duties by Board committees, i.e. the Audit Committee, the Remuneration Committee and the Nominating Committee. The day-to-day functions are performed by executives who are headed by the Managing Director.

The number of directors’ meetings held (including meetings of committees of directors) and the number of meetings attended by each of the directors from 1 April 2004 till 13 June 2005 are as follows:

	BOARD <sup>1</sup>		AUDIT COMMITTEE		REMUNERATION COMMITTEE		NOMINATING COMMITTEE	
	Attended	Held <sup>2</sup>	Attended	Held <sup>2</sup>	Attended	Held <sup>2</sup>	Attended	Held <sup>2</sup>
Directors								
Tetsuo Yamashita	11	11	2	2	1	1	-	-
Mitsutoshi Ono	5	5	-	-	-	-	0	0
Goh Kian Hwee	9	9	-	-	-	-	-	-
Wu Wen-Hsiu Sandra	9	11	0	0	1	1	1	1
Jen Shek Voon	11	11	2	2	2	2	1	1
Guok Chin Huat Samuel	5	5	2	2	1	1	0	0
S. Chandra Das	2	4	-	-	1	1	-	-
Seah Chin Yew <sup>3</sup>	1	1	-	-	-	-	-	-
Tham Wai Mun Raphael <sup>3</sup>	1	1	-	-	-	-	-	-
Lin Sin Hoe <sup>3</sup>	1	1	-	-	-	-	-	-
Teh Ban Lian <sup>3</sup>	1	1	0	0	-	-	0	0

<sup>1</sup> Includes general meetings, and scheduled and unscheduled board meetings. Unscheduled board meeting include two full verification meetings on the proposed circular to shareholders in connection with the failed put and call option with the major shareholders of Japan Asia Holdings Limited and two separate circulars to acquire 68% of Katsumi Housing Corporation Limited and dispose the Company’s shareholding interest in Japan Asia Holdings Limited.

<sup>2</sup> Reflects the number of meetings held during the time that the Director held office during the financial year.

<sup>3</sup> Resigned during the financial year.







# STATISTICS OF SHAREHOLDINGS

AS AT 13 JUNE 2005

## Distribution of Shareholdings

	Number of Shareholders	%	Number of Shares	%
1 - 999	29	0.76	10,481	0.00
1,000 - 10,000	1,033	27.04	6,316,546	0.68
10,001 - 1,000,000	2,684	70.26	279,958,500	29.98
1,000,001 and above	74	1.94	647,346,799	69.34
Total	3,820	100.00	933,632,326	100.00

## Twenty Largest Shareholders

No.	Name	No. of Shares	%
1	HSBC (Singapore) Nominees Pte Ltd	242,783,480	26.00
2	Tai Ko Investment Pte Ltd	57,860,000	6.20
3	Seah Holdings Pte Ltd	46,000,000	4.93
4	Raffles Nominees Pte Ltd	44,591,000	4.78
5	Chip Lian Investments Pte Ltd	34,016,640	3.64
6	United Overseas Bank Nominees Pte Ltd	14,900,000	1.60
7	Ow Chio Kiat	13,480,000	1.44
8	Seah Chin Yew (She Jinyao)	11,582,000	1.24
9	Kim Eng Securities Pte. Ltd.	9,979,000	1.07
10	OCBC Securities Private Ltd	9,289,000	0.99
11	Wong Say Yin	9,000,000	0.96
12	DBS Nominees Pte Ltd	8,993,000	0.96
13	Teoh Ah Leck @ Teo Weng Wah	8,354,000	0.89
14	Kua Sei Peng or Kee Puay Kiang	7,894,000	0.85
15	Phillip Securities Pte Ltd	6,252,679	0.67
16	Mohamed Salleh So Kadir Mohideen Saibu Maricar	5,179,000	0.55
17	Ang Kim Chuan	4,800,000	0.51
18	Low Kok Soon	4,688,000	0.50
19	UOB Kay Hian Pte Ltd	4,484,000	0.48
20	Kua Sei Peng	3,898,000	0.42
Total		548,023,799	58.68

Approximately 84.12% of the issued ordinary shares of Japan Land Limited are in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

# STATISTICS OF SHAREHOLDINGS

<b>Class of Shares</b>	:	Ordinary Shares of S\$0.05 each fully paid
<b>Voting Rights</b>	:	One Vote Per Share
<b>Issued &amp; Paid-up capital</b>	:	S\$46,681,616.30 comprising of 933,632,326 shares of S\$0.05 each

Substantial Shareholders as at 13 June 2005 (as shown in the Company's Register of Substantial Shareholders)

Name of Substantial Shareholders	No. of Shares held			
	Direct Interest	Percentage (%) of issued capital	Deemed Interest (Pursuant to Section 7 of the Companies Act, Cap. 50)	Percentage (%) of issued capital
Aizawa Securities Co., Limited	88,259,200	9.45	–	–
Tai Ko Investment Pte Ltd	57,860,000	6.20	–	–
Tai Ko Group Ltd	–	–	57,860,000	6.20
Yusuke Masuda	–	–	57,860,000	6.20

Directors' Shareholdings as at 13 June 2005 (as shown in the Company's Register of Directors)

Name of Directors	No. of Shares held			
	Direct Interest	Percentage (%) of issued capital	Deemed Interest (Pursuant to Section 7 of the Companies Act, Cap. 50)	Percentage (%) of issued capital
Tetsuo Yamashita	–	–	640,000	0.07
Mitsutoshi Ono	–	–	–	–
Wu Wen-Hsiu, Sandra	–	–	–	–
Goh Kian Hwee	–	–	–	–
Jen Shek Voon	1,500,000	0.16	–	–
Guok Chin Huat Samuel	400,000	0.04	–	–
S. Chandra Das	200,000	0.02	–	–

# NOTICE OF SEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting of Japan Land Limited (the “Company”) will be held at The Executives’ Club, 65 Chulia Street, #33-01 OCBC Centre (West Lobby), Singapore 049513 on Tuesday, the 12<sup>th</sup> day of July 2005 at 9.00 a.m. for the following purposes:-

## As Ordinary Business

1. To receive and consider the Directors’ Report and the Audited Accounts for the financial year ended 31 March 2005, together with the Auditors’ Report thereon. **(Resolution 1)**
2. To approve the payment of Directors’ Fees of S\$213,792 for the financial year ended 31 March 2005. (2004 : S\$103,000) **(Resolution 2)**
3. To re-elect Mr Jen Shek Voon as a Director of the Company who would be retiring at the forthcoming Annual General Meeting pursuant to Article 97 of the Company’s Articles of Association. **(Resolution 3)**
4. To re-elect Mr Tetsuo Yamashita as a Director of the Company who would be retiring at the forthcoming Annual General Meeting pursuant to Article 97 of the Company’s Articles of Association. **(Resolution 4)**
5. To re-elect Mr Guok Chin Huat Samuel as a Director of the Company who would be retiring at the forthcoming Annual General Meeting pursuant to Article 103 of the Company’s Articles of Association. **(Resolution 5)**
6. To re-elect Mr S. Chandra Das as a Director of the Company who would be retiring at the forthcoming Annual General Meeting pursuant to Article 103 of the Company’s Articles of Association. **(Resolution 6)**
7. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**
8. To transact any other business that may be transacted at an Annual General Meeting.

## As Special Business

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions :-

9. “That authority be and is hereby given pursuant to Section 161 of the Companies Act (“Cap. 50”), to the Directors of the Company to: - **(Resolution 8)**
  - (a) (i) issue Shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or
  - (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

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

  - (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that: -

- (i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent of the issued share capital of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20 per cent of the issued share capital of the Company (as calculated in accordance with sub-paragraph (ii) below);
  - (ii) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“SGX-ST”)) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of issued share capital shall be based on the issued share capital of the Company at the time this Resolution is passed, after adjusting for:-
    - (aa) 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 this Resolution is passed; and
    - (bb) any subsequent consolidation or subdivision of Shares;
  - (iii) 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 Articles of Association for the time being of the Company; and
  - (iv) unless revoked or varied by the Company in General Meeting, the authority conferred by this Resolution 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 the earlier.”
10. “That, approval be and is hereby given to the Directors of the Company to:-
- (a) offer and grant options in accordance with the provisions of the 2000 Japan Land Limited Share Option Scheme (the “2000 Scheme”); and
  - (b) to allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be issued pursuant to the exercise of options under the 2000 Scheme, provided that the aggregate number of new shares to be issued pursuant to the 2000 Scheme shall not exceed 15% of the total issued capital of the Company from time to time. ”
- (Resolution 9)**

By Order of the Board

**Petrus Huang Yen San**  
Secretary

Singapore, 24 June 2005

**Notes:-**

A member of the Company entitled to attend and vote may appoint not more than two proxies to attend and vote instead of him. A proxy need not be a member. Proxies must be deposited at the Company's place of business at Six Battery Road #11-03 Singapore 049909 not less than 48 hours before the meeting.

**Notes on Ordinary Resolution 3**

Mr Jen Shek Voon, if re-elected, will remain as the Chairman of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

**Notes on Ordinary Resolution 5**

Mr Guok Chin Huat Samuel, if re-elected, will remain as a Member of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

**Explanatory Notes on Special Business to be Transacted****Ordinary Resolution 8**

The proposed Ordinary Resolution (8) above, if passed, will empower the Directors of the Company from the date of the above meeting until the next Annual General Meeting or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is the earlier, to issue shares in the Company up to and not exceeding 50% of the issued shared capital of the Company for the time being for such purposes as they consider would be in the interests of the Company, subject to the limits contained in Ordinary Resolution (8).

**Ordinary Resolution 9**

The proposed Ordinary Resolution (9), if passed, will empower the Directors of the Company to issue ordinary shares in the capital of the Company pursuant to the 2000 Scheme provided that the aggregate number of ordinary shares issued pursuant to the 2000 Scheme shall not exceed 15% of the issued ordinary share capital of the Company for the time being.

**IMPORTANT**

1. For investors who have used their CPF monies to buy shares in the capital of Japan Land Limited, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This proxy form is for use only by members whose shares in Japan Land Limited are registered in their names. It is not valid for use by CPF investors and persons whose shares are not registered in their own names, and shall be ineffective for all intents and purposes if used or purported to be used by them.

