CHINA YUANBANG PROPERTY HOLDINGS LIMITED

(Company Registration Number: 39247)
(Incorporated in Bermuda on 4 December 2006)

2015
ANNUAL REPORT

Contents

Corporate Information

BOARD OF DIRECTORS

Non-Executive Director:
Lin Yeju *(Chairman)*

Executive Directors:
Ouyang Sheng
Zheng Shaorong

Independent Directors:
Teo Yi-Dar *(Lead Independent Director)*
Huang Zhangxin
Chong Soo Hoon Sean

AUDIT COMMITTEE

Teo Yi-Dar *(Chairman)*
Huang Zhangxin
Chong Soo Hoon Sean

NOMINATING COMMITTEE

Chong Soo Hoon Sean *(Chairman)*
Teo Yi-Dar
Huang Zhangxin

REMUNERATION COMMITTEE

Huang Zhangxin *(Chairman)*
Teo Yi-Dar
Chong Soo Hoon Sean

SHARE OPTION SCHEME COMMITTEE

Huang Zhangxin *(Chairman)*
Teo Yi-Dar
Chong Soo Hoon Sean

COMPANY SECRETARY

Chong Ching Hoi

ASSISTANT SECRETARY

Codan Services Limited

REGISTERED OFFICE

Clarendon House
2 Church Street, Hamilton HM11
Bermuda

BUSINESS OFFICES

9th Floor, Yuanbang Building
No. 599 Huangshi West Road
Baiyun District, Guangzhou City
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People's Republic of China, 510430
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Great Eagle Centre
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Tel: (852) 2511 1990
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WEBSITE

http://www.yuanbang.com

BERMUDA SHARE REGISTRAR

Codan Services Limited
Clarendon House
2 Church Street, Hamilton HM11
Bermuda

SINGAPORE SHARE TRANSFER AGENT

B.A.C.S. Private Limited
8 Robinson Road #03-00
ASO Building
Singapore 089758

AUDITORS

BDO Limited
Certified Public Accountants
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

BDO LLP
Public Accountants and Chartered Accountants
21 Merchant Road #05-01
Singapore 058267

AUDIT DIRECTOR/PARTNER-IN-CHARGE:

Lo Ngai Hang
Commencing from the financial year ended
30 June 2015

Lew Wan Ming
Commencing from the financial year ended
30 June 2013

Corporate Profile

China Yuanbang Property Holdings Limited（元邦房地产控股有限公司）(the "Company" or together with its subsidiaries, the "Group"), is a premium brand Guangzhou-based property developer that focuses on the development of quality residential and commercial properties, targeting at the middle to upper-middle income market segments. The Group has completed three property developments, namely the "Yuanbang Gardens"（元邦苑）, "Yuanbang Aviation Homeland"（元邦航空家园）and "Yuanbang Mingyue Gardens"（元邦明月园）, with an aggregate gross floor area ("GFA") of approximately 217,368 square metres ("sq m"). The Group's properties held under development include "Aqua Lake Grand City"（绿湖豪城）in Nanchang City, "Ming Yue Xing Hui"（明月星辉）, "Shan Qing Shui Xiu"（山清水秀）, "Ming Yue Jin An"（明月金岸）and "Ming Yue Shui An"（明月水岸）in Guangzhou City, "Hou De Zai Wu"（厚德载物）in Tonghua City, "Ren Jie Di Ling"（人杰地灵）in Weihai City, "Batai Mountain Project" in Wanyuan City and "Huizhou Project" in Huizhou City with an aggregate GFA of approximately 2,269,130 sq m.

With an experienced and driven management team, the Group strives for operational excellence and quality development. The Group has been awarded the "2005 China Real Estate Golden Tripod Award – China Quality Real Estate of the Year", "The PRC Quality Property Development Award" in 2006 and "China Quality Construction Silver Award" in 2007, "2008 Top 10 Enterprises of Nanchang Commodity Housing Sales", "2008-09 Most Influential Development Project in Jiangxi", "2009 China Real Estate Golden Tripod Award", "2009 China Real Estate Golden Building Award", "2010 Top 10 Brand of Guangzhou Property, "2011 Most Price/Performance Ratio Property in Jingxi", "10 High-end Real Estate Award – Shan Qing Shui Xiu", "Guangzhou Gold Medal Units Award – Ming Yue Jin An", "2012 Guangzhou Top 10 Livable Units Award – Ming Yue Shui An", "2013 Guangzhou Gold Medal Units Award – Ming Yue Shui An" and "2014 China Real Estate Golden Tripod Award – Most Reliable Property Brand".

The Company was listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 9 May 2007.

Five Years Key Financial Highlights

	FY2015	FY2014	FY2013	FY2012	FY2011
Revenue (RMB'000)	**444,864**	1,328,301	867,524	838,015	397,348
Gross Profit (RMB'000)	**81,688**	398,979	291,202	296,489	71,704
Net Profit/(Loss) For The Year (RMB'000)	**(41,882)**	206,927	108,444	158,404	(35,870)
Net Profit/(Loss) Attributable to Owners of the Company (RMB'000)	**(26,819)**	143,744	96,293	126,160	(26,952)
Dividend Per Share (RMB cents)	**–**	1	2	–	–
Total Assets (RMB'000)	**4,873,539**	4,467,917	4,528,406	3,805,279	2,944,702
Net Assets (RMB'000)	**1,079,257**	1,125,963	890,352	781,256	557,554
Shareholders' Equity (RMB'000)	**771,070**	805,213	628,785	533,633	395,437

FINANCIAL RATIO					
(1) Gross Profit Margin	**18.4%**	30.0%	33.6%	35.4%	18.0%
(2) Net Profit/(Loss) Margin	**(9.4%)**	15.6%	12.5%	18.9%	(9.0%)
(3) Basic Profit/(Loss) Per Share (RMB dollars)	**(0.39)**	2.13	1.47	1.97	(0.43)
(4) Net Assets Value Per Share (RMB dollars)	**11.11**	11.60	9.60	8.15	6.28
(5) Return on Equity (%)	**(3.4%)**	20.0%	16.6%	27.2%	(6.6%)
(6) Net Debt to Equity (%)	**131.9%**	105.7%	80.2%	77.3%	104.3%

Notes:

(1) Gross profit margin equals gross profit divided by revenue.

(2) Net profit/(loss) margin equals net profit/(loss) for the year divided by revenue.

(3) Basic profit/(loss) per share equals net profit/(loss) attributable to owners of the Company divided by weighted average number of shares.
The Company had completed the share consolidation of 10 existing ordinary shares into 1 ordinary share on 29 July 2015. The weighted average number of ordinary shares was adjusted retrospectively for all periods presented.

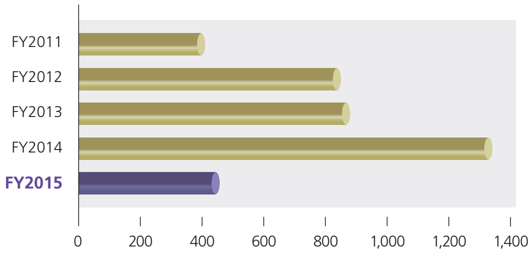
(4) Net assets value per shares equals equity attributable to owners of the company divided by number of shares.

(5) Return on equity equals net profit/(loss) attributable to owners of the Company divided by average of shareholders' equity.

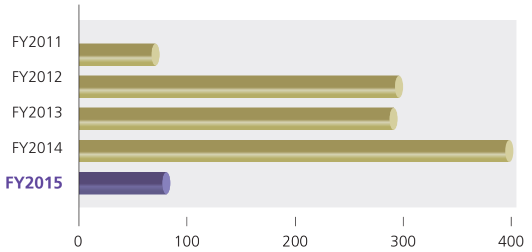
(6) Net debt to equity equals total borrowings less cash and cash equivalents divided by total equity.

FINANCIAL HIGHLIGHTS (express in RMB million)

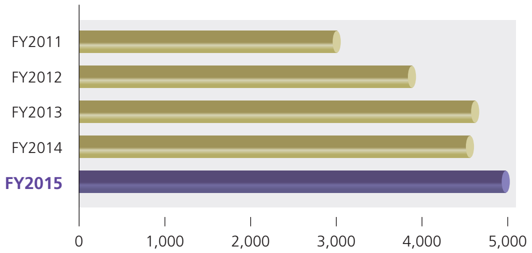
Revenue



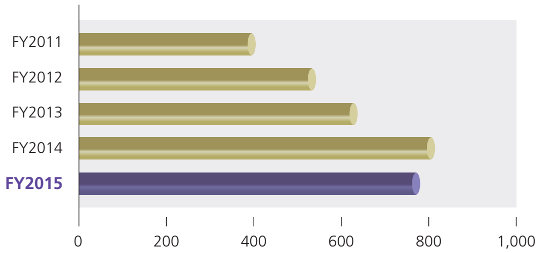
Gross Profit



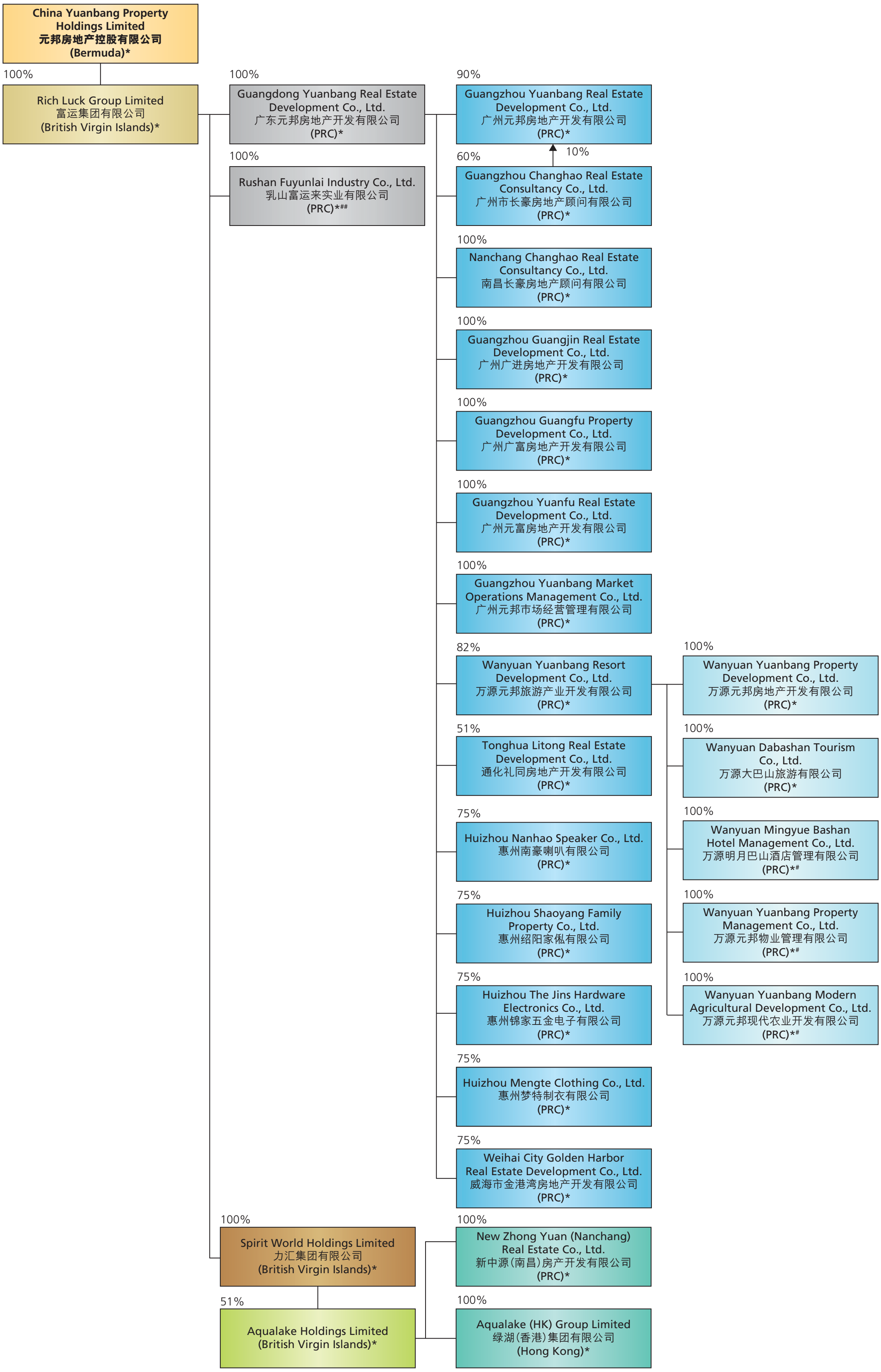
Total Assets



Shareholders' Equity



Corporate Structure



* Place of incorporation/establishments
\# Incorporated during the year

Chairman's Statement

Chairman's Statement

DEAR SHAREHOLDERS:

Lin Yeju *Non-Executive Chairman*

On behalf of the Board of Directors (the "Directors") of China Yuanbang Property Holdings Limited ("Yuanbang" and together with its group of companies, the "Group"), I am pleased to present to you the annual results of the Group for the financial year ended 30 June 2015 ("FY2015").

In FY2015, the property sector in the People's Republic of China ("PRC") continued to be volatile. For the calendar year of 2014, the area of commodity housing sold declined by 7.6% and sales volume also declined by 6.3% as compared with the corresponding previous year.

In view of the weakening of the property market in China, the Chinese government took steps to stimulate the real estate market since the start of 2015 by (i) easing bank reserve-requirement ratios to boost lending, (ii) easing on cooling measures specific to the real estate sector such as lowering the down payment for first-time and second-time homebuyers, and (iii) exempting the business tax upon transfer of the properties that were owned for more than two years.

In the first half of 2015, the property market showed sign of recovery and entered into a "new normal" phase, that seemed to be steadier and displayed a more sustainable growth compared with the very rapid growth seen several years ago. For the first half of 2015, the area of commodity housing sold saw a period on period increase of 4.5% and the sales volume has a period on period increase of 12.9%.

YEAR IN REVIEW

China Yuanbang recorded a revenue decrease of 66.5% at RMB444.9 million for FY2015, compared to RMB1,328.3 million in the previous corresponding period ("FY2014").

Net (loss)/profit attributable to equity holders of the Group decreased by 118.7% to a loss of RMB26.8 million in FY2015 from profit of RMB143.7 million in FY2014.

The Group's revenue for FY2015 was mainly derived from the sale of three development projects which are Huadu Project Phases I and II (namely Shan Qing Shui Xiu) and Xilang Project (namely Ming Yue Shui An) in Guangzhou City; as well as Phase II of Aqua Lake Project (namely Aqua Lake Grand City) in Nanchang City.

Gross profit decreased by RMB317.3 million to RMB81.7 million for FY2015 compared to RMB399.0 million in FY2014. The decrease in gross profit was due mainly to fewer residential units handed over during the year.

Gross profit margin decreased to 18.4% in FY2015 from 30.0% in FY2014. The dip in gross profit margin was mainly due to i) a low profit margin from the sales of residential units and car parks which comprised the bulk of revenue in FY2015 while in FY2014, revenue included the sales of commercial units which commanded higher gross profit margins; and ii) the sales of the Aqua Lake Project in FY2014 which has a higher profit margin than the Group's projects in Guangzhou.

The Group recorded a gain of RMB26.7 million arising from fair value adjustments on the Group's investment properties in FY2015 compared to RMB96.2 million in FY2014 based on the valuation carried out by Jones Lang LaSalle Corporate Appraisal and Advisory Limited on 21 August 2015. The gain was mainly due to the improvement in real estate prices in certain cities of the PRC.

The Group recorded other income and gains of RMB23.8 million for FY2015 which was RMB2.7 million higher compared to RMB21.1 million in FY2014. The increase was due to the launch of Batai Mountain National Park in October 2014, which generated ticket sales income of RMB2.8 million for the year.

As a result of the overall decrease, the Group recorded a net loss attributable to shareholders of RMB26.8 million, which was RMB170.6 million lower compared to profit of RMB143.8 million in FY2014.

The Group's financial position remained stable, which was backed by RMB1,079.3 million of net assets as at 30 June 2015. This represents a slight decrease of RMB46.7 million, compared to RMB1,126.0 million as at 30 June 2014. This translates to a 4.2% decrease in net asset value per share to RMB11.11 compared to RMB11.60 recorded at 30 June 2014.

BUSINESS OUTLOOK

Moving ahead, the Group will focus and intensify the ongoing sale programme for its five current developments launched, ie Shan Qing Shui Xiu, Aqua Lake Grand City (Phase II), Ming Yue Xing Hui, Ming Yue Jin An and Ming Yue Shui An.

The Group expects to hand over the pre-sold units to the buyers from 1QFY2016 onwards and these will be progressively recognised as revenue once the units are handed over to the buyers.

The Group has also pre-launched the sale of its Phase I of Ren Jie Di Ling project in Rushan City and Hou De Zai Wu project in Tonghua City with a total of 170 units and 300 units available for sale, respectively. The Group will be planning for a full-scale launch in due course.

In addition, the Group is in the process of planning and constructing three other developments, namely Batai Mountain Project in Wanyuan City and Huizhou Project in Huizhou City.

The Group remains positive about the longer term prospects on the real estate market, albeit China's economy grew 7.0% year-on-year in the first half of 2015, its slowest pace in ten years. Notwithstanding, the real estate market in China has begun to show some gradual improvements. Since the start of 2015, the Chinese government had taken steps to stimulate the real estate market as mentioned earlier on page 7 of this Annual Report.

Premier Li Keqaing had highlighted before that the urban population in the PRC had increased by 18 million and the urbanization rate had increased by 1.04% to around 55% in 2014. The Group believes that the urbanization process will lead to a significant demand for quality real estate in long term. The Group will therefore continue to identify suitable land banks in the high-growth regions of the first and second tier cities within the PRC for acquisition in the near future and to be actively involved in the "reconstruction of urban-village" ("城中村"改造) projects initiated by the Chinese government in its drive for urbanization.

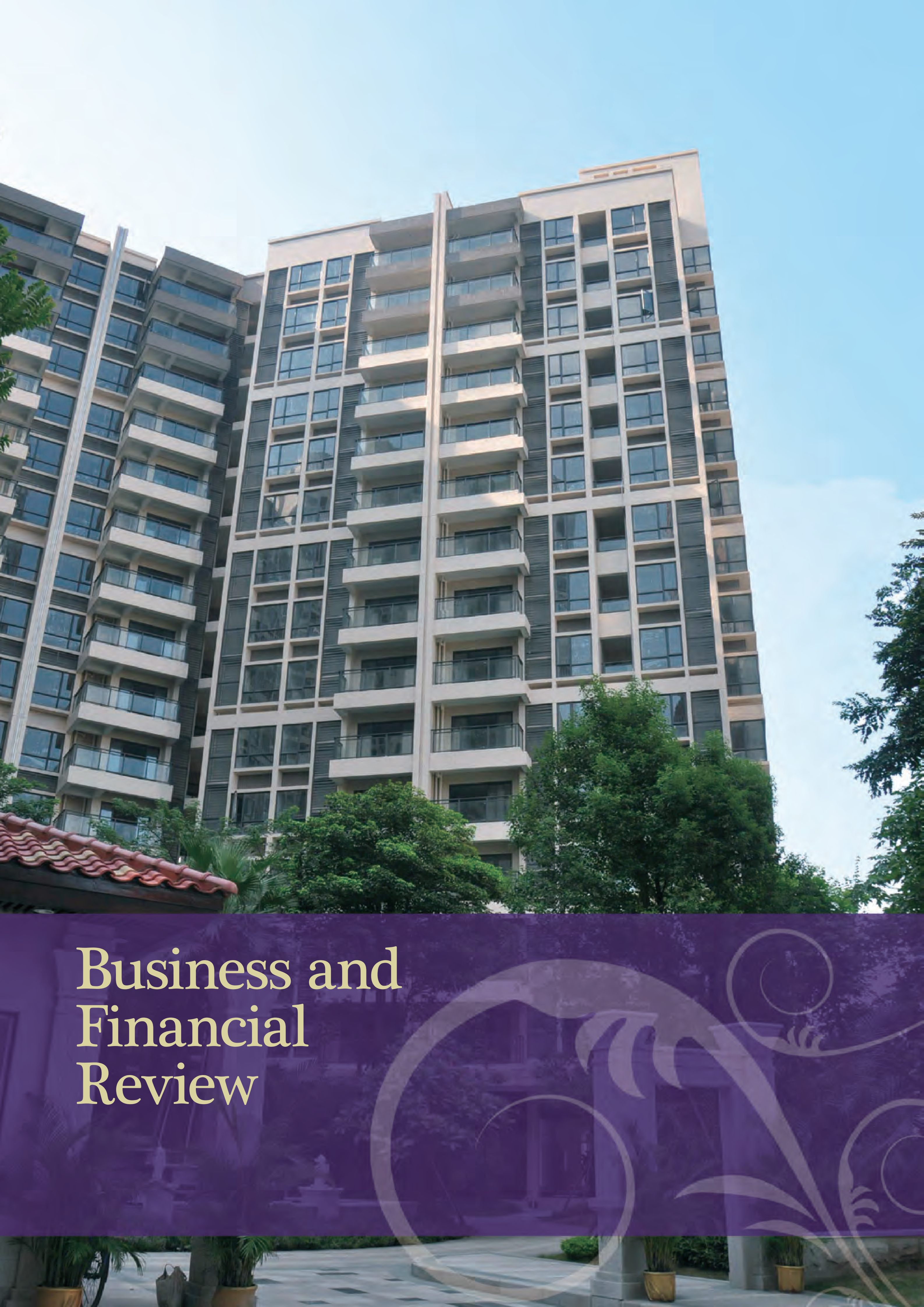
NOTE OF APPRECIATION

On behalf of the Board, I wish to express my deepest appreciation to our Board of Directors, management team and staff for their dedication and contributions to the Group.

I would also like to thank Mr Chen Jianfeng and the late Mr. Kuik See Juan for their contributions during their tenure as Directors of the Company. I also welcome Mr Chong Soo Hoon Sean who was appointed as an Independent Director of the Company during the year to the Board.

Last but not least, I would like to express my sincerest gratitude to our shareholders, customers and business associates for their continued trust and support.

Lin Yeju
Non-Executive Chairman



Business and Financial Review

Business and Financial Review

BUSINESS REVIEW

PROJECTS IN REVIEW

Aqua Lake Grand City

Located at Hongjiaozhou, Honggu Tan New District, a new central business district of Nanchang City, Aqua Lake Grand City is the recipient of the "2008 Top 10 Enterprises of Nanchang Commodity Housing Sales" and "2008-09 Most Influential Development Project in Jiangxi".

Occupying a total site area and GFA of approximately 193,380 sq m and 444,958 sq m respectively, the development was built in three phases, with residential, commercial, office and hotel.

Phase I, comprising 851 residential units and 80 commercial units, was completed in 2009 and is handover completely as at 30 June 2013.

