

Ref:
30000-
822B



SABINA CORPORATION LIMITED

ABN 67 010 723 181

Registered office:
C/- PKF Chartered Accountants
Level 5, RSL Centre
9 Beach Road
Surfers Paradise Qld 4217
Email: mail@sabina.com.au
Website: www.sabina.com.au

ANNUAL REPORT

For Year Ended 30th June 2011

SABINA CORPORATION LIMITED

ABN 67 010 723 181

CONTENTS

	Page
CHAIRMAN'S REPORT	3
CORPORATE GOVERNANCE STATEMENT	5
DIRECTORS' REPORT	10
AUDITOR'S INDEPENDENCE DECLARATION	18
DIRECTORS' DECLARATION	19
STATEMENT OF COMPREHENSIVE INCOME	20
STATEMENT OF FINANCIAL POSITION	21
STATEMENT OF CHANGES IN EQUITY	22
STATEMENT OF CASH FLOWS	23
NOTES TO THE FINANCIAL STATEMENTS	24
INDEPENDENT AUDITOR'S REPORT	46
SHAREHOLDERS INFORMATION	48

Note:

A full pdf copy of this report or Individual sections of the above can be downloaded from www.sabina.com.au/annualreport

SABINA CORPORATION LIMITED
ABN 67 010 723 181

CHAIRMAN'S REPORT

FINANCIAL RESULTS

The company incurred a total loss of \$1,569,336 (2010 \$184,704 profit) after taking up overheads and interest of \$401,936 (2010 \$308,296) and impairment write-offs in the unit investments in Tasmania in respect to UniVillage Unit Trust, Legana Unit Trust and Lifestyle Unit Trust; totaling \$1,167,400 for the year ended 30th June 2011. The Directors decided on the total write-off of the investments after the trustees have been unable to secure re-finance which resulted in the loan facilities been defaulted. Efforts are still continuing by the trustees to seek project funding via joint venture arrangements to retire current loan facilities.

Property finance has all but dried up in the property industry in Australia and has been almost impossible to meet the lenders' new loan criteria where they demand almost 100% of pre-sales and an LVR of in the vicinity of only 50%. The Directors felt that it would be best to wipe the slate clean and start afresh again with new projects in the mainland during 2011/2012 financial year. On 3rd May 2011 the company informed ASX that it had relocated its principal offices from Hobart in Tasmania to Kooralbyn in South-East Queensland.

TRADE RECEIVABLES

The Trustee for UniVillage has lodged on 23rd December 2010 a Statement of Claim for \$3,532,785.20 against the joint venture partner for the UniVillage Project. The claim was to compensate the unit trust when the joint venture partner failed to fulfill the funding obligations stipulated under the joint venture agreement signed on 9th December 2009. As a unit holder, the company is entitled to a portion of the compensation claim and has therefore taken up in the accounts its 40% share of the claim, namely \$1,413,114. Settlement of this claim, however, is dependent on the joint venture partner receiving its funds from overseas as part of a large funding facility that has been negotiated. There is no dispute on the amount claimed and settlement is dependent on the actual funds to arrive from overseas. The directors will monitor the situation closely in respect to any change in the impairment status of the accounts receivable totaling \$1,915,304 (2010 \$502,190) as at 30th June 2011.

CONTRABART TRADE DOLLARS

The total of Contrabart Trade Dollars with a face value of \$2,541,000 in the past years had been shown in the accounts under "available-for-sale" assets at a nominal value, after provision for diminution, of only \$2.00. The Directors have reviewed the value shown in the accounts for the trade dollars and after extensive research on the current market acceptability of the Contrabart Trade Dollars amongst its members as shown on Contrabart's website, the directors have decided to adjust the book value for this "available-for-sale" asset at year end to reflect a more accurate valuation than the nominal figure that had been adopted for the past nine years. After making appropriate provisions for transaction fees and market discount of the face value, a net total amount of \$1,397,550 has been taken up in the accounts as an intangible asset at Directors' valuation. (For more details on this item, please refer to Directors' Report under the heading "Future Developments, Prospect and Business Strategies).

GREEN ENERGY TRUST

In June last year, the company acquired a 23.5% interest in Green Energy Trust that holds the Exclusive Hydro+ Technology License for Australia, New Zealand and Papua New Guinea. The acquisition was done via a "share swap" by Sabina issuing 3,767,340 fully-paid ordinary shares in exchange for 941,835 ordinary units in Green Energy Trust. The technology was intended for use as a "green energy" generator in the proposed Lifestyle Village Mixed-use Residential Development in South Arm, near Hobart. The development application for Lifestyle Village was unsuccessful; resulting in the parties agreeing to cancel the original transaction. This was approved by the shareholders at an EGM held on 30th June 2011.

REVIEW OF EVENT DURING YEAR

Summarized below are the main events that took place during the year under review:

- On 22nd October 2010, the AGM was held and all resolutions recommended by the directors were passed.
- On 21st August 2010, the board resolved to notify the Minister of Immigration that Sabina submits its resignation as an approved organization to act as Sponsor for 459 Business Visas (Short Stay) that was authorized under the Government Gazettal published on 23rd March 2005.
- On 4th September 2010, the company gave ASX an undertaking that, in respect to listing rule 7.2 and 11.1, the company would only issue up to the allowable 4.9% on any new share issues authorized by directors during the permissible period ending 30th June 2011.
- On 28th January 2011, the company issued a Market Release adopting the new Security Trading Policy posted on the company's website. This new policy became effective as from 1st January 2011.
- On 19th May 2011, the board resolved to terminate and reverse the Hidro+ Technology Agreement that was previously entered into regarding the company's acquisition of a 23.5% interest in Green Energy Trust via "share-swap" consideration
- On 30th June 2011, EGM approved the reversal of the original transaction and the cancellation of the Sabina shares previously issued in connection with the company's 23.5% investment in Green Energy Trust. The directors also terminated the accounting services provided by Whitehills Chartered Accountants in Brisbane.

FUTURE PROSPECTS

On 24th August 2011, the Chairman issued a Market Release to ASX announcing that an "agreement in principle" has been reached between Peter Chen and Peter Turnbull (a well-known accountant and businessman in Sydney) who have known each other for the past ten years and have similar business activities; have agreed to "merge" their business affairs involving their private entities.

Under the merger proposal, Turnbull Group Developments Pty Ltd would join forces with Churchill Nominees Australia Pty Ltd (a substantial shareholder in Sabina) in sourcing and establishing all future development projects undertaken by any of the unit trusts. Turnbull's consultancy activities would also be merged into G8 Consultants Pty Ltd with Turnbull taking half of the 60% held by Mr. Chen's private company; G8 Management Pty Ltd. Sabina retains its 40% interest in the Consultants Unit Trust.

In addition, it was also announced that the company has agreed under the Executive Agreement signed with Mr. Turnbull that Sabina is to acquire Mr. Turnbull's 35% equity (including interest held for Mr. Kevin McCabe from the Scarborough Group from UK) in a mixed-development complex at Tuggerah, NSW undertaken in the name of Mariners FC Development Unit Trust. The total consideration has been agreed at \$3,500,000; to be satisfied by Sabina issuing a total of 14,000,000 new Sabina shares at 25 cents in exchange for 3,500,000 units in the Mariners FC Development Unit Trust. The transaction would be done in two stages. Stage 1 involving the issue of 1,900,000 new shares would be approved by the directors; and the second stage involving 12,100,000 would need to be approved by shareholders at the next General Meeting.

The involvement with the Turnbull Group including the Scarborough Group is very good news for Sabina shareholders and the directors are very positive that with their support and involvement in the joint ventures, the company can look forward to a much brighter future. My sincere thanks to my co-directors and the members of the advisory board for their continuing guidance and support during the year ended 30th June 2011.

(Original signed)

P B Chen
Chairman

Date: 25th August 2011

SABINA CORPORATION LIMITED

ABN 67 010 723 181

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30th JUNE 2011

CORPORATE GOVERNANCE STATEMENT

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30th June 2011.

The Directors are responsible for the corporate governance practices of the Company. This Statement sets out the corporate governance practices that were in operation throughout the financial year; except where otherwise stated. The Board promotes a culture of accountability, integrity and transparency.

BOARD COMPOSITION

The skills, experience, and expertise relevant to the position of each Director who is in office at the date of the Annual Report and their term of office are detailed in the Directors' Report. The names of the independent Directors of the Company throughout the financial year are:

*	Mr. R D Tilby	-	Non-Executive Director
*	Mr. R X Yu	-	Non-Executive Director
*	Mr. J R Huey	-	Non-Executive Director

Only Mr. Peter Chen, the executive director and CEO is involved in the day to day management and control of the Company.

When determining whether a non-executive director is independent, the directors must not fail any of the following materiality thresholds:

- Less than 10% of Company shares are held by the director or director related entity.
- No sales are made to or purchases made from any entity directly or indirectly associated with the director.
- None of the directors income or the income of a directly or indirectly associated entity is derived from a contract with any member of Sabina Corporation Limited other than income derived as a director of the entity.

The independent directors have the right to seek independent professional advice in the conduct of their duties as directors at the Company's expense. However, prior approval of the Chairman is required, which would not be unreasonably withheld. The terms and conditions of appointment and retirement of directors are set out in a letter of appointment. A sample of the letter has been released to the ASX and is on the Company's website.