# PROXY FORM

I/We, \_\_\_\_\_ (Name)

of \_\_\_\_\_ (Address)

being a member/members of Japan Land Limited (the "Company"), hereby appoint the Chairman of the Seventh Annual General Meeting or\*

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings
and/or (delete as appropriate)			

as \*my/our \*proxy/proxies to vote for \*me/us on \*my/our behalf, at the 7<sup>th</sup> Annual General Meeting of the Company, to be held at The Executives' Club, 65 Chulia Street, #33-01 OCBC Centre (West Lobby), Singapore 049513 on Tuesday, the 12th day of July 2005 at 9.00 a.m. and at any adjournment thereof. \*I/We direct \*my/our \*proxy/proxies to vote for or against the Resolutions to be 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/their discretion, as \*he/they will on any other matter arising at the Meeting.

No.	Ordinary Resolutions	For	Against
<b>Ordinary Business</b>			
1.	To receive and adopt the Directors' Report and the Audited Accounts for the financial year ended 31 March 2005 together with the Auditors' Report thereon.		
2.	To approve the payment of Directors' Fees of S\$213,792. (2004 : S\$103,000)		
3.	To re-elect Mr Jen Shek Voon as a Director under Article 97 of the Company's Articles of Association.		
4.	To re-elect Mr Tetsuo Yamashita as a Director under Article 97 of the Company's Articles of Association.		
5.	To re-elect Mr Guok Chin Huat Samuel as a Director under Article 103 of the Company's Articles of Association.		
6.	To re-elect Mr S. Chandra Das as a Director under Article 103 of the Company's Articles of Association.		
7.	To re-appoint Messrs Ernst & Young as auditors and authorise Directors to fix their remuneration.		
<b>Special Business</b>			
8.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Cap. 50.		
9.	To authorise Directors to offer and grant options and to issue shares pursuant to the 2000 Scheme.		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2005.

Total Number of Shares in:	Number of Shares
(1) CDP Register	
(2) Register of Members	

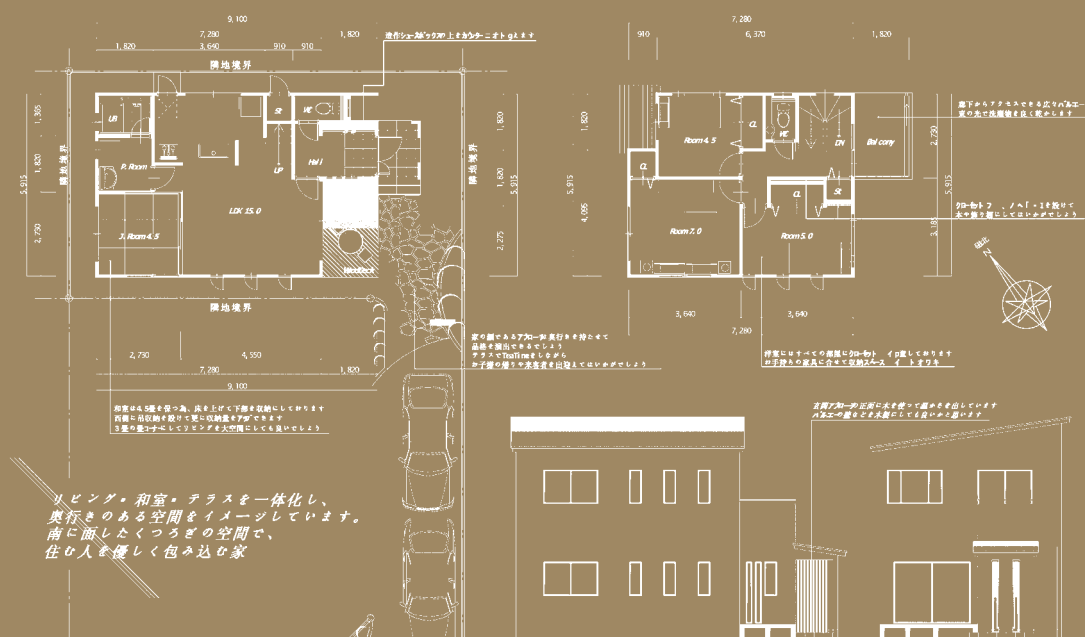
\_\_\_\_\_  
 Signature(s) of member(s) or Corporation's Common Seal

**Notes:-**

1. A member of the Company entitled to attend and vote at the above meeting 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 and where there is more than one proxy, the proportion of Shares to be represented by each proxy must be stated.
2. Where a member appoints two proxies, the appointment shall be invalid unless he specified the proportion (expressed as a percentage of the whole) of his shareholding to be represented by each proxy.
3. This instrument of proxy must be signed by the appointor or his/her duly authorised attorney or, if the appointor is a body corporate, signed by a duly authorised officer or its attorney or affixed with its common seal thereto.
4. A body corporate which is a member may also appoint by resolution of its directors or other governing body an authorised representative or representative in accordance with its Articles of Association and Section 179 of the Companies Act, Cap. 50 of Singapore to attend and vote for and on behalf of such body corporate.
5. This instrument appointing a proxy or proxies (together with the power of attorney (if any) under which it is signed or a certified copy thereof), must be deposited at the Company's place of business at Six Battery Road #11-03 Singapore 049909, not less than 48 hours before the time fixed for holding the Annual General Meeting.
6. Please insert the total number of shares held by you. If you have shares entered against your name on the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this instrument of proxy will be deemed to relate to all the shares held by you.
7. The Company shall be entitled to reject this instrument of proxy 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 this instrument of proxy. In addition, in the case of members whose shares are deposited with The Central Depository (Pte) Limited ("CDP"), the Company may reject any instrument of proxy lodged if such member is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for the holding of the Annual General Meeting as certified by CDP to the Company.

\*Delete accordingly.





# FINANCIAL STATEMENTS

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# DIRECTOR'S REPORT

The directors present their report to the members together with the audited financial statements of Japan Land Limited (the "Company") and its subsidiary companies (the "Group") for the financial year ended 31 March 2005.

During the financial year, the Company changed its name from Japan Asia Limited to Japan Land Limited.

## Directors

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

Tetsuo Yamashita  
 Mitsutoshi Ono  
 Wu Wen-Hsiu Sandra  
 Goh Kian Hwee  
 Jen Shek Voon  
 Guok Chin Huat Samuel  
 S. Chandra Das

## Arrangements to enable directors to acquire shares and debentures

Except as described in the paragraph under "Share options", neither at the end of nor at any time during the financial year, was the Company a party to any arrangement whose object 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' interests in shares and 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 Singapore Companies Act, Cap. 50 an interest in shares of the Company as stated below:

Name of director	Direct interest		Deemed interest	
	At beginning of the year/date of appointment	At end of the year	At beginning of the year/date of appointment	At end of the year
<b>The Company</b>				
<b>Japan Land Limited</b> (Ordinary shares of S\$0.05 each)				
Tetsuo Yamashita	-	-	-	640,000
Jen Shek Voon	1,000,000	1,500,000	-	-
Guok Chin Huat Samuel	400,000	400,000	-	-
S. Chandra Das	200,000	200,000	-	-

*There was no change in any of the above-mentioned interests between the end of the financial year and 21 April 2005.*

### **Directors' interests in shares and debentures (cont'd)**

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 date of appointment if later, or at the end of the financial year.

### **Directors' contractual benefits**

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

### **Share options**

The Company currently has one employees' share option scheme in effect, The 2000 Japan Land Share Option Scheme ("2000 Scheme") (formerly known as 2000 Japan Asia Employees' Share Option Scheme).

The 2000 Scheme was approved and adopted by the shareholders at an Extraordinary General Meeting held on 7 September 2000. Pursuant to this, the Company had issued options to subscribe for 51,000,000 ordinary shares of S\$0.05 each in the Company.

The above 2000 Scheme is administered by the Remuneration Committee.

During the financial year under review, no options were granted by the Company.

At the beginning and end of the financial year, there were no outstanding options granted under the 2000 Scheme on unissued ordinary shares of S\$0.05 each of the Company. There were also no unissued shares of the Company or its subsidiary companies under options granted by the Company or its subsidiary companies at the end of the financial year.

Options granted by the Company do not entitle the holders of the options by virtue of such holding to any rights to participate in any share issue of any other company.

### **Audit Committee**

The Audit Committee performed the functions specified in the Singapore Companies Act. The functions performed are detailed in the Report of Corporate Governance.

**Auditors**

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

On behalf of the board of directors,

**Tetsuo Yamashita**

Chairman

**Mitsutoshi Ono**

Managing Director

Singapore

27 May 2005

# STATEMENT BY DIRECTORS

We, Tetsuo Yamashita and Mitsutoshi Ono, being two of the directors of Japan Land Limited do hereby state that, in the opinion of the directors:

- (i) the accompanying balance sheets, consolidated profit and loss account, statements of changes in equity and consolidated cash flow statement together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2005 and of the results of the business of the Group, changes in equity of the Company and Group and cash flows of the Group for the financial year ended 31 March 2005; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors,

**Tetsuo Yamashita**  
Chairman

**Mitsutoshi Ono**  
Managing Director

Singapore  
27 May 2005

# AUDITORS' REPORT

## TO THE MEMBERS OF JAPAN LAND LIMITED

We have audited the accompanying financial statements of Japan Land Limited (formerly known as Japan Asia Limited) (the "Company") and its subsidiary companies (the "Group") set out on pages 21 to 69 for the financial year ended 31 March 2005. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the Act) and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2005 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year then ended; and
- (b) the accounting and other records required by the Act to be kept by the Company and by those subsidiary companies incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

### **ERNST & YOUNG**

Certified Public Accountants

Singapore

27 May 2005

# CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2005

Group	Note	Continuing Operations		Discontinuing Operations		Total	
		1.4.2004 to 31.3.2005 S\$'000	1.1.2003 to 31.3.2004 S\$'000	1.4.2004 to 31.3.2005 S\$'000	1.1.2003 to 31.3.2004 S\$'000	1.4.2004 to 31.3.2005 S\$'000	1.1.2003 to 31.3.2004 S\$'000
Revenue	3	130	2,129	-	5	130	2,134
Cost of sales		(23)	(1,854)	-	(36)	(23)	(1,890)
<b>Gross profit/(loss)</b>		107	275	-	(31)	107	244
Other income		34	194	5	74	39	268
Sales & marketing expenses		(2)	-	-	-	(2)	-
General & administrative expenses		(2,217)	(2,219)	(6)	(42)	(2,223)	(2,261)
Other operating expenses		(1,178)	(1,907)	(5)	(57)	(1,183)	(1,964)
<b>Loss from operating activities</b>	4	(3,256)	(3,657)	(6)	(56)	(3,262)	(3,713)
Finance costs	5	(18)	(15)	-	-	(18)	(15)
Share of profits of associated companies		4,290	10,072	-	-	4,290	10,072
<b>Profit/(loss) from ordinary activities before taxation</b>		1,016	6,400	(6)	(56)	1,010	6,344
<b>Taxation</b>	6	(404)	(1)	-	-	(404)	(1)
<b>Net profit/(loss) for the year/period</b>		612	6,399	(6)	(56)	606	6,343
<b>Basic earnings per share</b>	7					0.06 cents	0.82 cents
<b>Diluted earnings per share</b>	7					0.06 cents	0.82 cents