Phase II, comprising 1,005 residential units and 127 commercial units, was completed in 2012. As at 30 June 2015, Phase II has generated a total contracted sales of approximately RMB1.6 billion, with 963 residential units sold. During FY2015, 20 residential units had been handed over with a revenue of RMB77.9 million generated. With 95% of the residential units handed over to buyers, the value of pre-sale units not handed over to buyers stood at RMB106.5 million as at 30 June 2015.

For Phase III, the Group had entered into a sale and purchase agreement with certain independent third parties in relation to the proposed sale of the hotel for an aggregate consideration of RMB268 million on 13 May 2013. As at 30 June 2015, the Group had received over 85% of the consideration from the sale and expects to receive the remaining amount by end of this year.

Shan Qing Shui Xiu

Shan Qing Shui Xiu is located at North Shanqian Tourist Avenue Qixin Village, Furong Town Huadu District, Guangzhou, and in close proximity to the economic circle in Guangzhou.

This development site occupies a total site area and planned GFA of approximately 269,572 sq m and 351,594 sq m. It comprises three phases of development with a focus on low density villas and good class residences.

Phase I, comprising 284 residential units, was completed in 2012. 78% of the units were handed over to buyers as at 30 June 2015. Phase II, comprising 124 residential units, was completed in 2013. 65% of the units were handed over to buyers as at 30 June 2015. Phase III, comprising 1,200 residential units, had been launched its first batch of sale of 280 residential units in January 2015. Targeted completion date is in 2016.

As at 30 June 2015, Shan Qing Shui Xiu has generated a total contracted sales of approximately RMB943.2 million, with 519 residential units sold. During FY2015, 69 residential units had been handed over with a revenue of RMB201.1 million generated. The value of pre-sale units not handed over to buyers stood at RMB151.0 million.

Ming Yue Xing Hui

This residential and commercial development project is located at Wenchang North Road, Liwan District of Guangzhou City. Occupying a total site area and planned GFA of approximately 9,510 sq m and 68,139 sq m respectively, it comprises 6 blocks of 30-storey apartments with a clubhouse and an underground car park.

With a total of 431 residential units and 219 commercial units, Ming Yue Xing Hui is accessible via major transport networks and near community amenities. It is also located at the core zone of the antique and jade trading centre and the traditional commercial, cultural and tourism centre in Guangzhou.

As at 30 June 2015, Ming Yue Xing Hui has generated a total contracted sales of approximately RMB947.9 million, with all residential units and 146 car park lots sold. During FY2015, 3 residential units and 4 car park lots had been handed over with a revenue of RMB18.0 million generated.

With 99% of the project handed over to buyers, the value of pre-sale units not handed over to buyers stood at RMB45.7 million as at 30 June 2015.

Ming Yue Jin An

Located at Northern West Hengsha Village Shijing Town Baiyun District Guangzhou City, Guangdong Province, Ming Yue Jin An occupies a total site area and GFA of approximately 26,505 sq m and 50,350 sq m. It comprises 8 blocks of 12 to 15-storey apartments, 7 blocks of low-density villas with a clubhouse and an underground car park. The project, comprising 404 residential units, was completed in 2013

As at 30 June 2015, Ming Yue Jin An has generated a total contracted sales of approximately RMB550.2 million, with 402 residential units sold. During FY2015, 24 residential units had been handed over with a revenue of RMB41.5 million generated.

With 90% of the units handed over to buyers as at 30 June 2015, the value of pre-sale units not handed over to buyers stood at RMB39.1 million.

Ming Yue Shui An

Located at Yu'anwei Xilang Village, South of Huadi Avenue, Liwan District, Guangzhou City, Guangdong Province, Ming Yue Shui An is strategically located near the Huadi River and is in close proximity to the metro line and GZ-Foshan railway.

It occupies a site area and GFA of 48,194 sq m and 139,134 sq m respectively. It comprises 10 blocks of 5 to 30-storey apartments and commercial units with an underground car park. The project, comprising 605 residential units, was completed in 2013.

As at 30 June 2014, Ming Yue Shui An has generated a total contracted sales of approximately RMB586.8 million, with 404 residential units sold. During FY2015, 83 residential units had been handed over with a revenue of RMB105.1 million generated.

With 14% of the units handed over to buyers as at 30 June 2015, the value of pre-sale units not handed over to buyers stood at RMB481.7 million.

Hou De Zai Wu

Located at Tonghua City, Jiang Nan Xin Qu, Xiu Zheng Da Qiao Nan Ce, Jilin Province, Hou De Zai Wu is near the new economic and political centre.

It occupies a site area and planned GFA of approximately 224,677 sq m and 538,360 sq m respectively. The project comprises 47 blocks of 7 to 25-storey apartments with a total of 1,920 residential units, 656 commercial units and an underground car park.

The project has been launched its first batch of sale of 300 residential units in June 2015. Targeted completion date is in 2016.

Ren Jie Di Ling

Located at North of Guangzhou Road, West of Zhanjiang Road, Rushan City, Shandong Province, Ren Jie Di Ling is located at the Shandong Golden Economic Circle and near the new railway cargo station.

It occupies a site area and GFA of 65,863 sq m and 214,322 sq m respectively. It comprises 4 blocks of 6 to 7-storey apartments and commercial units with an underground car park. Phase 1 of the 170 unit apartment had been launched in 2013. As at 30 June 2015, 55 units were sold and none of them has been handed over. These pre-sale units are expected to be handed over to buyers in FY2016.

Batai Mountain Project Tianchiba Village

This development site is located at Wanyuan City, Batai Town, Tianchiba Village, Sichuan Village and occupies a site area and GFA of approximately 231,137 sq m and 462,273 sq m. The project involves the development of a plot of land with an area of approximately 120sqkm located in the vicinity of Batai Mountain National Park (八台山国家地质公园) and Longtan River Scenic Area (龙潭河景区) with the long-term aim of developing a premier tourist attraction with an AAAAA-grade national scenic area certification from the National Tourism Administration of PRC within 10 years.

This marks the Group's first tourism property project, with a mixture of residential, villa and commercial units under development since 2012. The National Park was launched in October 2014 and generated RMB2.8 million for FY2015.

Huizhou Project

This development side is located at Huizhou City, Boluo Country, Longxi Town, Honghuayuan of Hutou Village and occupies a site area of approximately 130,830 sq m.

Currently, the land is approved for industrial development. The company has initiated the application process with the local government for the conversion of the industrial land for residential and commercial use. The project is targeted for commencement in 2016.

INVESTMENT PROPERTY

The investment property held by the Group has generated approximately RMB16.7 million of revenue for FY2015.

	Property	
1	Levels 1,2,4-7 of Yuanbang Mansion	These units are located at No. 599 Huangshi West Road Baiyun District, Guangzhou City and occupy a GFA of 4,316.6 sq m. It was 100% occupied as at 30 June 2014, with the lease expiring from 31 Dec 2015 to 31 March 2016.
2	Unit 78 on Level 2 of Yuanbang Aviation Homeland	Located at Huangshi West Road, Baiyun District, Guangzhou City, the unit occupies a GFA of 42.7 sq m and was vacant as at 30 June 2015.
3	219 retail units on Levels 1 to 3 of Ming Yue Xing Hui Building	Located at No. 242 to 272 Wenchang North Road, Liwan District, Guangzhou City, the units occupy a GFA of 7,681.79 sq m. The units were 92% occupied as at 30 June 2015 with the lease expiring from 31 Dec 2015 to 29 February 2020.

BUSINESS OUTLOOK

The Group is on schedule for all its construction projects in progress. Presales of RMB1.08 billion as at 30 June 2015 will be progressively recognised from first quarter of FY2016 as the completed units are handed over to buyers.

Revenue contribution in FY2016 is expected to come mainly from three projects namely Shan Qing Shui Xiu, Ming Yue Shui An and Hou De Zai Wu.

Going forward, the Group believes that demand will remain resilient. To replenish its land bank, the Group is looking to acquire more land in first or second tier cities.

FINANCIAL REVIEW

China Yuanbang had recorded a decrease in revenue of 66.5% at RMB444.9 million for the financial year ended 30 June 2015 ("FY2015"), compared to RMB1,328.3 million in the previous corresponding period ("FY2014").

Net (loss) profit attributable to equity holders of the Group had decreased by 118.7% to loss of RMB26.8 million in FY2015 from profit of RMB143.7 million in FY2014.

The Group's revenue for the year ended 30 June 2015 was mainly derived from the sale of three development projects which are Huadu Project Phases I and II (namely Shan Qing Shui Xiu) and Xilang Project (namely Ming Yue Shui An) in Guangzhou City; as well as Phase II of Aqua Lake Project (namely Aqua Lake Grand City) in Nanchang City.

Gross profit decreased by RMB317.3 million to RMB81.7 million for FY2015 compared to RMB399.0 million in FY2014. The decrease in gross profit was due mainly to fewer residential units handed over during the year.

Gross profit margin decreased to 18.4% in FY2015 from 30.0% in FY2014. The dip in gross profit margin was mainly due to i) a low profit margin from the sales of residential units and car parks which comprised the bulk of revenue in FY2015 while in FY2014, revenue included the sales of commercial units which commanded higher gross profit margins; and ii) the sales of the Aqua Lake Project in FY2014 which has a higher profit margin than the Group's projects in Guangzhou.

The Group recorded a gain of RMB26.7 million arising from fair value adjustments on the Group's investment properties in FY2015 compared to RMB96.2 million in FY2014 based on the valuation carried out by Jones Lang LaSalle Corporate Appraisal and Advisory Limited on 21 August 2015. The gain was mainly due to the improvement in real estate prices in certain cities of the PRC.

The Group recorded other income and gains of RMB23.8 million for FY2015 which was RMB2.7 million higher compared to RMB21.1 million in FY2014. The increase was due to the launch of Batai Mountain National Park in October 2014, which generated ticket sales income of RMB2.8 million for the year.

The Group recorded selling expenses of RMB33.7 million for FY2015 which was RMB36.6 million lower compared to RMB70.3 million in FY2014. The decrease was mainly due to fewer advertising and promotional activities during the year.

The Group recorded administrative expenses of RMB100.0 million for FY2015 which was RMB4.2 million lower compared to RMB104.2 million in FY2014. The decrease was mainly due to (i) lower entertainment expenses due to the implementation of cost controls policy; and (ii) lower local taxes incurred relating to the Group's Aqua Lake Project during the year

As a result of the overall decrease, the Group recorded a net loss attributable to shareholders of RMB26.8 million, which was RMB170.6 million lower compared to profit of RMB143.8 million in FY2014.

CASH FLOWS ANALYSIS

For FY2015, the Group recorded RMB42.0 million of cash used in operating activities which was mainly attributable to the increase in properties held under development which was partially off-set by the decrease in properties held for sales and increase in account payables.

Net cash outflow from investing activities in FY2015 of RMB18.4 million was mainly due to the increase in restricted bank deposits and the purchases of property, plant and equipment.

Net cash inflow from financing activities in FY2015 of RMB66.0 million was mainly due to the net proceeds from bank and other borrowings, which was off-set against the interest and dividend paid.

As a result, the Group has a cash and cash equivalent of RMB101.9 million.

FINANCIAL POSITION

Non-current assets

As at 30 June 2015, the Group's non-current assets stood at RMB512.1 million, representing an increase of RMB31.5 million compared to RMB480.6 million as at 30 June 2014. The increase was mainly attributable to an increase in investment properties of RMB27.1 million and property, plant and equipment of RMB7.5 million.

The increase in investment properties was mainly due to fair value adjustments as per valuation carried out by Jones Lang LaSalle Corporate Appraisal and Advisory Limited on 21 August 2015 on the Group's investment properties.

Current assets

As at 30 June 2015, the Group's current assets stood at RMB4,361.5 million, representing an increase of RMB374.1 million compared to RMB3,987.4 million as at 30 June 2014. The increase was mainly attributable to an increase in properties held for sale of RMB723.1 million which was partially offset by the decrease in property held under development of RMB387.1 million. The increase in property held for sales and decrease in property held under development was due to the completion of Ming Yue Shui An during the period and as a result, the project was reclassified as "property held for sale" instead of "property held under development".

Current liabilities

As at 30 June 2015, the Group's current liabilities stood at RMB2,754.5 million, representing an increase of RMB292.8 million, compared to RMB2,461.7 million as at 30 June 2014.

This was due mainly to i) an increase in account payables of RMB169.6 million due to the Group's contractors and suppliers; ii) an increase in interest-bearing bank and other borrowings of RMB80.0 million.

The overall increase was offset by the decrease in income tax payable following the payment of taxes during the year.

Non-current liabilities

As at 30 June 2015, the Group's non-current liabilities stood at RMB1,039.8 million, representing an increase of RMB159.6 million, compared to RMB880.2 million as at 30 June 2014. This was mainly due to the increase in bank and other borrowings of RMB159.6 million as a result of proceeds from new loans obtained during the year.

Total equity

As at 30 June 2015, the Group's equity stood at RMB1,079.3 million, representing a decrease of RMB46.7 million, compared to RMB1,126.0 million as at 30 June 2014. This was mainly due to the loss for the year and the payment of dividend.

Projects Highlights

Name of property development/Location	Site area (sq m)	Planned GFA (sq m)	Type	Tenure	Effective equity interest (%)	Approximate percentage completion (%)
Properties fully handed over						
Yuanbang Aviation Homeland (元邦航空家园) Huangshi West Road Baiyun District, Guangzhou City Guangdong Province, PRC	34,398	127,999	R, C	R: 70 years C: 40 years Other uses: 50 years	96	100
Yuanbang Mingyue Gardens (元邦明月园) He'nan Chigang Haizhu District, Guangzhou City Guangdong Province, PRC	13,843	65,527	R, C	R: 70 years C: 40 years Other uses: 50 years	100	100
Total	**48,241**	**193,526**				
Properties noy yet fully handed over						
Aqua Lake Grand City (绿湖豪城) Hongjiaozhou Honggutan New District Nanchang City Jiangxi Province, PRC	193,380	444,958	R, C, H	R: 70 years C: 40 years Other uses: 50 years	51	PI: 100% PII: 95% PIII: Sold but not yet handed over
Shan Qing Shui Xiu (山清水秀) North Shanqian Tourist Avenue Qixin Village, Furong Town Huadu District, Guangzhou City Guangdong Province, PRC	269,572	351,594	R	R: 70 years	100	PI: 78% PII: 65% PIII: commenced pre sale
Ming Yue Xing Hui (明月星辉) Wenchang North Road Liwan District, Guangzhou City Guangdong Province, PRC	9,510	68,139	R, C	R: 70 years C: 40 years	100	R: 99% C: commenced leasing
Ming Yue Jin An (明月金岸) Northern West Hengsha Village Shijing Town Baiyun District Guangzhou City Guangdong Province, PRC	26,505	50,350	R, C	R: 70 years C: 40 years Other uses: 50 years	100	R: 90%

Name of property development/Location	Site area (sq m)	Planned GFA (sq m)	Type	Tenure	Effective equity interest (%)	Approximate percentage completion (%)
Ming Yue Shui An (明月水岸) Yu'anwei, Xilang Village South of Huadi Avenue Liwan District, Guangzhou City Guangdong Province, PRC	48,194	139,134	R, C	R: 70 years C: 40 years Other uses: 50 years	100	R: 14%
Hou De Zai Wu (厚德載物) Jiang Nan Xin Qu Xiu Zheng Da Qiao Nan Ce Tonghua City Jilin Province, PRC	224,677	538,360	R, C	R: 70 years C: 40 years Other uses: 50 years	51	R: commenced pre sale
Ren Jie Di Ling (人杰地灵) North of Guangzhou Road West of Zhanjiang Road Rushan City Shandong Province, PRC	65,863	214,322	R, C	R: 70 years C: 40 years	75	R: commenced pre sale
Batai Mountain Project Tianchiba Village, Batai Town Wanyuan City Sichuan Province, PRC	231,137	462,273	R, C	R: 70 years C: 40 years	82	N/A
Huizhou Project Honghuayuan of Hutou Village Longxi Town, Boluo County Huizhou City Guangdong Province, PRC	130,830	N/A	I	I: 50 years	75	N/A
Total	**1,199,668**	**2,269,130**				

R = Residential
C = Commercial
I = Industrial
H = Hotel & Service Apartment

Board of Directors

Madam Lin Yeju（林叶菊）, Age 46
Non-Executive Chairman

Madam Lin was appointed as the Group's Non-Executive Director and Chairman of the Board on 5 February 2015. From 1990 to 1993, Madam Lin worked in Guangdong Hongda No. 6 Construction Company as Accounting Manager and was responsible for cash budgeting and fund raising. From 2008 to present, she is an Executive Director of the Group's subsidiary, Nanchang Changhao Real Estate Consultancy Co. Ltd. She is in charge of the sales and marketing activities of the Nanchang Project.

Mr. Ouyang Sheng（欧阳生）, Age 51
Executive Director/Chief Executive Officer

Mr. Ouyang was appointed as the Group's Executive Director on 20 December 2006 and was last re-elected on 24 October 2012. Mr. Ouyang was also appointed as the Group's Chief Executive Officer on 8 May 2015. Mr. Ouyang is responsible for the Group's property development strategies, identifying new business opportunities and overseeing the day-to-day operations of the Group.

Mr. Ouyang started his career with Jiangxi Fengcheng Mining Bureau（江西丰城矿务局）in August 1984 as Engineering Vice-Manager, and was responsible for managing the engineering construction projects. He joined the Group in September 1999 as a Quality Control Manager. Mr. Ouyang graduated from Jiangxi Polytechnic University（江西工业大学）in July 1984 with a Bachelor's degree in Construction. Mr. Ouyang also obtained a Bachelor's degree in Economics from the China Coal Economics College（中国煤炭经济学院）in July 1991. Mr. Ouyang is currently a construction cost engineer and a senior project management engineer of the People's Republic of China, Guangdong Province Human Resources Bureau（广东省人事厅）. He is also a construction enterprise second level project manager recognised by Coal Industry Basic Infrastructure Co.（煤炭工业基本建设司）and an economist of the People's Republic of China Human Resources Department（中国人民共和国人事部）. In 2010, Mr. Ouyang obtained a Master's of Business of Administration from University of South Australia.

Mr. Zheng Shaorong（郑少荣）, Age 49
Executive Director

Mr. Zheng was appointed as the Group's Executive Director on 29 October 2013 and was last re-elected on 24 October 2014. Mr. Zheng is responsible for the Group's business development. Mr. Zheng started his career with Guangzhou Pearl River Enterprise Group Limited（广州珠江实业集团有限公司）in 1987 as leading Accountant, and was responsible for overseeing the financial department of the company. In 1989, Mr. Zheng joined Swiss Zhongxing Investments Co. Ltd.（瑞士中星投资有限公司）as Vice General Manager and was responsible for the strategic planning of the company. Prior to joining the Group in April 2007, Mr. Zheng was the Chief Financial Officer of Guangzhou Ruifeng Industrial Co. Ltd.（广州瑞丰实业有限公司）. Mr. Zheng graduated from Guangzhou Jinan University（广州暨南大学）in 1987 with a Bachelor's degree in Economics. Mr. Zheng obtained a Master's of Business of Administration from Murdoch University of Australia in 2001 and a Doctor's degree in Finance from Shanghai Finance And Economics University（上海财经大学）in 2007. Mr. Zheng is a Senior Accountant since 1997 and a member of Senior Accountant Qualification Committee（高级会计师资格评审委员会）since 1999.

Mr. Teo Yi-Dar（张毅达）, Age 44

Independent Director

Mr. Teo was appointed as an Independent Director on 26 March 2007 and was last re-elected on 24 October 2012. He is an Investment Partner at SEAVI Advent Corporation Limited, the Asian affiliate of Boston-based Advent International Corp. Mr. Teo has over ten years of private equity, venture capital and direct investment experience. He manages investments in ASEAN and China and has invested in a number of companies in the electronics, chemical, engineering, manufacturing and technology sectors. Mr. Teo graduated from the National University of Singapore with a Bachelor's degree in Engineering in 1996. He also obtained a Master's of Science in Industrial Systems Engineering in 1998 and a Master's of Science in Applied Finance in 2000 from the same university. In 2001, Mr. Teo was recognised as a Chartered Financial Analyst by the CFA Institute.

Mr. Teo had been a non-executive director for SGX-listed Sin Heng Heavy Machinery Ltd, Net Pacific Financial Holdings Ltd and Shenzhen-listed Hainan Shuangcheng Pharmaceuticals Co. Ltd for the preceding 3 years. Mr. Teo is currently an Independent Director of Smartflex Holdings Ltd and Yangzijiang Shipbuilding (Holdings) Ltd, and a Non-Executive Director of HG Metal Manufacturing Limited.

Mr. Huang Zhangxin（黄章信）, Age 61

Independent Director

Mr. Huang was appointed as an Independent Director on 26 December 2010 and was last re-elected on 24 October 2014. He joined Wuhan Air Force Civil Aviation (「Wuhan Air Force」) Administration of Hubei Province, PRC in 1972. From 1978 to 2009, Mr. Huang joined design and construction review of some major projects at national, provincial and municipal levels and the review of investment and construction scale. He undertook inspection and acceptance and assessment in a national-grade inspection team toward large-scale projects. In 1988, Mr. Huang was transferred from Wuhan Air Force to the Construction Department of Guangzhou Administration Bureau and presided over work as Chief Clerk and Principal of Second Construction Department. In 1992, Mr. Huang worked in China Southern Air Holding Company and China Southern Airlines Company Limited, as an Chief Engineer, Assistant General Manager (minister-level) of the General Affairs Department and he also is a Chief Engineer of Southern Airlines Zhuhai XingYi Aviation Technology Company Limited. From March 2009, he retired early from the China Southern Airlines Company Limited. Mr. Huang graduated from the Civil Engineering Specialty of Wuhan University of Technology with a Bachelor's degree in Construction Engineer in 1978. He obtained Luban Engineering Award in 1996.

Mr. Chong Soo Hoon Sean (张诗云）, Age 40

Independent Director

Mr. Chong was appointed as an Independent Non-Executive Director on 13 March 2015. Mr. Chong is currently the managing director of Anda Capital Solutions Private Limited, a business advisory and investment firm. He has more than 15 years of experience in investment banking, corporate advisory and direct investment, in particular, he was actively involved in a broad range of corporate finance transactions for listed and private entities throughout the Asia-Pacific region, including initial public offers, mergers and acquisitions, rights issues and other corporate advisory work.

Mr. Chong graduated with a Bachelor's (Honours) degree in Accounting and Financial Studies from University of Exeter, United Kingdom. He is currently an Independent Non-Executive Director of China Kangda Food Company Limited (a public company dual-listed in Singapore and Hong Kong) and several private companies in Singapore.

Key Management Personnel

Mr. Chong Ching Hoi（庄清凯）, Age 33
Chief Financial Officer/Company Secretary

Mr. Chong joined our Group as Chief Financial Officer/Company Secretary on 1 November 2012. He is responsible for the preparation of all of our Group's financial statements as well as reviewing and developing effective financial policies and control procedures within our Group. Mr. Chong has over eight years of experience in accounting and auditing. Prior to joining the Group, he worked in an international accounting firm. Mr. Chong graduated from The Hong Kong University of Science and Technology in 2004 with a bachelor's degree in Business of Administration. He is also a member of the Hong Kong Institute of Certified Public Accountants and a member of the Association of Chartered Certified Accountants. In 2013, Mr. Chong was admitted a fellow member of Association of Chartered Certified Accounts.