Full details of the directors' attendance at meetings are shown in the Directors' Report.

ETHICAL STANDARDS

The Board subscribes to the Statement of Ethical Standards as published by the Australian Institute of Company Directors and this has been used as a basis for the adopted Code of Conduct. All directors of the Company are expected to act with the utmost integrity, honesty, and a high standard of performance to enhance the Company's reputation.

The Code of Conduct requires directors to:

- Act honestly and in good faith;
- Exercise due care and diligence in fulfilling the functions of office;
- Avoid conflicts and make full disclosure of any possible conflict of interest;
- Comply with the law;
- Encourage the reporting and investigation of unlawful and unethical behavior; and
- Comply with the securities trading policy detailed in the Market Release issued to ASX on 28th Jan. 2011 and adopted by the Company as from 1st January 2011.

SABINA CORPORATION LIMITED

ABN 67 010 723 181

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30th JUNE 2011

BOARD ROLES AND RESPONSIBILITIES

The Board is first and foremost accountable to provide value to its shareholders through delivery of timely and balanced disclosures.

The Board is ultimately responsible for ensuring its actions are in accordance with key corporate governance principles. The Board Charter is publically available on the company's website.

SHAREHOLDER RIGHTS

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of directors, changes to the constitution and receipt of annual and interim financial statements. Shareholders are encouraged to attend and participate in the Annual General Meeting, to lodge questions to be responded by the Board and/or the CEO, and are able to appoint proxies.

TRADING POLICY

The Company's policy on trading in its securities restricts directors from acting on material information until it has been released to the market and adequate time has been for this to be reflected in the security's price.

In addition to the Securities Trading Policy adopted by the Company, the Board also requires a director should not purchase, sell, transfer, or otherwise deal with the securities of the Company five (5) working days before or after any market release made to the ASX in respect to the Company's annual report, half-yearly financial report, the results of the annual general meeting, and any other price sensitive announcements.

AUDIT COMMITTEE

The Board has not established a separate Audit Committee due to the small size of the Company and the fact that all accounting data input is carried out by an external qualified Accountant. The Board takes an active role in liaising with the external auditors and ensuring that the annual audit and half year review are carried out on time. The Board reviews the performance of the external auditors on an annual basis.

PERFORMANCE EVALUATION

The Chairman reviews the performance of all directors annually. Due to the small size of the company director specific goals and performance criteria have not been agreed upon and a formal written performance evaluation was not prepared. However, Directors whose performance is unsatisfactory are asked to retire or not to stand for re-election.

RISK MANAGEMENT

An annual assessment of the business risk profile is undertaken and discussed by the Board covering all aspects of the business from the operational level through to strategic level risk.

The Board has set up an "Advisory Board" to assist the Directors to assess and review various risks associated with property acquisition and project development approval. To further minimize the risk, the Board has also adopted a policy that any property purchased for development purpose is made subject to development approval by the local authority on terms and conditions solely satisfactory to the Company.

Other areas of risk relate to adequate coverage for asset insurance, building contract performance, and the adoption of mediation process in preference to litigation.

SABINA CORPORATION LIMITED

ABN 67 010 723 181

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30th JUNE 2011

REMUNERATION POLICY

Due to the size of the Company, and the fact there are no employees, there is no formal Remuneration Committee. The remuneration policy is reviewed annually and the terms are voted upon at annual general meeting. All amounts paid to the directors were approved by shareholders.

The Chairman of the Board reviews the fixed fee payable to directors annually by reference to company performance, comparable information from competitors and independent advice. The policy is designed to attract quality directors and reward them for performance which results in long-term growth in shareholder value. The Chairman of Board can exercise discretion in relation to approving share options and issuing shares in lieu of cash payment of directors' fees. The policy complies with the four key principles of IFSA Guidance Note 02-16. Any future changes to this policy must be justified by reference to measured performance criteria.

Details of amounts paid to the directors during the year are detailed in Note 5 to the Accounts. Apart from the Executive Chairman & CEO, there is no other employee as all of the required services are outsourced through consultants. The directors, other than the Executive Chairman, are subject to rotation in accordance with the Constitution of the Company.

The Executive Chairman receives a director's fees and a management fee is also paid to a director related entity, G8 Management Pty Ltd, by way of a fixed-fee sum under a renewed 5-year Consultancy Agreement (expiring 30th June 2015) approved by the shareholders at the AGM held on 22nd October 2010.

There are no established employee share and option arrangements in which the directors could participate.

There are no schemes for retirement benefits for non-executive directors.

EXPLANATION FOR DEPARTURE FROM BEST PRACTICE RECOMMENDATIONS

The Board has adopted corporate governance practices that are commensurate with the size and scope of the Company and its activities. The Company has therefore adopted policies, procedures and structures which have been designed with the best interests of the Company and its shareholders in mind, and which are practical and efficient to implement, notwithstanding that these are not in all instances consistent with the specific recommendations of the ASX Corporate Governance Council. To the extent that the Company's practices did not conform to the ASX Principles and Recommendations during the reporting period, and explanation for departure from the respective Principles and Recommendations is provided below:

No.	Departure from Recommendation	Explanation for Departure
2.2	The Chairman is not an independent Director.	Given the size and scope of the Company's operations and the financial position of the Company, the Board considers that there is no real benefit to be gained by appointing an independent chairman, when in fact by his vested interest as a substantial shareholder he is the driving force in the success of the Company.
2.3	The roles of the Chairman and the Chief Executive Officer should not be the same person.	Given the size and scope of the Company's operations the Board considers that there is no real benefit to be gained by appointing a Chief Executive Officer in addition to the Chairman.

SABINA CORPORATION LIMITED

ABN 67 010 723 181

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30th JUNE 2011

EXPLANATION FOR DEPARTURE FROM BEST PRACTICE RECOMMENDATIONS (continued)

No.	Departure from Recommendation	Explanation for Departure
2.4	A separate Nomination Committee has not been formed.	The role of the Nomination Committee is carried out by the full Board. The Board considers that given its size, no efficiencies or other benefits would be gained by establishing a separate Nomination Committee.
4.1	The Chairman and the Chief Financial Officer to state in writing to the Board that the company's financial reports presents a true and fair view, in all material respects, of the Company's financial condition and operational results.	The role of Chief Financial Officer and Chairman is shared by Peter Chen and the Statement is signed by the Chairman for inclusion in the Financial Report for the year signed by two Directors. The Board considers that the procedure meets the requirement adequately in the current circumstances.
4.2	No formal Audit Committee has been established.	Given the fact that all the accounting input data is carried out by an outside independent Accountant and the small size of the Company's current activities, the Board considers the present arrangement is fully capable of maintaining the independence and objectivity of the external auditors.
6.1	Design and disclose a communication strategy to promote effective communications with shareholders and encourage effective participation at general meetings.	<p>The Board considers the detailed information provided to all shareholders and to the general public throughout the year in the form of ASX market releases and on the company website is sufficient communication for the current level of risk and operations.</p> <p>Shareholders are invited to attend general meetings and given full explanations of resolutions to be put to vote.</p>
7.1	The Board should establish policies on risk oversight and management.	The Board has appointed an "Advisory Board" made up of independent Members to assist the Board and review various risks associated with property acquisition and the obtaining of development approval.
7.2	The CEO & Chief Financial Officer to confirm existence of a sound system of risk management policies.	The principal policy adopted to minimize risk is that Company's participation is limited to investment in unit trusts operated by other partners and providing services.
8.1	Performance evaluation of the Board and key executives.	Given the size of the Company and the Structure of the Board, the Chairman is fulfilling this role at the moment. Should performance issues arise within the Board, an independent consultant would be engaged to arbitrate.

SABINA CORPORATION LIMITED

ABN 67 010 723 181

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30th JUNE 2011

EXPLANATION FOR DEPARTURE FROM BEST PRACTICE RECOMMENDATIONS (continued)

No.	Departure from Recommendation	Explanation for Departure
9.2	A Remuneration Committee has not been established.	Due to the size of the Company, there is no formal Remuneration Committee. The remuneration policy is reviewed annually and the terms are voted upon at annual general meeting. All amounts paid to the directors were approved by shareholders.
10.1	There has been no disclosure of a code of conduct to guide compliance with legal and other obligations to legitimate stakeholders.	Although no formal code has been drawn up, the Board recognizes the Principle and adopts business practices accordingly.

Other information

Further information relating the company's corporate governance practices and policies has been made publicly available on the company's website at www.sabina.com.au.

END

SABINA CORPORATION LIMITED

ABN 67 010 723 181

DIRECTORS' REPORT

Your Directors present their report on the company for the year ended 30th June 2011.

DIRECTORS

The Directors of the company in office at any time during or since the financial year:

Mr. Peter Chen	-	Chairman & Chief Executive Officer
Mr. David Tilby	-	Non-Executive Director
Mr. Roger Yu	-	Non-Executive Director
Mr. James Huey	-	Non-Executive Director (Commenced 1 st July 2010)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

COMPANY SECRETARY

The following person held the position of company secretary at the end of the financial year:

Mr. Roger X Yu is a Barrister-at-law and has been a non-executive director of the Company since September 2006. He was appointed secretary to replace Mr. John Chard on 1st July 2010.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

The principal activities of the Company during the year were investments in property unit trusts and the provision of consultancy services mainly relating to property development expertise in Australia.