# BALANCE SHEETS

AS AT 31 MARCH 2005

	Note	Group		Company	
		31.3.2005 S\$'000	31.3.2004 S\$'000	31.3.2005 S\$'000	31.3.2004 S\$'000
<b>ASSETS LESS LIABILITIES</b>					
<b>Non-Current Assets</b>					
Fixed assets	8	23,270	13	62	2
Investment properties	9	3,323	-	-	-
Intangible assets	10	5,139	-	-	-
Subsidiary companies	11	-	-	107	-
Associated companies	12	27,054	24,725	15,675	15,362
Other investments	13	23,686	792	119	375
Deferred tax assets	6	2,492	-	-	-
Other non-current assets	14	5,052	-	6,907	-
		<u>90,016</u>	<u>25,530</u>	<u>22,870</u>	<u>15,739</u>
<b>Current Assets</b>					
Cash and cash equivalents	15	61,574	1,946	2,271	1,848
Work-in-progress	16	13,579	-	-	-
Trade and other receivables	17	3,094	226	553	149
Stocks	21	69,952	2	-	-
		<u>148,199</u>	<u>2,174</u>	<u>2,824</u>	<u>1,997</u>
<b>Current Liabilities</b>					
Trade and other payables	22	17,669	1,746	836	816
Interest-bearing loans and borrowings	25	103,595	-	9,707	-
Provision for taxation		4,686	-	-	-
		<u>125,950</u>	<u>1,746</u>	<u>10,543</u>	<u>816</u>
<b>Net Current Assets/(Liabilities)</b>		22,249	428	(7,719)	1,181
<b>Less: Non-Current Liabilities</b>					
Interest-bearing loans and borrowings	25	(49,936)	-	-	-
Provision for retirement obligations	26	(1,171)	-	-	-
Refundable deposits		(490)	-	-	-
Deferred tax liabilities	6	(8,797)	-	-	-
		<u>(60,394)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Assets</b>		<u>51,871</u>	<u>25,958</u>	<u>15,151</u>	<u>16,920</u>

	Note	Group		Company	
		31.3.2005 S\$'000	31.3.2004 S\$'000	31.3.2005 S\$'000	31.3.2004 S\$'000
<b>Equity</b>					
Share capital	27	46,682	46,682	46,682	46,682
Reserves	28	(20,871)	(20,724)	(31,531)	(29,762)
		25,811	25,958	15,151	16,920
<b>Minority interests</b>		26,060	-	-	-
		51,871	25,958	15,151	16,920

# STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2005

Group	Share capital S\$'000	Share premium S\$'000	Currency translation reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
At 1 April 2004	46,682	11,648	1,057	(33,429)	25,958
Exchange difference on translation of financial statements of overseas subsidiary/associated companies directly taken to equity	-	-	(753)	-	(753)
Profit for the financial year	-	-	-	606	606
At 31 March 2005	46,682	11,648	304	(32,823)	25,811
At 1 January 2003	25,493	11,648	(89)	(39,772)	(2,720)
Exchange difference on translation of financial statements of overseas subsidiary/associated companies directly taken to equity	-	-	1,146	-	1,146
Issuance of ordinary shares	21,189	-	-	-	21,189
Profit for the financial period	-	-	-	6,343	6,343
At 31 March 2004	46,682	11,648	1,057	(33,429)	25,958
<b>Company</b>					
At 1 April 2004	46,682	11,648	-	(41,410)	16,920
Loss for the financial year	-	-	-	(1,769)	(1,769)
At 31 March 2005	46,682	11,648	-	(43,179)	15,151
At 1 January 2003	25,493	11,648	-	(39,222)	(2,081)
Issuance of ordinary shares	21,189	-	-	-	21,189
Loss for the financial period	-	-	-	(2,188)	(2,188)
At 31 March 2004	46,682	11,648	-	(41,410)	16,920

The accounting policies and explanatory notes on pages 28 to 69 form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR/PERIOD

	1.4.2004 to 31.3.2005 S\$'000	1.1.2003 to 31.3.2004 S\$'000
<b>Cash flows from operating activities</b>		
Profit from before taxation	1,010	6,344
Adjustments for:		
Amortisation of goodwill	11	-
Interest expense	18	15
Interest income	(3)	(34)
Depreciation of fixed assets	14	67
Dividend income	-	(39)
Gain on disposal of fixed assets	(2)	(3)
Loss on disposal of investment	-	4
Write down of investment in quoted shares to market value	291	131
Loss on deemed disposal of an associated company	810	1,715
Share of results of associated companies	(4,290)	(10,072)
Translation difference	(4)	39
	<hr/>	<hr/>
<b>Operating loss before investment in working capital</b>	(2,145)	(1,833)
Decrease in receivables	113	258
Decrease in stocks	-	32
Increase in payables	1,424	148
	<hr/>	<hr/>
<b>Net cash used in operating activities</b>	(608)	(1,395)
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Dividend income	-	39
Interest income received	3	34
Acquisition of an associated company	-	(544)
Acquisition of quoted investments	-	(533)
Acquisition of subsidiary companies, net of cash acquired (see Note A)	(3,110)	-
Proceeds from disposal of fixed assets	2	4
Purchase of club membership	-	(20)
Purchase of fixed assets	(66)	(4)
Proceeds from disposal of unquoted investment	-	2
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	(3,171)	(1,022)
	<hr/>	<hr/>

	<b>1.4.2004 to 31.3.2005 S\$'000</b>	<b>1.1.2003 to 31.3.2004 S\$'000</b>
<b>Cash flows from financing activities</b>		
Interest paid	(18)	(15)
Payments to finance lease creditors	-	(7)
Proceeds from issuance of shares	-	6,371
Repayment of loan from corporate shareholder	-	(1,800)
Repayment of loan from director	-	(688)
Proceeds from loans and borrowings	53,718	-
Proceeds from issuance of convertible bonds	9,707	-
<b>Net cash generated from financing activities</b>	<u>63,407</u>	<u>3,861</u>
Net increase in cash and cash equivalents	59,628	1,444
Cash and cash equivalents at beginning of year/period	1,946	502
<b>Cash and cash equivalents at end of year/period (Note 15)</b>	<u>61,574</u>	<u>1,946</u>

## Note A

The acquisitions of subsidiary companies during the year have been shown as a single item. The effect on the individual assets and liabilities is not reflected in the above statement. The summary of the effects of the acquisitions is set out below:

	S\$'000
Fixed assets	(23,205)
Investment properties	(3,323)
Other investments	(23,185)
Other non-current assets	(5,052)
Deferred tax assets	(2,492)
Current assets	(144,053)
Current liabilities	59,355
Non-current liabilities	60,394
	<hr/>
Fair value of net tangible assets	(81,561)
Goodwill arising on acquisition	(331)
Fair value of intangible assets	(4,819)
	<hr/>
Fair value of net assets	(86,711)
Minority interest	26,060
	<hr/>
Total consideration	(60,651)
Less: cash and cash equivalents of subsidiary companies	57,541
	<hr/>
Net cash outflow on acquisition of subsidiary companies	(3,110)
	<hr/>

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2005

## 1. Corporate information

Japan Land Limited (“the Company”) is a limited liability company, which is domiciled and incorporated in Singapore.

The registered office of the Company is located at 20 Raffles Place, #17-00 Ocean Towers, Singapore 048620. The principal place of business of the Company is located at 6 Battery Road #11-03, Singapore 049909.

Related companies in the financial statements refer to companies within the Japan Land Limited group.

The Company’s principal activities are those of investment holding and share trading. During the financial year, the Company did not engage in share trading activities. The principal activities of its subsidiary companies are set out below.

The Group operates in Singapore and Japan and has 92 (2004: 7) employees as of 31 March 2005. The Company operates in Singapore and has 7 (2004: 7) employees as of 31 March 2005.

The subsidiary and associated companies at 31 March are:

Name of company (Country of incorporation)	Principal activities (Place of business)	Cost		Equity held by the Group	
		31.3.2005 S\$'000	31.3.2004 S\$'000	31.3.2005 %	31.3.2004 %
<b>Subsidiary companies</b>					
<i>Held by the Company</i>					
② WizCorp Investment Pte Ltd (Singapore)	Investment holding (Singapore)	- ①	- ①	100	100
⑥ WizOffice.com (Japan), Inc (Japan)	Dormant (Japan)	- ①	- ①	64.65	64.65
② Stranz Consulting Pte Ltd (Singapore)	Provision of e-business consulting services (Singapore)	- ①	- ①	100	100
⑥ WizOffice International Limited (British Virgin Islands)	Investment holding (British Virgin Islands)	- ①	- ①	100	100
⑥ Japan Asia Land Limited (Japan)	Investment holding (Japan)	107	-	100	-
		<u>107</u>	<u>-</u>		

## 1. Corporate information (cont'd)

Name of company (Country of incorporation)	Principal activities (Place of business)	Equity held by the Group	
		31.3.2005 %	31.3.2004 %
<i>Held by subsidiary companies</i>			
⑧ Stranz Consulting Limited (Hong Kong)	Dormant (Hong Kong)	-	100
② WizOffice (S) Pte Ltd (Singapore)	Trading in office supplies and equipment (Singapore)	100	100
③ Katsumi Housing Corporation (Japan)	Sales of land, custom build houses and property brokering (Japan)	68	-
③ Pal Kensetsu Kabushiki Kaisha (Japan)	Sales of land, custom build houses and property brokering (Japan)	68	-
③ Kabushiki Kaisha Akashi Jyuken (Japan)	Sales of land, custom build houses and property brokering (Japan)	68	-
③ Daiwa Kensetsu Kabushiki Kaisha (Japan)	Sales of land, custom build houses and property brokering (Japan)	68	-
③ Kabushiki Kaisha Kakogawa Jyutaku (Japan)	Sales of land, custom build houses and property brokering (Japan)	68	-
③ Kabushiki Kaisha Labo (Japan)	Sales of land, custom build houses and property brokering (Japan)	68	-
⑥ Comsec Solution A.P.G. (Japan)	Architectural and design consultancy services (Japan)	100	-

## 1. Corporate information (cont'd)

Name of company (Country of incorporation)	Principal activities (Place of business)	Cost		Equity held by the Group	
		31.3.2005 S\$'000	31.3.2004 S\$'000	31.3.2005 %	31.3.2004 %
<b>Associated companies</b>					
<i>Held by the Company</i>					
④ Global Net Relations.com Pte Ltd (Singapore)	Providing services to corporate and individual customers by way of utilising internet facilities and the provision of telemarketing services through electronic means and other related facilities (Singapore)	- ①	- ①	38	38
② Web-fulfilmentcenter (S) Pte Ltd (Singapore)	Dormant (Singapore)	- ⑦	- ⑦	38	38
⑤ Japan Asia Holdings Limited (Cayman Islands)	Investment holding company activities, including acquisition of shares, operations or net assets of securities companies, and their strategic disposals (Cayman Islands)	15,675	15,362	15.64⑧	16.35⑧
		15,675	15,362		

① Denotes amounts less than \$500

② Audited by Ernst & Young, Singapore

③ Audited by member firm of Ernst & Young Global

④ Audited by Ai Lin Yeo & Co

⑤ Audited by PricewaterhouseCoopers, Hong Kong

⑥ Not required to be audited by law in its country of incorporation

⑦ Costs of investment is written off in prior years

⑧ Deregistered during the financial year

⑨ Although the Group's shareholding in Japan Asia Holdings Limited ("JAH") (formerly known as Japan Asia Securities Group Limited) as at 31 March 2005 is less than 20%, JAH is still considered as an associated company because the Company continue to exercise significant influence over the financial and operating policies of JAH

## 2. Significant accounting policies

### (a) *Basis of preparation of financial statements*

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards as required by the Companies Act.