Ms. Wang Manyu（王漫宇）, Age 47
Human Resources Manager

Ms. Wang joined our Group in March 2005. She is responsible for our Group's human resource management. Ms. Wang was a manager at Hunan Sheling Engineering Co.,（湖南社陵工程公司）a construction company, between September 1987 to October 1995, where she was responsible for the general management and supervision of the company. Between October 1995 and March 2005, Ms. Wang was a vice-general manager of Hongda where she was responsible for overseeing the construction budget of property construction projects. Ms. Wang obtained her Bachelor's degree in Construction in July 1987. In September 2003, Ms. Wang obtained a Master's degree in Business Administration from Renmin University of China-Research Institute（中国人民大学生一研究所）. Ms. Wang is currently a member industrial construction engineer of the Guangdong Province Human Resources Bureau（广东省人事厅）. She is also currently a construction cost engineer of the People's Republic of China Guangdong Province Human Resources Bureau（中国人民共和国广东省人事厅）. In January 2004, Ms. Wang was named High Moral Values Worker of GuangDong Yuanbang, and in May 2006, she was named Outstanding Contributing Worker of GuangDong Yuanbang.

Mr. Zhou Jiangtao（周江涛）, Age 43
Operations Manager

Mr. Zhou joined our Group in August 2005. He is responsible for the management and implementation of our Group's property development projects. Mr. Zhou started his career in October 1991, when he joined Guangdong Kangli Electrical and Gas Group（广东康立通用电器集团有限公司）as a manager and was responsible for managing the installation of basic construction and other engineering works. In December 1999, Mr. Zhou left Guangdong Kangli Electrical and Gas Group（广东康立通用电器集团有限公司）and joined Hongda, where he held the position of vice-general manager between March 2000 and August 2005. As vice-general manager, Mr. Zhou was responsible for managing all aspects of the company's property construction projects. Mr. Zhou graduated from the Guangdong National Defence Polytechnic University（广东国防工业大学）in July 1991 where he obtained a Bachelor's degree in Automated Electrical Appliances. In October 2003, Mr. Zhou was certified a qualified construction and utilities installation engineer by the Guangdong Province Human Resources Bureau（广东省人事厅）.

Corporate Governance Report

The Board of Directors (the "Board") of China Yuanbang Property Holdings Limited ("the Company") is committed to maintaining a high standard of corporate governance within the Company and its subsidiaries (the "Group"), through the implementation of self-regulatory and monitoring mechanisms within the Group.

This report outlines the Group's governance framework in compliance with the Code of Corporate Governance 2012 (the "CG2012"), where applicable, relevant and practicable to the Group. Any deviation from the guidelines of the CG2012 or areas of non-compliance are provided.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The Board oversees the business and corporate affairs of the Group. It sets the Group's strategic direction and vision and directs the Group's overall strategy, policies, business plans, as well as, stewardship and allocation of the Group's resources. Board members are expected to act in good faith and exercise independent judgement in the best interests of the Group.

The Board's role includes:

(i) providing effective leadership, reviewing and approving strategic plans, annual budget, major objectives, investing and funding activities;

(ii) overseeing the process related to risk management and internal controls, financial reporting and compliance including approving and release of financial results and announcements of material transactions;

(iii) approving compensation policies for key management personnel;

(iv) reviewing and monitoring the Group's performance towards maximizing shareholders' value;

(v) declaring interim and final dividends;

(vi) approving the appointments/re-appointments/re-elections of Directors and appointment of key management personnel; and

(vii) overseeing the proper conduct of the Group's business, setting the Group's values and standards and assuming responsibility for corporate governance.

The Board objectively makes decisions in the interests of the Group. The Board is supported by the Audit Committee ("AC"), Remuneration Committee ("RC"), Share Option Scheme Committee and Nominating Committee ("NC"). The Board accepts that while these Board Committees have the power to make decisions or execute actions or make recommendations in their specific areas respectively, the ultimate responsibility rests with the Board.

The Board and Board Committees meetings are scheduled in advance to coincide with the release of the announcements of the Group's quarterly and year-end results. As and when required, additional Board meetings will also be held to address significant transactions or issues that arise in between the scheduled meetings. The Bye-laws of the Company provide for the attendance at meetings by the Directors through teleconferencing or video-conferencing. Directors who are unable to attend any unscheduled or ad hoc Board meetings which are convened on short notice will be able to participate in the meeting via such means.

When circumstances require, the Directors may also request for further explanation, briefing or discussion on any aspect of the Group's operations or business from Management and/or exchange views outside the formal environment of Board meetings.

All the Board Committees consist all non-executive Directors. Further details of the scope and functions of the various Board committees are set out in the later part of the Report.

The Board has delegated day-to-day operations to Management, while reserving certain key matters for its approval. The Group has put in place an Authorisation Matrix setting out the approving authority and limit guidelines, in particular the level of authorisation required for specified transactions, including those that require Board approval. Matters that specifically require Board approval are the Group's financial results, annual budgets, annual reports, financial statements, interested person transactions, acquisitions and disposal of assets, corporate or financial restructuring, dividend payments and the convening of members' meetings. Board approval is also required for any matters which are likely to have a material impact on the Group's operating units and/or financial positions as well as matters other than in the ordinary course of business.

Details of Board and Board committee meetings held during FY2015 are disclosed in the table below:

Meeting	Board	Audit Committee	Nominating Committee	Remuneration Committee
Total held in FY2015	4	4	3	1
Chen Jianfeng[1]	2	N/A	1	N/A
Lin Yeju[2]	2	N/A	N/A	N/A
Ouyang Sheng[3]	4	N/A	N/A	N/A
Zheng Shaorong	4	N/A	N/A	N/A
Kuik See Juan[4]	1	1	1	1
Teo Yi-Dar	4	4	3	1
Huang Zhangxin	4	4	3	1
Chong Soo Hoon Sean[5]	1	1	1	N/A

NA: Not applicable

1. Mr. Chen Jianfeng stepped down as an Executive Director and ceased as the Chairman of the Board on 23 January 2015.

2. Madam Lin Yeju was appointed as a Non-Executive Director and Chairman of the Board on 5 February 2015.

3. *Mr. Ouyang Sheng was appointed as the Chief Executive Officer in place of Mr. Zhou Xiaoxiong on 8 May 2015.*

4. Mr. Kuik See Juan demised on 31 December 2014.

5. Mr. Chong Soo Hoon Sean was appointed as an Independent Director on 13 March 2015.

6. There was no Share Option Committee meeting held for FY2015.

The Group encourages Directors to receive regular training and updates on relevant laws and regulations and to participate in conferences, seminars or any training programme to equip them with the relevant knowledge to discharge their duties and responsibilities as Directors in an effective and efficient manner. Relevant updates and/or news releases issued by the SGX-ST will also be circulated to the Board for information.

Pursuant to the Guideline 1.6 of the CG2012, all Directors had participated in various continuous professional development programmes such as attending internal briefing sessions in relation to the corporate governance, attended relevant seminars or conference to develop professional skills and knowledge, and read materials in relation to regulator updates.

All Directors have been updated on the latest developments regarding the Singapore Listing Rules and other applicable regulatory requirement to ensure compliance and enhance their awareness of good corporate governance practices. Continuing briefings and professional development to Directors will be arranged whenever necessary.

Newly appointed Directors are given letters of appointment setting out the terms of their appointment and their duties and obligations. These Directors would also be briefed on the business activities and the strategic directions and policies of the Group. Directors who do not have prior experience or are not familiar with the duties and obligations required of a director of a listed company in Singapore, will undergo the necessary training and briefing.

Independent Directors of the Company have the opportunity to visit the Group's various project sites to understand the status of the various property developments. The Independent Directors also have the opportunity to meet with Management to gain a better understanding of the Group's business operations. In addition, the Independent Directors regularly meet and communicate without the presence of Management.

Principle 2: Board Composition and Guidance

The Board currently consists of six members, three of whom are independent.

Non-Executive Director
Lin Yeju *(Chairman)*

Executive Directors
Ouyang Sheng
Zheng Shaorong

Independent Directors
Teo Yi-Dar
Huang Zhangxin
Chong Soo Hoon Sean

The current Board comprises persons who as a group provide core competencies necessary to meet the Group's objectives. None of the Directors on the Board are related and do not have any relationship with the Group or its related companies or its officers who could interfere or to be reasonably perceived to interfere with the exercise of their independent judgements, save for Madam Lin Yeju, who is the spouse of Mr. Chen Jianfeng, a substantial shareholder of the Company. Madam Lin is also an Executive Director of one of the subsidiaries of the Group.

The Board, with the concurrence of the NC, is of the view that the current size of the Board is appropriate for the time being for the Board to discharge its duties and responsibilities effectively taking into account the nature and scope of the Group's operations. Each Director has been appointed on the strength of his or her calibre, experience and stature and is expected to bring a diversity of experience and expertise to contribute to the development of the Group's strategy and performance of its business.

The Independent Directors' views and opinions provide alternative perspectives to the Group's business and enable the Board to make informed and balanced decisions. When reviewing Management proposals or decisions, they bring independent judgment to bear on business activities and transactions involving conflicts of interest and other complexities.

The Board has appointed Mr Teo Yi-Dar as Lead Independent Director in place of the late Mr Kuik See Juan on 13 March 2015, to address the concerns, if any, of the Group's shareholders on issues that cannot be appropriately dealt with by the Chairman, CEO or Chief Financial Officer.

Principle 3: Chairman and Chief Executive Officer ("CEO")

The posts of Chairman and CEO are held by Madam Lin Yeju and Mr. Ouyang Sheng respectively and they are not related to each other.

There is a clear separation of the roles and responsibilities between the Chairman and the CEO. Madam Lin Yeju, the Non-Executive Chairman, provides leadership to the Board. She sets the meeting agenda in consultation with the CEO and CFO and also ensures that Directors are provided with accurate, timely and clear information. The Chairman also oversees the compliance with the corporate governance guidelines.

Mr. Ouyang Sheng, assumed the CEO role in place of Mr Zhou Xiaoxiong on 13 March 2015. Mr. Ouyang Sheng works on the Group's property development strategies, identifying new business opportunities and overseeing the day-to-day operations of the Group.

All major decisions made by the CEO have to be endorsed by the Board. His performance is reviewed by the NC and his remuneration package is reviewed by the RC. The NC and RC comprise all Independent Directors. The Board believes that the Independent Directors have demonstrated high commitment in their role as Directors and have ensured that there is good balance of power and authority. There is an independent element on the Board with the three Independent Directors out of six Directors of the Company to enable independent exercise of objective judgement in the affairs of the Group. As such, the Board believes that there are adequate safeguards and checks in place to ensure that the decision-making process by the Board is independent and based on collective decision-making, without any one person being able to exercise considerable concentration of power or influence.

Principle 4: Board Membership

The NC is regulated by a set of written terms of reference. The NC comprises all independent Directors. Members of the NC are:

Chong Soo Hoon Sean *(Chairman)*
Teo Yi-Dar – Lead Independent Director
Huang Zhangxin

The NC meets at least once a year.

The principal functions of the NC are as follows:

(a) to review nominations for the appointment, re-appointment and re-election to the Board having regard to the Director's contribution and performance (eg. attendance, level of participation, business performance of the Group);

(b) to ensure that all Directors submit themselves for re-election at regular intervals;

(c) to assess the effectiveness of the Board and Board committees;

(d) to review and evaluate whether or not a Director is able to and has been adequately carrying out his/her duties as Director of the Company, particularly competing time commitments that are faced when the Directors have multiple Board representations;

(e) to decide how the Board's and Board committees' performance may be evaluated and assessed;

(f) to review on an annual basis the independence of Directors, bearing in mind the circumstances set forth in the CG2012 and any other salient factors;

(g) to review succession plans, in particular, for the Chairman and the CEO;

(h) to oversee the induction, orientation and training for any new and the existing Directors.

In accordance with the Company's Bye-Laws, each Director is required to retire at least once in every three years and all newly appointed Directors by the Board will have to retire at the next Annual General Meeting ("AGM") following their appointments. The retiring directors are eligible for re-election as Directors at the AGM.

Pursuant to Bye-law 86(1) of the Company's Bye-laws, Mr Ouyang Sheng and Mr Teo Yi-Dar will be retiring at the forthcoming AGM. Mr Ouyang Sheng and Mr Teo Yi-Dar have signified their consent to remain in office.

Pursuant to Bye-law 85(6) of the Company's Bye-laws, Madam Lin Yeju and Mr Chong Soo Hoon Sean will be retiring at the forthcoming AGM. Madam Lin Yeju and Mr Chong Soo Hoon Sean have signified their consent to remain in office.

The NC having considered the attendance and participation of Madam Lin Yeju, Mr Ouyang Sheng, Mr Teo Yi-Dar and Mr Chong Soo Hoon Sean at the Board and Board Committee meetings, in particular, their contributions to the oversight, management of the decision making process regarding the business and operations of the Group, had nominated them for re-election at the forthcoming AGM.

The Board has accepted the NC's recommendation. Mr Teo Yi-Dar and Mr Chong Soo Hoon Sean, being NC members, has each abstained from voting on any resolutions and/or participation in the deliberations regarding his re-election as a Director.

Key information regarding the Directors are provided on pages 20 to 21 of this Annual Report.

On competing time commitments faced by Directors who have multiple Board representations, the NC besides procuring written confirmations from the Independent Directors of the Company, the NC also considered his level of participation at meetings and whether he has given sufficient time and attention in addressing matters or issues raised to the Board.

The NC is of the view that putting a maximum limit on the number of listed company board representations is arbitrary, given that time requirements for each company vary, and every individual is made differently, thus one should not be presumptive as sufficiency of time cannot be objectively determined in all situations. The Board and the NC have concluded that such multiple Board representations, if any, do not hinder each Director from carrying out his duties as a Director of the Company and satisfied that sufficient time and attention have been accorded by these Directors to the affairs of the Company.

The NC noted that there was smooth transition in the change of Chairman and CEO post during the year. The NC is mindful of business continuity and will look out for suitable candidates, both internal and external, and groom them as part of the succession planning process.

The NC had reviewed the independence of the Board members and had determined Mr. Teo Yi-Dar, Mr. Huang Zhangxin and Mr. Chong Soo Hoon Sean to be independent and free from any of the relationships outlined in the CG2012 that could interfere with the exercise of their independent judgements.

The NC has put in place a "Process for Selection and Appointment of New Directors", which provides the procedure for identification of potential candidates, evaluation of candidates' skills, knowledge and experience, assessment of candidates' suitability and recommendation for nomination to the Board.

The curriculum vitae and other particulars/documents of the nominee or candidate will be reviewed by the NC before making a recommendation for appointment to the Board.

In reviewing and recommending to the Board any new Director appointments, the NC considers: (a) the candidate's independence, in the case of the appointment of an Independent Director; (b) the composition requirements for the Board or Board Committees as the case may be; (c) the candidate's track record, experience and capabilities and such other relevant factors as may be determined by the NC which would contribute to the Board's collective skills; and (d) any competing time commitments if the candidate has multiple board representations.

In the case of the appointment of an Executive Director, he will be provided a service agreement for an initial period of one year, setting out the terms and conditions of his appointment, while for a Non-Executive Director, a formal letter of appointment will be issued, setting out the terms and conditions of his appointment.

During the year, the NC reviewed the changes in Directorate and these were described in the footnotes of "Meeting Attendance" on page 24 of this Annual Report.

Principle 5: Board's and Board Committees' Performance

The NC has adopted a formal system of evaluation of the Board as a whole as well as Board Committees' evaluation on an annual basis.

The NC believes that it is more appropriate to assess the Board as a whole, rather than assessing individual Directors, bearing in mind that each member of the Board contributes in different ways to the effectiveness of the Board. All Directors are required to complete the Evaluation Questionnaires in respect of the Board and each Board Committee.

The Board Evaluation Questionnaire takes into consideration factors such as Board size and composition, information flow to the Board, Board procedures, Board accountability, matters concerning CEO/Senior management and standard of conduct of the Board members.

The evaluation exercise provided feedback from each Director, his views on the Board, procedures, processes and effectiveness of the Board as a whole. The results of the Board Performance Evaluation were collected and presented to the NC for discussion together with comparatives from the previous year's results.

The respective Board Committees Evaluation Questionnaires focus on a set of criteria, which includes membership, conduct of the committee's meetings, training and resources, fulfillment of its duties and responsibilities in accordance with its terms of reference, standards of conduct and communications with shareholders.

The NC is generally satisfied with the Board and Board Committees evaluation results for FY2015, which indicated areas of strengths and those that could be improved further. No significant problems had been identified. The NC had discussed the results with the Board and the Board had agreed to work on these areas that require improvements. The NC would continue to evaluate the process for such review, its effectiveness and development from time to time.

Principle 6: Access to Information

Management provides the Board with adequate and timely information and updates on initiatives and developments for the Group's business whenever possible. Besides these, the Board receives monthly management accounts of the Group's principal subsidiaries to enable them to oversee the Group's operational and financial performance.

The Board has independent and separate access to Management and the Company Secretary. All Directors have unrestricted access to the Group's information and all minutes of meetings held by the Board. Management staff are invited to attend Board meetings, as and when appropriate, to provide additional insight to matters raised, and to respond to any queries that the Board members may have.

The Company Secretary attends all meetings of the Board and Board Committees and ensures that the meetings are conducted in accordance with the Bye-Laws of the Company and applicable rules and regulations are complied with. The Company Secretary also prepares agenda papers for Board and Board Committee meetings in consultation with the Chairman and the Chairman of Board Committees, and ensures that information flow within the members of the Board and the Board Committees, as well as between the senior management and Independent Directors. The appointment and removal of the Company Secretary are subject to Board approval.

All Directors are updated on an on-going basis via Board meetings and/or circulars on matters relating to, inter alia, changes to the regulations of SGX-ST, accounting standards and/or other statutory requirements. When necessary, the Board may seek independent professional advice at the Company's expense.

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

The RC, regulated by a set of written terms of reference, comprises entirely of the following Independent Directors:

Huang Zhangxin *(Chairman)*
Teo Yi-Dar
Chong Soo Hoon Sean

The RC meets at least once annually.

The principal functions of the RC are as follows:

(a) recommend to the Board a framework of remuneration for the Directors, CEO and key management personnel;

(b) determine specific remuneration packages and terms of employment for each Director, CEO and key management personnel, including renewal of service agreements;

(c) review and recommend Directors' fees for Independent Directors, taking into account factors such as their effort and time spent and their responsibilities;

(d) recommend to the Board long term incentive schemes which may be set up from time to time;

(e) review whether the Executive Directors, CEO and key management personnel should be eligible for benefits under any long-term incentive schemes which may be set up from time to time; and

(f) carry out other duties as may be agreed by the RC and the Board.

The RC will seek external expert advice on remuneration matters if and when required.

Principle 8: Level and Mix of Remuneration

In setting remuneration packages, the Group's relative performance and the performance of the individuals concerned are considered.

The Independent Directors receive directors' fees taking into account various factors such as their contributions, effort and time spent, work undertaken and their responsibilities. The RC had recommended an amount of S$135,000 as Directors' fees for the financial year ending 30 June 2016, payable half-yearly in arrears. The Directors' fees are subject to approval by shareholders at the Company's forthcoming AGM.

The Executive Directors do not receive Directors' fees. The employment of the Executive Directors and the CEO are on a 1-year term pursuant to their respective service agreements and are automatically renewed annually.

The Non-Executive Chairman, Madam Lin Yeju, is not entitled to Director's fee as she is remunerated from the Group's subsidiary for her executive role.

No Director is involved in deciding his own remuneration. Each of Mr Huang Zhangxin, Mr Teo Yi-Dar and Mr Chong Soo Hoon Sean being RC members, abstained from deliberation and voting in respect of their own remuneration.

In the service agreements of the Executive Directors and the CEO, there is a termination/resignation notice period of not less than three months and do not contain onerous removal clauses. The service agreements may also be terminiated if any of the Executive Directors or the CEO commits a breach of the service agreements, such as being convicted of an offence involving fraud or dishonesty or being an adjudicated bankrupt.

Principle 9: Disclosure on Remuneration

The level and mix of each individual Director's and the CEO's remuneration for FY2015 is as follows:

Directors	Directors' fees RMB'000	Salary RMB'000	Bonus RMB'000	Benefits RMB'000	Total RMB'000
Chen Jianfeng[1]	–	1,151	–	10	1,161
Lin Yeju[2]	–	881	–	7	888
Ouyang Sheng[3]	–	673	–	17	690
Zheng Shaorong	–	360	–	17	377
Kuik See Juan[4]	128	–	–	–	128
Teo Yi-Dar	234	–	–	–	234
Huang Zhangxin	140	–	–	–	140
Chong Soo Hoon Sean[5]	70	–	–	–	70

CEO	Salary RMB'000	Bonus RMB'000	Benefits RMB'000	Total RMB'000
Zhou Xiaoxiong[3]	534	–	15	549

1. Mr. Chen Jianfeng stepped down as an Executive Director and ceased as the Chairman of the Board on 23 January 2015.

2. Madam Lin Yeju was appointed as a Non-Executive Director and Chairman of the Board on 5 February 2015.

3. Mr. Ouyang Sheng was appointed as CEO of the Company in place of Mr. Zhou Xiaoxiong on 8 May 2015.

4. Mr. Kuik See Juan demised on 31 December 2014.

5. Mr. Chong Soo Hoon Sean was appointed as an Independent Director on 13 March 2015.

As part of its responsibilities, the RC reviews the remuneration of each of the Directors and key management personnel's remuneration packages annually and makes recommendations to the Board for approval. The RC ensures that their remuneration commensurate with their performance, giving due regard to the financial and commercial health and business needs of the Group.

The Group's Key Management Personnel in Remuneration Band

	Salary	Bonus	Benefits	Total
Below S$250,000				
Zhou Jiangtao, Operation Manager	100%	–	–	100%
Wang Manyu, Human Resources Manager	100%	–	–	100%
Chong Ching Hoi, CFO and Company Secretary	100%	–	–	100%

Notwithstanding Guideline 9.3 of the CG2012, there were only 3 key management personnel (who are not Directors or the CEO) during FY2015.

The total remuneration paid to the above Group's key management personnel was RMB1,530,000 for FY2015. There are no post-employment benefits granted to the Directors, the CEO and the top 3 key management personnel. There are no contractual provisions to allow the Company to reclaim incentive components remuneration from the CEO and key management personnel in exceptional circumstances of misstatements of financial statement or of misconduct resulting in financial loss to the Group.

There are no immediate family members of a Director or the CEO, and whose remuneration exceeds S$50,000 during the year.