There were no significant changes in the nature of the principal activities during the financial year.

OPERATING RESULTS

The operating loss from ordinary activities after providing for income tax for the financial year ended 30th June 2011 was \$ 401,936. The directors have also decided to write off all the impairment losses in connection with the investments in the three property unit trusts in Tasmania – UniVillage, Legana and Lifestyle Village. The total impairment totaled \$1,167,400; bringing the total comprehensive loss for the year to \$1,569,336 (2010 \$184,704 profit).

The operating results have been severely impacted by the downturn in the property market and the lack of income from direct property development, project management work and unit trust distributions. This reflects the difficulty faced by the trustees and the joint venture partner in not being able to secure any project funding or re-finance; resulting in the trusts having to default under their respective loan facilities at maturity dates with the lenders.

A statement of claim of \$3,532,785 has been submitted by the Trustee for UniVillage against the joint venture partner for failing to perform its obligations including the provision of project funding under the joint venture agreement signed in late 2009. Sabina has a 40% equity interest and has therefore taken up its portion of the claim of \$1,413,114 and, due to its uncertainty of its ability to settle; the item has been shown as "deferred claim" in the balance sheet and will only be brought into the profit & loss account when the money is actually received.

The directors regret the unfortunate circumstances caused by the GFC and need to have to take such drastic action in writing-off the full impact on the impairment for the Tasmania projects but the directors felt it was prudent to keep the slate clean for a new start.

SABINA CORPORATION LIMITED

ABN 67 010 723 181

DIRECTORS' REPORT

REVIEW OF OPERATIONS

During the financial year the company took the following actions:

- Written off the investment in TDC Administration Pty Ld ATF UniVillage Unit Trust
- Written off the investment in Tasmania Development Corporation Pty Ltd ATF Legana Unit Trust
- Written off the investment in TDC Project (South Arm) Pty Ltd ATF Lifestyle Unit Trust
- Cancelled and reversed the "share-swap" with PEI Nominees Pty Ltd ATF Green Energy Trust
- Took-up \$1,413,114 as deferred income in respect the company's 40% portion of the trustee's statement of claim against the joint venture partner in the UniVillage project.
- Revalued Contrabart Trade Dollars as intangible asset at directors' valuation of \$1,297,550.

Sabina as at 30th June 2011 has reduced its equity interest in property unit trust investment to only \$170,000; represented by its 40% interest in Billabong Unit Trust at Kooralbyn, Queensland.

The net assets of the company total \$2,207,205 (2010 \$2,177,414). This movement resulted from writing off the investments of \$1,167,400 for the three property unit trusts in Tasmania and the cancellation and reversal of the "share-swap" of \$941,835 in Green Energy Trust. However, the Company also took up an amount of \$1,413,114 receivable against UniVillage Unit Trust for its 40% portion of a claim lodged by the trustee against the joint venture partner for its failure to fulfill project funding obligations under the joint venture agreement that was signed in late 2009. Until such time as the amount is paid, the item is classified in the balance sheet as "deferred claim".

FUTURE DEVELOPMENTS, PROSPECT AND BUSINESS STRATEGIES

The company currently has the right to utilize a total of \$2,541,000 Contrabart Trade Dollars as part payment for properties, goods and services listed through the Contrabart. However, Contrabart predominantly only deals in property transactions and the usage of the trade dollars in these transactions are generally ranges from 25% to 50% of the sale price of the property.

Due to the historical lack of market trends of these trade dollars the asset has been written down significantly by the directors to a nominal amount of only \$2.00; representing the deemed "fair value" about nine years ago. However, in the last few years Contrabart Trade Dollars have gained strong growth in its market acceptance, particularly for use in real estate property transactions. The Company has in the past also used some \$500,000 of the trade dollars as part payment in the acquisition of three (3) property assets. All three assets eventually were disposed off on the open market and the trade dollar component was fully realized dollar for dollar in the form of cash at settlement.

In recent times, there has been a substantial increase in property listings that would accept Contrabart Trade Dollars as part payment. A wide range of properties, price ranging from \$150,000 to \$30 million, can be viewed at Contrabart's website (www.contrabart.com.au). The percentage that is usually accepted by way of trade dollars in the sale ranges from 25% to say 50% of the listed price.

The directors have reviewed the market situation relating to Contrabart Trade Dollars and the likelihood of the company being able to utilize the Contrabart Trade Dollars in property acquisitions in the present and in the future and have come to the conclusion that an adjustment to the provision for known diminution previously allowed for would be appropriate. In arriving at the conclusion, the directors took into account the following approach:

- Determine the fair value of the Contrabart Trade Dollars at the date of initial recognition of the trade dollars.
- Adopt an accounting policy for the utilization of the dollars where the face value of the trade dollars is reduced by the cost of the transaction fee of 12% and a market discount of 33% (this is subject to market review) of the Contrabart Trade Dollar component = total 45% impairment adjustment to the face value for purpose of arriving at the "fair value" to be shown in the accounts.

- Adopt the policy that such “fair value” figure would also be classified as “Intangible Assets” and the corresponding credit is shown under “Asset Revaluation Reserve”.
- Assess at each report date to determine whether any impairment adjustment (+ or -) is required to realign the “fair value” of the Contrabart Trade Dollars to market conditions.
- As each transaction is concluded at settlement, the actual total amount of Contrabart Trade Dollar at face value used in the transaction is to be compared against the actual difference between the independent market valuation of the property and the sale price inclusive of the trade dollars used in actual property transaction. The difference should be brought to the profit or loss account.

Using the above approach, the amount of \$2,541,000 worth of Contrabart Trade Dollars has therefore been reduced by impairment adjustment of 45% or \$1,143,450 reduction; leaving net intangible asset value of \$ 1,397,550.

DIVIDEND PAID OR RECOMMENDED

There has been no dividend paid or recommended during or since the financial year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The significant changes in the state of affairs of the Company that occurred during the year have been detailed above under the headings “Operational Results” and “Review of Operations”. There were no other significant changes.

AFTER BALANCE DATE EVENTS

A Market Release was issued in August 2011 to ASX announcing that an “agreement in principle” has been reached between the Peter Chen and Peter Turnbull (a well-known accountant and businessman in Sydney) who have known each other for the past ten years and have similar business activities; have agreed to “merge” their business affairs involving their private entities.

Under the merger proposal, Turnbull Group Developments Pty Ltd would join forces with Churchill Nominees Australia Pty Ltd (substantial shareholder in Sabina) in sourcing and establishing all future development projects undertaken by any of the unit trusts. Turnbull’s consultancy activities would also be merged into G8 Consultants Pty Ltd with Turnbull taking half of the 60% presently held by Mr. Chen’s private company; G8 Management Pty Ltd. Sabina retains its 40% interest in the Consultants Unit Trust.

Mr. Turnbull’s private company, Turnbull Group Investments Pty Ltd, is a joint venture between Turnbull’s company and Mr. Kevin McCabe’s Scarborough Group in UK. Mr. McCabe is a successful businessman with involvements throughout Australia and the UK but with a special relationship with China and Hong Kong. He is a director of a major listed public company in China and his expertise will also be of considerable benefit to Sabina and G8. They have signed an Executive Agreement with Sabina where they have agreed to sell their 35% interest (3,500,000 ordinary units at \$1.00 each; \$3,500,000) in the Mariners FC Development Unit Trust in exchange for fully-paid ordinary shares (14,000,000 fully-paid ordinary shares at 25 cents; \$3,500,000) in Sabina Corporation Limited. Sabina Directors have ratified the deal involving the issue of 1,900,000 at 25 cents ordinary shares (representing about 10% of Sabina’s capital issue) and the balance of 12,100,000 ordinary shares also at 25 cents is awaiting shareholder approval at the next General Meeting”

It is expected that Sabina and G8 will provide valuable assistance in the development of the new multi-million dollar complex known as the Mariners “Elite Meets Community” Sports Campus at Tuggerah in New South Wales. Construction work has started in early August 2011 and The Federal Government has recently announced that it will invest \$10 million towards the \$39 million project, which will include: two full size soccer fields, grandstand and amenities; a function, event and reception centre for club and community use; ten-all-weather sports courts for Five-a-side soccer and other sports use; a heated indoor pool and hydrotherapy centre for community use; a gym and fitness centre for community use; amenities and car parking facilities and upgrade of roundabout; and facilities for delivering educational learning programs

ENVIRONMENTAL ISSUES

The company’s operations are not currently subject to significant environmental regulation under the law of the Commonwealth and State. There has been no matter either during or since the end of the financial year that in the opinion of the directors would give rise to any conflict with the provisions of existing environmental regulation.

SABINA CORPORATION LIMITED

ABN 67 010 723 181

DIRECTORS' REPORT

INFORMATION ON DIRECTORS

**Peter B Chen FCIS, FAIM, FSSE, FAICD.
Chairman & CEO**

Peter Chen is a Chinese Australian who has a diversified corporate background with over 46 years experience in Australia and Asian Pacific Regions. He has held senior executive positions with large American, Canadian and Australian corporations in the fields of construction, mining and property development.