The financial statements have been prepared on a historical cost basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous financial period.

The financial statements are presented in Singapore Dollars (S\$).

### (b) *Basis of consolidation*

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies. All material intercompany transactions and balances are eliminated on consolidation.

Acquisitions of subsidiary companies are accounted for under the purchase method of accounting. The results of those subsidiary companies acquired during the financial year are included in the consolidated financial statements from the effective date of acquisition.

The results of those subsidiary companies disposed of during the financial year are excluded from the consolidated financial statements from the effective date of disposal.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Assets, liabilities and results of overseas subsidiary companies are translated into Singapore Dollars on the basis outlined in paragraph (l) below.

The accounting year of the Company and all its subsidiary companies, other than Katsumi Housing Corporation and its subsidiary companies (“KHC Group”), ends on 31 March. KHC Group was acquired on 29 March 2005 and has its accounting year end on 30 September. KHC Group is in the process of changing the accounting year end of the KHC Group to be co-terminus with the Group.

### (c) *Subsidiary companies*

A subsidiary company is a company in which the Group, directly or indirectly, holds more than 50% of the issued share capital, or controls more than half of the voting power or controls the composition of the board of directors.

Investments in subsidiary companies are stated in the Company’s financial statements at cost less impairment losses.

Details of the subsidiary companies are set out in Note 1 to the financial statements.

## 2. Significant accounting policies (cont'd)

### (d) *Associated companies*

An associated company is defined as a company, not being a subsidiary company, in which the Group has a long term equity interest of not more than 50 per cent and exercise significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

Investment in associated companies is stated in the Company's financial statements at cost less impairment losses.

The Group's investment in associated companies is accounted for using the equity method. The Group's share of the post-acquisition reserves of associated companies is included in the carrying value of the investments in the consolidated balance sheet. The share of results is arrived at from the latest audited financial statements available.

Details of the associated companies are set out in Note 1 to the financial statements.

### (e) *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. The following specific recognition criteria must also be met before revenue is recognised.

#### *Contract revenue*

Revenue from e-business and construction contracts is recognised on the percentage of completion method. Allowance is made where applicable for any foreseeable losses on uncompleted contracts as soon as the possibility of the loss is ascertained. The stage of completion is determined by reference to the percentage of value of work done to-date compared to total estimated contract value on completion.

#### *Sale of land*

Revenue from sale of land is recognised when the title of the land is transferred to the customers.

#### *Sale of shares*

Revenue from sale of shares is recognised in the profit and loss account on contract date.

#### *Sale of products*

Revenue from the sale of products is recognised upon the passage of title to the customer which generally coincides with their delivery and acceptance.

#### *Rendering of services*

Revenue from the provision of e-business consulting services and other services rendered are recognised upon performance of services to the customer.

#### *Dividend income*

Dividend income is recognised in the profit and loss account of the Company as and when declared by subsidiary companies up to the end of the financial year. Dividend income from unquoted investments is recognised upon receipt.

## 2. Significant accounting policies (cont'd)

### (e) Revenue recognition (cont'd)

#### *Rental income*

Rental income arising on investment properties is recognised on a time proportion basis. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over lease term on a straight-line basis.

#### *Management fees*

Management fees are recognised on an accrual basis.

### (f) Fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure incurred after the fixed assets have been put into operations, such as repairs and maintenance and overhaul costs is charged to the profit and loss account in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of fixed asset beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of fixed assets.

When assets are sold or retired, their cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit and loss account.

### (g) Depreciation

Depreciation is calculated on the straight line method to write off the cost of fixed assets over their estimated useful lives. The estimated useful lives of fixed assets are as follows:

Land and buildings	-	7 to 50 years
Office equipment	-	3 to 5 years
Motor vehicles	-	3 to 5 years
Renovation	-	10 years

Construction-in-progress is stated at cost and not subject to depreciation until they are completed and in use.

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

The useful lives and depreciation methods are reviewed periodically to ensure that the periods and methods of depreciation are consistent with the expected pattern of economic benefits from these fixed assets.

## 2. Significant accounting policies (cont'd)

### (b) Intangibles

#### (i) Goodwill

Goodwill represents the excess of the costs of acquisition over the fair value of identifiable net assets of a subsidiary or an associated company at the date of acquisition.

Goodwill arising on acquisition is capitalised and amortised using the straight-line basis over the estimated useful life of 5 years that benefits are expected to be received to the profit and loss account. Goodwill is stated at cost less accumulated amortisation and any impairment loss.

#### (ii) Negative goodwill

Negative goodwill arising on acquisition represents the excess of the fair value of the identifiable net assets acquired over the costs of acquisition.

To the extent that negative goodwill relates to an expectation of future losses and expenses that are identified in the plan of acquisition and can be measured reliably, but which have not yet been recognised, that portion of negative goodwill is recognised in the consolidated profit and loss account when the future losses and expenses are recognised. Any remaining negative goodwill, but not exceeding the fair values of the non-monetary assets acquired, is recognised in the consolidated profit and loss account over 11 years, the weighted average useful life of those assets that are depreciable or amortisable. Negative goodwill in excess of the fair values of the non-monetary assets acquired is recognised immediately in the profit and loss account.

With respect to associated companies, negative goodwill is included in the carrying value of the investment.

#### (iii) Trademarks

Costs relating to trademarks which are acquired, are capitalised and amortised on a straight-line basis over their useful lives of 5 years.

### (i) Investment properties

Investment properties are investments in commercial and residential properties that are not occupied for use by or in the operations of the Group. They are accounted for as long term investments and are carried in the balance sheet at costs.

### (j) Other investments

Unquoted investments held on a long term basis are stated at cost. Allowance is made for any decline other than temporary in value of the investments. Profits or losses on disposal of long-term investments are taken to the profit and loss account.

Quoted investments held on a long term basis are stated at the lower of weighted average cost and market value. Market value is the middle market price at the balance sheet date.

## 2. Significant accounting policies (cont'd)

### (k) *Stocks and work-in-progress*

Stocks, mainly comprise land held for sale, are stated at the lower of cost and net realisable value. Cost is being determined by the specific cost method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs for land improvements and the estimated direct selling costs necessary to make the sale.

Work-in-progress comprise uncompleted construction contracts and it is stated at cost plus attributable profits determined based on percentage of completion method, less recognised losses (if any) and progress payments received and receivable. Contract cost includes materials, direct labour, an appropriate proportion of development overhead expenditure and construction costs paid and payable to contractors for work carried out up to the balance sheet date.

An expected loss on the construction contract is recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenue.

### (l) *Foreign currencies*

Transactions arising in foreign currencies are measured in the measurement currencies of the respective countries which the Group operates in and are recorded at exchange rates approximating those ruling at transaction dates. Foreign currency monetary assets and liabilities are converted using exchange rates ruling at balance sheet date. Non monetary assets and liabilities are converted at exchange rates ruling at the transactions dates. All resultant exchange differences arising from the conversion are included in the profit and loss account.

For inclusion in the consolidated financial statements, all assets and liabilities of foreign subsidiary companies are translated into Singapore Dollars at the exchange rates ruling at the balance sheet date and the results of foreign subsidiary companies and associated companies are translated into Singapore Dollars at the average exchange rates for the year which approximates the exchange rates at the dates of transactions. Exchange differences due to such currency translations are included in currency translation reserve.

### (m) *Long term deposits*

Long term deposits include guarantee deposits which are not recoverable at the end of the respective lease terms and which are amortised using the straight-line method over the lease terms; and guarantee deposits which are recoverable at the end of the respective lease terms and which are recorded net of the estimated irrecoverable portion.

## 2. Significant accounting policies (cont'd)

### (n) *Deferred taxation*

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiary companies and associated companies, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

At each balance sheet date, the Group re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The Group recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Group conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

### (o) *Cash and cash equivalents*

Cash and cash equivalents are defined as cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes. Cash on hand and in banks and fixed deposits which are held to maturity are carried at cost.

### (p) *Trade and other receivables*

Trade and other receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Amounts due from related and associated companies are recognised and carried at cost less an allowance for any uncollectible amounts.

### (q) *Trade and other payables*

Liabilities for trade and other amounts payable which are normally settled on 30-90 day terms, are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

Amounts due to related and associated companies are carried at cost.

## 2. Significant accounting policies (cont'd)

### (r) *Interest-bearing loans and borrowings*

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received.

Borrowing costs are generally expensed as incurred. Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are being incurred. Borrowing costs are capitalised until the assets are ready for their intended use.

### (s) *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 a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

### (t) *Impairment*

The carrying amounts of the Group's assets, other than stocks and trade and other receivables, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. All impairment losses are recognised in the profit and loss account.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for that asset no longer exist or have decreased. An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. All reversals of impairment are recognised in the profit and loss account.

### (u) *Employee benefits*

#### (i) *Defined contribution plan*

As required by law, the Group's companies in Singapore make contributions to the state pension scheme, the Central Provident Fund ("CPF"). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

#### (ii) *Retirement benefits*

Certain subsidiary companies of the Group in Japan operates an unfunded benefit plan. The liabilities which are not expected to be paid or settled within twelve months of balance sheet date are accrued in respect of all employees at present values of future amounts expected to be paid.