The China Yuanbang Share Option Scheme

The China Yuanbang Share Option Scheme (the"Scheme") was approved and adopted by the shareholders of the Company at a Special General Meeting on 28 June 2010. The objectives of the Scheme adopted are as follows:

(a) to motivate each participant to optimise his performance standards and efficiency and to maintain a high level of contributions to the Group;

(b) to retain key employees of the Group whose contributions are essential to the long-term growth and profitability of the Group;

(c) to instill loyalty and a stronger identification by the participants to the long-term prosperity of the Company;

(d) to attract potential employees with relevant skills and experience to join and contribute to the Group and to create value for the shareholders of the Company;

(e) to align the interests of the participants with the interests of the shareholders of the Company; and

(f) to recognise the contributions of the Non-Executive Directors to the success of the Group.

The Scheme is administered by the Share Option Scheme Committee comprising the following persons:

Huang Zhangxin *(Chairman)*
Teo Yi-Dar
Chong Soo Hoon Sean

The Share Option Scheme Committee has the power to determine, *inter alia*, the eligible persons to be granted options under the Scheme, the number of options to be granted, the quantum of discount to the exercise price of options granted, if any, and to recommend any modifications to the Scheme, where necessary.

There were no options granted during FY2015.

Please refer to pages 39 to 41 for details of the Scheme.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

Management is accountable to the Board and presents to the Board the quarterly and full-year results and the AC reports to the Board on the results for review and approval. The Board approves the results and authorizes the release of results to the SGX-ST and the public via SGXNET.

In line with the SGX-ST listing requirements, negative assurance statements were issued by the Board to accompany its quarterly financial results announcements, confirming to the best of its knowledge that, nothing had come to its attention would render the Group's quarterly results to be false or misleading.

The Group ensures that price sensitive information is publicly released, either before the Group meets any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports are announced or issued within the mandatory period.

In presenting the annual financial statements and quarterly announcements to shareholders, the Board aims to provide shareholders with detailed analysis, explanations and assessments of the Group's financial position and prospects.

Management provides the Board with monthly management accounts of the Group's principal subsidiaries. This is supplemented by updates on matters affecting the financial performance and business of the Group, if such matters occur, on a timely basis.

Principle 11: Risk Management and Internal Controls
Principle 13: Internal Audit

The Board acknowledges that it is responsible for ensuring the Group has in place a sound system of internal controls. It is however, impossible to preclude all errors and irregularities, as a system is designed to manage rather than eliminate risks, and therefore can provide only reasonable and not absolute assurance against material misstatements or losses, errors or misjudgments, fraud or other irregularities.

Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. A risk register identifying the key risks and the mitigation controls were put in place. Management reviews all significant control policies and procedures and highlights all significant matters to the AC and the Board.

To ensure that internal controls and risk management processes are adequate and effective, the Group has engaged Mazars CPA Limited, the Group's internal auditors ("IA") to review the risk management process during the year. This is on top of the annual internal audit of the Group which covers the review of financial, operational and compliance controls functions of the Group. Any material non-compliance or weaknesses in internal controls or recommendations from the internal and external auditors to further improve the internal controls were reported to the AC. The AC will also follow up on the actions taken by Management on the recommendations made by the internal and external auditors.

Internal Audit

The internal audit function is outsourced to Mazars CPA Limited. The IA reports directly to the Chairman of the AC on audit matters and to Management on administrative matters. The role of the IA is to support the AC in ensuring that the Group maintains a sound system of internal controls by monitoring and assessing the effectiveness of key controls and procedures and undertaking investigations as directed by the AC. The AC assesses the adequacy of the internal audit function on an annual basis. For FY2015, the AC is satisfied with the adequacy and effectiveness of the internal audit function.

Based on the various management controls in place, the reports from the internal and external auditors and reviews by Management, the Board with the concurrence of the AC is of the opinion that the system of internal controls is adequate to address financial, operational, compliance and information technology control risks during the year. Management would continue to focus on improving the standard of internal controls and corporate governance.

As required under the CG2012, the Board has received a written assurance from the CEO and CFO that:

(a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(b) the Company's risk management and internal control systems are effective.

Principle 12: Audit Committee

The AC comprises three members, all of whom are Independent Directors:

Teo Yi-Dar *(Chairman)*
Huang Zhangxin
Chong Soo Hoon Sean

The AC members have numerous years of experience in senior management positions and have sufficient financial management expertise to discharge their responsibilities.

The AC will meet quarterly in a year and as and when deemed appropriate to carry out its functions.

The AC assists the Board in discharging its responsibilities to safeguard the Group's assets, maintaining adequate accounting records, and developing and maintaining an effective system of internal controls, with the overall objective of ensuring that Management creates and maintains an effective control environment in the Group.

For FY2015, the AC has performed the following in accordance with its terms of reference:

(a) met with both the internal and the external auditors to review the audit plans, and discussed the results of their audit findings, evaluation of the Group's system of internal accounting controls, their letter to Management and Management's responses;

(b) reviewed the Group's financial results and announcements before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audits, compliance with accounting standards, the SGX-ST Listing Manual and any other relevant statutory or regulatory requirements;

(c) reviewed with the internal auditors, the internal control procedures and ensured co-ordination between the internal and external auditors and Management, and reviewed the assistance given by Management to the auditors, and discussed problems and concerns, if any;

(d) met with the internal and external auditors, without the presence of Management. Both the internal and external auditors had confirmed that they had received the full co-operation from Management and no restrictions were placed on the scope of the respective audits;

(e) conducted a review of the non-audit services provided by the external auditors. The AC had noted that no non-audit services were rendered by the external auditors during the year under review and the external auditors had affirmed their independence in this respect. The audit fees paid to the external auditors for FY2015 amount to approximately RMB871,000;

(f) considered the appointment or re-appointment of the internal and external auditors and made recommendations to the Board on their nomination for re-appointment, as well as reviewing their remuneration;

The AC had recommended the re-appointment of BDO Limited, Certified Public Accountants, Hong Kong ("BDO HK") and BDO LLP, Public Accountants and Chartered Accountants, Singapore ("BDO LLP"), to act jointly and severally as the Company's Auditors to comply with Rule 712 of the SGX-ST Listing Manual in relation to the appointment of a suitable auditing firm to meet the Company's audit obligations at the forthcoming AGM of the Company. The AC was satisfied that the resources and experience of BDO HK and BDO LLP, the Audit Engagement Partners and their team assigned to the audit were adequate to meet it's audit obligations given the size and complexity of the Group; and

(g) reviewed Interested Person Transactions (if any) falling within the scope of Chapter 9 of the Listing Manual;

(h) reviewed arrangements by which staff of the Group and any other person may in confidence, raise concerns about fraudulent activities, malpractices or improprieties within the Group which may cause financial or non-financial loss to the Company, in a responsible and effective manner. There was no incident of whistle-blowing reported for FY2015;

(i) reviewed the risk profile register documented and maintained by Management;

(j) kept abreast of accounting standards and issues that could potentially impact the Group's financial reporting through quarterly updates and advice from the external auditors; and

(k) confirmed that the Company had complied with Rule 715 of the SGX-ST Listing Manual in relation to the appointment of the same auditing firm to audit it's accounts and its foreign-incorporated subsidiaries. The Group's significant subsidiaries are disclosed under Note 12 to the Financial Statements on pages 84 to 88 of this Annual Report.

The AC has full access to and co-operation from Management and full discretion to invite any Director or executive officer to attend its meetings, and has been given resources to enable the AC to discharge its functions properly. The external and internal auditors have unrestricted access to the AC.

Principle 14: Shareholder Rights
Principle 15: Communication with Shareholders
Principle 16: Conduct of Shareholder meetings

In line with continuous disclosure obligations pursuant to the SGX-ST listing requirements, the Group is mindful of the need to have regular and proactive communication with its shareholders. It is the Board's policy that the shareholders be informed of the major developments that impact the Group.

Information is communicated to shareholders on a timely basis through:

(a) SGXNet announcements and press releases;

(b) annual reports or circulars that are prepared and issued to all shareholders;

(c) quarterly and annual financial statements containing a summary of the financial information and affairs of the Group for the period under review; and

(d) notices of and explanatory notes for AGM and Special General Meetings ("SGM").

The Group will review the need for analyst briefings, investor roadshows or Investors' Day briefings when the Group's financial performance improves.

At the AGM, shareholders will be given the opportunity to voice their views and to seek clarification on issues relating to the Group's business outlined in the AGM notice. Shareholders are encouraged to attend shareholders' meetings to put forth any questions they may have on the motions to be debated and decided upon. If any shareholder is unable to attend these meetings, he is allowed to appoint 2 proxies to vote on his behalf at the meeting through proxy forms which are sent together with the Annual Reports or Circulars. The duly completed and signed proxy form must be submitted at least 48 hours before the shareholders' meeting at the Company's Share Transfer Agent's address. At shareholders' meeting, each distinct issue is proposed as a separate resolution.

The Board, including the Chairmen of the NC, AC, RC and Share Option Scheme Committee, external auditors attend AGMs to address questions that shareholders may have concerning the Group.

Dividend policy

The Group does not have a dividend policy. Having reviewed the Group's FY2015 financial performance, no dividend has been declared or recommended for FY2015 as the Group wishes to conserve its cash for operational use.

SECURITIES TRANSACTIONS

The Group has adopted an internal compliance code of conduct to provide guidance to its Directors, key officers and employees regarding dealings in the Group's securities and implications of insider trading in compliance with Rule 1207(19) of the SGX-ST Listing Manual (the "Securities Code").

In line with the Group's Securities Code, the Company, Directors, key officers and employees of the Group are prohibited from dealing in securities of the Company two weeks before the release of the quarterly results and at least one month before the release of the full year results and at all times, if in possession of unpublished price-sensitive information. The Securities Code also discourages trading on short-term consideration. The Group confirmed that it had adhered to its policy for securities transactions for FY2015.

MATERIAL CONTRACTS

Save for the service agreements entered into between the Company and the Executive Directors and CEO, there were no other material contracts of the Company, or its subsidiaries involving the interests of the Chairman, CEO, any Director or controlling shareholder subsisting during FY2015.

INTERESTED PERSON TRANSACTIONS ("IPTS")

The Group has established procedures to ensure that IPTs are reported in a timely manner to the AC and such transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders.

There was no IPT mandate adopted nor any IPT during FY2015.

PLACEMENT PROCEEDS

The net proceeds of RMB43,432,000 were raised from the placement of 39 million ordinary shares on 27 December 2013. As at 30 June 2015, the Group had used RMB34 million for the Group's property development projects.

Directors' Report

The Directors present their report to the members together with the audited consolidated financial statements of China Yuanbang Property Holdings Limited (the "Company"and together with its subsidiaries, the "Group") for the financial year ended 30 June 2015.

DIRECTORS

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

Non-Executive Director:
Lin Yeju

Executive Directors:
Ouyang Sheng
Zheng Shaorong

Independent Directors:
Teo Yi-Dar
Huang Zhangxin
Chong Soo Hoon Sean

THE CHINA YUANBANG SHARE OPTION SCHEME

The China Yuanbang Share Option Scheme (the "Scheme") was approved and adopted by shareholders of the Company at a Special General Meeting on 28 June 2010. As at the date of this Annual Report, no option to take up unissued shares of the Company has been granted under the Scheme.

Eligibility

Employees, Executive Directors and Non-Executive Directors of the Group who have attained the age of 21 years are eligible to participate in the Scheme at the absolute discretion of the Share Option Scheme Committee. Persons who are controlling shareholders and their respective associates (as defined in the SGX-ST Listing Manual) shall not be eligible to participate in the Scheme.

Madam Lin Yeju, who is the spouse of a controlling shareholder of the Company, and her respective associates (as defined in the SGX-ST Listing Manual) shall not be eligible to participate in the Scheme.

Size of the China Yuanbang Share Option Scheme

The total number of shares over which options may be granted by the Share Option Scheme Committee pursuant to the Scheme on any date, when added to the number of shares issued and issuable and/or transferred and transferable in respect of:

(a) all options granted under the Scheme; and

(b) all awards granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force,

shall not exceed 15% of the number of all issued shares (excluding treasury shares) on the day immediately preceding such date of grant.

Exercise price

Under the Scheme, the Share Option Committee has the discretion to grant options at:

(a) a price that is equivalent to market price ("Market Price"), being the price equal to the average of the last dealt prices for a share determined by reference to the daily Official List published by the SGX-ST for a period of five (5) consecutive market days immediately prior to the relevant date of grant ("Market Price Options"); or

(b) a price that is set at a discount to the Market Price, provided always that the maximum discount shall not exceed 20% of the Market Price, and the prior approval of shareholders of the Company shall have been obtained in a separate resolution ("Incentive Options").

Exercise of options

A Market Price Option shall only be exercisable by a participant after the first anniversary of the date of grant of that Market Price Option, provided always that:

(a) in the case where such Market Price Option is granted to an employee or Executive Director of the Group, the Market Price Option shall be exercised before the tenth anniversary of the relevant date of grant; and

(b) in the case where such Market Price Option is granted to a Non-Executive Director of the Group, the Market Price Option shall be exercised before the fifth anniversary of the relevant date of grant.

An Incentive Option shall only be exercisable by a participant after the second anniversary of the date of grant of that Incentive Option, provided always that:

(a) in the case where such Incentive Option is granted to an employee or Executive Director of the Group, the Incentive Option shall be exercised before the tenth anniversary of the relevant date of grant; and

(b) in the case where such Incentive Option is granted to a Non-Executive Director of the Group, the Incentive Option shall be exercised before the fifth anniversary of the relevant date of grant.

Any unexercised options shall immediately lapse and become null, void and of no effect and the relevant participant shall have no claim whatsoever against the Company.

Grant of options and outstanding options

During the financial year ended 30 June 2015, no option to take up the unissued shares of the Company was granted, and no shares were issued by virtue of the exercise of options to take up unissued shares of the Company. There were no unissued shares of the Company under option at the end of the financial year ended 30 June 2015.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the year was the Company or any of its subsidiaries 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 OR DEBENTURES

The following Directors, who held office at the end of the financial year, had, according to the register of Directors' shareholdings, an interest in shares of the Company or its related corporations either on 30 June 2015, or on 21 July 2015, were as follows:

	Shares beneficially held by Directors		Shareholdings in which Directors are deemed to have an interest		
	At 1.07.2014 and 30.06.2014	At 21.07.2015 and 30.06.2015	At 1.07.2014	At 30.06.2015	At 21.07.2015
Lin Yeju[1]	–	–	35,816,700	35,826,700	35,826,700
Ouyang Sheng	–	–	–	–	–
Zheng Shaorong	–	–	–	–	–
Teo Yi-Dar	–	–	–	–	–
Huang Zhangxin	–	–	–	–	–
Chong Soo Hoon Sean[2]	–	–	–	–	–

The Singapore Exchange Listing Manual requires a company to provide a statement as at the 21st day after the end of the financial year, showing the direct and deemed interest of each Director of the Company in the share capital of the Company.

Note 1: Madam Lin Yeju was appointed as a Non-Executive Director and Chairman of the Board on 5 February 2015. Madam Lin is deemed to be interested in all the shares in the Company that her spouse, Mr Chen Jianfeng, is interested in. Mr Chen Jianfeng has a direct interest in 32,040,000 shares in the Company and a deemed interest in 3,786,700 shares in the Company.

Note 2: Mr. Chong Soo Hoon Sean was appointed as an Independent Director on 13 March 2015.

Note 3: The company had on 29 July 2015 completed the share consolidation of 10 shares to 1 share. The number of shares was adjusted retrospectively for all periods presented.

DIRECTORS' INTERESTS IN CONTRACTS

The service agreements of the Executive Directors are for a one year period and will continue thereafter year to year until terminated by not less than three months' notice in writing served by either party on the other.

Apart from the foregoing and save as disclosed in the financial statements, no Director of the Company has received or become entitle to receive a benefit by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

AUDIT COMMITTEE

The Audit Committee has reviewed the overall scope of both internal and external audits and the assistance given by Management to the auditors. The AC has also met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal controls and internal accounting controls. Further details regarding the Audit Committee are set out in the Corporate Governance Report on pages 23 to 38 of this annual report.

AUDITORS

The auditors, BDO Limited, Certified Public Accountants, Hong Kong and BDO LLP, Public Accountants and Chartered Accountants, Singapore, have expressed their willingness to accept re-appointment. A resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board,

Lin Yeju
Non-Executive Chairman

Zheng Shaorong
Director

25 September 2015

Statement by Directors

We, Lin Yeju and Zheng Shaorong, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors:

(i) the accompanying consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group, and statement of financial position and statement of changes in equity of the Company together with the notes thereto as set out on pages 48 to 112, are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2015 and of the results of the business of the Group, changes in equity of the Company and of the Group and cash flows of the Group for the year then ended; 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,

Lin Yeju
Non-Executive Chairman

Zheng Shaorong
Director

25 September 2015

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Financial Section

Independent Joint Auditors' Report

To the shareholders of China Yuanbang Property Holdings Limited
(incorporated in Bermuda with limited liability)

We have audited the financial statements of China Yuanbang Property Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 48 to 112, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2015, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

OPINION

In our opinion, the financial statements of the Group and the statement of financial position and the statement of changes of equity of the Company give a true and fair view of the financial position of the Group and of the Company as at 30 June 2015, and of the financial performance and cash flows of the Group for the year then ended in accordance with International Financial Reporting Standards.

BDO LLP
Public Accountants and
Chartered Accountants
21 Merchant Road #05-01
Singapore 058267

25 September 2015

BDO Limited
Certified Public Accountants
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

25 September 2015

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2015

	Notes	2015 RMB'000	2014 RMB'000
Revenue	*6*	**444,864**	1,328,301
Cost of sales			
Cost of properties held for sale recognised as expenses and other costs		**(363,176)**	(929,322)
Gross profit		**81,688**	398,979
Other income and gains	*6*	**23,849**	21,098
Fair value adjustments on investment properties	*14*	**26,720**	96,171
Selling expenses		**(33,661)**	(70,293)
Administrative expenses		**(100,010)**	(104,157)
Other operating expenses		**(16,750)**	–
Operating (loss)/profit	*7*	**(18,164)**	341,798
Finance costs	*8*	**(1,844)**	(2,336)
(Loss)/Profit before income tax		**(20,008)**	339,462
Income tax expense	*9*	**(21,874)**	(132,535)
(Loss)/Profit for the year		**(41,882)**	206,927
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		**(384)**	2,352
Other comprehensive income for the year		**(384)**	2,352
Total comprehensive income for the year		**(42,266)**	209,279
(Loss)/Profit attributable to:			
Owners of the Company		**(26,819)**	143,744
Non-controlling interests		**(15,063)**	63,183
		(41,882)	206,927
Total comprehensive income attributable to:			
Owners of the Company		**(27,203)**	146,096
Non-controlling interests		**(15,063)**	63,183
		(42,266)	209,279
Earnings per share for (loss)/profit attributable to owners of the Company during the year (in RMB dollar)	*11*		
– Basic and diluted		**(0.39)**	2.13

Statements of Financial Position

as at 30 June 2015

		Group		Company	
		2015	2014	**2015**	2014
	Notes	**RMB'000**	RMB'000	**RMB'000**	RMB'000
ASSETS AND LIABILITIES					
Non-current assets					
Interests in subsidiaries	*12*	**–**	–	**134,381**	134,381
Property, plant and equipment	*13*	**72,646**	65,107	**–**	–
Investment properties	*14*	**397,737**	370,635	**–**	–
Land use rights	*15*	**13,710**	14,069	**–**	–
Deferred tax assets	*24*	**27,962**	30,754	**–**	–
		512,055	480,565	**134,381**	134,381
Current assets					
Properties held for development	*16*	**101,793**	94,006	**–**	–
Properties held under development	*17*	**1,566,987**	1,954,059	**–**	–
Properties held for sale	*18*	**1,692,739**	969,667	**–**	–
Account receivables		**–**	45	**–**	–
Prepayments, deposits paid and other receivables	*19*	**690,848**	670,411	**1,317**	1,324
Tax recoverable		**12,800**	9,118	**–**	–
Due from subsidiaries	*12*	**–**	–	**344,209**	355,377
Cash and bank balances	*20*	**296,317**	290,046	**–**	–
		4,361,484	3,987,352	**345,526**	356,701
Current liabilities					
Account payables	*22*	**420,324**	250,758	**–**	–
Receipts in advance	*21*	**1,080,853**	1,044,533	**–**	–
Accruals, deposits received and other payables	*22*	**292,217**	266,501	**8,387**	7,507
Interest-bearing bank and other borrowings	*23*	**806,620**	726,617	**–**	–
Income tax payable		**154,515**	173,314	**–**	–
		2,754,529	2,461,723	**8,387**	7,507
Net current assets		**1,606,955**	1,525,629	**337,139**	349,194
Total assets less current liabilities		**2,119,010**	2,006,194	**471,520**	483,575

Statements of Financial Position

as at 30 June 2015

		Group		Company	
		2015	2014	**2015**	2014
	Notes	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Non-current liabilities					
Interest-bearing bank and other borrowings	*23*	**912,754**	753,170	**–**	–
Deferred tax liabilities	*24*	**126,999**	127,061	**–**	–
		1,039,753	880,231	**–**	–
Net assets		**1,079,257**	1,125,963	**471,520**	483,575
EQUITY					
Equity attributable to owners of the Company					
Share capital	*25*	**133,882**	133,882	**133,882**	133,882
Reserves	*26*	**637,188**	671,331	**337,638**	349,693
		771,070	805,213	**471,520**	483,575
Non-controlling interests		**308,187**	320,750	**–**	–
Total equity		**1,079,257**	1,125,963	**471,520**	483,575

Lin Yeju
Non-Executive Chairman

Zheng Shaorong
Director

Statements of Changes in Equity

for the year ended 30 June 2015

Group

	Equity attributable to owners of the Company										
	Share capital RMB'000 *(note 25)*	Share premium* RMB'000 *(note 26)*	Merger reserve* RMB'000 *(note 26)*	Revaluation reserve* RMB'000 *(note 26)*	Statutory reserve* RMB'000 *(note 26)*	Translation reserve* RMB'000 *(note 26)*	Dividend proposed* RMB'000	Retained profits* RMB'000	Total RMB'000	Non-controlling Interests RMB'000	Total equity RMB'000
At 1 July 2013	127,721	265,314	20,720	4,582	37,649	882	13,100	158,817	628,785	261,567	890,352
Dividend paid *(note 10)*	–	–	–	–	–	–	(13,100)	–	(13,100)	–	(13,100)
Issuance of shares *(note 25)*	6,161	39,880	–	–	–	–	–	–	46,041	–	46,041
Share issue expense	–	(2,609)	–	–	–	–	–	–	(2,609)	–	(2,609)
Decrease in non-controlling interests as a result of de-registration of a subsidiary	–	–	–	–	–	–	–	–	–	(4,000)	(4,000)
Transactions with owners	6,161	37,271	–	–	–	–	(13,100)	–	30,332	(4,000)	26,332
Profit for the year	–	–	–	–	–	–	–	143,744	143,744	63,183	206,927
Other comprehensive income – Exchange difference on translation of financial statements of foreign subsidiaries	–	–	–	–	–	2,352	–	–	2,352	–	2,352
Total comprehensive income for the year	–	–	–	–	–	2,352	–	143,744	146,096	63,183	209,279
Final dividend proposed *(note 10)*	–	–	–	–	–	–	6,940	(6,940)	–	–	–
Transfer to statutory reserve	–	–	–	–	56,243	–	–	(56,243)	–	–	–
At 30 June 2014 and 1 July 2014	**133,882**	**302,585**	**20,720**	**4,582**	**93,892**	**3,234**	**6,940**	**239,378**	**805,213**	**320,750**	**1,125,963**
Dividend paid *(note 10)*	–	–	–	–	–	–	(6,940)	–	(6,940)	–	(6,940)
Capital contribution by non-controlling equity holders of subsidiary	–	–	–	–	–	–	–	–	–	2,500	2,500
Transactions with owners	–	–	–	–	–	–	(6,940)	–	(6,940)	2,500	(4,440)
Loss for the year	–	–	–	–	–	–	–	(26,819)	(26,819)	(15,063)	(41,882)
Other comprehensive income – Exchange difference on translation of financial statements of foreign subsidiaries	–	–	–	–	–	(384)	–	–	(384)	–	(384)
Total comprehensive income for the year	–	–	–	–	–	(384)	–	(26,819)	(27,203)	(15,063)	(42,266)
Final dividend proposed *(note 10)*	–	–	–	–	–	–	–	–	–	–	–
At 30 June 2015	**133,882**	**302,585**	**20,720**	**4,582**	**93,892**	**2,850**	**–**	**212,559**	**771,070**	**308,187**	**1,079,257**