Mr. Chen started his career in accountancy and business management. He then gradually moved into the property development industry, both as a consultant and as a developer in his own right. He currently leads a team of specialists that can undertake major projects in Australia and Overseas.

Mr. Chen is a member of the Chartered Institute of Secretaries, the Australian Institute of Management, Australian Society of Senior Executives and the Australian Institute of Company Directors. He was a past Vice-President of the Housing Industry Association in Queensland, past President of the Chinese Australian Chamber of Commerce – Gold Coast, past Founding Director of the Founders Forum Limited, past member of the Council of the Queensland University of Technology, and a past member of the Valuers Registration Board of Queensland.

Mr. Chen is the sole director of G8 Management Pty Ltd which supplies administrative and management services to the company.

**R David Tilby AAIQS, FAICD
Non-Executive Director**

Mr. Tilby is in private practice as a professional quantity surveyor. He has over 36 years experience in the building industry, both in Australia and overseas. He was a former director of 17 years standing with the international quantity surveying firm of Rider Hunt and was responsible for setting up their operations in PNG, Guam, Hawaii and the Philippines.

**Roger X Yu MAPPL, Juris Doctor
Non-Executive Director / Secretary**

Mr. Yu is in private practice in Brisbane as a barrister of the Supreme Court of Queensland. Born in Jiangxi China, he started his career by studying a four-year degree course in English Language & Literature in Nanchang University. In 1987 he graduated with a post graduate Diploma in Applied Linguistics from Kunming University of Science and Technology. He was appointed to the position of Associate Professor and Vice-Dean of the Department of Foreign Language in Jiangxi University of Science & Technology prior to his coming to Queensland University in 1998. He graduated with Master of Applied Law in June 2000 and was awarded a Juris Doctor by the University of Queensland in May 2003.

**James Huey BSc (Hons), FCIS, FCIB, FAIBF, FAICD, FAIM
Non-Executive Director**

Mr. Huey has been a member of the Sabina Advisory Board since mid-2006. Mr. Huey is a Sydney-based China Specialist and has over 40 years experience in retail, commercial, corporate and international banking including carrying out a variety of functional roles in Australia and offshore for the Westpac Banking Group. His ultimate full time role at Westpac was a General Manager for New South Wales leading a business with over 10,000 employees and \$19 billion in assets. Mr. Huey is also a Board member of the Australia China Business Council and the Australia Vietnam Business Council.

Mr. James Huey held directorships in the following listed entities during the three years prior to the current year:

- E-pay Asia Limited (from 1/11/07 to 27/5/10). This entity is listed on the ASX.
- Vietnam Emerging Capital Limited (from 10/10/07 to 14/11/08). This entity is listed on the NSX.

No other directors held directorships in other listed entities during the three years prior to the current year.

SABINA CORPORATION LIMITED

ABN 67 010 723 181

DIRECTORS' REPORT

DIRECTORS' MEETINGS

Number of Directors' meetings held during the year was:

<u>Name of Director</u>	<u>Meetings held during the period whilst holding office</u>	<u>Meetings attended</u>
Mr. P B Chen	6	6
Mr. R D Tilby	6	6
Mr. R X Yu	6	6
Mr. J R Huey	6	3

There was no audit, operations, remuneration or nominating committees established during 2010/2011 (Refer to Corporate Governance Statement).

INTERESTS OF DIRECTORS

At date of this report the following interests in ordinary shares were held by Directors, either directly or indirectly:

<u>Name of Director</u>	<u>Ordinary Shares</u>	<u>Options</u>
Mr. P B Chen	840,000	-
Mr. R D Tilby	410,000	-
Mr. R X Yu	42,000	-
Mr. J Huey	-	-
Total	<u>1,292,000</u>	<u>-</u>

OPTIONS

At the date of this report, there are 4,000,000 25 cent options over unissued ordinary shares of Sabina Corporation Limited exercisable any time prior to 31st December 2013.

Option holders are not restricted in participation in any issue of shares or other interest in the company or any other entity.

During the year ended 30 June 2011 no ordinary shares were issued on the exercise of options granted.

GOING CONCERN

The financial statements have been prepared on a going concern basis. As a major Shareholder, Churchill Nominees Australia Pty Ltd as trustee for the Mandarin Paradise Trust and/or G8 Management Pty Ltd have agreed to provide ongoing financial support in the form of working capital advances and some additional collateral security to support any overdraft facility that may be needed by the company.

NON-AUDIT SERVICES

The board of directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services provided, namely adhoc advice on compliance with Accounting Standards, did not compromise the external auditor's independence for the following reasons:

- All non audit services are reviewed and approved by the Chairman prior to engagement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided do not compromise the general principles relating to auditor independence as set out in APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

No fees for non audit services were paid to the external auditors during the year ended 30 June 2011.

SABINA CORPORATION LIMITED
ABN 67 010 723 181

DIRECTORS' REPORT

INDEMNIFICATION OF OFFICERS AND AUDITORS

The company, has not during the financial year, in respect of any person who is or has been an officer or auditor of the company or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, incurring costs and expenses successfully defending legal proceedings.

During the year the company did not pay a premium to insure the directors and officers of the company for costs and expenses which may be incurred in defending civil or criminal proceedings that may be brought against the directors and officers in their capacity as directors and officers of the company.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

REMUNERATION REPORT

This report details the nature and amount of remuneration for each director of Sabina Corporation Limited. The company employs no executives or other paid key management personnel.

REMUNERATION POLICY

The remuneration policy of Sabina Corporation Limited has been designed to align director and executive objectives with Shareholder and business objectives by providing a fixed remuneration component subject to attendance at board meetings. The board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the company, as well as to create goal congruence between directors and shareholders.

The board's policy for determining the nature and amount of remuneration for board members is as follows:

- * The remuneration policy, setting the terms and conditions for both executive and non-executive directors, was developed by the Chairman and approved by the board.
- * The Chairman and non-executive directors receive a fixed attendance fee of \$1,000 and \$500 respectively for attendance at a board meeting. At the discretion of the Chairman, the remuneration may be paid in cash or by way of fully-paid ordinary shares in lieu of cash at a price to be determined by the Board.
- * Sabina Corporation Limited does not employ any executives or key management personnel.
- * The Chairman reviews director's remuneration annually by reference to the company's performance
- * The current policy does not allow for the payment of incentives in the form of options or rights.

All remuneration paid to directors is valued at cost to the company and expensed.

SABINA CORPORATION LIMITED

ABN 67 010 723 181

DIRECTORS' REPORT

REMUNERATION POLICY (Continued)

Performance-based Remuneration

At the present time there is no performance based remuneration.

Relationship Between Company Performance and Remuneration Policy

The remuneration policy has been tailored to increase goal congruence between shareholders and directors. To achieve this aim there may be a need to issue shares from time to time to directors to encourage the alignment of personal and shareholder interest. The company believes this policy will be effective in increasing shareholder wealth.

There are currently no options on issue to directors.

	2006 \$'000	2007 \$'000	2008 \$'000	2009 \$'000	2010 \$'000	2011 \$'000
Revenue	-	1,189	254	31	502	0
Net Profit/(Loss)	(264)	900	21	(259)	185	(1,569)
Share Price	0.065	0.08	0.08	0.07	0.052	0.031
Dividends Paid	-	-	-	-	-	-

Company performance conditions are not linked to remuneration.

The directors consider the share value understates shareholder wealth. The board will continue to issue market releases and other promotional material to the market and analysts so as to increase investor awareness of the company.

Details of remuneration for year ended 30 June 2011

Details of the nature and amount of each major element of the emoluments of each director of the company (paid either directly or through a director related entity) and the officers of the company are:

Directors	Basic Emoluments \$	Non-cash Benefits \$	Superannuation \$	Total \$
Mr. P B Chen	240,000	6,000	-	246,000
Mr R D Tilby	-	3,000	-	3,000
Mr R X Yu	-	3,000	-	3,000
Mr J R Huey	-	1,500	-	1,500

The remuneration structure for executive officers, including executive directors, is based on a number of factors such as length of service, attendance of board meetings, particular experience of the individual concerned and the overall performance of the company. The contracts for service between the company and specified directors are on a continuing basis and terms of which are not expected to change in the immediate future. No post employment benefits are payable upon the retirement of directors. Cash bonus reward schemes are not offered to directors or executives.

No options were issued as part of remuneration for the year ended 30 June 2011.

Directors are not paid performance based bonuses.

There are no employment contracts with Directors.

SABINA CORPORATION LIMITED

ABN 67 010 723 181

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2011 has been received and can be found on page 18 of the Annual Report.

Signed in accordance with a Resolution of the Board of Directors.