## 2. Significant accounting policies (cont'd)

### (u) *Employee benefits (cont'd)*

#### (iii) *Employee leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to balance sheet date.

#### (iv) *Equity and equity – related compensation benefits*

The stock option programme allows employees of the Group to acquire shares of the Company. No compensation cost or obligation is recognised upon granting or exercise of the options. When the options are exercised, equity is increased by the amount of the proceeds received net of any transaction costs.

### (v) *Convertible bonds*

Convertible bonds are recorded at the proceeds received. Finance costs are accounted for on an accrual basis and are added to the carrying amounts of the instrument to the extent that they are not settled in the period in which they arise.

### (w) *Segment reporting*

A segment is a distinguishable component of the Group that is engaged in either providing products or services, or in providing products or services within a particular economic environment, which is subject to risks and rewards that are different from those of other segments.

Segment information is presented in respect of the Group's business and geographical segments. The primary format, geographical segments, is based on the Group's management and internal reporting structure.

Inter-segment pricing, if any, is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

### (x) *Discontinuing operation*

A discontinuing operation is a clearly distinguishable component of the Group's business that is abandoned or terminated pursuant to a single plan, and which represents a separate major line of business or geographical area of operations.

### (y) *Operating leases*

Leases where the lessors effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight line basis over the lease term.

### 3. Revenue

	Group	
	1.4.2004 to 31.3.2005 S\$'000	1.1.2003 to 31.3.2004 S\$'000
Sales of products	-	4
Sales of shares	-	1,759
Dividend income from quoted investments	-	39
Services rendered		
- contract revenue from e-business consulting services	68	243
- consulting services for real estate	31	-
- other services	-	13
Management fee income from		
- an associated company	31	76
	130	2,134

#### 4. Loss from operating activities

Loss from operating activities is arrived at after charging/(crediting):

	Group	
	1.4.2004 to 31.3.2005 S\$'000	1.1.2003 to 31.3.2004 S\$'000
Amortisation of goodwill	11	-
Auditors' remuneration:		
- auditors of the Company		
Current year	35	22
Over-provision in respect of prior year	(5)	-
- non-audit fees	247	220
- other auditors	115	-
Bad receivables written off :		
- trade receivables	-	11
- non-trade receivables	-	23
Depreciation of fixed assets	14	67
Directors' fees		
- Directors of the Company	213	103
- Directors of subsidiary companies	6	-
Directors' remuneration :		
- Directors of the Company	420	477
Foreign exchange difference (net)	136	47
Interest income from fixed deposits	(3)	(34)
Gain on disposal of fixed assets	(2)	(3)
Loss on disposal of investment	-	4
Loss on deemed disposal of associated company	810	1,715
Allowance for doubtful receivables :		
- trade receivables	10	19
- non-trade receivables	47	-
Allowance for stock obsolescence	-	19
Recovery of debts written off	(22)	(142)
Staff costs (Executive Officers)		
- Central Provident Fund	15	14
- salaries, bonuses and other costs	188	145
Staff costs (excluding Executive Officers):		
- Central Provident Fund	24	37
- salaries, bonuses and other costs	199	284
Write-back of allowance for doubtful trade receivables	(5)	(19)
Write-off of professional fees relating to terminated put and call option agreement	-	698
Write-down of investment in quoted shares to market value	291	131
Operating lease expense	8	-

## 5. Finance costs

	Group	
	1.4.2004 to 31.3.2005 S\$'000	1.1.2003 to 31.3.2004 S\$'000
Interest expense on:		
Loans and borrowings	18	14
Finance lease	-	1
	18	15

## 6. Taxation

	Group	
	1.4.2004 to 31.3.2005 S\$'000	1.1.2003 to 31.3.2004 S\$'000
Share of tax of associated companies	404	1

The reconciliation between the tax expense and the product of accounting profit multiplied by the applicable statutory tax rate for the year/period ended 31 March is as follows:

Tax at domestic rate of 20%	202	1,269
Permanent difference/expenses not deductible for tax purposes	221	716
Deferred tax assets not recognised	429	43
Utilisation of previously unrecognised deferred tax assets	-	(10)
Tax effect of income not taxable	(858)	(2,014)
Share of tax of associated companies	404	1
Others	6	(4)
	404	1

As at 31 March 2005, the Company has unutilised tax losses of approximately S\$13,836,000 (2004: S\$12,044,000). As at 31 March 2005, the Group has unabsorbed capital allowances and unutilised tax losses of approximately S\$1,703,000 (2004: S\$1,687,000) and S\$17,781,000 (2004: S\$15,962,000) respectively. The above are available for offsetting against future taxable income, subject to the provisions of the Income Tax Act and agreement by the relevant tax authorities.

Deferred tax assets of the Company and Group amounting to S\$2,767,000 and S\$3,897,000 (2004: S\$2,409,000 and S\$3,530,000) respectively have not been recognised in the financial statements for unutilised tax losses and unabsorbed capital allowances carried forward due to the uncertainty of their recoverability.

## 6. Taxation (cont'd)

### Deferred taxation

Movements in deferred tax assets and liabilities for the year/period ended 31 March are as follows.

	Group	
	1.4.2004 to 31.3.2005 S\$'000	1.1.2003 to 31.3.2004 S\$'000
<i>Deferred tax assets</i>		
Acquisition through business combination and balance at end of year	2,492	-
<i>Deferred tax liabilities</i>		
Acquisition through business combination and balance at end of year	(8,797)	-

Deferred tax assets and liabilities comprise the following:-

	Group	
	31.3.2005 S\$'000	31.3.2004 S\$'000
<i>Deferred tax assets</i>		
Provision for retirement obligations	475	-
Lower of cost or net realisable value of stocks	1,252	-
Provision for warranty expense	454	-
Others	311	-
	2,492	-
<i>Deferred tax liabilities</i>		
Revenue recognition using the percentage of completion method	(2,917)	-
Restatement of marketable securities acquired through business combination to fair values	(5,565)	-
Others	(315)	-
	(8,797)	-

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when deferred taxes relate to the same taxation authority.

## 7. Earnings per share

Basic and diluted earnings per share are calculated by dividing the net profit for the year/period by the weighted average number of ordinary shares outstanding during the year/period.

The following reflects the profit and share data used in the basic and diluted earnings per share computations for the year/period:

	<b>Group</b>	
	<b>1.4.2004 to 31.3.2005</b>	<b>1.1.2003 to 31.3.2004</b>
Net profit for the year/period (S\$'000)	606	6,343
Weighted average number of ordinary shares on issue applicable to basic earnings per share ('000)	933,632	769,660
Effect of dilutive securities	3,037	-
Adjusted weighted average number of ordinary shares on issue applicable to diluted earnings per share ('000)	936,669	769,660

## 8. Fixed assets

Group	Land and	Office		Furniture	Warehouse	Motor	Construction	Total
	buildings	equipment	Renovation	and	equipment	vehicles	in progress	
	S\$'000	S\$'000	S\$'000	fittings	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cost</b>								
At beginning of year	-	545	-	1	8	-	-	554
Additions	-	13	53	-	-	-	-	66
Acquisitions through business combination	17,642	671	-	-	-	1,183	6,370	25,866
Disposals	-	(26)	-	-	-	-	-	(26)
Written off	-	(141)	-	-	(2)	-	-	(143)
Reclassification	-	6	-	-	(6)	-	-	-
At end of year	17,642	1,068	53	1	-	1,183	6,370	26,317
<b>Accumulated depreciation and impairment loss</b>								
At beginning of year	-	534	-	1	6	-	-	541
Charge for the year	-	11	3	-	-	-	-	14
Acquisitions through business combination	1,405	394	-	-	-	862	-	2,661
Disposals	-	(26)	-	-	-	-	-	(26)
Written off	-	(141)	-	-	(2)	-	-	(143)
Reclassification	-	4	-	-	(4)	-	-	-
At end of year	1,405	776	3	1	-	862	-	3,047
Charge for 2004	-	65	-	-	2	-	-	67
<b>Carrying amount</b>								
At end of year	16,237	292	50	-	-	321	6,370	23,270
At beginning of year	-	11	-	-	2	-	-	13

## 8. Fixed assets (cont'd)

Land, buildings and construction-in-progress of net book values amounting to S\$13,482,000 (2004: Nil) are mortgaged to banks as securities for loans and borrowings (Note 25).

Company	Renovation S\$'000	Office equipment S\$'000	Total S\$'000
<b>Cost</b>			
At beginning of year	-	8	8
Additions	53	13	66
	<hr/>	<hr/>	<hr/>
At end of year	53	21	74
<b>Accumulated depreciation and impairment loss</b>			
At beginning of year	-	6	6
Charge for the year	3	3	6
	<hr/>	<hr/>	<hr/>
At end of year	3	9	12
	<hr/>	<hr/>	<hr/>
Charge for 2004	-	3	3
	<hr/>	<hr/>	<hr/>
<b>Carrying amount</b>			
At end of year	50	12	62
	<hr/>	<hr/>	<hr/>
At beginning of year	-	2	2
	<hr/>	<hr/>	<hr/>

## 9. Investment properties

	Land S\$'000	Buildings S\$'000	Total S\$'000
<b>At cost</b>			
Acquisition through business combination and balance at end of year	2,760	563	3,323
	<hr/>	<hr/>	<hr/>

## 9. Investment properties (cont'd)

Investment properties comprise the following:-

Location	Description	Tenure of land	Group	
			31.3.2005 S\$'000	31.3.2004 S\$'000
2-9-20, Midorigaoka, Miki-shi	Retail	Till 2011	541	-
210 & 209 Yokomakura, Shoda-aza, Himeji-shi	Retail	Till 2019	1,479	-
1315-1, Lemae, Toba-aza, Akashi-shi	Office	Till 2011	1,303	-
			3,323	-

Investment properties amounting to S\$491,000 (2004: Nil) are mortgaged to banks as securities for loans and borrowings (Note 25).

## 10. Intangible assets

	Goodwill S\$'000	Trademarks S\$'000	Total S\$'000
<b>Cost</b>			
Acquisition through business combination and balance at end of year	331	4,819	5,150
<b>Accumulated amortisation</b>			
Amortisation for the year and balance as end of year	11	-	11
<b>Net book value</b>			
At end of year	320	4,819	5,139

## 11. Subsidiary companies

	Company	
	31.3.2005 S\$'000	31.3.2004 S\$'000
Unquoted shares at cost	107	- ①

① Denotes amounts less than \$500.

Further details of subsidiary companies are set out in Note 1.