* *These reserve accounts comprise the consolidated reserves of approximately RMB637,188,000 (2014: RMB671,331,000) in the consolidated statement of financial position.*

Statements of Changes in Equity

for the year ended 30 June 2015

Company

	Share capital RMB'000 *(note 25)*	Share premium** RMB'000 *(note 26)*	Contributed surplus** RMB'000 *(note 26)*	Dividend proposed** RMB'000	Retained profits/ (Accumulated losses)** RMB'000	Total RMB'000
At 1 July 2013	127,721	267,203	35,064	13,100	1,370	444,458
Dividend paid *(note 10)*	–	–	–	(13,100)	–	(13,100)
Issuance of shares *(note 25)*	6,161	39,880	–	–	–	46,041
Share issue expense	–	(2,609)	–	–	–	(2,609)
Transactions with owners	6,161	37,271	–	(13,100)	–	30,332
Profit for the year and total comprehensive income for the year	–	–	–	–	8,785	8,785
Final dividend proposed *(note 10)*	–	–	–	6,940	(6,940)	–
At 30 June 2014 and 1 July 2014	**133,882**	**304,474**	**35,064**	**6,940**	**3,215**	**483,575**
Dividend paid *(note 10)*	–	–	–	(6,940)	–	(6,940)
Transactions with owners	–	–	–	(6,940)	–	(6,940)
Loss for the year and total comprehensive income for the year	–	–	–	–	(5,115)	(5,115)
At 30 June 2015	**133,882**	**304,474**	**35,064**	**–**	**(1,900)**	**471,520**

** *These reserve accounts comprise the Company's reserves of approximately RMB337,638,000 (2014: RMB349,693,000) in the statement of financial position of the Company.*

Consolidated Statement of Cash Flows

for the year ended 30 June 2015

	Notes	2015 RMB'000	2014 RMB'000
Cash flows from operating activities			
(Loss)/Profit before income tax		**(20,008)**	339,462
Adjustments for:			
Amortisation of land use rights	*7*	**359**	359
Depreciation of property, plant and equipment	*7, 13*	**9,520**	9,327
Fair value adjustments on investment properties	*14*	**(26,720)**	(96,171)
Interest expense	*8*	**1,844**	2,336
Interest income	*6*	**(1,194)**	(1,392)
Impairment loss on account and other receivables	*7*	**7,730**	–
Operating (loss)/profit before working capital changes		**(28,469)**	253,921
Increase in properties held for development		**(7,787)**	(6,858)
Increase in properties held under development		**(510,205)**	(44,199)
Decrease in properties held for sale		**341,425**	429,983
Decrease in account receivables		**–**	2,621
Increase in prepayments, deposits paid and other receivables		**(28,122)**	(235,776)
Increase/(Decrease) in account payables		**169,566**	(85,679)
Increase/(Decrease) in receipts in advance		**36,320**	(491,557)
Increase/(Decrease) in accruals, deposits received and other payables		**25,716**	(118,526)
Cash used in from operations		**(1,556)**	(296,070)
Income taxes paid		**(41,625)**	(46,719)
Interest received		**1,194**	1,392
Net cash used in operating activities		**(41,987)**	(341,397)

Consolidated Statement of Cash Flows

for the year ended 30 June 2015

	Notes	2015 RMB'000	2014 RMB'000
Cash flows from investing activities			
Increase in restricted bank deposits		**(1,108)**	(156,871)
Purchases of property, plant and equipment		**(17,338)**	(33,538)
Net cash used in investing activities		**(18,446)**	(190,409)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		**–**	46,041
Share issue expense		**–**	(2,609)
Interest paid		**(169,167)**	(129,060)
Capital injection by non-controlling interests		**2,500**	–
Capital refund to non-controlling interests of de-registered subsidiary		**–**	(4,000)
Dividend paid		**(6,940)**	(13,100)
Proceeds from bank and other borrowings		**1,131,080**	907,818
Repayments of bank and other borrowings		**(891,493)**	(611,807)
Net cash generated from financing activities		**65,980**	193,283
Net increase/(decrease) in cash and cash equivalents		**5,547**	(338,523)
Effect on foreign exchange translation		**(384)**	2,352
Cash and cash equivalents at beginning of year		**96,764**	432,935
Cash and cash equivalents at end of year		**101,927**	96,764
Analysis of balances of cash and cash equivalents			
Cash and bank balances		**296,317**	290,046
Less: Restricted bank deposits	*20*	**(194,390)**	(193,282)
		101,927	96,764

Notes to the Financial Statements

for the year ended 30 June 2015

1. GENERAL INFORMATION

China Yuanbang Property Holdings Limited (the "Company") was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda on 4 December 2006. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. Its principal place of business is located at Suite 909, 9/F., Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong. The Company's shares have been listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") since 9 May 2007.

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries (together with the Company referred as the "Group") are set out in note 12 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

The operations of the Company and its subsidiaries are principally conducted in the People's Republic of China (the "PRC").

The financial statements on pages 48 to 112 have been prepared in accordance with International Financial Reporting Standards ("IFRSs") which collective term includes all applicable individual International Financial Reporting Standards and Interpretations approved by the International Accounting Standards Board ("IASB"), and all applicable individual International Accounting Standards and Interpretations as originated by the Board of the International Accounting Standards Committee and adopted by the IASB. The financial statements also include the applicable disclosure requirements of the Listing Manual of the SGX-ST.

The financial statements for the year ended 30 June 2015 were approved for issue by the board of directors (the "Directors") on 25 September 2015.

2. ADOPTION OF IFRSs

(a) Adoption of new/amended IFRSs

In current year, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (the "new IFRSs") issued by IASB and the International Financial Reporting Interpretations Committee (the "IFRIC") of the IASB, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 July 2014.

Amendments to IAS 32	Presentation – Offsetting Financial Assets and Financial Liabilities
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets
IFRIC – Interpretation 21	Levies
Annual Improvement 2010-2012 Cycle	
Annual Improvement 2011-2013 Cycle	

The adoption of the new IFRSs had no material impact on the Group's financial statements.

2. ADOPTION OF IFRSs (Continued)

(a) Adoption of new/amended IFRSs (Continued)

Amendments to IAS 32 – Presentation – Offsetting Financial Assets and Financial Liabilities

The amendments clarify the offsetting requirements by adding appliance guidance to IAS 32 which clarifies when an entity "currently has a legally enforceable right to set off" and when a gross settlement mechanism is considered equivalent to net settlement. The amendments are applied retrospectively.

The adoption of the amendments has no impact on these financial statements as the Group does not have any offsetting arrangements.

Amendments to IAS 36 –Recoverable Amount Disclosures for Non-financial Assets

The amendments limit the requirements to disclose the recoverable amount of an amount of an asset or cash generating unit (CGU) to those periods in which an impairment loss has been recognised or reversed, and expand the disclosures where the recoverable amount of impaired assets or CGUs has been determined based on fair value less costs of disposal. The amendments are applied retrospectively.

The Directors concluded that the adoption of the amendments has no impact on the Group's financial position or performance as it affects the disclosure only.

IFRIC – Interpretation 21 – Levies

IFRIC – Interpretation 21 clarifies that an entity recognises a liability to pay a levy imposed by government when the activity that triggers payment, as identified by the relevant legislation occurs. The interpretation has been applied retrospectively.

The adoption of the interpretation has no impact on these financial statements as it is consistent with the Group's previous application of its accounting policies on provisions.

2. ADOPTION OF IFRSs (Continued)

(b) New/amended IFRSs that have been issued but not yet effective

At the date of authorisation of these financial statement, the following new or amended IFRSs which are potentially relevant to the Group's financial statements have been issued but are not yet effective and have not been early adopted by the Group:

Amendments to IAS 1	Disclosure Initiative [1]
Amendments to IAS 27	Equity Method in Separate Financial Statements [1]
IFRS 9 (2014)	Financial Instruments [2]
IFRS 15	Revenue from Contracts with Customers [2]
Annual Improvements 2012–2014 Cycle [1]	

[1] *Effective for annual periods beginning on or after 1 January 2016*

[2] *Effective for annual periods beginning on or after 1 January 2018*

Amendments to IAS 1 – Disclosure Initiative

The amendments are designed to encourage entities to use judgement in the application of IAS 1 when considering the layout and content of their financial statements.

Amendments to IAS 27 – Equity Method in Separate Financial Statements

The amendments allow an entity to apply the equity method in accounting for its investments in subsidiaries, joint ventures and associates in its separate financial statements.

IFRS 9 (2014) – Financial Instruments

IFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("FVTOCI") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("FVTPL").

IFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in IAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

2. ADOPTION OF IFRSs (Continued)

(b) New/amended IFRSs that have been issued but not yet effective (Continued)

IFRS 9 (2014) – Financial Instruments (Continued)

IFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from IAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, IFRS 9 retains the requirements in IAS 39 for derecognition of financial assets and financial liabilities.

Amendments to IFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. IFRS 15 supersedes existing revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

IFRS 15 requires the application of a 5-step approach to revenue recognition:

Step 1:	Identify the contract(s) with a customer
Step 2:	Identify the performance obligations in the contract
Step 3:	Determine the transaction price
Step 4:	Allocate the transaction price to each performance obligation
Step 5:	Recognise revenue when each performance obligation is satisfied

IFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under IFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

The effective date of IFRS 15 has changed from annual periods beginning on or after 1 January 2017 to annual periods beginning on or after 1 January 2018.

The amendments to IFRS 15 is proposed and has not been finalised, it would be applied retrospectively, so entities would apply the amendments as if they had been included in IFRS 15 at the date of initial application. For entities that adopt IFRS 15 and the amendments at the same time, any effect of applying the amendments would be reflected in the effects of initially applying IFRS 15. However, entities that adopt the amendments after the date of initial application of IFRS 15 would need to restate the effects of initially applying IFRS 15 for any effects of initially applying the amendments.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied all the years presented unless otherwise stated.

The financial statements have been prepared under the historical cost basis except for investment properties, which are stated at their fair value as explained in accounting policies below.

The financial statements have been presented in Renminbi ("RMB"), being the functional and presentation currency of the Company.

It should be noted that the accounting estimates and assumptions are used in preparing these financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

3.1 Basis of consolidation and business combination

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries *(note 3.3)* made up to 30 June each year.

Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective dates of acquisition or up to the effective dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interest that represents a present ownership interest in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by IFRSs.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 Basis of consolidation and business combination (Continued)

Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

Contingent consideration balances arising from business combinations whose acquisition dates preceded 1 January 2010 (i.e. the date the Group first applied IFRS 3 (2008)) have been accounted for in accordance with the transition requirements in the standard. Such balances are not adjusted upon first application of the standard. Subsequent revisions to estimates of such consideration are treated as adjustments to the cost of these business combinations and are recognised as part of goodwill.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interest having a deficit balance.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Goodwill

Goodwill is initially recognised at cost being the excess of the aggregate of consideration transferred and the amount recognised for non-controlling interests over the fair value of identifiable assets, liabilities and contingent liabilities acquired. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested for impairment annually, and whenever there is an indication that the unit may be impaired *(note 3.7)*.

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of gain or loss on disposal.

3.3 Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

3.4 Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and impairment losses *(note 3.7)*. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the working condition and location for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance, are charged to profit or loss during the period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.4 Property, plant and equipment (Continued)

Depreciation is calculated on straight-line method to write off the cost of property, plant and equipment, less any estimated residual values, over the following estimated useful lives:

Leasehold buildings	The shorter of the lease terms and 20 years
Leasehold improvements	The shorter of the lease terms and 10 years
Parks and other properties	The shorter of the lease terms and 20 years
Furniture, fixtures and office equipment	5 to 10 years
Motor vehicles	5 to 8 years

The assets' estimated residual values, depreciation method and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the assets' estimated recoverable amount.

Construction in progress represents geological park under construction and is stated at cost less any impairment losses, and is not depreciated. Construction in progress is reclassified to the appropriate category of property, plant and equipment when the construction work is completed and ready for use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss on disposal or retirement of an item of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset and is recognised in profit or loss on disposal.

3.5 Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at fair value, unless it is still in the course of construction or development at the reporting date and its fair value cannot be reliably determined at that time. Fair value is determined by external professional valuers, with sufficient experience with respect to both the location and the nature of the investment properties. The carrying amounts recognised in the statement of financial position reflect the prevailing market conditions at the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.5 Investment properties (Continued)

Gain or loss arising from either a change in fair value or the sale of investment properties is included in profit or loss for the period in which it arises.

For a transfer from properties held for sale to investment property that is carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount is recognised in profit or loss.

Properties under construction or development for future use as an investment property are classified as investment property under construction. If the fair value cannot be reliably determined, the investment property under construction will be measured at cost until such time as fair value can be determined or construction is completed.

When the Group completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at the completion date and its previous carrying amount is recognised in profit or loss.

3.6 Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

The Group as lessee

(i) Leases where substantially all risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss on a straight line basis over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the period in which they are incurred.

(ii) Leasehold interests in land are up-front payments to acquire the land use rights. The payments are stated at cost less accumulated amortisation and any impairment losses. Amortisation is calculated on the straight-line method over the lease term.

Certain leasehold interests in land are included in properties held for development, properties held under development and properties held for sale *(note 16, 17 and 18)*.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.6 Leases (Continued)

The Group as lessor

Properties leased out under operating leases are included in the statement of financial position as investment properties. Initial indirect costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line-basis over the lease term. The recognition of rental income is set out in note 3.18.

3.7 Impairment of non-financial assets

Property, plant and equipment and the interests in subsidiaries are subject to impairment testing and are tested for impairment whenever there are indications that the assets' carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount unless the relevant asset is carried at a revalued amount under the Group's accounting policy, in which case the impairment loss is treated as a revaluation decrease according to that policy. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purpose of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash generating unit level.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only 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 has been recognised.

3.8 Financial assets

The Group's financial assets include account receivables, refundable deposit paid and other receivables, due from subsidiaries and cash and bank balances, which are classified as loans and receivables, are set out below.

Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.8 Financial assets (Continued)

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. When financial assets are recognised initially, they are measured at fair value, plus, transaction costs that are directly attributable to the acquisition of the financial assets.

Derecognition of financial assets occurs when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with IAS 39.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

At each reporting date, loans and receivables are reviewed to determine whether there is any objective evidence of impairment.

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

(a) significant financial difficulty of the debtor;

(b) a breach of contract, such as a default or delinquency in interest or principal payments;

(c) granting concession to a debtor because of debtor's financial difficulty; and

(d) it becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.8 Financial assets (Continued)

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the period in which the reversal occurs.

Impairment losses of financial assets other than account and other receivables that are stated at amortised cost, are written off against the corresponding assets directly. Where the recovery of account and other receivables is considered doubtful but not remote, the impairment losses for doubtful receivables are recorded using an allowance account. When the Group is satisfied that recovery of account and other receivables is remote, the amount considered irrecoverable is written off against account and other receivables directly and any amounts held in the allowance account in respect of that receivables are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

3.9 Properties held for development

Properties held for development represent leasehold land for development for future sale in the ordinary course of business. Cost comprises land held under operating lease *(note 3.6)* and other costs directly attributable to bring the leasehold land to the condition necessary for it to be ready for development. Properties held for development are included in current assets and are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated selling expenses.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.10 Properties held under development

Properties held under development which are held for future sale in the ordinary course of business are included in current assets and comprise certain land held under operating lease *(note 3.6)* and capitalised depreciation of certain property, plant and equipment *(note 13)*, and borrowing costs capitalised *(note 3.20)* and aggregate cost of development, materials and supplies, wages, and other expenses ("development costs"). Properties held under development are stated at the lower of cost and net realisable value. Other expenses included (a) those costs that are incurred in bringing the properties held under development to their present location and condition; and (b) a systematic allocation of fixed overheads that are incurred on development of properties. Fixed overheads are indirect costs which remain relatively constant regardless of the size or volume of the development.

On completion, the properties are transferred to properties held for sale.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated selling expenses.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

3.11 Properties held for sale

In case of completed properties developed by the Group, cost is determined by apportionment of the total development costs for that development project, attributable to the unsold properties. The cost of completed properties held for sale comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Properties held for sale are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated selling expenses.

3.12 Cash and cash equivalents

For the purpose of consolidated statement of cash flows presentation, cash and cash equivalents comprise cash at banks and in hand, demand deposits, less restricted bank deposits and bank overdrafts which are repayable on demand and form an integral part of the Group's cash arrangement.

For the purpose of statements of financial position classification, cash and bank balances comprise cash at banks and in hand and demand deposits repayable on demand with any banks or other financial institutions. Cash includes deposits denominated in foreign currencies.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.13 Financial liabilities

The Group's financial liabilities include account payables, accruals, deposits received and other payables and bank and other borrowings.

Management determines the classification of its financial liabilities at initial recognition depending on the purpose for which the financial liabilities were incurred.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised in accordance with the Group's policy on borrowing costs *(note 3.20)*.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

Account payables, accruals, deposits received and other payables

These are recognised initially at fair value and subsequently measured at amortised cost using effective interest method.

Bank and other borrowings

These are recognised initially at fair value, net of transaction costs incurred and subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

These are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.14 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. When the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

All provisions are reviewed at the reporting date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefit is remote.

Contingent liabilities are recognised in the course of the allocation of purchase price to the assets and liabilities acquired in a business combination. They are initially measured at fair value at the date of acquisition and subsequently measured at the higher of the amount that would be recognised in a comparable provision as described above and the amount initially recognised less any accumulated amortisation, if appropriate.

3.15 Financial guarantees issued

A financial guarantee contract is a contract that requires the issuer (or guarantor) to make specified payments to reimburse the holder (or the beneficiary of the guarantee) for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 3.14 if and when it becomes probable that the holder of the guarantee will call upon the Group under the guarantee and the amount of that claim on the Group is expected to exceed the current carrying amount, i.e. the amount initially recognised less accumulated amortisation, where appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.16 Share capital and share premium

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Share premium includes any premiums received on the issuance of share over the par value. Any transaction costs associated with the issuing of shares are deducted from the share premium (net of any related income tax benefit) to the extent that they are incremental costs directly attributable to the equity transaction.

Where any Group's entities purchase the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

3.17 Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in RMB, which is the Company's functional and presentation currency.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into RMB. Assets and liabilities have been translated into RMB at the closing rates at the reporting date. Income and expenses have been converted into RMB at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the translation reserve in equity.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.18 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of properties, rendering of services and the use by others of the Group's assets yielding interest. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised as follows:

Revenue arising from sale of properties held for sale is recognised upon the properties transfer of the significant risks and rewards of ownership of these properties to the purchasers and collectability of related receivables is reasonably assured. Deposits and instalments received from purchasers prior to the date of revenue recognition are included in the consolidated statement of financial position under current liabilities as receipt in advance and are not recognised as revenue.

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the accounting periods covered by the lease terms, except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

Services revenue are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Interest income from bank deposits is recognised on a time proportion basis by reference to the principal outstanding and the rate applicable.

Revenue from admission tickets sold is recognised when tickets are accepted and surrendered by the customer. Revenue from tickets sold for use at a future date is deferred until the tickets are surrendered or have expired.

3.19 Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within equity, until they have been approved by the shareholders in a general meeting. When these dividends have been approved and declared, they are recognised as liability. Interim dividends are simultaneously proposed and declared and consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.20 Borrowing costs

Borrowing costs incurred for the acquisition, construction or production of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Borrowing costs are capitalised as part of the cost of a qualifying asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are completed.

The Group determines the amount of borrowing costs from the general borrowings eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs that the Group capitalises during a period does not exceed the amount of borrowing costs it incurred during that period.

3.21 Accounting for income tax

Income tax for the year comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.21 Accounting for income tax (Continued)

An exception to the general requirement on determining the appropriate tax rate used in measuring deferred tax amount is when an investment property is carried at fair value under IAS 40 "Investment Property". Unless the presumption is rebutted, the deferred tax amounts on these investment properties are measured using the tax rates that would apply on sale of these investment properties at their carrying amounts at the reporting date. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale. Based on the assessment of the presumption, the Group determines that their investment properties are recovered through sales and the presumption is not rebutted.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in profit or loss or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

Current tax assets and current tax liabilities are presented in net if, and only if,

(a) the Group has the legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.21 Accounting for income tax (Continued)

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

(i) the same taxable entities; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.22 Retirement benefits

(a) Retirement benefits to employees

The Group participates the defined contribution scheme ("MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance which is available to its employees in Hong Kong. Contributions to the MPF Scheme by the Group and employees are made based on a percentage of employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme.

Pursuant to the relevant regulations in the PRC, the Group has participated in a local municipal government retirement benefit scheme (the "Scheme"), whereby the Group is required to contribute a certain percentage of basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligation of all existing and future retired employees in the PRC. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme mentioned above. The Group's contributions to the Scheme are expensed as incurred.

(b) Short-term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.22 Retirement benefits (Continued)

(c) Termination benefits

Termination benefits are recognised on the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group restructuring costs involve the payment of termination benefits.

3.23 Related parties

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

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

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

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Group or the Company, directly or indirectly, including any directors (whether executive or otherwise) of the Group or the Company.

(b) An entity is related to the Group if any of the following conditions apply:

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

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

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third party and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.23 Related parties (Continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependents of that person or that person's spouse or domestic partner.

3.24 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components.