Dated this 25th day of August 2011

(Original signed)

R.D. Tilby – Director

(original signed)

R.X. Yu – Director & Secretary

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF SABINA CORPORATION LIMITED

I declare that, to the best of my knowledge and belief during the year ended 30 June 2011 there has been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

(Original signed)

Gary Paul Smith
Registered Company Auditor (222045)
Certified Practising Accountant
Director
GPS Business Services
Suite 3, 118 Vulture Street
South Brisbane Qld 4101

Date: 25th August 2011

SABINA CORPORATION LIMITED
ABN 67 010 723 181

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2011

The Directors of the company declare that:

1. the Financial Statements and Notes, as set out on pages 20 to 45, are in accordance with the Corporations Act 2001 and:
 - a) comply with Accounting Standards; and
 - b) give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the company;
2. the Chief Executive Officer and the Company Secretary both declared that:
 - a) the financial records of the company for the financial year have been properly maintained in accordance with Section 286 of the Corporations Act 2001;
 - b) the Financial Statements and Notes for the financial year comply with the Accounting Standards; and
 - c) the Financial Statements and Notes for the financial year give a true and fair view.
3. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
4. The Company has not entered into any deeds of cross guarantees on behalf of investments in unit trusts.

This declaration is made in accordance with a Resolution of the Board of Directors.

Dated this 25th day of August 2011

(Original signed)

R.D. Tilby – Director

(Original signed)

R X Yu – Director

SABINA CORPORATION LIMITED
ABN 67 010 723 181

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2011

	NOTE	2011 \$	2010 \$
Revenue	2	-	1,575
Operating Expenses	3	(301,983)	(225,641)
Borrowing Cost Expense	3	(99,953)	(84,230)
		-----	-----
Loss before income tax		(401,936)	(308,296)
Income tax expense	4	-	-
		-----	-----
Loss for the year		(401,936)	(308,296)
		=====	=====
Other comprehensive income:			
Net gain on redemption of financial assets	3&7	--	500,000
Losses on impairment of investments	3&7	(1,167,400)	(7,000)
		-----	-----
Total comprehensive income / (loss) for the year		(1,569,336)	184,704
		=====	=====
Loss attributable to Members		(401,936)	(308,296)
		=====	=====
Total comprehensive income / (Loss) attributable to Members		(1,569,336)	184,704
		=====	=====
Earnings Per Share			
From continuing operations			
Basic earnings (cents per share)	13	(0.069)	0.010
Diluted earnings (cents per share)	13	(0.069)	0.010
Dividends per share (cents)		-	-

The accompanying notes form part of these financial statements

SABINA CORPORATION LIMITED
ABN 67 010 723 181

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

	NOTE	2011 \$	2010 \$
ASSETS			
Current Assets			
Cash and cash equivalents	19(i)	13,037	65,778
Trade and other receivables	6	1,915,304	502,190
Financial assets	7	-	2
Total Current Assets		1,928,341	567,970
Non Current Assets			
Financial assets	7	170,000	2,560,435
Intangible Asset	8	1,397,550	
Total Non-Current Assets		1,567,550	2,560,435
TOTAL ASSETS		3,495,891	3,128,405
LIABILITIES			
Current Liabilities			
Trade and other payables	9	388,686	150,991
Borrowings	10	900,000	800,000
Total Current Liabilities		1,288,686	950,991
TOTAL LIABILITIES		1,288,686	950,991
NET ASSETS		2,207,205	2,177,414
EQUITY			
Issued capital	11	7,845,416	8,775,751
Asset revaluation reserve	12	1,397,548	281,200
Deferred Credit		1,413,114	--
Accumulated losses		(8,448,873)	(6,879,537)
TOTAL EQUITY		2,207,205	2,177,414

The accompanying notes form part of these financial statements

SABINA CORPORATION LIMITED
ABN 67 010 723 181

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED
30 JUNE 2011

	Note	Share Capital Ordinary	Accumulated Losses	Asset Revaluation Reserve	Total
		\$	\$	\$	\$
Balance at 1 July 2009		7,833,916	(7,064,241)	1,092,000	1,861,675
Loss attributable to members of the Entity			(308,296)		(308,296)
Other comprehensive income attributable to the members			500,000		500,000
Losses on impairment in investments in financial assets			(7,000)		(7,000)
Shares issued during the year		941,835			941,835
Revaluation increment for bonus units issued in Investment unit trusts.				(810,800)	(810,800)
Balance at 30 June 2010		8,775,751	(6,879,537)	281,200	2,177,414
Loss attributable to members of the Entity			(401,936)		(401,936)
Other comprehensive income attributable to the members			--		--
Losses on impairment in investments in financial assets			(1,167,400)		(1,167,400)
Shares issued during year		11,500			11,500
Shares cancelled during year		(941,835)			(941,835)
Revaluation decrement for the units issued in investment unit trusts.				(281,200)	(281,200)
Revaluation on Contrabart (net)				1,397,548	1,397,548
Deferred Credit on Claims				1,413,114	1,413,114
Balance at 30 June 2011		7,845,416	(8,448,873)	2,810,662	2,207,205

The accompanying notes form part of these financial statements

SABINA CORPORATION LIMITED
ABN 67 010 723 181

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2011

	NOTE	2011 \$	2010 \$
Cash Flows from Operating Activities			
Receipts from customers		-	-
Payments to suppliers		(87,741)	(222,091)
Payment of directors fees		-	-
Interest received		-	295
Borrowing costs paid		-	-
		-----	-----
Net cash used in operating activities	19(ii)	(87,741)	(221,796)
		-----	-----
Cash Flows from Investing Activities			
Payment for units in Unit Trust		-	-
		-----	-----
Net cash used in investing activities		-	-
		-----	-----
Cash Flows from Financing Activities			
Receipt of/(Repayment of) borrowings – related parties		(65,000)	47,236
Receipt of/(Repayment of) promissory notes – related parties		100,000	100,000
Proceeds from issue of shares		-	-
		-----	-----
Net cash provided by financing activities		35,000	147,236
		-----	-----
Net increase/(decrease) in cash held		(52,741)	(74,560)
Cash at the beginning of the financial year		65,778	140,338
		-----	-----
Cash at the end of the financial year	19(i)	13,037	65,778
		=====	=====

The accompanying notes form part of these financial statements

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

The financial report consists of the single entity Sabina Corporation Limited. Sabina Corporation Limited is a ASX- listed public company, incorporated and domiciled in Australia.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (AAS), including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AAS ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of material accounting policies adopted by the entity in the preparation of the financial report. The material accounting policies set out below have been consistently applied to all years presented.

ACCOUNTING POLICIES

a) Going Concern

The financial report has been prepared on the going concern basis, because in the opinion of the directors, the company will be able to pay its debts as and when they fall due over the period of the next twelve months.

The company has incurred historical losses and the directors have taken up the full impairment of the losses relating to the three unit trusts (UniVillage, Legana and Lifestyle Village in Tasmania). Ongoing efforts by the trustees of the unit trusts to secure development funding and re-finance for the projects in Tasmania have failed; resulting in UniVillage and Legana defaulting under their loan facilities with their lenders. Working capital in the past has been provided by promissory notes and short term advances. The current promissory notes due within the 12 months to 30th June 2011 have been extended to 31st December 2011 and can be further extended if requested by the company. The excess of liquid assets over current liabilities is not sufficient to discharge these commitments without an inflow of funds from revenue earnings, capital raising or loans.

G8 Management Pty Ltd and Churchill Nominees Australia Pty Ltd have again pledged financial support for the next year for any additional working capital needs. Directors are currently negotiating for additional working capital for the company and this is expected to be finalized by September 2011. G8 Management Pty Ltd which is owed \$700,000 in promissory notes is willing to reduce \$500,000 of the outstanding debt by converting the amount into fully-paid ordinary shares at 25 cents. Shareholder approval would be sought for this conversion at the next AGM.

SABINA CORPORATION LIMITED

ABN 67 010 723 181

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Income Tax

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rate enacted as at reporting date. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses (if brought to account).

Current and deferred income tax expense is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognized from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the assets is realized or the liability is settled, based on tax rates enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognized only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax assets can be utilized.

c) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and liabilities, are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially recognized at cost, which directors determine to approximate the fair value of the asset at date of acquisition. Transaction costs are expensed immediately to profit and loss.

Derecognition

Financial assets are derecognized where the contractual rights to receipt of cash flows expires, issued units are cancelled or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognized where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognized in profit or loss.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *Continued*

c) Financial Instruments *Continued*

Classification and Subsequent Measurement

(i) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the units of unit trusts and Contrabart Trade dollars where there is neither a fixed maturity nor fixed or determinable payments.

(ii) Loans and receivables

Loan and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost using the effective interest rate method.

(iii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost using the effective interest rate method.

(iv) Intangible Assets

Intangible asset is shown to highlight the "fair value" of the Contrabart Trade Dollars after allowing for transaction fee of 12% and a market discount of 33% of the face value of the trade dollars. Therefore, the directors have re-valued the Contrabart trade Dollars from the previously written-down nominal value of \$2.00 to a net of \$1,297,550; such increase has been credited to asset re-valuation reserve and will be brought into the profit & Loss account when the trade dollars are utilized and settled in actual transactions.