Investment in shares in a subsidiary company, Katsumi Housing Corporation, is pledged to a bank and a bond holder as securities for loans and borrowings (Note 25).

## 12. Associated companies

	Group		Company	
	31.3.2005 S\$'000	31.3.2004 S\$'000	31.3.2005 S\$'000	31.3.2004 S\$'000
Unquoted shares at cost	15,675	15,362	15,675	15,362
Share of post-acquisition reserves	10,263	7,886	-	-
Amortisation of negative goodwill	884	498	-	-
Translation difference	232	979	-	-
	<u>27,054</u>	<u>24,725</u>	<u>15,675</u>	<u>15,362</u>

The movements in negative goodwill during the year/period are as follows:

	Group S\$'000
<b>Cost</b>	
Balance at beginning of year	4,490
Deemed disposal of an associated company	(169)
Balance at end of year	<u>4,321</u>
<b>Accumulated amortisation</b>	
Balance at beginning of year	498
Amortisation for the year	386
Balance at end of year	<u>884</u>
<b>Net book value</b>	
At end of year	<u>3,437</u>
At beginning of year	<u>3,992</u>

Negative goodwill recognised as income is included in the line "share of profits of associated companies" in the profit and loss account.

Further details of associated companies are set out in Note 1.

The Group has pledged 2,200,000 ordinary shares of US\$1.00 each in Japan Asia Holdings Limited to a bank as securities for loans and borrowings (Note 25).

### 13. Other investments

	Group		Company	
	31.3.2005 S\$'000	31.3.2004 S\$'000	31.3.2005 S\$'000	31.3.2004 S\$'000
Unquoted shares at cost	376	370	-	-
Quoted shares, at lower of cost and market value	23,289	401	98	354
Club membership at cost	21	21	21	21
	<u>23,686</u>	<u>792</u>	<u>119</u>	<u>375</u>
Market value of quoted shares	<u>23,289</u>	<u>401</u>	<u>98</u>	<u>354</u>
Write-down of investments in quoted shares to market value	<u>291</u>	<u>131</u>	<u>257</u>	<u>117</u>

Investments in quoted shares amounting to S\$1,822,000 (2004: Nil) are mortgaged to banks as securities for loans and borrowings (Note 25).

### 14. Other non-current assets

	Group		Company	
	31.3.2005 S\$'000	31.3.2004 S\$'000	31.3.2005 S\$'000	31.3.2004 S\$'000
Deposits	1,326	-	-	-
Long term prepaid expenses	3,548	-	-	-
Trade receivables	83	-	-	-
Others	95	-	-	-
Loan to a subsidiary company	-	-	6,907	-
	<u>5,052</u>	<u>-</u>	<u>6,907</u>	<u>-</u>

The loan to subsidiary company is unsecured and repayable on 31 December 2006. Interest is charged at 1% per annum.

## 15. Cash and cash equivalents

	Group		Company	
	31.3.2005 S\$'000	31.3.2004 S\$'000	31.3.2005 S\$'000	31.3.2004 S\$'000
Fixed deposits	-	664	-	664
Cash and bank balances	61,574	1,282	2,271	1,184
	<u>61,574</u>	<u>1,946</u>	<u>2,271</u>	<u>1,848</u>

The Group and the Company's fixed deposits earned interest of 0.3125% to 0.875% (2004: 0.3125% to 0.875%) per annum and 0.3125% to 0.875% (2004: 0.3125% to 0.875%) per annum respectively.

## 16. Work-in-progress

	Group	
	31.3.2005 S\$'000	31.3.2004 S\$'000
Contract costs incurred to date	17,514	-
Recognised profit less recognised losses to date	7,475	-
	<u>24,989</u>	<u>-</u>
Less: Progress billings	(11,410)	-
	<u>13,579</u>	<u>-</u>

## 17. Trade and other receivables

	Group		Company	
	31.3.2005 S\$'000	31.3.2004 S\$'000	31.3.2005 S\$'000	31.3.2004 S\$'000
Trade receivables (Note 18)	595	88	-	15
Other receivables (Note 19)	2,495	43	227	52
Amounts due from related and associated companies, non-trade (Note 20)	4	95	326	82
	<u>3,094</u>	<u>226</u>	<u>553</u>	<u>149</u>

**18. Trade receivables**

	Group		Company	
	31.3.2005 S\$'000	31.3.2004 S\$'000	31.3.2005 S\$'000	31.3.2004 S\$'000
Trade receivables are stated after deducting allowance for doubtful receivables of	580	115	-	-

**19. Other receivables**

	Group		Company	
	31.3.2005 S\$'000	31.3.2004 S\$'000	31.3.2005 S\$'000	31.3.2004 S\$'000
Deposits	27	-	27	-
Prepayment	1,258	16	15	29
Tax recoverable	9	9	9	9
Sundry receivables	41	18	176	14
Advances to customers	761	-	-	-
Short term loans	399	-	-	-
	<u>2,495</u>	<u>43</u>	<u>227</u>	<u>52</u>
Sundry receivables are stated after deducting allowance for doubtful receivables of	33	-	33	-

The short term loans are unsecured, bear interest at 10% per annum and repayable within one year.

**20. Amounts due from related and associated companies, non-trade**

	Group		Company	
	31.3.2005 S\$'000	31.3.2004 S\$'000	31.3.2005 S\$'000	31.3.2004 S\$'000
Subsidiary companies	-	-	322	-
Associated companies	4	95	4	82
	<u>4</u>	<u>95</u>	<u>326</u>	<u>82</u>

Amounts due from associated companies are stated after deducting allowance for doubtful receivables of

	14	-	-	-
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Amounts due from related and associated companies are unsecured, interest-free and repayable on demand.

## 21. Stocks

	Group	
	31.3.2005	31.3.2004
	S\$'000	S\$'000
Stocks		
- at cost	59,931	-
- at net realisable value	10,021	2
	69,952	2
Stocks are stated after deducting allowance for obsolescence of	3,052	19

Stocks amounting to S\$18,513,000 (2004: Nil) are pledged to banks as securities for loans and borrowings (Note 25).

As at 31 March 2005, the Group owns the following land plots (some of which are mortgaged to the banks as securities for financing obtained by the Group) for sale and development.

Location	Approximate land area (square meters)
Akashishi miyanoue	1,428.21
Akashishi fujie	220.00
Akashishi okubocho ohkubo	574.00
Akashishi futamicho nishifutami	3,500.60
Akashishi futamicho higashifutami	354.14
Akashishi fujie	708.85
Akashishi tateishi2chome	943.90
Akashishi uozumicho shimizu	4,173.98
Akashishi asaghiridai	254.42
Akashishi uozumicho nagasakadera	129.93
Akashishi okubocho nishijima	510.49
Akashishi okubocho taniyaghi	338.74
Akashishi ookuradanishimizu	731.69
Akashishi uozumicho nagasakadera	600.99
Akashishi futamicho nishifutami	511.71
Akashishi okubocho	582.64
Akashishi uozumicho	514.83
Akashishi niyamacho	517.19
Akashishi nishiakashi nishimachi	1,180.61
Akashishi suzuricho	264.75
Akashishi uozumicho shimizu	96.00
Akashishi kitaohjicho	496.43
Akashishi okubocho takaoka 7chome	326.61
Akashishi higashiyamacho	82.83
Akashishi okubocho okubomachi	2,122.97

## 21. Stocks (cont'd)

Location	Approximate land area (square meters)
Akashishi uozumicho nagasakadera	364.91
Akashishi nishiakashi nishimachi	125.45
Akashishi okubocho ohkubomachi	857.39
Akashishi okubocho taniyaghi	3,502.53
Akashishi okubocho ohkubomachi	986.12
Akashishi toba	1,349.66
Akashishi okubocho taniyaghi	339.83
Akashishi ohkuracho	380.51
Akashishi okubocho ohkubo	680.21
Akashishi nonoue 1chome	125.66
Akashishi toba ieura	458.05
Akashishi tamachi 2chome	367.51
Akashishi uozumicho nakao	1,515.28
Akashishi futamicho higashifutami	476.99
Akashishi uozumicho kanagasaki	114.64
Kobeshi tarumiku chiyogaoka 2chome	90.00
Mikishi midorigaoka	371.53
Akashishi okubocho eigashima	18.54
Akashishi okubocho eigashima	141.91
Akashishi daidomachi	105.28
Akashishi niyamacho	123.86
Akashishi okubocho matsukage	102.76
Kakogawashi kakogawacho	114.83
Kakogun inamicho kuniyasu	928.03
Kakogawashi onoecho kuchiri	3082.20
Kakogawashi hiraokacho takabatake	3476.03
Kakogun inamicho kuniyasu	469.98
Kakogawashi hiraokacho	768.67
Kakogawashi kakogawacho inaya	1024.18
Kakogawashi kakogawacho nishikamiyoshimachi	1518.93
Takasagoshi yonedacho shima	371.09
Takasagoshi amidacho kitaike	1831.78
Kakogawashi beppucho shinnobekitamachi	615.99
Kakogawashi nishikamiyoshicho	746.27
Kakogun harimacho	381.93
Kakogawashi kakogawacho inaya	207.00
Kakogun harimacho	437.36
Kakogawashi onoueyauda	5564.07
Kakogawashi kakogawacho	1316.12
Kakogun inamicho	826.59
Kakogawashi onoecho ikeda	3203.08
Takassagoshi tokimitsuderacho	3767.73

## 21. Stocks (cont'd)

Location	Approximate land area (square meters)
Kakogawashi hiraokacho futamata	288.25
Kakogawashi higashikamiyoshicho	138.71
Kakogawashi hiraokacho	17529.07
Kakogawashi onouecho asahi	504.00
Kakogawashi nishikamiyoshicho	2834.16
Kakogawashi nokuchicho	797.27
Takasagoshi amidacho	372.28
Kakogawashi yamate	696.07
Takasagoshi asahicho	275.07
Kakogawashi hiraokacho	119.69
Kakogun harimacho	104.13
Takasagoshi araicho	122.35
Kakogawashi noguchicho	105.09
Kakogawashi noguchicho	101.23
Takasagoshi tatsuyama	567.70
Kakogawashi kakogawacho nishikawara	520.60
Kobeshi nishiku iwaokacho	1393.40
Kobeshi nishiku tamatucho	637.18
Kobeshi nishiku tamatucho	1542.80
Kobeshi nishiku igawadanicho	529.53
Kobeshi nishiku tamatucho	2124.83
Kobeshi nishiku igawadanicho	235.76
Kobeshi nishiku iwaokacho	1642.93
Kobeshi nishiku imadera	475.58
Kobeshi nishiku imadera	261.69
Kobeshi nishiku iwaokacho	3263.55
Kobeshi nishiku edayoshi	686.61
Kobeshi nishiku tatsugaoka	218.92
Kobeshi nishiku nakano1chome	402.47
Kobeshi nishiku tamatsucho	519.23
Kobeshi nishiku ootsuwa	358.00
Kobeshi nishiku edayoshi	371.26
Kobeshi nishiku igawadanicho	490.92
Kobeshi nishiku mizutani3chome	231.31
Kobeshi nishiku tamatsucho futatsuya	820.02
Kobeshi nishiku tamatsucho futatsuya	804.10
Kobeshi nishiku iwaokacho	306.58
Kobeshi nishiku miyashita	442.04
Kobeshi nishiku nakano1chome	130.74

## 22. Trade and other payables

	Group		Company	
	31.3.2005 S\$'000	31.3.2004 S\$'000	31.3.2005 S\$'000	31.3.2004 S\$'000
Trade payables	10,136	860	-	7
Accruals	1,845	404	387	326
Other payables (Notes 23)	5,469	379	136	377
Amounts due to related and associated companies, non- trade (Note 24)	6	-	100	3
Amounts due to directors	213	103	213	103
	<u>17,669</u>	<u>1,746</u>	<u>836</u>	<u>816</u>

Amounts due to directors are unsecured, interest-free and are repayable on demand.