The measurement policies the Group uses for reporting segment results under IFRS 8 are the same as those used in its financial statements prepared under IFRSs.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Enterprise Income Tax ("EIT")

The Group is subject to the EIT in the PRC. Significant judgement is required in determining the provision for EIT and the timing of payment of the related taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provision in the period in which such determination is made.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(i) Enterprise Income Tax ("EIT") (Continued)

The carrying amount of the Group's tax recoverable and income tax payables as at 30 June 2015 were approximately RMB12,800,000 (2014: RMB9,118,000) and RMB154,515,000 (2014: RMB173,314,000) respectively.

(ii) Investment properties

Investment properties are stated at fair value based on the valuation performed by independent professional valuers. In determining the fair value, the valuers have based on a method of valuation which involves certain estimates of market condition and appropriate capitalisation rates. Their estimates are regularly compared to actual market data and actual transactions entered by the Group. In relying on the valuation report, the Directors have exercised their judgement and are satisfied that the assumptions used in the valuation are reflective of the current market conditions.

The fair value measurement of investment properties utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;

- Level 2: observable inputs other than quoted prices included within Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available; and

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

For more detail information in relation to the fair value measurement of the investment properties, please refer to note 14.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(iii) Properties held for development, properties held under development and properties held for sale

Properties held for development, properties held under development and properties held for sale are stated at the lower of cost and net realisable value. Cost is determined by apportionment of the total development costs for that development project, attributable to the unsold properties. Provision is made when net realisable value of properties held for sale is assessed below the cost. Management determines the net realisable value by using prevailing market data such as most recent sale transactions and valuation of the projects in its existing partially completed state of construction taking into account cost of work done, and cost to completion from gross development value assuming satisfactory completion.

These estimates require judgement as to the anticipated sale prices by reference to recent sale transactions in nearby locations, rate of new property sales, marketing costs (including price discounts required to stimulate sales) and the expected costs to completion of properties, the legal and regulatory framework and general market conditions.

The carrying amounts of the Group's properties held for development, properties held under development and properties held for sale as at 30 June 2015 were approximately RMB101,793,000 (2014: RMB94,006,000) RMB1,566,987,000 (2014: RMB1,954,059,000) and RMB1,692,739,000 (2014: RMB969,667,000) respectively.

(iv) Impairment of account and other receivables

The Group's management reviews account and other receivables on a regular basis to determine if any provision for impairment is necessary. The impairment loss on account and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables or to receive the services, products and leasehold land and land use rights according to the original terms of contracts. Significant financial difficulties of the deposit holder/debtor, probability that the deposit holder/debtor will enter into bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the deposit/receivable is impaired. Management reassesses the impairment of account and other receivables at the reporting date.

During the financial year, the Group has impaired receivables amounting to RMB7,730,000 (2014: nil) and the aggregate carrying amounts of the Group's account and other receivables as at 30 June 2015 was approximately RMB357,053,000 (2014: RMB327,036,000).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.2 Critical judgement in applying the entity's accounting policies

(i) Revenue recognition

The Group has recognised revenue from sale of properties held for sale during the year as disclosed in note 6. The assessment of when an entity has transferred the significant risks and rewards of ownership to buyer requires examination of the circumstances of the transaction. In most cases, the transfer of risks and rewards of ownership coincides with the transfer of the legal title or the passing of possession to the buyer or when a completion certificate is issued by the relevant government authorities. The Group believes that its recognition basis of sales as set out in note 3.18 is appropriate and is the current practice in the PRC.

(ii) Land Appreciation Tax ("LAT")

The Group is subject to LAT in the PRC. However, the implementation and settlement of this tax varies among various tax jurisdictions in cities of the PRC, and the Group has not finalised all its LAT calculation and payments with the local tax authorities in the PRC. Accordingly, significant judgement is required in determining the amount of the land appreciation and its related LAT. The Group recognised LAT based on management's best estimates according to the understanding of the tax rules.

5. SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Company's executive directors in order to allocate resources and assess performance of the segment. For the years presented, executive directors have determined that the Group has only one single business component/reportable segment as the Group is only engaged in the business of sale and lease of properties which is the basis to allocate resources and assess performance.

The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, the location of the operation to which they are located. In the opinion of the directors, the majority of the Group's operation and centre of management are sourced from its subsidiaries in Guangzhou and Nanchang, the PRC, and that the operation base of the Group is domiciled in the PRC, as one geographical location. Therefore no analysis of geographical information is presented.

The Group's revenue from external customers is mainly sourced from the PRC. There is no independent and individual customer that contributed to 10% or more of the Group's revenue for the year ended 30 June 2015 (2014: One).

6. REVENUE AND OTHER INCOME AND GAINS

An analysis of the Group's revenue and other income and gains is as follows:

	Group	
	2015	2014
	RMB'000	RMB'000
Revenue		
Proceeds from sale of properties held for sale	**444,864**	1,328,301
Other income and gains		
Handling fee income	**–**	380
Bank interest income from bank deposits	**1,194**	1,392
Admission ticket income	**2,800**	–
Rental income from investment properties *(note a)*	**16,676**	18,491
Building management fee income	**2,599**	382
Others	**580**	453
	23,849	21,098

Note a: The Group has contingent rental income of investment properties of approximately RMB14,000 (2014: Nil) for the year ended 30 June 2015. The contingent rental income of investment properties is calculated based on a percentage of the relevant sales of the tenants pursuant to the rental agreements.

7. OPERATING (LOSS)/PROFIT

	Group	
	2015	2014
	RMB'000	RMB'000
Operating (loss)/profit is arrived at after charging/(crediting):		
Auditor's remuneration		
– Audit service	**871**	951
– Non-audit service	**–**	–
	871	951
Amortisation of land use rights [1]	**359**	359
Cost of properties held for sale recognised as expenses [2]	**341,425**	875,202
Depreciation of property, plant and equipment *(note 13)*	**9,520**	9,327
Operating lease charges in respect of land and buildings	**1,739**	1,753
Less: amount capitalised in		
– Properties held under development	**(395)**	(27)
– Construction in progress	**(134)**	–
	1,210	1,726
Direct operating expenses arising from investment properties	**533**	403
Advertising and promotion expenses	**14,719**	50,090
Entertainment expenses	**10,341**	23,705
Commission expenses	**523**	3,937
Legal and professional fees	**5,650**	3,914
Travelling expenses	**6,885**	6,494
Impairment of account receivables	**45**	–
Provision for impairment of other receivables	**7,685**	–
Staff costs, including Directors' remuneration [3]		
– Wages and salaries, allowances and benefits in kind	**60,181**	47,243
– Retirement scheme contribution	**4,937**	3,284
Less: amount capitalised in		
– Properties held under development	**(11,086)**	(10,105)
– Construction in progress	**(779)**	–
	53,253	40,422

Notes:

1 Included in administrative expenses.

2 Included in cost of sales.

3 Included in administrative expenses, selling expenses and cost of sales of approximately RMB44,347,000, RMB8,906,000, and RMB11,865,000 respectively (2014: RMB33,511,000, RMB6,911,000, and RMB10,105,000 respectively).

8. FINANCE COSTS

	Group 2015 RMB'000	2014 RMB'000
Interest charges on financial liabilities carried at amortised cost:		
Bank loans repayable within five years	**74,760**	79,594
Other loans repayable within five years	**94,407**	49,466
	169,167	129,060
Less: amount capitalised in properties held under development	**(167,323)**	(126,724)
	1,844	2,336

The weighted average capitalisation rate of borrowings was 10.46% (2014: 9.52%) per annum for the year.

9. INCOME TAX EXPENSE

	Group 2015 RMB'000	2014 RMB'000
Current income tax – PRC		
– EIT	**1,693**	101,563
– LAT	**17,451**	28,492
Under-provision of EIT in respect of prior years	**–**	1,678
	19,144	131,733
Deferred income tax – PRC *(note 24)*	**2,730**	802
Total income tax expense	**21,874**	132,535

(a) EIT has been provided on the estimated assessable profits of subsidiaries operating in the PRC at 25% (2014: 25%), unless preferential rates are applicable in the cities where the subsidiaries are set up.

According to the implementation rules, a reduced withholding tax rate of 10% will be imposed on dividends distributed to foreign investors of companies in the PRC, unless a lower rate applies for tax-treaty countries. At the reporting date, the aggregate amount of temporary difference associated with undistributed earnings of foreign owned subsidiaries for which deferred tax assets have not been recognised is approximately RMB3,431,000 (2014: RMB13,122,000). No deferred tax assets have been recognised in respect of these differences because the Group is in a position to control the dividend policies of these subsidiaries and it is probable that such differences will not reverse in the foreseeable future.

9. INCOME TAX EXPENSE (Continued)

(b) Under the Provisional Rules on LAT Implementation Rules of the PRC implemented on 27 January 1995, all gains from the sales or transfer of land use rights, buildings and their attached facilities in the PRC are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sale of properties less deductible expenditures including all finance costs and all property development expenditures. There are certain exemptions available for the sale of ordinary residential properties if the appreciation values do not exceed 20% of the total deductible items (as defined in the relevant PRC tax laws). Sale of commercial properties is not eligible for such exemption.

(c) Income tax has not been provided by the Company as the Company did not derive any assessable profits during the year (2014: Nil).

Reconciliation between income tax expense and accounting (loss)/profit at applicable tax rates is as follows:

	Group	
	2015	2014
	RMB'000	RMB'000
(Loss)/profit before income tax	**(20,008)**	339,462
Tax on (loss)/profit before income tax, calculated at the rate applicable to profits in the PRC	**(5,002)**	84,865
Tax effect of non-deductible expenses	**7,574**	21,969
Provision for land appreciation tax	**17,451**	28,492
Tax effect on land appreciation tax	**(4,363)**	(7,123)
Under-provision in respect of prior years	**–**	1,678
Effect of tax loss not recognised	**6,275**	3,246
Others	**(61)**	(592)
Total income tax expense	**21,874**	132,535

The Directors anticipated that there would be a substantial amount of revenue recognised in the next financial year as some of the property development projects held by the Group were in the final stage of construction as at the reporting date and it would be ready for delivery upon the completion. The Directors expected that it is probable that sufficient taxable profit of its PRC subsidiaries will be available to allow the benefit of the tax losses of approximately RMB56,688,000 (2014: RMB33,858,000) to be utilised. The deferred tax assets of these tax losses of approximately RMB14,172,000 (2014: RMB8,464,000) have been recognised accordingly.

10. DIVIDENDS

	2015	2014
	RMB'000	RMB'000
Proposal final dividend – Nil (2014: RMB0.01 per ordinary share)	**–**	6,940

The Directors do not recommend the payment of final dividend for the year ended 30 June 2015.

11. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the loss for the year attributable to owners of the Company of approximately RMB26,819,000 (2014: profit of RMB143,744,000) and the ordinary shares of 69,400,000 (2014: weighted average number of ordinary shares of 67,487,000) in issue during the year.

The share consolidation has been held on 29 July 2015, such that every 10 existing ordinary shares of HK$0.2 each are consolidated into 1 ordinary share of HK$2 each, the weighted average number of ordinary shares was adjusted retrospectively for all periods presented.

The diluted earnings per share is the same as the basic earnings per share, as the Group has no dilutive potential shares during the current and prior years.

12. INTERESTS IN SUBSIDIARIES

	Company	
	2015	2014
	RMB'000	RMB'000
Unlisted investments, at cost	**134,381**	134,381

Amounts due from subsidiaries are non-trade, interest-free, unsecured and repayable on demand.

Particulars of the subsidiaries, each of which is a limited liability company, were as follows:

Name	**Place of incorporation/ registration**	**Effective percentage of equity interest held by the Company**		**Principal activities and principal place of business**
		2015	2014	
Directly held:				
Rich Luck Group Limited	British Virgin Islands ("BVI")	**100%**	100%	Investment holding, HK
Indirectly held:				
Guangdong Yuanbang Real Estate Development Co., Ltd. *	PRC	**100%**	100%	Property development, management and investment holding, PRC
Guangzhou Yuanbang Real Estate Development Co., Ltd. *	PRC	**96%**	96%	Property development and investment holding, PRC
Guangzhou Changhao Real Estate Consultancy Co., Ltd. *	PRC	**60%**	60%	Property sales and marketing and investment holding, PRC

12. INTERESTS IN SUBSIDIARIES (Continued)

Name	Place of incorporation/ registration	Effective percentage of equity interest held by the Company 2015	2014	Principal activities and principal place of business
Indirectly held: (Continued)				
Nanchang Changhao Real Estate Consultancy Co., Ltd. *	PRC	**100%**	100%	Property sales and marketing, PRC
Spirit World Holdings Limited	BVI	**100%**	100%	Investment holding, HK
Aqualake Holdings Limited	BVI	**51%**	51%	Investment holding, HK
New Zhong Yuan (Nanchang) Real Estate Co., Ltd. ("New Zhong Yuan") *	PRC	**51%**	51%	Property development and management, PRC
Aqualake (HK) Group Limited	Hong Kong ("HK")	**51%**	51%	Investment holding, HK
Guangzhou Guangjin Real Estate Development Co., Ltd. *	PRC	**100%**	100%	Property development, PRC
Wanyuan Yuanbang Resort Development Co., Ltd. *	PRC	**82%**	82%	Resort development, PRC
Wanyuan Dabashan Tourism Co., Ltd. *	PRC	**82%**	82%	Tourism development, PRC
Wanyuan Yuanbong Property Development Co., Ltd. *	PRC	**82%**	82%	Tourism development, PRC
Wanyuan Mingyue Bashan Hotel Management Co., Ltd. * *(note a)*	PRC	**82%**	–	Hotel business and tourism development, PRC
Wanyuan Yuanbang Property Management Co., Ltd.* *(note a)*	PRC	**82%**	–	Property management, PRC
Wanyuan Yuanbang Modern Agricultural Development Co,. Ltd. * *(note a and b)*	PRC	**82%**	–	Agricultural tourism development, PRC
Tonghua Litong Real Estate Development Co., Ltd. ("Tonghua Litong") *	PRC	**51%**	51%	Property development, PRC
Huizhou Nanhao Speaker Co., Ltd. * ("Huizhou Nanhao") *(note c)*	PRC	**75%**	75%	Property development, PRC

12. INTERESTS IN SUBSIDIARIES (Continued)

Name	Place of incorporation/ registration	Effective percentage of equity interest held by the Company 2015	2014	Principal activities and principal place of business
Huizhou The Jins Hardware Electronics Co., Ltd * ("Huizhou Jins Hardware") *(note c)*	PRC	**75%**	75%	Property development, PRC
Huizhou Mengte Clothing Co., Ltd * ("Huizhou Mengte") *(note c)*	PRC	**75%**	75%	Property development, PRC
Huizhou Shaoyang Family Property Co., Ltd * ("Huizhou Shaoyang") *(note c)*	PRC	**75%**	75%	Property development, PRC
Weihai City Golden Harbor Real Estate Development Co., Ltd ("Weihai City Golden Harbor") * *(note c)*	PRC	**75%**	75%	Property development, PRC
Guangzhou Guangfu Property Development Co., Ltd. *	PRC	**100%**	100%	Property development, PRC
Guangzhou Yuanfu Real Estate Development Co., Ltd. *	PRC	**100%**	100%	Property development, PRC
Guangzhou Yuanbang Market Operations Management Co., Ltd. *	PRC	**100%**	100%	Property management, PRC
Rushan Fuyunlai Industry Co., Ltd. * *(note b)*	PRC	**100%**	100%	Tourism development, PRC

* *The English translation of the company name is for reference only, the official name of these company are in Chinese.*

Notes:

a) The subsidiaries were incorporated during the year ended 30 June 2015

b) As at 30 June 2015, the share capital has not been fully paid.

c) These subsidiaries are collectively know as "Huizhou group" hereafter.

12. INTERESTS IN SUBSIDIARIES (Continued)

The financial statements of the above subsidiaries for the years ended 30 June 2014 and 2015 have been audited by BDO Limited, Certified Public Accountants, Hong Kong for the purpose of incorporation into the Group's financial statements.

Set out below are the summarised financial information for the subsidiaries that had non-controlling interests which is material to the Group, before any elimination.

	New Zhong Yuan		Tonghua Litong	
	2015	2014	**2015**	2014
	RMB'000	RMB'000	**RMB'000**	RMB'000
Summarised statement of financial position				
As at 30 June				
Non-controlling interests percentage	**49%**	49%	**49%**	49%
Current				
Assets	**1,078,399**	1,015,749	**861,364**	688,118
Liabilities	**(473,594)**	(408,829)	**(386,467)**	(375,171)
Total net current assets	**604,805**	606,920	**474,897**	312,947
Non-current				
Assets	**8,084**	12,341	**2,455**	3,132
Liabilities	**(9,860)**	(18,249)	**(400,000)**	(230,130)
Total net non-current (liabilities)	**(1,776)**	(5,908)	**(397,545)**	(226,998)
Net assets	**603,029**	601,012	**77,352**	85,949
Accumulated non-controlling interests	**295,484**	294,496	**37,902**	42,115

12. INTERESTS IN SUBSIDIARIES (Continued)

	New Zhong Yuan		Tonghua Litong	
	2015	2014	**2015**	2014
	RMB'000	RMB'000	**RMB'000**	RMB'000
Summarised statement of comprehensive income				
For the year ended 30 June				
Revenue	**77,871**	908,939	**–**	–
Profit/(Loss) before income tax	**6,519**	306,524	**(8,597)**	(14,080)
Income tax expense	**(4,502)**	(105,195)	**–**	3,127
Total comprehensive income	**2,017**	201,329	**(8,597)**	(10,953)
Total comprehensive income allocated to non-controlling interests	**988**	98,651	**(4,213)**	(5,367)
Dividends paid to non-controlling interests	**–**	–	**–**	–
Summarised statement of cash flows				
For the year ended 30 June				
Cash flows generated from/(used in) operating activities	**3,439**	(110,944)	**(108,030)**	(1,935)
Cash flows generated from/(used in) investing activities	**704**	155	**(5,415)**	(3,011)
Cash flows generated from financing activities	**–**	–	**115,274**	–
Net cash inflow/(outflow)	**4,143**	(110,789)	**1,829**	(4,946)

13. PROPERTY, PLANT AND EQUIPMENT

Group

	Leasehold buildings RMB'000	Leasehold improvements RMB'000	Parks and other properties RMB'000	Furniture, fixtures and office equipment RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
At 1 July 2013							
Cost	20,096	18,193	–	4,978	26,054	–	69,321
Accumulated depreciation	(2,845)	(5,716)	–	(3,289)	(16,002)	–	(27,852)
Net carrying amount	17,251	12,477	–	1,689	10,052	–	41,469
Year ended 30 June 2014							
Opening net carrying amount	17,251	12,477	–	1,689	10,052	–	41,469
Additions	1,059	6,998	–	4,641	2,260	18,580	33,538
Depreciation	(871)	(3,817)	–	(922)	(4,290)	–	(9,900)
Closing net carrying amount	17,439	15,658	–	5,408	8,022	18,580	65,107
At 30 June 2014 and 1 July 2014							
Cost	21,155	25,191	–	9,619	28,314	18,580	102,859
Accumulated depreciation	(3,716)	(9,533)	–	(4,211)	(20,292)	–	(37,752)
Net carrying amount	17,439	15,658	–	5,408	8,022	18,580	65,107
Year ended 30 June 2015							
Opening net carrying amount	17,439	15,658	–	5,408	8,022	18,580	65,107
Additions	–	620	–	692	2,063	14,335	17,710
Transfers			16,817			(16,817)	–
Depreciation	(898)	(3,792)	(630)	(1,396)	(3,455)	–	(10,171)
Closing net carrying amount	**16,541**	**12,486**	**16,187**	**4,704**	**6,630**	**16,098**	**72,646**
At 30 June 2015							
Cost	21,155	25,811	16,817	10,311	30,377	16,098	120,569
Accumulated depreciation	(4,614)	(13,325)	(630)	(5,607)	(23,747)	–	(47,923)
Net carrying amount	**16,541**	**12,486**	**16,187**	**4,704**	**6,630**	**16,098**	**72,646**

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

The leasehold buildings of the Group are located at Guangzhou, Guangdong Province, the PRC with lease terms expiring in 2052 (2014: 2052).

At 30 June 2015, the entire leasehold buildings of the Group were pledged as security for the bank borrowings extended to Guangdong Hongda Construction and Installation Co., Ltd. ("Hongda") and Guangdong Meihaohuang Decoration Engineering Co., Ltd. ("Meihaohuang"), contractors of the Group. (2014: extended to Hongda only)

Depreciation charges have been included in:

	Group	
	2015	2014
	RMB'000	RMB'000
Consolidated statement of financial position		
– capitalised in properties held under development	**279**	543
– capitalised in construction in progress under property, plant and equipment	**372**	30
	651	573
Consolidated statement of comprehensive income		
– Selling expenses	**498**	256
– Administrative expenses	**8,392**	9,071
– Other operating expenses	**630**	–
	9,520	9,327
	10,171	9,900

14. INVESTMENT PROPERTIES

	Group	
	2015	2014
	RMB'000	RMB'000
Carrying amount at beginning of the year	**370,635**	254,742
Transfer from properties held for sale *(note 18)*	**382**	19,722
Fair value adjustments	**26,720**	96,171
Carrying amount at end of the year	**397,737**	370,635

Investment properties included leasehold interests in land located in the PRC with lease terms expiring from 2052 to 2058 (2014: 2052 to 2058). For the years ended 30 June 2015 and 2014, the entire investment properties of the Group were leased out for rental income *(note 6)*.

14. INVESTMENT PROPERTIES (Continued)

During the year ended 30 June 2015, properties held for sale with the carrying value of approximately RMB382,000 (2014: RMB19,722,000) *(note 18)* were transferred to investment properties as these properties were under operating lease agreements with third parties during the year to earn rental. The fair value of these properties upon transfer to investment properties was approximately RMB1,440,000 (2014: RMB79,084,000). The total net fair value change of investment properties approximately RMB26,720,000 (2014: RMB96,171,000) was credited to profit or loss for the year ended 30 June 2015.

At 30 June 2015, investment properties of the Group with carrying amount of approximately RMB14,919,000 (2014: RMB318,878,000) and RMB324,369,000 (2014: RMB51,324,000) were pledged to secure bank loans of the Group *(note 23(a))* and bank borrowings extended to Hongda, a contractor of the Group, respectively.

The fair value of the investment properties as at 30 June 2015 and 2014 was revalued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("JLLS"), an independent qualified professional valuer who have the relevant experience in the location and category of properties being valued, which were based on the income approach by taking into account the net rental income derived from its existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalised to determine the market value at an appropriate capitalisation rate or, where appropriate, by reference to market evidence of transaction prices for similar properties in the same locations and conditions.

The fair value of investment properties is a level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balance is provided below.

	Group	
	2015	2014
	RMB'000	RMB'000
Opening balance (level 3 recurring fair value)	**370,635**	254,742
Transfer from properties held for sale	**382**	19,722
Change in revaluation of investment properties	**26,720**	96,171
Closing balance (level 3 recurring fair value)	**397,737**	370,635
Change in unrealised gains for the year included in profit or loss for assets held at 30 June	**26,720**	96,171

14. INVESTMENT PROPERTIES (Continued)

The following table shows the significant unobservable inputs used in the valuation model:

Properties	Fair value hierarchy	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value	Range of unobservable inputs 2015	2014
Commercial offices	3	Income approach	Reversionary yield	The higher the reversionary yield, the lower the fair value	**6.5%**	6.0% – 6.5%
Retails units	3	Income approach	Reversionary yield	The higher the reversionary yield, the lower the fair value	**5.0% – 7.0%**	5.0% – 7.0%

There was no change to the valuation techniques during the year.