Fair Value

In the case of available-for-sale assets, the accounting policy adopted by the trustee is as follows::

- The value of freehold properties, when settled or under an installment contract and other non-current assets of the trust are initially recorded at cost.
- Any increase in capital value of the non-current assets, based on market value as determined by a registered independent valuer, is taken up via the issue of bonus units.
- Where warranted, interim adjustments to the fair value are determined by the trustee in accordance with the Trust Deed and bonus units issued to correspond to the determined net increase in the trust asset value.
- On an annual basis, at year end, the Trustee re-assesses independent market valuation to ensure that the underlying fair value of trust assets corresponds to units issued. If circumstances exists that indicate that the trust assets no longer have the stated value, bonus units issued will be cancelled and the value of the investment reduced accordingly.
- In the case of the Contrabart Trade Dollars, the "fair value" is determined by the directors after allowing for a total of 45% impairment factor and such factor is reviewed at each reporting date to ensure the fair value represents a realistic market valuation.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognized in the Statement of Comprehensive Income. Temporary declines in the value of the instrument is usually the result in changes in valuations due to changes in regulatory approvals, this is considered temporary and issued bonus units are cancelled.

No financial guarantee contracts have been entered into during the financial year.

d) Revenue Recognition

Property Development and Management Fee Revenue

Revenue from the provision of management consultancy services from Sabina Corporation Limited (via the trading entity of G8 Consultants Pty Ltd) to associated entities is recognized when the services have been performed and the amount of fee revenue invoiced.

Interest Revenue

Interest revenue is recognized when received.

e) Payables

Accounts payable represent the principal amounts outstanding at balance date plus, where applicable, any accrued interest. Accounts payable are normally settled on a 30-day period and are non-interest bearing.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES *Continued*

f) Receivables

Trade accounts receivable and other receivables represent the principal amounts due at balance date. Trade accounts receivable are non-interest bearing and are normally settled on 30-day terms.

g) Cash and cash equivalents

Cash and cash equivalents represents deposits held at call with banks or other short term highly liquid investments with original maturities of three months or less.

h) Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying amount over its recoverable amount is expensed to the Statement of Comprehensive Income.

i) Borrowing Costs

Borrowing costs are recognized as an expense in the period that they are incurred.

j) Goods and Services Tax (GST)

Revenue, expenses and assets are recognized net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cashflow are presented in the cash flow statement on a net basis.

k) Provisions

Provisions are recognized when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

l) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current trends and economic data.

Key estimates – Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Judgments – Valuation of Non-current Financial Assets

The previous balance of the financial statements of \$2,560,435 in investments in unlisted unit trusts has been adjusted to \$170,000. The decrease includes \$941,835 units at cost in Green Energy Trust which has been cancelled and reversed during the year and a total of \$1,448,600 impairment of the investments in three (3) unit trusts in Tasmania including the cancellation of all bonus units.

The financial report was authorized for issue on 25th August 2011 by the Board of Directors

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	NOTE	2011 \$	2010 \$
2. REVENUE			
From continuing operations			
Sales revenue:			
Property development services income		-	-
Other Income		-	1,280
		-	1,280
Other revenue:			
Interest Revenue – Non related parties		-	295
Interest Revenue – Related parties		-	-
		-	1,575
		-	1,575
3. PROFIT FOR THE YEAR			
a. The following items have been recognized in the profit/(loss) before tax:			
Finance costs			
- Other related parties		99,953	84,230
Impairment losses –Unit Trust investments		1,167,400	7,000
Other expenses by nature:			
Consultant fees – G8 Management Pty Ltd		240,000	120,000
Consultants fees - other		-	6,900
Directors' fees and expenses		13,500	7,000
Other expenses from ordinary activities		48,483	91,741
		301,983	225,641
		301,983	225,641
b. Significant revenue			
The following significant revenue item is relevant in explaining the financial performance:			
Redemption value of units in Legana Unit Trust		-	500,000
		-	500,000
4. INCOME TAX			
(a) The components of tax expense comprise:			
Current tax		-	-
Deferred tax		-	-
		-	-
		-	-
(b) The amount of prima facie tax payable on operating loss before income tax is reconciled to income tax expense as follows:			
Prima facie tax payable on loss			
Calculated at 30% (2010: 30%)			55,411
Less tax effect of recoupment of tax losses			(55,411)
		-	-
Income tax attributable to Entity		-	-

SABINA CORPORATION LIMITED
ABN 67 010 723 181

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

5. DIRECTORS' AND EXECUTIVES' REMUNERATION (continued)

The Board's policy for determining the nature and amount of remuneration for board members is as follows:

- The remuneration policy, setting the terms and conditions for both executive and non-executive directors, was developed by the remuneration committee and approved by the board.
- The Chairman and non-executive directors receive a fixed attendance fee of \$1,000 and \$500 respectively for attendance at a board meeting. At the discretion of the Chairman, 25 cent ordinary shares can be issued in lieu of cash payment.
- Sabina Corporation Limited does not employ any executives.
- The remuneration committee reviews director's remuneration annually by reference to the company's performance.

All remuneration paid to directors is valued at cost to the company and expensed. There are currently no bonus or options schemes in place.

There are no employment contracts or conditions between the company and directors. Due to the small size of Sabina's current operations there is no appointed remuneration committee.

(b) Directors' Remuneration (as paid directly or to director related entities).

2010	Primary					Other		Total
	Salary	Super-annuation	Cash Bonu s	Non-Cash Benefits	Post Employ- ment	Director Fees	Other	
Mr PB Chen	120,000	-	-	5,000	-	-	-	125,000
Mr JL Chard	-	-	-	2,500	-	-	-	2,500
Mr RD Tilby	-	-	-	1,500	-	-	-	1,500
Mr RX Yu	-	-	-	2,500	-	-	-	2,500
Total	120,000	-	-	11,500	-	-	-	131,500

2011	Primary					Other		Total
	Salary	Super-annuation	Cash Bonus	Non-Cash Benefits	Post Employ- ment	Director Fees	Other	
Mr. PB Chen	240,000	-	-	6,000	-	-	-	246,000
Mr. RD Tilby	-	-	-	3,000	-	-	-	3,000
Mr. R X Yu	-	-	-	3,000	-	-	-	3,000
Mr. JR Huey	-	-	-	1,500	-	-	-	1,500
Total	240,000	-	-	13,500	-	-	-	253,500

SABINA CORPORATION LIMITED
ABN 67 010 723 181

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

5. DIRECTORS' AND EXECUTIVES' REMUNERATION (continued)

(c) Remuneration Options

Nil Options Granted as Remuneration.
No options are held by Directors or Executives.
No Shares Issued on Exercise of Remuneration Options

(d) Shareholdings

Number of Shares held by Directors either directly or through director related entities.

	Balance 1.7.10	Received as Remuneration	Shares Disposed of	Acquired Through Director Related Entity in Lieu of debt repayment	Balance 30.6.11
Parent Entity Directors					
Mr PB Chen	820,000	20,000	-	-	840,000
Mr RD Tilby	404,000	6,000	-	-	410,000
Mr R X Yu	32,000	10,000	-	-	42,000
Mr JR Huey	--	--	-	-	--
Total	1,256,000	36,000	-	-	1,292,000

NOTE	2011	2010
	\$	\$

6. TRADE AND OTHER RECEIVABLES

Due from other related parties (i) & (ii)	502,190	502,190
Statement of Claim (40%) UniVillage (iii)	1,413,114	-
	1,915,304	502,190
	=====	=====

(i) The amount of \$228,190 due from UniVillage Unit Trust is unsecured and interest free. The amount is repayable under normal commercial terms and conditions.

(ii) The amount of \$274,000 due from Legana Unit Trust is unsecured, interest free and is repayable under normal commercial terms and conditions.

(iii) Following the JV partner's failure to perform its obligation in providing project funding in accordance with the JV agreement, the trustee has not been able to secure re-finance; and as a consequence, UniVillage Unit Trust has defaulted under the loan facility and the lender has appointed Receiver & Manager to dispose of the property. The Trustee has lodged a Statement of Claim of \$3,532,758.20 against the JV partner. Sabina has taken up a 40% of the claim namely, \$1,413,114 and this amount is shown on the balance sheet as a "deferred" claim. There is no dispute on the amount claimed and settlement is dependent on the actual funds to arrive from overseas. The directors will monitor the situation closely in respect to any change in the impairment status on the receivables account totaling \$1,915,304.

SABINA CORPORATION LIMITED
ABN 67 010 723 181

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	NOTE	2011 \$	2010 \$
7. FINANCIAL ASSETS			
Available-for-sale assets			
Current:			
Contrabart Trade Dollars	(i)	-	2
		-----	-----
		-	2
		=====	=====
Available-for-sale assets			
Non Current:			
Investment in unlisted unit trusts at cost	(ii)	170,000	1,231,235
Investment in unlisted unit trusts at Directors' valuation		-	1,329,200
		-----	-----
		170,000	2,560,435
		=====	=====

(i) Current available-for-sale asset in respect to the Contrabart Trade Dollars has in the 2011 year accounts been re-classified as a non-current available-for-sale asset under Note 8.

(ii) Non-current available-for-sale financial asset comprise of an investment at cost in the unlisted Billabong Unit Trust. There are no fixed returns or fixed maturity dates attached to this investment.