## 23. Other payables

	Group		Company	
	31.3.2005 S\$'000	31.3.2004 S\$'000	31.3.2005 S\$'000	31.3.2004 S\$'000
Advance receipts from customers	1,233	-	-	-
Consumption tax payable	289	-	-	-
Provision for warranty expenses	1,107	-	-	-
Sundry creditors	2,840	379	136	377
	<u>5,469</u>	<u>379</u>	<u>136</u>	<u>377</u>

## 24. Amounts due to related and associated companies, non-trade

	Group		Company	
	31.3.2005 S\$'000	31.3.2004 S\$'000	31.3.2005 S\$'000	31.3.2004 S\$'000
Subsidiary companies	-	-	94	3
Associated companies	6	-	6	-
	<u>6</u>	<u>-</u>	<u>100</u>	<u>3</u>

Amounts due to related and associated companies are unsecured, interest-free and are repayable on demand.

## 25. Interest-bearing loans and borrowings

	Group		Company	
	31.3.2005 S\$'000	31.3.2004 S\$'000	31.3.2005 S\$'000	31.3.2004 S\$'000
<b>Unsecured</b>				
Bank overdraft	3,952	-	-	-
Bank loans	27,101	-	-	-
Bonds	30,650	-	-	-
Convertible bonds	9,707	-	9,707	-
	<u>71,410</u>	<u>-</u>	<u>9,707</u>	<u>-</u>
<b>Secured</b>				
Bank loans	54,802	-	-	-
Bonds	27,319	-	-	-
	<u>82,121</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total loans and borrowings</b>	<u>153,531</u>	<u>-</u>	<u>9,707</u>	<u>-</u>
Represented by:				
Current	103,595	-	9,707	-
Non-current	49,936	-	-	-
	<u>153,531</u>	<u>-</u>	<u>9,707</u>	<u>-</u>

## 25. Interest-bearing loans and borrowings (cont'd)

The terms and repayment schedule of the Group's and the Company's borrowings are as follows:-

	Total S\$'000	Within 1 year S\$'000	After 1 year but within 5 years S\$'000	After 5 years S\$'000
<b>Unsecured</b>				
Japanese Yen bank overdraft	3,952	3,952	-	-
Japanese Yen bank loans	27,101	18,183	7,887	1,031
Japanese Yen bonds	30,650	4,957	23,928	1,765
S\$ Convertible bonds	9,707	9,707	-	-
	<u>71,410</u>	<u>36,799</u>	<u>31,815</u>	<u>2,796</u>
<b>Secured</b>				
Japanese Yen bank loans	54,802	47,151	7,195	456
Japanese Yen bonds	27,319	19,645	6,446	1,228
	<u>82,121</u>	<u>66,796</u>	<u>13,641</u>	<u>1,684</u>

The bank overdraft bears interest at 2.25%.

Bank loans are repayable from 10 April 2005 to 20 March 2017, bearing interest from 1.07% to 6.36%.

Bonds are repayable from 26 May 2006 to 27 December 2011, bearing interest from 0.31% to 2.08%.

## 25. Interest-bearing loans and borrowings (cont'd)

The unsecured convertible bonds bear interest at 3.5% per annum and have a maturity date on 25 March 2006. The convertible bonds may be converted into up to 138,571,428 ordinary shares of S\$0.05 each of the Company at a conversion price of S\$0.07 per share at the option of the bondholder before the maturity date.

Bank loan amounting to S\$35.3 million is secured by a first priority pledge over all the acquired Katsumi Housing Corporation ("KHC") shares and a charge over 2.2 million ordinary shares of US\$1.00 each in the capital of Japan Asia Holdings Limited held by the Company, and is also guaranteed by the Company.

The Group's bonds of S\$18.4 million are secured by a second priority pledge over all the acquired KHC shares.

The net book value of the assets mortgaged by the Group to financial institutions to obtain the remaining secured bank loans and bonds of S\$19.5m and S\$8.9 respective are as follows:

	<b>Group</b>	
	<b>31.3.2005</b>	<b>31.3.2004</b>
	S\$'000	S\$'000
Fixed assets	13,482	-
Stocks	18,513	-
Investment properties	491	-
Marketable securities	1,822	-
Total	34,308	-

## 26. Provision for retirement obligations

	Group	
	31.3.2005 S\$'000	31.3.2004 S\$'000
Present value of unfunded retirement obligations (non-current)	1,171	-

Movement in the liability during the year/period ended 31 March was as follows:

	Group	
	1.4.2004 to 31.3.2005 S\$'000	1.1.2003 to 31.3.2004 S\$'000
Acquisitions through business combination and balance at end of year	1,171	-

Certain subsidiary companies of the Group in Japan operate an unfunded benefit plan. Benefits are payable based on the last drawn salaries of the employees and the number of years of service with the respective subsidiary companies. The provision for the benefit plan as at 31 March 2005 comprises the amounts that would be payable assuming that all the existing employees of these subsidiary companies were to retire on the balance sheet date based on the respective last drawn salaries. The directors are of the opinion that the liability currently determined on this basis is a prudent estimate of the Group's liability.

## 27. Share capital

	<b>Group and Company</b>	
	<b>1.4.2004 to 31.3.2005 S\$'000</b>	<b>1.1.2003 to 31.3.2004 S\$'000</b>
<i>Authorised :</i>		
At beginning of year/period		
2,000,000,000 (2004: 800,000,000) ordinary shares of S\$0.05 each	100,000	40,000
Increase during the year/period		
Nil (2004: 1,200,000,000) ordinary shares of S\$0.05 each	-	60,000
At end of year/period	100,000	100,000
<i>Issued and fully paid:</i>		
At beginning of year/period		
933,632,326 (2004: 509,863,206) ordinary shares of S\$0.05 each	46,682	25,493
Issued during the year/period		
Nil (2004: 24,000,000) ordinary shares of S\$0.05 each fully paid at par in relation to exercise of 2000 Japan Land Share Options (formerly known as 2000 Japan Asia Share Options)	-	1,200
Nil (2004: 1,520,000) ordinary shares of S\$0.05 each fully paid at par in relation to exercise of 1999 Japan Land Share Options (formerly known as 1999 Japan Asia Share Options)	-	76
Nil (2004: 296,349,120) ordinary shares of S\$0.05 each swapped for shares of Japan Asia Holdings Limited	-	14,818
Nil (2004: 101,900,000) ordinary shares of S\$0.05 each fully paid at par for cash	-	5,095
At end of year/period	46,682	46,682

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

## 28. Reserves

	Group		Company	
	31.3.2005 S\$'000	31.3.2004 S\$'000	31.3.2005 S\$'000	31.3.2004 S\$'000
Share premium	11,648	11,648	11,648	11,648
Currency translation reserve	304	1,057	-	-
Accumulated losses	(32,823)	(33,429)	(43,179)	(41,410)
	<u>(20,871)</u>	<u>(20,724)</u>	<u>(31,531)</u>	<u>(29,762)</u>
Made up of:				
Distributable	(32,823)	(33,429)	(43,179)	(41,410)
Non-distributable	11,952	12,705	11,648	11,648
	<u>(20,871)</u>	<u>(20,724)</u>	<u>(31,531)</u>	<u>(29,762)</u>

The application of the share premium account is governed by sections 69-69F of the Companies Act, Chapter 50.

The currency translation reserve comprise foreign exchange differences arising from the translation of the financial statements of foreign operations that are not integral to the operations of the Company.

## 29. Segment information

### Geographical segment

1.4.2004 – 31.3.2005

	Singapore S\$'000	Japan S\$'000	Hong Kong S\$'000	Elimination S\$'000	Total S\$'000
<b>Revenue and expenses</b>					
Segmental revenue from external customers	99	31	-	-	130
Inter-segment revenue	313	-	-	(313)	-
	<u>412</u>	<u>31</u>	<u>-</u>	<u>(313)</u>	<u>130</u>
Segment results	<u>(2,942)</u>	<u>(320)</u>	<u>-</u>	<u>-</u>	<u>(3,262)</u>
Finance costs	(8)	(10)	-	-	(18)
Share of profits of associated companies	-	-	4,290	-	4,290
Profit from ordinary activities before taxation					1,010
Taxation					(404)
Net profit for the year					<u>606</u>
<b>Assets and liabilities</b>					
Segment assets	<u>10,535</u>	<u>208,469</u>	<u>24</u>	<u>(7,867)</u>	211,161
Investment in associated companies	-	-	27,054	-	27,054
Total assets					<u>238,215</u>
Segment liabilities	<u>12,259</u>	<u>182,423</u>	<u>2</u>	<u>(8,340)</u>	186,344
<b>Other segment information</b>					
Capital expenditure	66	-	-	-	66
Depreciation	14	-	-	-	14
Amortisation of :					
- negative goodwill	(386)	-	-	-	(386)
- positive goodwill	-	11	-	-	11
Write-down of investment in quoted shares to market value	<u>291</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>291</u>