The fair value measurement is based on the above properties' highest and best use, which does not differ from their actual use.

15. LAND USE RIGHTS

	Group 2015 RMB'000	2014 RMB'000
At beginning of the year		
Cost	**15,354**	15,354
Accumulated amortisation	**(1,285)**	(926)
Net carrying amount	**14,069**	14,428
For the year ended		
Opening net carrying amount	**14,069**	14,428
Amortisation	**(359)**	(359)
Closing net carrying amount	**13,710**	14,069
At end of the year		
Cost	**15,354**	15,354
Accumulated amortisation	**(1,644)**	(1,285)
Net carrying amount	**13,710**	14,069

15. LAND USE RIGHTS (Continued)

Land use rights represented leasehold interests in land located in the PRC with lease terms expiring from 2042 to 2072 (2014: 2042 to 2072).

At 30 June 2015, all land use rights of the Group were pledged as security for the bank borrowings; while all land use rights of the Group were pledged as security for the bank borrowings extended to Hongda, a contractor of the Group at 30 June 2014.

16. PROPERTIES HELD FOR DEVELOPMENT

Properties held for development included leasehold interests in land located in the PRC with lease terms expiring from 2050 to 2057 (2014: 2050 to 2057).

At 30 June 2015, the leasehold interests held for development of approximately RMB101,793,000 (2014: RMB94,006,000) were pledged to secure bank loans of the Group *(note 23(a))*.

At 30 June 2015, properties held for development amounted to RMB101,793,000 (2014: RMB94,006,000) are expected not to be recovered within 12 months.

17. PROPERTIES HELD UNDER DEVELOPMENT

	Group	
	2015	2014
	RMB'000	RMB'000
Leasehold interests in land located in the PRC	**547,484**	696,437
Development costs	**738,967**	1,019,923
Borrowing costs capitalised	**280,536**	237,699
	1,566,987	1,954,059

Leasehold interests in land are located in the PRC and have lease terms expiring from 2045 to 2082 (2014: 2045 to 2082).

At 30 June 2015, certain properties held under development with carrying amounts of approximately RMB27,797,000 (2014: RMB556,329,000), RMB424,118,000 (2014: RMB360,675,000) and RMB202,229,000 (2014: RMB124,102,000) were pledged to secure bank loans *(note 23(a))*, the entrusted loan *(note 23(b))* and the other loan *(note 23(b))* to the Group respectively.

At 30 June 2015, properties held under development amounted to approximately RMB1,532,480,000 (2014: RMB1,521,074,000) are expected to be recovered within 12 months. On completion, the properties are transferred to properties held for sale.

At 30 June 2015, certain properties held under development with a carrying amount of approximately RMB55,483,000 (2014: Nil) were frozen by the Court under the lawsuit *(note 22)*.

18. PROPERTIES HELD FOR SALE

	Group	
	2015	2014
	RMB'000	RMB'000
Gross carrying amount	**1,727,485**	1,004,413
Less: Write down to net realisable value	**(34,746)**	(34,746)
Net carrying amount	**1,692,739**	969,667

Properties held for sale included leasehold interests in land located in the PRC with lease terms expiring from 2040 to 2078 (2014: 2040 to 2078). At 30 June 2015, the carrying value of the operating lease up-front payments on the leasehold interests in land amounted to approximately RMB234,316,000 (2014: RMB100,538,000).

During the year ended 30 June 2015, properties held for sale with a carrying amount of approximately RMB382,000 (2014: RMB19,722,000) were transferred to investment properties as these properties were under operating lease arrangements with third parties during the year to earn rental *(note 14)*.

At 30 June 2015, properties held for sale with carrying amounts of approximately RMB1,017,751,000 (2014: RMB13,207,000) and RMB11,099,000 (2014: Nil) was pledged to secure bank loans *(note 23(a))* and other loan *(note 23(b))* to the Group.

At 30 June 2015, certain properties held for sale with carrying amounts of approximately RMB210,813,000 (2014: RMB249,903,000), RMB58,281,000 (2014: RMB44,987,000) and RMB9,493,000 (2014: Nil) were pledged as security for bank borrowings extended to Hongda, Meihaohuang and Guangzhou Po Xin Decoration Design Co., Ltd, contractors of the Group, respectively.

As at 30 June 2015, certain properties held for sale with a carrying amount of approximately RMB28,355,000 (2014: Nil) were pledged as security for the trust fund provided by a financial institution extended to a company which is related to the non-controlling equity owners of New Zhong Yuan with maximum amount approximately RMB60,000,000.

The write down to net realisable value is determined with reference to the estimated net realisable value of certain slow-moving properties held for sale.

19. PREPAYMENTS, DEPOSITS PAID AND OTHER RECEIVABLES

	Group		Company	
	2015	2014	**2015**	2014
	RMB'000	RMB'000	**RMB'000**	RMB'000
Prepayments *(note a)*	**333,795**	343,420	**–**	–
Deposits paid *(note b)*	**18,127**	24,820	**–**	–
Other receivables *(note c)*	**346,611**	302,171	**1,317**	1,324
Less: Impairment loss recognised for other receivable *(note d)*	**(7,685)**	–	**–**	–
	690,848	670,411	**1,317**	1,324

Notes:

(a) As at 30 June 2015, prepayments included the amounts paid of approximately RMB53,000,000 (2014: RMB70,000,000) and RMB5,878,000 (2014: RMB4,390,000) to Tonghua government（通化市房屋征收补偿办公室）and The 13th Secondary School, Tonghua City（通化市第十三中学）for the acquisition of land use rights of the land in Tonghua City, Jilin Province for the property development project respectively. Another amount of approximately RMB69,747,000 (2014: RMB58,805,000) represented the prepaid construction and material cost for the abovementioned project.

(b) As at 30 June 2015, the balance represented the deposit paid of approximately RMB15,000,000 (2014: RMB15,000,000) for proposed development of certain land parcels in Conghua City, Guangdong Province. Such deposit will be fully refunded upon the commencement of development in the land parcels scheduled in late 2015.

(c) As at 30 June 2015, other receivables included the amounts of approximately RMB264,524,000 (2014: RMB232,399,000) due from certain companies which are related to the non-controlling equity owners of New Zhong Yuan. The balances are interest-free, repayable on demand and secured by the equity interest in New Zhong Yuan held by the non-controlling equity owners except for the amount due from the non-controlling equity owners with carrying amount of RMB10,424,000 (2014:Nil) as at 30 June 2015 which bears fixed interest rate of 16.96% per annum and repayable on or before 11 September 2015.

The other receivables were unsecured, non-interest bearing and repayable on demand. Other receivables that were neither past due nor impaired related to counterparties for which there were no recent history of default.

19. PREPAYMENTS, DEPOSITS PAID AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

(d) The below table reconciles the impairment loss of other receivables for the year ended 30 June 2015 and 2014:

	Group		Company	
	2015	2014	**2015**	2014
	RMB'000	RMB'000	**RMB'000**	RMB'000
As at 1 July	**–**	–	**–**	–
Add: Provision for impairment loss				
(note i,ii)	**7,685**	–	**–**	–
As at 30 June	**–**	–	**–**	–
	7,685	–	**–**	–

The Group recognised impairment loss on other receivables on individual assessment based on the accounting policy stated in note 3.8.

For the year ended 30 June 2015, there was impairment loss on other receivables amounting to approximately RMB7,685,000 which was mainly attributable to:

(i) Chengdu Hui Fu Investment Co., Ltd. ("CHF") is previous subsidiary of the Group, the Group had disposed its entire equity interests in CHF of 56% at a consideration of RMB20,000,000, of which RMB16,000,000 was settled immediately after the disposal and the remaining RMB4,000,000 was recorded as sales proceeds receivable. The receivable was outstanding since the completion of disposal in FY2012 and after the further assessment made by the management of the Group which was based on the discussion with Mr. He Qing, the unrelated third party purchaser of CHF, it was concluded that the purchaser had tight cashflow in the coming future and it would not be able to repay the Group the outstanding amount. In view of that, a full provision for impairment (RMB4,000,000) was made by the management.

(ii) The impairment was arisen from deposits (RMB3,685,000) paid to agents namely Huizhou Luo Fu Shan Yancheng Ecological Tourism Development Co., Ltd.（惠州市罗浮山燕城生态旅游开发有限公司）and Hubei Dushan Construction Engineering Co., Ltd.（湖北独山建筑工程有限公司）("The agents") by which the Group engaged the agents in the view to obtain land banks at Huizhou during 2012.

In late 2013, the Group was informed by the agents that the probability to obtain land banks in Huizhou was low and Group had ceased the search for land banks and request refund of the amount.

During the year ended 30 June 2015, the Group had negotiated with the agents on the refund of the balance and the management assessed that the agents may not be able to settle the full amount by considering their financial difficulties. In view of that, the Group would make provision for the balances of approximately RMB3,685,000.

The carrying amounts of other receivables approximate their fair values as these financial assets which are measured at amortised cost, are expected to be repaid within a short time scale, such that the time value of money is not significant.

20. CASH AND BANK BALANCES

		Group	
		2015	2014
	Notes	**RMB'000**	RMB'000
Cash and bank balances	*(a)*	**296,317**	290,046
Less:			
Deposit pledged against banking facilities granted to the mortgages	*(b)*	**(10,661)**	(11,094)
Deposit restricted for construction work	*(c)*	**(10,353)**	(30,380)
Deposit restricted for bank loans	*(d)*	**(168,095)**	(146,551)
Deposit restricted for acquisition of land		**(5,281)**	(5,257)
Cash and cash equivalents for the purpose of the consolidated statement of cash flows		**101,927**	96,764

Notes:

(a) Cash at banks earns interest at floating rates based on daily bank deposits rates.

(b) The deposits were pledged to certain banks as security in the PRC as detailed in note 34. These banks provided mortgage loans to purchasers for acquisition of properties from the Group. These pledge will last for the period from the date of draw-down of mortgage loans to the date when the individual building ownership certificates are granted to the property purchasers. Such charges will be released upon the certificates are granted to the property purchasers.

(c) At 30 June 2015, the bank deposits were attributed by two subsidiaries of the Group, Tonghua Litong and New Zhong Yuan with approximately of RMB5,415,000 for Hon De Zai Wu project and RMB4,938,000 for the Aqua Lake Grand City project respectively.

(d) At 30 June 2015, the bank deposits included an amount of approximately RMB168,095,000 (2014: 146,551,000) with floating interest rate ranging from 0.08% to 0.45% (2014:0.11% to 0.30%) per annum was pledged to certain bankers in the PRC against bank loans of approximately RMB520,000,000 (2014:RMB500,000,000) *(note23(a))*. The deposit will mature not later than July 2017 (2014:February 2016). The pledge will last for the period from the date of draw down of secured bank loans to the date when the bank loans are fully settled.

At 30 June 2015, the Group had bank balances amount to approximately RMB284,368,000 (2014:RMB255,767,000) were deposited with the banks in the PRC. These balances were denominated in RMB and HK$. RMB is not freely convertible into foreign currencies. Under the PRC Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct foreign exchange business.

21. RECEIPTS IN ADVANCE

Receipts in advance represented instalments of sale proceeds received from the buyers in connection with the Group's pre-sale of properties.

22. ACCOUNT PAYABLES, ACCRUALS, DEPOSITS RECEIVED AND OTHER PAYABLES

	Group		Company	
	2015	2014	**2015**	2014
	RMB'000	RMB'000	**RMB'000**	RMB'000
Account payables	**420,324**	250,758	**–**	–
Accruals	**30,355**	31,529	**8,387**	7,507
Refundable deposits made by property purchasers	**69,015**	71,977	**–**	–
Other payables *(note)*	**192,847**	162,995	**–**	–
	292,217	266,501	**8,387**	7,507

Note:

As at 30 June 2015, other payables included the amounts of approximately RMB106,623,000 (2014: RMB113,623,000) due to the non-controlling equity owners of Tonghua Litong. The balances are interest-free, repayable on demand and unsecured.

As at 30 June 2015, other payables included the amount of approximately RMB12,138,000 representing the accruals made for the settlement of the legal actions against the Group. During the year ended 30 June 2015, the Group was made a defendant in a lawsuit brought by the subcontractor of the Group's property development project ("Plaintiff"), in respect of a claim dispute between the Group and the Plaintiff (the "Petition"). It was alleged in the Petition, inter alia, that the Group still had an outstanding payment of RMB12,138,000 (the "Claims") to the Plaintiff in respect of the extra costs incurred for previous construction contracts between the Plaintiff and the Group. On application of the Plaintiff petitioned, 121 residential units of property held under development *(note17)* amounted to approximately RMB55,483,000 were frozen by the court until the Group settle the Claims, together with interest and relevant costs.

At 30 June 2015, account payables, accruals, deposits received and other payables are denominated in RMB (2014: RMB).

23. INTEREST-BEARING BANK AND OTHER BORROWINGS

		Group	
		2015	2014
	Notes	**RMB'000**	RMB'000
Bank loans – secured	*(a)*	**787,000**	759,300
Other loans – secured	*(b)*	**438,000**	230,130
Other loans – unsecured	*(c)*	**494,374**	490,357
Total bank and other borrowings		**1,719,374**	1,479,787
Bank loans repayable			
– within one year		**387,000**	506,300
– in the second to fifth year		**400,000**	253,000
		787,000	759,300
Other loans repayable			
– within one year		**419,620**	220,317
– in the second to fifth year		**512,754**	500,170
		932,374	720,487
Total bank and other borrowings		**1,719,374**	1,479,787
Less: Portion due within one year included under current liabilities		**(806,620)**	(726,617)
Non-current portion included under non-current liabilities		**912,754**	753,170

(a) As at 30 June 2015, the Group's bank loans are secured by the pledge of the Group's investment properties of approximately RMB14,919,000 (2014: RMB318,878,000) *(note 14)*, properties held for development of approximately RMB101,793,000 (2014: RMB94,006,000) *(note 16)*, properties held under development of approximately RMB27,797,000 (2014: RMB556,329,000) *(note 17)*, properties held for sale of approximately RMB1,017,751,000 (2014: RMB13,207,000) *(note 18)*, and bank deposits of approximately RMB168,095,000 (2014: 146,551,000) *(note 20d)*.

As at 30 June 2015, the Group's bank loans are denominated in RMB, and an amount of RMB387,000,000 is repayable in full no later than 29 March 2016 and bear interests at certain percentage above the benchmark lending rate of People's Bank of China ("PBOC") per annum. The effective interest rate was ranging from 6.04% to 10.88% (2014: from 7.38% to 13.50%) per annum.

23. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

(b) On 12 August 2014, one of the PRC subsidiaries, Tonghua Litong entered into an entrusted loan agreement of RMB400,000,000 with a financial institution in the PRC, which the loan bears fixed interest rate of 10.50% per annum, and expires in 11 August 2016. The loan is secured by (i) the properties held under development of Tonghua Litong; (ii) guarantees by the Group and the owner of non-controlling interests of Tonghua Litong. As at 30 June 2015, the properties held under development of Tonghua Litong with net carrying amount of approximately RMB424,118,000 (2014: RMB360,675,000) was pledged to secure the entrusted loan (2014: trust funds) *(note 17)*.

During the year ended 30 June 2015, the Group entered loan agreements with independent third parties of an aggregate amount of RMB38,000,000 (current: RMB12,000,000 and non-current: RMB26,000,000), which bore the interest rates at certain percentage above the benchmark lending rate of PBOC, the effective interest rate was 4.82% (2014: Nil) per annum. The loans were secured by the properties held under development and properties held for sale with carrying amounts of approximately RMB202,229,000 (2014: RMB124,102,000 *(note 17)* and RMB11,099,000 (2014: Nil) *(note 18)*.

As at 30 June 2015, the Group's secured other loans are denominated in RMB.

(c) Except for the amount of approximately RMB16,754,000 (2014: RMB31,110,000) which are denominated in Hong Kong Dollars ("HK$") and bear fixed interest rate of 9.71% (2014: 9.71%) per annum, other loans are denominated in RMB with interest rates at certain percentage above the benchmark lending rate of PBOC, the interest rate was ranging from 7.14% to 11.2% (2014: 6.3% to 9.0%) per annum as at 30 June 2015. The other loans under current portion of approximately RMB407,620,000 are repayable from July 2015 to June 2016 (2014: July 2014 to May 2015). The other loans under non-current portion of approximately RMB86,754,000 are repayable after 12 months to 24 (2014: 21) months from the year ended 30 June 2015.

24. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred taxation is calculated in full on temporary differences under the balance sheet liability method using principle taxation rate of 25% for the year (2014: 25%). The following are the major deferred tax assets/(liabilities) recognised by the Group and the movements thereon during the year.

	Deferred tax liabilities			Deferred tax assets			
	Revaluation of properties held for/under development RMB'000	**Revaluation of investment properties** RMB'000	**Subtotal** RMB'000	**LAT** RMB'000	**Tax losses** RMB'000	**Subtotal** RMB'000	**Total** RMB'000
At 1 July 2013	(61,484)	(56,262)	(117,746)	22,241	–	22,241	(95,505)
Credited/(Charged) to profit or loss *(note 9)*	18,911	(28,226)	(9,315)	49	8,464	8,513	(802)
At 30 June 2014 and 1 July 2014	(42,573)	(84,488)	(127,061)	22,290	8,464	30,754	(96,307)
Credited/(Charged) to profit or loss *(note 9)*	8,389	(8,327)	62	(8,500)	5,708	(2,792)	(2,730)
At 30 June 2015	**(34,184)**	**(92,815)**	**(126,999)**	**13,790**	**14,172**	**27,962**	**(99,037)**

25. SHARE CAPITAL

Movement of share capital of the Company is summarised below:

	Number of shares '000	Amount RMB'000
Authorised:		
At 1 July 2013, 30 June 2014 and 30 June 2015, ordinary shares of HK$0.20 each	3,000,000	588,812
Issued and fully paid:		
At 1 July 2013, ordinary shares of HK$0.20 each	655,000	127,721
Issuance of shares *(note a)*	39,000	6,161
At 30 June 2014, 1 July 2014 and 30 June 2015, ordinary shares of HK$0.20 each *(note b)*	694,000	133,882
Upon the completion of share consolidation:		
At 29 July 2015, ordinary shares of HK$2.00 each *(note b)*	69,400	133,882

Notes:

(a) On 6 December 2013 and 9 December 2013, the Company has entered into subscription agreements with independent individuals to allot and issue 39,000,000 ordinary shares of HK$0.20 each at a consideration price of S$0.245 per share (the "Placement"). The consideration was settled by cash. The Placement was completed on 27 December 2013.

(b) As to comply with the minimum trading price requirement introduced by the Monetary Authority of Singapore and the Singapore Exchange Limited, the Board has proposed the share consolidation and announced that the share consolidation has been completed on 29 July 2015, every 10 shares registered in the name of each shareholder of the Company have been consolidated into 1 consolidated share. Prior to 29 July 2015, the issued share capital of the Company comprised 694,000,000 ordinary shares of HK$0.2 each, and with effect from 29 July 2015, the issued share capital of the Company now comprises 69,400,000 ordinary shares of HK$2 each.

26. RESERVES

Share premium

The share premium account of the Group/Company represented the premium arising from the issue of shares of the Company at a premium. Under the bye-laws of the Company, the share premium account is not distributable.

Merger reserve

The merger reserve of the Group represents the difference between the nominal value of the share capital of the subsidiaries acquired and the nominal value of the share capital of the Company issued in exchange thereof pursuant to the restructuring exercise to rationalise the structure of the Group in the preparation for the initial public offering of the Company's shares on the SGX-ST on 9 May 2007 ("Restructuring Exercise"). Details of Restructuring Exercise were set out in the Company's prospectus dated 26 April 2007.

Contributed surplus

The contributed surplus of the Company represents the difference between the net tangible asset value of the subsidiaries acquired and the nominal value of the share capital of the Company issued in exchange thereof pursuant to the Restructuring Exercise.

Statutory reserve

The statutory reserve represents the appropriation of profits retained by the PRC subsidiaries. In accordance with PRC accounting standards and regulations and the respective articles of association of the PRC subsidiaries, the PRC subsidiaries are required to appropriate an amount not less than 10% of profit after income tax each year to the statutory reserve, until the balance of the statutory reserve reaches 50% of the registered capital of the PRC subsidiaries.

Revaluation reserve

Revaluation reserve of the Group represents the difference between the carrying value and fair value of property when an owner-occupied property becomes an investment property which will be carried at fair value.

Translation reserve

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of a subsidiary whose functional currency is different from that of the Group's presentation currency which is RMB and non-distributable.

27. CAPITAL MANAGEMENT

The Group's objectives when managing capital are:

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

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

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

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group currently does not adopt any formal dividend policy.

No changes were made in the objectives, policies or processes during the current and previous years. The Group sets the amount of equity capital in proportion to its overall financing structure. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to owners, return capital to owners, issue new shares or raise new debts, or sell assets to reduce debt. The net debts-to-equity ratio at 30 June 2015 and 2014 were as follows:

	Group	
	2015	2014
	RMB'000	RMB'000
Current liabilities		
Account payables	**420,324**	250,758
Accruals, deposits received and other payables	**292,217**	266,501
Interest-bearing bank and other borrowings	**806,620**	726,617
	1,519,161	1,243,876
Non-current liabilities		
Interest-bearing bank and other borrowings	**912,754**	753,170
Total debts	**2,431,915**	1,997,046
Less: Cash and bank balances	**(296,317)**	(290,046)
Net debts	**2,135,598**	1,707,000
Total equity	**1,079,257**	1,125,963
Net debts to equity ratio	**197.88%**	152%

Except as disclosed in note 26 on statutory reserves, the Group is not subject to any other externally imposed capital requirements for the years ended 30 June 2015 and 2014.

28. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Major non-cash transaction

During the year ended 30 June 2015, certain properties under development with net carrying amount of approximately RMB1,064,879,000 (2014: RMB400,342,000) were transferred to properties held for sale.

29. CAPITAL COMMITMENTS

At the reporting date, the Group had the following outstanding commitments:

	Group	
	2015	2014
	RMB'000	RMB'000
Contracted but not provided for in respect of:		
– Construction in progress	**2,624**	–
– Properties held for sale	**–**	2,179
– Properties held under development	**1,123,527**	997,627

The Company did not have any commitments as at 30 June 2015 and 2014.

30. OPERATING LEASE ARRANGEMENTS

At the reporting date, the Group had the following operating lease arrangements:

As lessor

The Group had future aggregate minimum lease receipts under non-cancellable operating leases in respect of its properties as follows:

	Group	
	2015	2014
	RMB'000	RMB'000
Not later than one year	**16,719**	9,227
Later than one year but not later than five years	**17,907**	15,648
	34,626	24,875

The Group leases out its properties under operating lease arrangements which run for initial periods of two to five years (2014: two to five years), without an option to renew the lease terms at the expiry date.