SABINA CORPORATION LIMITED
ABN 67 010 723 181

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

7. FINANCIAL ASSETS *continued*

Interests are held in the following unit trusts:

Name	Principle Activities	Ownership Interest		Carrying Amount of Investment	
		2011 %	2010 %	2011 \$	2010 \$
UniVillage Unit Trust	Property Development	-	40	-	1,054,000
Huonville Unit Trust	Property Development (no longer operational)	-	-	-	-
Lifestyle Unit Trust	Property Development	-	5	-	5,000
Legana Unit Trust	Property Development	-	25.9	-	389,600
Ming Village Unit Trust	Property Development (no longer operational)	-	-	-	-
Billabong Unit Trust	Property Development	40	40	170,000	170,000
Lighthouse Hotel Trust	Property Development– (no longer operational)	--	-	--	-
CTC Trust)Investment Alliance		40		-
Green Energy Trust	Licensee of Renewable Energy licenses	--	23.5	--	941,835
				170,000	2,560,435

	2011 \$	2010 \$
Movements during the year in unit trust Investments:		
Balance at beginning of financial year	2,560,435	2,436,400
Add new investments during the year:		
Green Energy Trust	(941,835)	941,835
Less decrease in value of units in Legana Unit Trust at directors valuation	(389,600)	(310,800)
Less decrease in value of units in Uni Village Unit Trust at directors' valuation	(1,054,000)	-
Less redemption on units in Legana Unit Trust	-	(500,000)
Less cancellation of units in various unit trusts	(5,000)	(7,000)
Balance at end of financial year	170,000	2,560,435

In order to determine the fair value of the investment in unit trusts the Trustees of the unit trusts have adopted the following accounting policy:

- The value of freehold properties, when settled or under an installment contract and other non-current assets of the trust are initially recorded at cost.
- Any increase in capital value of the non-current assets, based on market value as determined by a registered independent valuer, is taken up via the issue of bonus units.
- Where warranted, interim adjustments to the fair value are determined by the trustee in accordance with the Trust Deed and bonus units issued to correspond to the determined net increase in the trust asset value.
- On an annual basis, at year end, the Trustee re-assesses independent market valuation to ensure that the underlying fair value of trust assets corresponds to units issued. If circumstances exist that indicate that the trust assets no longer have the stated value, bonus units issued will be cancelled and the value of the investment reduced accordingly.

SABINA CORPORATION LIMITED
ABN 67 010 723 181

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

7. FINANCIAL ASSETS *continued*

(iii) Investment in UniVillage Unit Trust

The directors have decided to recognize the full extent of the impairment of \$1,054,000 following the default by the unit trust under the loan facility with the lender. The loan was a non-recourse facility. The trustee has submitted a Statement of Claim against the joint venture partner for \$3,532,785.20 and Sabina has taken up its 40% of the claim namely, \$1,413,114 and has treated the item as a deferred claim pending receipt of payment.

(iv) Investment in Green Energy Trust

The previous acquisition of a 23.5% in Green Energy Trust via a "share swap" of 3,767,340 Sabina shares at 24 cents in exchange for 941,835 ordinary units at \$1 each; representing a transaction value of \$941,835, has been cancelled and the investment reversed. The cancellation was by mutual agreement with the licensor / IP owner for the Hidro+ Electricity Generator.

(v) Investment in Legana Business Park

Following advice from the Trustee that Legana Unit Trust has defaulted under the loan facility agreement with the financial institution, the directors have decided to take up the total impairment for Legana Unit Trust of \$389,600.

(vi) Investment in Lifestyle Unit Trust

This project has failed to secure a development approval from the local council for its proposed mixed rural residential development at South Arm in Tasmania. The total cost of preparing the development application together with consultants' fees, amounting to about \$280,000 in total was fully absorbed by G8 Management Pty Ltd. This was in accordance with the agreement made with the trustee. The initial investment of Sabina's \$5,000 is has now been written-off as well.

8. INTANGIBLE ASSET
Non Current:

	2011	2010
Contrabart Trade Dollars- Directors' Valuation	1,397,550	-
	1,397,550	-
	=====	=====

Non-current available-for-sale intangible assets represented by the Contrabart Trade Dollars do not exist within active markets for its realization and could not be readily disposed of if required. However, the directors have re-assessed the current market situation and believe that the Contrabart Trade Dollars are now actively traded in a wide range of property transactions. As a result, the directors have determined a "fair value" after making provision for a 12% transaction fee and factoring a market discount adjustment of a further 33% reduction to the face value of the trade dollars. The fair value using this methodology assesses the Contrabart Trade Dollars as having a fair value of \$1,397,550.

The directors are currently negotiating to use some of the trade dollars in the purchase of properties that have been identified as suitable; selected from Contrabart's listing of a wide range of properties currently available for sale on their website that would accept part payment in trade dollars – usually from 25% to 50% of the sale price.

SABINA CORPORATION LIMITED
ABN 67 010 723 181

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	NOTE	2011 \$	2010 \$
9. TRADE AND OTHER PAYABLES			
CURRENT, UNSECURED			
Current trade accounts payable and accruals		258,500	29,001
Non-trade accounts payable			
- other related parties	(i)	77,444	98,830
- other related parties	(ii)	54,000	30,000
- GST payable/(refundable), net		(1,258)	(6,840)
		388,686	150,991
		=====	=====

(i) The amount payable to G8 Management Pty Ltd is unsecured, interest free and is repayable under normal commercial terms.

(ii) The amount payable to Billabong Unit Trust is unsecured, interest free and is repayable under normal commercial terms.

10. BORROWINGS

CURRENT, SECURED			
Promissory Notes	(i)	900,000	800,000
		900,000	800,000
		=====	=====

(i) Details of Security:

- The first \$200,000 Promissory note is repayable on the extended date of 31 December 2011 to Churchill Nominees Australia Pty Ltd as trustee for the Billabong Unit Trust. 12% Interest is accrued and payable at the due date. The Promissory Note is secured by a lien over the 560,000 units held in the Billabong Unit Trust.
- The second \$250,000 Promissory note was issued is repayable on 31 December 2011 to G8 Management Pty Ltd. 12% Interest is payable at the due date. The Promissory Note is secured by a lien over Sabina's units held in the UniVillage Unit Trust and Legana Unit Trust; and 6 months' roll-over is available.
- The third \$250,000 Promissory note was issued is repayable on 31 December 2011 to G8 Management Pty Ltd. 12% Interest is payable at the due date. The Promissory Note is secured by a lien over Sabina's units held in the UniVillage Unit Trust and Legana Unit Trust; and 6 months' roll-over is available.
- The fourth \$200,000 Promissory note was issued is repayable on 31 December 2011 to G8 Management Pty Ltd. 12% Interest is payable at the due date. The Promissory Note is secured by a lien over Sabina's units held in the UniVillage Unit Trust and Legana Unit Trust and 6 months' roll-over is available.

SABINA CORPORATION LIMITED
ABN 67 010 723 181
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
11. ISSUED CAPITAL			
18,930,278 (2010: 22,651,618) fully paid ordinary shares		7,845,416	8,775,751
		2011 No.	2010 No.
Issued Shares			
Fully paid ordinary shares		18,930,278	22,651,618
Represented by:			
Shares on issue at beginning of year		22,651,618	18,846,278
Shares issued during the year			
Issued on 27 October 2010 issued at 25 cents to directors in lieu of Directors Fees		46,000	38,000
Cancellation of shares on 30 June 2011 previously issued at 25 cents to Green Energy Trust in return for a 23.5% investment in the Trust		(3,767,340)	3,767,340-
Transaction costs arising on issue of shares		-	-
Shares on issue at end of year		18,930,278	22,651,618

Options

At balance date the company has 4,000,000 (2010 – 4,000,000) 25 cents options over ordinary shares unissued. The options are exercisable any time prior to 31 December 2013.

Capital Management

The directors control the capital of the Company in order to maintain a good debt to equity ratios, provide the shareholders with adequate returns and ensure that the company can fund its operations and continue as a going concern.

The company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

Directors effectively manage the company's capital by assessing the company financial risks and adjusting its capital structure in response to changes in these risks and the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by Directors to control the capital of the company since the prior financial year. This strategy is to ensure the company gearing ratio remains between below 10% , where possible, until such time as company cashflow improves. The gearing ratios for the year ended 30 June 2011 and 30 June 2010 are as follows:

	Note	2011 \$	2010 \$
Total borrowings	10	900,000	800,000
Less cash and cash equivalents	19(i)	(13,037)	(65,778)
Net debt		886,963	734,222
Total equity	11	7,845,416	8,775,751
Total capital		8,732,379	9,509,973
Gearing ratio		11.3%	8%

SABINA CORPORATION LIMITED
ABN 67 010 723 181

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
12. ASSET REVALUATION RESERVE			
The asset revaluation reserve records revaluations of non-current assets. Under certain circumstances, dividends can be declared from this reserve.			
Balance at beginning of year		281,200	1,092,000
Revaluation of investment in unit trusts at directors valuation		(281,200)	(310,800)
Redemption of previously revalued units in Unit trust at directors valuation		-	(500,000)
Revaluation of investment in Contrabart		<u>1,397,548</u>	-
Balance at end of year		<u>1,397,548</u> =====	<u>281,200</u> =====
13. EARNINGS PER SHARE			
a) Reconciliation of Earnings to Loss			
Earnings used to calculate basic EPS		(1,569,336)	184,704
Earnings used to calculate diluted EPS		(1,569,336)	184,704
b) Weighted Average number of ordinary shares outstanding during the year used in calculating basic EPS			
		<u>Number of shares</u>	
Weighted average number of ordinary shares used in calculating basic earnings per share		22,697,618	
Weighted average number of shares and potential ordinary number of shares used in calculating diluted earnings per share		22,697,618	
Potential ordinary shares that are not dilutive and not used in the calculation of diluted earnings per share -Unexercised share options (Unexercised share options could potentially dilute basic earnings per in the future but are considered anti-dilutive during the current financial year.)		4,000,000	
Potential ordinary shares that are dilutive and are used In the calculation of diluted earnings per share		-	
		2011 \$	2010 \$
Basic Earnings per Share		(0.069) cents	0.010 cents
Diluted Earnings per share		(0.069) cents	0.010 cents

SABINA CORPORATION LIMITED
ABN 67 010 723 181

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
14. AUDITORS' REMUNERATION			
Current auditor			
Audit and review of 2010/11 year		10,200	10,250
Other fees		-	-
		10,200	10,250
		10,200	10,250

15. ULTIMATE PARENT ENTITY

Churchill Nominees Australia Pty Ltd owns 50.10% of Sabina Corporation Limited. Accordingly, the ultimate parent entity is Churchill Nominees Australia Pty Ltd as trustee for the Mandarin Paradise Trust.