## 29. Segment information (cont'd)

### Geographical segment

1.1.2003 – 31.3.2004

	Singapore S\$'000	Japan S\$'000	Hong Kong S\$'000	Others S\$'000	Elimination S\$'000	Total S\$'000
<b>Revenue and expenses</b>						
Segmental revenue from external customers	2,134	-	-	-	-	2,134
Inter-segment revenue	65	-	-	-	(65)	-
	<u>2,199</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(65)</u>	<u>2,134</u>
Segment results	<u>(3,726)</u>	<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,713)</u>
Finance costs	(15)	-	-	-	-	(15)
Share of profits of associated companies	-	-	10,072	-	-	<u>10,072</u>
Profit from ordinary activities before taxation						6,344
Taxation						(1)
Net profit for the period						<u>6,343</u>
<b>Assets and liabilities</b>						
Segment assets	<u>2,972</u>	<u>400</u>	<u>21</u>	<u>1</u>	<u>(415)</u>	<u>2,979</u>
Investment in associated companies	-	-	24,725	-	-	<u>24,725</u>
Total assets						<u>27,704</u>
Segment liabilities	<u>2,566</u>	<u>81</u>	<u>2</u>	<u>1</u>	<u>(904)</u>	<u>1,746</u>
<b>Other segment information</b>						
Capital expenditure	4	-	-	-	-	4
Depreciation	67	-	-	-	-	67
Write-down of investment in quoted shares to market value	<u>131</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>131</u>

## 29. Segment information (cont'd)

### Geographical segment (cont'd)

#### Business segment

1.4.2004 – 31.3.2005	Investment holding/ trading of shares S\$'000	Sale of products S\$'000	e-business consulting S\$'000	Property consulting services S\$'000	Elimination S\$'000	Total S\$'000
Segmental revenue from external customers	344 <sup>(1)</sup>	-	68	31	(313)	130
Total assets	26,516 <sup>(2)</sup>	-	102	208,084	3,513	238,215
Capital expenditure	66	-	-	-	-	66
<b>1.1.2003 – 31.3.2004</b>						
Segmental revenue from external customers	1,874 <sup>(1)</sup>	4	256	-	-	2,134
Total assets	27,516 <sup>(2)</sup>	441	162	-	(415)	27,704
Capital expenditure	-	1	3	-	-	4

(1) Revenue generated from investment holding amounted to S\$313,000 (2004: S\$115,000) and revenue from trading of shares amounted to nil (2004: S\$1,759,000).

(2) Segment assets are not split between investment holding and trading of shares business as it is not meaningful to do so.

### 30. Discontinuing operations

On 26 September 2003, the Company announced its decision to discontinue the sale of products and internet advertising businesses as part of its strategy to discontinue non-performing operations.

The carrying amounts of the total assets and liabilities in respect of these businesses as at the respective year/period ends are as follows:

	<b>Group</b>	
	<b>31.3.2005</b> S\$'000	<b>31.3.2004</b> S\$'000
Total assets	418	43
Total liabilities	(928)	(869)
Net liabilities	(510)	(826)

The net cash flows attributable to the sale of products and internet advertising businesses are as follows:

	<b>Group</b>	
	<b>1.4.2004</b> <b>to</b> <b>31.3.2005</b> S\$'000	<b>1.1.2003</b> <b>to</b> <b>31.3.2004</b> S\$'000
Discontinued operating activities	2	(94)
Net cash inflows/(outflow)	2	(94)

The discontinuance of the sale of products and internet advertising businesses are expected to be completed after the end of the financial year.

### 31. Directors' fee and remuneration

Number of directors in each of the following remuneration bands are as follows:

	Company	
	1.4.2004 to 31.3.2005	1.1.2003 to 31.3.2004
Executive directors:		
Directors' remuneration		
Below S\$250,000	4	3
Non-executive directors:		
Directors' fees		
Below S\$250,000	7	2
	<hr/>	<hr/>
	11	5
	<hr/>	<hr/>

## 32. Employee benefits

### *Share options*

The Company has 1 employee share option scheme in effect during the financial year, 2000 Japan Land Share Option Scheme (“2000 Scheme”) (formerly known as 2000 Japan Asia Employees’ Share Option Scheme).

During the financial year, the Company did not grant any options under the 2000 Scheme.

At the beginning and end of the year, there was also no outstanding options on unissued ordinary shares of S\$0.05 each of the Company.

According to the terms of the 2000 Scheme, the Remuneration Committee may set the exercise price (“Exercise Price”) for each share option at either:

- (a) a price (the “Market Price”) equal to the average of the last dealt prices for the Company’s share for the last 5 consecutive trading day immediately preceding the date that the share option was offered (“Offer Date”) to a director or employee of Japan Land Limited Group; or
- (b) a price which is set at a discount to the Market Price, provided that the maximum discount shall not exceed 20% of the Market Price and the shareholders of the Company in general meeting shall have authorised the making of offers and grants of options under the 2000 Scheme at a discount not exceeding the maximum discount as aforesaid.

Where the Exercise Price as determined above is less than the par value of the share, the Exercise Price shall be the par value.

The terms of the 2000 Scheme require that options granted with the Exercise Price set at Market Price shall only be exercisable by option holders, at any time, after the first anniversary of the Offer Date, but before the tenth anniversary date of the Offer Date or earlier as may be determined by the Remuneration Committee. Options granted with the Exercise Price set at a discount to Market Price shall only be exercisable at any time by the option holders after the second anniversary of the Offer Date but before the tenth anniversary date of the Offer Date or earlier as may be determined by the Remuneration Committee.

## 33. Financial instruments

### *Financial risk management objectives and policies*

The main risks arising from the Group’s financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk.

### *Interest rate risk*

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. Surplus cash balances are placed with reputable financial institutions with varying maturities and interest rate terms.

### 33. Financial instruments (cont'd)

#### *Financial risk management objectives and policies (cont'd)*

##### *Liquidity risk*

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. The Group adopts prudent liquidity risk management by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group constantly raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with short term funding so as to achieve overall cost effectiveness.

##### *Foreign exchange risk*

The Group holds long-term overseas investments and its net assets are exposed to currency translation risk. The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which these investments are located. The exchange differences arising from such translations are captured under the currency translation reserve. These translation differences are reviewed and monitored on a regular basis.

##### *Credit risk*

Credit risk arising from the inability of a customer to meet the terms of the Group's financial contracts is generally limited to the amounts, if any, by which the customer's obligations exceed the obligations of the Group. The carrying amount of trade and other receivables represent the Group's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk. It is the Group's policy to sell to a diversity of creditworthy customers so as to reduce concentration of credit risk.

The Group has no significant concentration of credit risk. The Group monitors its exposure to credit risk on an ongoing basis. An allowance for doubtful debts is maintained to provide for potential credit risks.

Cash and deposits are placed with reputable financial institutions.

##### *Fair values*

The carrying amounts of the following financial assets and financial liabilities approximate their fair value due to their short-term nature: cash and cash equivalents, work-in-progress, trade and other receivables, stocks, trade and other payables, current balances due from/to related and associated companies and short-term loans and borrowings.

No disclosure of fair value is made for the non current balances due from/to associated and related companies as these balances have no fixed terms of repayment.

The fair value of interest-bearing loans and borrowings with variable interest rates also approximates their carrying values. The fair value of the non-current fixed-rate debts, estimated using discounted cash flow analysis, is S\$36,751,000 (2004: Nil).

In the directors' opinion, it is not practicable to determine the fair values of the unquoted equity investments held as long-term investments and carried at a cost of S\$370,000 (2004: S\$370,000) as they do not have quoted market prices in an active market nor are other methods of reasonably estimating the fair values readily available.

### 34. Significant related party transactions

Except as disclosed in other parts of the financial statements, significant transactions with related parties on terms agreed between the parties are as follows:

	Group	
	1.4.2004 to 31.3.2005 S\$'000	1.1.2003 to 31.3.2004 S\$'000
<b>Associated Company</b>		
Management fees income	(31)	(76)
	<hr/>	<hr/>

### 35. Contingent liabilities

The Group has a pending litigation relating to a contract for the construction of customised housing, pursuant to which, the Group's obligation in the event that the outcome is adverse would be to demolish the building for vacant possession by the claimant and to pay approximately S\$450,000 in a lump sum and S\$1,200 per month from 19 April 2004 until the land is vacated.

As at the end of the financial year, the Group also provided guarantees amounting to S\$614,000 for the benefit of two sub-contractors carrying out work for one of its subsidiary companies.

### 36. Lease commitments

The future minimum payments under non-cancellable operating leases are as follows:

	Group and Company	
	31.3.2005 S\$'000	31.3.2004 S\$'000
Not later than 1 year	90	-
Later than 1 year but not later than 5 years	173	-
	<hr/>	<hr/>
	263	-
	<hr/>	<hr/>

### 37. Capital expenditure commitments

	Group	
	31.3.2005	31.3.2004
	S\$'000	S\$'000
Capital expenditure contracted and not provided in the financial statements:		
Amounts approved and contracted in respect of construction work-in-progress	165	-

### 38. Comparative figures

Following the change of the Company's financial year end from 31 December to 31 March, the Company is reporting its financial statements for the 12 months period from 1 April 2004 to 31 March 2005. The comparative figures cover the 15 months from 1 January 2003 to 31 March 2004.

### 39. Authorisation of financial statements

The financial statements of Japan Land Limited for the year ended 31 March 2005 were authorised for issue in accordance with a resolution of the directors on 27 May 2005.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**TETSUO YAMASHITA**

**MITSUTOSHI ONO**

(Appointed on 4 October 2004)

**WU WEN-HSIU SANDRA**

**GOH KIAN HWEE**

(Appointed on 30 May 2004)

**JEN SHEK VOON**

**GUOK CHIN HUAT SAMUEL**

(Appointed on 1 October 2004)

**S. CHANDRA DAS**

(Appointed on 1 December 2004)

**TEH BAN LIAN**

(Resigned on 29 July 2004)

## SECRETARY

**HUANG YEN SAN PETRUS**

## REGISTERED OFFICE

20 Raffles Place #17-00

Ocean Towers

Singapore 048620

## CORPORATE OFFICE

Six Battery Road #11-03

Singapore 049909

## BANKERS

**OVERSEAS CHINESE BANKING  
CORPORATION LIMITED**

**DBS BANK LTD**

**THE HONGKONG AND  
SHANGHAI BANKING  
CORPORATION LIMITED**

## SHARE REGISTRAR

**LIM ASSOCIATES (PTE) LTD**

10 Collyer Quay #19-08

Ocean Building

Singapore 049315

## AUDITORS

**ERNST & YOUNG**

10 Collyer Quay #21-01

Ocean Building

Singapore 049315

Audit Partner: Mak Keat Meng

(with effect from 1 April 2004 to 31

March 2005)

## COMPANY REGISTRATION

199707417K

**JAPAN LAND LIMITED**

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Six Battery Road #11-03, Singapore 049909 [www.japanlandltd.com](http://www.japanlandltd.com)