Certain leases (including contingent rental) are negotiated with reference to the level of business. The terms of the leases generally also require the tenants to pay security deposits.

30. OPERATING LEASE ARRANGEMENTS (Continued)

As lessee

The Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of properties as follows:

	Group	
	2015	2014
	RMB'000	RMB'000
Not later than one year	**2,367**	1,980
Later than one year but not later than five years	**2,927**	2,977
	5,294	4,957

The Group leases a number of properties under operating lease arrangements which run for initial periods of one to five years (2014: one to five years), with an option to renew the lease terms at the expiry date. None of the leases includes contingent rentals.

The Company did not have any lease arrangements as lessee or lessor as at 30 June 2015 (2014: Nil).

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has well established risk management policies and guidelines. Moreover, the Directors will meet periodically to analyse and formulate measures to manage the Group's exposure to market risk, including principally changes in interest rates and currency exchange rates. Generally, the Group employs a conservative strategy regarding its risk management. As the Directors consider that the Group's exposure to market risk is kept at a minimum level, the Group has not used any derivatives or other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes.

As at 30 June 2015, the financial assets of the Group comprise primarily account receivables, refundable deposits paid and other receivables and cash and bank balances. The financial liabilities of the Group comprise account payables, accruals, deposits received and other payables and bank and other borrowings.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(i) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk arises primarily from bank and other borrowings which bore interests at fixed and floating interest rates. Bank and other borrowings arranged at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The interest rate and repayment terms of the borrowings outstanding at the end of the reporting period are disclosed in note 23.

The Group manages interest rate risk by monitoring its interest rate profile on an ongoing basis. The Group has not used any interest rate swaps to hedge its exposure to interest rate risk. The policies to manage interest rate risk have been followed by the Group since prior year and are considered to be effective.

Sensitivity Analysis

At 30 June 2015, it is estimated that a general increase/decrease of 25 basis points in interest rates, with all other variables held constant, would increase/decrease the Group's loss after income tax by approximately RMB983,000 (2014: decrease/increase the Group's profit after income tax by approximately RMB657,000). The assumed changes have no impact on the Group's other components of equity.

The assumed changes in interest rates are considered to be reasonably possible changes on observation of current market conditions and represent management's assessment of a reasonably possible change in interest rates over the next twelve month period.

The calculation is based on a change in average market interest rates for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variable are held constant. The sensitivity analysis for the year ended 30 June 2014 has been prepared on the same basis.

The Company does not have any exposure to interest rate risk at the reporting date.

(ii) Foreign currency risk

Most of the Group's transactions are carried out in RMB which is the functional currency of most of the group entities. Exposure to currency exchange rates arises from certain of the Group's cash and bank balances denominated in HK$ and SG$; while other borrowings of the Group are denominated in HK$. The Group does not use derivative financial instruments to hedge its foreign currency risk. The Group reviews its foreign currency exposure regularly and does not consider its foreign exchange risk to be significant.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(ii) Foreign currency risk (Continued)

Foreign currency risk exposure

The following table details the Group's exposure at the reporting date to foreign currency risk from the bank balances and other borrowings denominated in a currency other than the functional currency of the Company and its subsidiaries.

	Group	
	2015	2014
	RMB'000	RMB'000
Bank balances denominated in HK$	**5,318**	33,071
Other borrowings denominated in HK$	**(16,754)**	(31,110)

By assessing foreign currency risk on bank balances and other borrowings, the effect arising from a reasonably possible change in the exchange rates of RMB against HK$ in the next twelve months was not material to the results for the year and retained profits at each of the reporting date, on the basis that all other variables remain constant.

The Company is not exposed to any foreign currency risk at the reporting date.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and financial assets. The Group's credit risk is primarily attributable to account and other receivables and cash and bank balances. The management has a credit policy and the exposure to credit risk is monitored on an ongoing basis.

In respect of account and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Normally, the Group does not obtain collateral from customers.

Except for certain other receivables secured by the equity interest in New Zhong Yuan *(note 19)*, none of the Group's remaining financial assets are secured by collateral or other credit enhancements.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(iii) Credit risk (Continued)

The Group performs ongoing credit evaluation of its customers' financial positions. Provision for impairment is based upon a review of the expected collectability of all receivables.

The Group's bank balances are mainly deposits with state-owned banks in the PRC and major banks in Hong Kong.

At the end of reporting period, except for the amounts due from certain companies related to the non-controlling equity owners of New Zhong Yuan, the Group had no concentration of credit risk.

The Company's credit risk is primarily attributable to amounts due from subsidiaries.

Financial guarantee

The principal risk to which the Group is exposed to is credit risk in connection with guarantee contracts it has issued. The credit risk represents the loss that would be recognised upon a default by the parties to which the guarantees were given on behalf of. To mitigate these risks, management continually monitors the risks and has established processes including performing credit evaluations of the parties it is providing the guarantee on behalf of. The maximum exposure to credit risk in respect of these financial guarantees at the reporting date is disclosed in note 34.

There are no terms and conditions attached to the guarantee contracts that would have a material effect on the amount, timing and uncertainty of the Group's future cash flows.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(iv) Liquidity risk

The Group's objective is to ensure that it has adequate funds to meet commitments associated with its financial liabilities. Cash flows are closely monitored on an ongoing basis. The Group will raise funds from the realisation of its assets if required.

As at 30 June 2015 and 2014, the remaining contractual maturities of the Group's financial liabilities which are based on undiscounted cash flows are summarised below:

Group

	Carrying amount RMB'000	Total contractual undiscounted cash flows RMB'000	On demand RMB'000	Less than 3 months RMB'000	3 to less than 12 months RMB'000	Over 1 year RMB'000
At 30 June 2015						
– Account payables	**420,324**	**420,324**	**134,120**	**23,622**	**252,944**	**9,638**
– Accruals, deposits received and other payables	**292,217**	**292,217**	**292,217**	**–**	**–**	**–**
– Interest-bearing bank and other borrowings	**1,719,374**	**1,972,314**	**–**	**211,169**	**773,943**	**987,202**
	2,431,915	**2,684,855**	**426,337**	**234,791**	**1,026,887**	**996,840**
– Financial guarantee issued Maximum amount guaranteed	**–**	**584,330**	**584,330**	**–**	**–**	**–**
	2,431,915	**3,269,185**	**1,010,667**	**234,791**	**1,026,887**	**996,840**
At 30 June 2014						
– Account payables	250,758	250,758	250,758	–	–	–
– Accruals, deposits received and other payables	266,501	266,501	266,501	–	–	–
– Interest-bearing bank and other borrowings	1,479,787	2,030,720	–	177,851	827,111	1,025,758
	1,997,046	2,547,979	517,259	177,851	827,111	1,025,758
– Financial guarantee issued Maximum amount guaranteed	–	530,444	530,444	–	–	–
	1,997,046	3,078,423	1,047,703	177,851	827,111	1,025,758

At 30 June 2015 and 2014, the Company held no material financial liabilities and the Company ensure that it maintains sufficient financial support from Group's subsidiaries to meet its liquidity requirements.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(iv) Liquidity risk (Continued)

The management has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

(v) Fair value

The fair values of the Group's financial assets and financial liabilities are not materially different from their carrying amounts because of the immediate or short term maturity of these financial instruments. The fair values of interest-bearing bank and other borrowings are not materially different from their carrying amounts at the reporting date.

At 30 June 2015, no financial assets and financial liabilities are measured at fair value in the statements of financial position (2014: Nil).

32. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of the Group's financial assets and financial liabilities as recognised at 30 June 2015 are categorised as follows. See notes 3.8 and 3.13 for explanations about how the category of financial instruments affects their subsequent measurement.

Financial assets

	Group		Company	
	2015	2014	**2015**	2014
	RMB'000	RMB'000	**RMB'000**	RMB'000
Loans and receivables				
– Account receivables, refundable deposits paid and other receivables	**357,053**	307,215	**1,317**	1,324
– Due from subsidiaries	**–**	–	**344,209**	355,377
Cash and bank balances	**296,317**	290,046	**–**	–
	653,370	597,261	**345,526**	356,701

32. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (Continued)

Financial liabilities

	Group		Company	
	2015	2014	**2015**	2014
	RMB'000	RMB'000	**RMB'000**	RMB'000
Financial liabilities measured at amortised cost				
Account payables, accruals, deposits received and other payables	**712,541**	517,259	**–**	–
Interest-bearing bank and other borrowings	**1,719,374**	1,479,787	**–**	–
	2,431,915	1,997,046	**–**	–

33. RELATED PARTY TRANSACTIONS

Saved as disclosed elsewhere in these financial statements, the Group had the following transactions carried out with related parties:

Compensation of key management personnel of the Group:

Included in staff costs are key management personnel compensation (including Directors' emoluments) as follows:

	Group	
	2015	2014
	RMB'000	RMB'000
Short term employee benefits		
– Salaries and wages, allowances and benefits in kind	**5,203**	5,970
Post employment benefits		
– Retirement scheme contributions	**94**	74

34. FINANCIAL GUARANTEE CONTRACTS – CONTINGENT LIABILITIES

As at the reporting date, the Group has issued the following guarantees:

(a) The Group has arranged mortgage loan facility for certain purchasers of property units and provided guarantees to secure obligations of repayments. The outstanding guarantees amounted to approximately RMB392,830,000 (2014: RMB338,944,000) at the reporting date. The guarantees provided by the Group to the banks would be released upon receiving the real estate owner certificates of the respective properties by the banks from the buyers as security for the mortgage loan facilities granted. These real estate ownership certificates would generally be issued within two years after the purchasers take possession of the relevant properties. No provision for the Group's obligation under the guarantees has been made as the directors considered that it was not probable that the repayments of the loans would be in default. Also, the directors do not consider it is probable that the Group will sustain a loss under these guarantees during the year as the individual real estate owner certificates have not been issued to the respective buyers yet. In case any defaults, the Group can take over the ownerships of the related properties and sell the properties to recover any amounts paid by the Group to the banks. The Group has not recognised any deferred income in respect of these guarantees as its fair value is considered to be minimal by the directors. The directors also consider that the fair market value of the underlying properties is able to cover the outstanding mortgage loans generated by the Group in the event the buyer default payments to the banks.

(b) The Group had given corporate guarantees to banks for banking facilities granted to Hongda, a Group's contractor and Guangdong Yuanbang Property Management Co., Ltd., a Group's service provider of maximum amount approximately RMB160,000,000 (2014: RMB160,000,000) and RMB31,500,000 (2014: RMB31,500,000) respectively. In the opinion of the directors, it is unlikely that a claim will be made against the Group and no cash outflow under the financial guarantee contracts, the financial impact arising from the above guarantees is insignificant and accordingly, they are not accounted for in the financial statements.

35. CONTINGENT LIABILITIES

In relation to one of the Group's property development projects, the subcontractor has taken legal actions against the Group with regards to extra costs incurred in the project. The Group disputed the balance of payment and is intending to defend itself against any such actions. Up to the date of this report, there was no final decision made by the court and no further action taken against the Group. The Directors have been advised that the compensation, if any, is unlikely to exceed RMB11,000,000. However, based on the evidence provided, there is a strong likelihood that the claim is adjudicate in flavour of the Group and no provision for the claim has been recognised in the financial statements. The legal case is expected to be finalised at the end of 2015.

Shareholders' Information

STATISTIC OF SHAREHOLDINGS AS AT 15 SEPTEMBER 2015

Authorised share capital	:	HK$600,000,000
Issued and fully paid-up capital	:	HK$138,800,000
Class of shares	:	69,400,000 Ordinary shares of HK$2.00 each
Voting rights	:	One vote per share

STATISTICS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	2	0.10	100	0.00
100 – 1,000	1,137	58.49	542,970	0.78
1,001 – 10,000	668	34.36	2,412,960	3.48
10,001 – 1,000,000	131	6.74	10,775,290	15.53
1,000,001 and above	6	0.31	55,668,680	80.21
Total	**1,944**	**100.00**	**69,400,000**	**100.00**

TREASURY SHARES

Pursuant to Rule 1207(9)(f) of the listing manual of the SGX-ST, the Company does not hold any treasury shares.

TWENTY LARGEST SHAREHOLDERS AS AT 15 SEPTEMBER 2015

No.	Name	No. of Shares	%
1	CHEN JIANFENG	32,040,000	46.17
2	PROVEN CHOICE GROUP LIMITED	12,960,000	18.67
3	DBS VICKERS SECURITIESS (S) PTE LTD	4,112,560	5.93
4	OCBC SECURITIES PRIVATE LTD	2,514,800	3.62
5	LI SIU LING	2,287,200	3.30
6	RAFFLES NOMINEES (PTE) LTD	1,754,120	2.53
7	LAU WEI PENG	650,120	0.94
8	XIANG KUI	631,000	0.91
9	NG CHWEE CHENG	600,700	0.87
10	HONG LEONG FINANCE NOMINEES PTE LTD	556,700	0.80
11	HSBC (SINGAPORE) NOMINEES PTE LTD	531,600	0.76
12	PHILLIP SECURITIES PTE LTD	483,200	0.70
13	NG SENG CHOO	450,000	0.65
14	MAYBANK KIM ENG SECURITIES PTE LTD	431,100	0.62
15	CHOO KIM HIONG	413,900	0.60
16	2G CAPITAL PTE LTD	364,300	0.52
17	ANG PENG HUAN	245,800	0.35
18	UOB KAY HIAN PTE LTD	209,700	0.30
19	UNITED OVERSEAS BANK NOMINEES PTE LTD	209,000	0.30
20	ESW CAPITAL MARKETS PTE LTD	204,000	0.29
		61,649,800	**88.83**

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

Name	Direct Interest	%	Deemed Interest	%
Chen Jianfeng	32,040,000	46.17	3,786,700[(1)]	5.45
Lin Yeju[(2)]			35,826,700	51.62
Proven Choice Group Limited[(3)]	12,960,000	18.67	–	–
Wang Lin Jia[(3)]	–	–	12,960,000	18.67

Notes:

(1) Shares held by DBS Vickers Securities (S) Pte Ltd.

(2) Madam Lin Yeju is deemed to be interested in all the Shares that her spouse, Mr Chen Jianfeng, is interested in. Mr Chen Jianfeng has a direct interest of 32,040,000 Shares and a deemed interest of 3,786,700 Shares.

(3) Proven Choice Group Limited is an investment company incorporated in the British Virgin Islands. It is wholly-owned by Mr. Wang Lin Jia who is not related to any Directors or Substantial Shareholders.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Approximately 29.70% of the Company's issued ordinary shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of CHINA YUANBANG PROPERTY HOLDINGS LIMITED (the "Company") will be held at Room 328, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Friday, 23 October 2015 at 10:30 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Financial Statements of the Company for the financial year ended 30 June 2015 together with the Auditors' Report thereon.

(Resolution 1)

2. To re-elect the following Directors of the Company retiring pursuant to Bye-laws 85(6) and 86(1) of the Company's Bye-laws (as the case may be):

Mdm Lin Yeju	(Retiring under Bye-law 85(6))	**(Resolution 2)**
Mr Chong Soo Hoon Sean	(Retiring under Bye-law 85(6))	**(Resolution 3)**
Mr Ouyang Sheng	(Retiring under Bye-law 86(1))	**(Resolution 4)**
Mr Teo Yi-Dar	(Retiring under Bye-law 86(1))	**(Resolution 5)**

Mr Chong Soo Hoon Sean will, upon re-election as a Director of the Company, remain as Chairman of the Nominating Committee, and a member of the Audit Committee, Remuneration Committee and Share Option Scheme Committee. Mr Chong will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

Mr Teo Yi-Dar will, upon re-election as a Director of the Company, remain as Chairman of the Audit Committee, and a member of the Nominating Committee, Remuneration Committee and Share Option Scheme Committee. Mr Teo will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

3. To approve the payment of Directors' fees of S$135,000 for the financial year ending 30 June 2016, to be paid half-yearly in arrears. (FY2015: S$135,000).

(Resolution 6)

4. To re-appoint BDO Limited, Certified Public Accountants, Hong Kong ("BDO") and BDO LLP, Public Accountants and Chartered Accountants, Singapore to act jointly and severally as the Company's Auditors and to authorise the Directors to fix their remuneration.

(Resolution 7)

5. To transact any other ordinary business which 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:

6. **SHARE ISSUE MANDATE**

That pursuant to Rule 806 of the Listing Manual ("Listing Manual") of the SGX-ST, authority be given to the Directors of the Company to allot and issue ordinary shares ("Shares") in the Company whether by way of rights, bonus or otherwise (including Shares as may be issued pursuant to any Instruments (as defined below) made or granted by the Directors while this resolution is in force notwithstanding that the authority conferred by this resolution may have ceased to be in force at the time of issue of such Shares) and/or make or grant offers, agreements or options or otherwise issue convertible securities (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 purpose and to such persons as the Directors may, in their absolute discretion, deem fit provided that:

(a) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares) at the time of the passing of this Resolution, of which the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a *pro rata* basis to all shareholders of the Company shall not exceed twenty per cent. (20%) of the total number of issued Shares (excluding treasury shares);

(b) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the total number of issued Shares (excluding treasury shares) shall be based on the total number of issued Shares (excluding treasury shares) as at the date of the passing of this Resolution, after adjusting for:

(i) new Shares arising from the conversion or exercise of convertible securities;

(ii) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed; and

(iii) any subsequent bonus issue, consolidation or subdivision of Shares; and

such authority shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the Company's next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law or by the Bye-Laws to be held, whichever is earlier.

See Explanatory Note (i)

(Resolution 8)

7. **AUTHORITY TO OFFER AND GRANT OPTIONS AND TO ALLOT AND ISSUE SHARES UNDER THE CHINA YUANBANG SHARE OPTION SCHEME**

That, the Directors be authorised and empowered to:

(a) offer and grant options from time to time to selected Executive and Non-Executive directors and employees of the Company and its subsidiaries in accordance with the terms and conditions of the China Yuanbang Share Option Scheme (the "Scheme"); and

(b) allot and issue Shares to all the holders of options granted by the Company, whether granted during the subsistence of this authority or otherwise, under the Scheme upon the exercise of such options and in accordance with the terms and conditions of the Scheme,

provided always that the aggregate number of Shares to be allotted and issued pursuant to the Scheme shall not exceed fifteen per cent. (15%) of the total number of issued Shares (excluding treasury shares) from time to time.

See Explanatory Note (ii)

(Resolution 9)

8. **RENEWAL OF SHARE BUYBACK MANDATE**

That:

(a) the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire Shares in the capital of the Company which are fully paid up not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

    (i) market purchases (each a "Market Purchase") on the SGX-ST or any other securities exchange on which the Shares may for the time being be listed and quoted; and/or

    (ii) off-market purchases (each an "Off-Market Purchase") effected otherwise than on the SGX-ST or any other securities exchange on which the Shares may for the time being be listed and quoted in accordance with any equal access scheme as may be determined or formulated by the Directors as they consider fit, which scheme shall satisfy all the conditions prescribed by the Companies Act (Chapter 50 of Singapore), the Listing Manual, the Companies Act 1981 of Bermuda, and the Memorandum of Association and Bye-laws of the Company,

    and otherwise in accordance with all other laws and regulations of Singapore and Bermuda and the rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Buyback Mandate");

(b) the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:

(i) the conclusion of the Annual General Meeting of the Company following the passing of this Resolution or the date by which such Annual General Meeting is required to be held;

(ii) the date on which purchases or acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated; and

(iii) the date on which the authority contained in the Share Buyback Mandate is revoked or varied by ordinary resolution of the Company in general meeting;

(c) in this Resolution:

"Prescribed Limit" means ten per cent. (10%) of the total number of issued Shares as at the date of the passing of this Resolution; and

"Maximum Price" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase, one hundred and five per cent. (105%) of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase, one hundred and twenty per cent. (120%) of the Average Closing Price, where:

"Average Closing Price" means the average of the closing market prices of a Share over the last five (5) Market Days (a "Market Day" being a day on which the SGX-ST is open for trading in securities), on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days; and

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d) the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

See Explanatory Note (iii)

(Resolution 10)

By Order of the Board

Chong Ching Hoi
Company Secretary

7 October 2015

Explanatory Notes to Resolutions to be passed –

(i) The Ordinary Resolution 8 proposed in item 6 above, if passed, will empower the Directors from the date of this Annual General Meeting until the date of the next Annual General Meeting or the date by which such Annual General Meeting is required to be held (whichever is earlier), to allot and issue Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to the Resolution) up to an amount not exceeding fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares), of which up to twenty per cent. (20%) may be issued other than on a *pro rata* basis.

(ii) The Ordinary Resolution 9 proposed in item 7 above, if passed, will empower the Directors of the Company, to offer and grant options to selected Executive and Non-Executive Directors and employees of the Company and its subsidiaries under the Scheme and to allot and issue Shares of up to a number not exceeding in total fifteen per cent. (15%) of the total number of issued Shares (excluding treasury shares) from time to time pursuant to the exercise of the options under the Scheme.

(iii) The Ordinary Resolution 10 proposed in item 8 above, if passed, will empower the Directors from the date of this Annual General Meeting until the conclusion of the next Annual General Meeting or the date by which such Annual General Meeting is required to be held (whichever is earlier) to purchase or acquire Shares by way of Market Purchases or Off-Market Purchases of up to ten per cent. (10%) of the total number of issued Shares (excluding treasury shares) on the terms of the Share Buyback Mandate as set out in the Addendum, unless such purchase or acquisition of Shares has been carried out to the full extent mandated or such authority is earlier revoked or varied by the shareholders of the Company at a general meeting.

The Company intends to use internal resources and/or external borrowings to finance the Company's purchase or acquisition of Shares under the Share Buyback Mandate. The amount of financing required for the Company to purchase or acquire the Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on, inter alia, how the Shares are purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held as treasury shares or cancelled. For illustrative purposes only, the financial effects of an assumed purchase or acquisition of 6,940,000 Shares by the Company, at a purchase price equivalent to the Maximum Price per Share, in the case of a Market Purchase and an Off-Market Purchase respectively, based on the audited financial statements of the Company and its subsidiaries for the financial year ended 30 June 2015 and certain assumptions, are set out in paragraph 2.5.3 of the Addendum.

Notes:

1. A Shareholder being a Depositor whose name appears in the Depository Register (as defined in Section 130A of the Companies Act (Chapter 50 of Singapore)) is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a Member of the Company.

2. If a Depositor wishes to appoint a proxy/proxies to attend the Annual General Meeting, then he/she must complete and deposit the Depositor Proxy Form at the office of the Singapore Share Transfer Agent, B.A.C.S. Private Limited, 8 Robinson Road #03-00, ASO Building, Singapore 048544, at least forty-eight (48) hours before the time of the Annual General Meeting.

3. If the Depositor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.

Personal data privacy:

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

China Yuanbang Property Holdings Limited

(Company Registration Number: 39247)
(Incorporated in Bermuda on 4 December 2006)

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