16. SEGMENT INFORMATION

Segment information

Identification of reportable segments

The company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The company is managed primarily on the basis of individual risk assessments made prior to the investment in unlisted unit trusts and joint ventures. The project management and consultancy services provided to investment entities have similar risk profile, remuneration agreements and performance assessment criteria. Operating segments are determined on this basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- Legal entity structure;
- Services provided; and
- Consultancy remuneration agreements.

Type of services by segment

Project management and consultancy

Consultancy services are aggregated as on reportable segment as the work performed in similar in nature.

Real estate development via investment in unlisted unit trusts or joint ventures

The real estate development segment is responsible for identifying and evaluating investments in unlisted unit trusts that have potential development opportunities.

Creation of innovative master planning concepts

This segment enters into joint venture or similar co arrangements in order to bring investors, developers, governments and idea makers together to work towards changing a concept into substance.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

16. SEGMENT INFORMATION *continued*

Basis of accounting for purpose of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consisted to those adopted in the annual financial statements.

There are no inter-segment transactions.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset.

Unless indicated otherwise in financial assets have not been allocated to operating segments.

Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of that segment. Borrowings and tax liabilities are generally considered to relate to the company as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Comparative information

This is the first reporting period in which AASB8: Operating Segments has been adopted. Comparative information has been stated to conform to the requirements of the Standard.

(i) Segment performance

Year ended 30 June 2011	Project Management \$	Investment in Unit Trust \$	Concept Planning \$	Total \$
Segment revenue	-	-	-	-
Total revenue	-	-	-	-
Segment net loss before tax	-	-	-	-
Reconciliation of segment result to company net loss before tax				
Amounts not included in segment results but reviewed by the Board:				(1,167,400)
Unallocated items:				
Corporate charges				(301,983)
Borrowing costs, net of interest earnings				(99,953)
Net profit before tax from continuing operations				(1,569,336)
Year ended 30 June 2010	Project Management \$	Investment in Unit Trust \$	Concept Planning \$	Total \$
Segment revenue	1,280	500,000	-	501,280
Total revenue	1,280	500,000	-	501,280
Segment net loss before tax	-	-	-	-
Reconciliation of segment result to company net loss before tax				
Amounts not included in segment results but reviewed by the Board:				
Unallocated items:				
Corporate charges				(232,641)
Borrowing costs, net of interest earnings				(83,935)
Net loss before tax from continuing operations				184,704

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

16. SEGMENT INFORMATION *continued*

(ii) Segment assets

As at 30 June 2011	Project Management \$	Investment in Unit Trust \$	Concept Planning \$	Total \$
Segment assets	-	-	-	-
Segment asset increases during the period	-	-	-	-
Total Segment assets	-	-	-	-
Reconciliation of segment assets to company assets				
Unallocated assets:				
Cash and cash equivalents				13,037
Trade receivables				1,915,304
Financial assets				1,567,550
Total assets from continuing operations				<u>3,495,891</u>

As at 30 June 2010	Project Management \$	Investment in Unit Trust \$	Concept Planning \$	Total \$
Segment assets	-	-	-	-
Segment asset increases during the period	-	-	-	-
Total Segment assets	-	-	-	-
Reconciliation of segment assets to company assets				
Unallocated assets:				
Cash and cash equivalents				65,778
Trade receivables				502,190
Financial assets				2,560,437
Total assets from continuing operations				<u>3,128,405</u>

(iii) Segment liabilities

As at 30 June 2011	Project Management \$	Investment in Unit Trust \$	Concept Planning \$	Total \$
Segment liabilities	-	-	-	-
Reconciliation of segment liabilities to company assets				
Unallocated assets:				
Trade and other payables				388,686
Borrowings				900,000
Total assets from continuing operations				<u>1,288,686</u>

As at 30 June 2010	Project Management \$	Investment in Unit Trust \$	Concept Planning \$	Total \$
Segment liabilities	-	-	-	-
Reconciliation of segment liabilities to company assets				
Unallocated assets:				
Trade and other payables				150,991
Borrowings				800,000
Total assets from continuing operations				<u>950,991</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

16. SEGMENT INFORMATION *continued*

- (iii) **Revenue by geographical region.**
All company operations have ceased in the state of Tasmania, Australia.
- (v) **Assets by geographical region.**
All company operations ceased in the state of Tasmania, except Billabong Unit Trust in Queensland
- (iv) **Major customers**
The company is reliant upon a joint venture arrangement with G8 Consultants Pty Ltd in order to earn project consultancy fees.

2011	2010
\$	\$

17. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

As at 30 June 2011 the following amounts were owed by (due to) the company to the following director related entities:

G8 Management Pty Ltd	77,444	98,830
-----------------------	--------	--------

Aggregate Shares held by directors or any of their related entities in Sabina Corporation Limited:

	2011	2010
	#	#
Ordinary Shares	1,292,000	1,302,000

Aggregate Shares acquired or disposed by directors or any of their related entities in Sabina Corporation Limited:

	2011	2010
	#	#
Ordinary shares acquired	36,000	38,000
Ordinary shares disposed	-	-

SABINA CORPORATION LIMITED
ABN 67 010 723 181

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

18. FINANCIAL RISK MANAGEMENT

The company's financial instruments consist of deposits with banks, accounts receivable and payable, loans to and from associated and director related entities, and promissory notes.

The main purpose of non-derivative financial instruments is to raise finance for company operations. The company does not use any derivative financial instruments.

Financial risk management policies:

Although no formal committee has been established due to the size of current operations, the directors are responsible for monitoring and managing financial risk exposure of the company. The directors have adopted strategies that minimize potential adverse effects on financial performance. These include strategies over interest rate risk and future cashflow requirements.

The main risks the company is exposed to are interest rate risk and liquidity risk.

Interest rate risk

Directors analyze interest rate exposure on a regular basis. Interest rate risk is managed by entering into fixed rate contracts. At 30 June 2011, 100% of company debt is fixed. Liquidity risk is managed by monitoring day to day cashflow and ensuring that funding is available through associated and related entities. The Directors do not believe that Sabina Corporation Limited is subject to any credit, price or foreign exchange risk at 30 June 2011.

Exposures of the company to interest rate risk on financial assets and liabilities are summarized as follows:

<u>2011</u>	<u>Fixed Interest Rate</u>			Floating Interest Rate	Total	Weighted average effective interest Rate
	Non-Interest Bearing	<u>Maturing</u>				
	\$	1 Year or Less	1 to 5 Years	\$	\$	
Financial Assets:						
Cash	-	-	-	13,037	13,037	2.0%
Financial Liabilities maturing in less than 1 year:						
Interest bearing liabilities	-	900,000	-	-	900,000	12.0%

<u>2010</u>	<u>Fixed Interest Rate</u>			Floating Interest Rate	Total	Weighted average effective interest Rate
	Non-Interest Bearing	<u>Maturing</u>				
	\$	1 Year or Less	1 to 5 Years	\$	\$	
Financial Assets:						
Cash	-	-	-	65,778	65,778	2.0%
Financial Liabilities maturing in less than 1 year:						
Interest bearing liabilities	-	800,000	-	-	800,000	12.0%

SABINA CORPORATION LIMITED
ABN 67 010 723 181

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

18. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company manages this risk through the following mechanisms:

- Preparing forward cashflow analysis in relation to its operations, investing and financing activities
- Obtaining funding from a variety of sources
- Obtain financial support from parent company and G8 Management Pty Ltd

100% of the financial liability (promissory notes) matures within the 6 months. It is the intention of directors to seek rollover of these promissory notes until such time as the Company earns sufficient income to repay them. The promissory notes are repayable to the parent entity and a director related entity.

The net cash outflow of financial assets and liabilities as at 30 June 2011 within one year is expected to be:

	2011	2010
	\$	\$
Financial liabilities due for payment-expected cash outflows:		
Trade and other payables	388,686	150,991
Financial assets – anticipated realizable cash inflow:		
Cash and cash equivalents	13,037	65,778
Trade and other Debtors	1,915,304	502,190
	2,317,027	567,968
Net cash inflow on financial instruments	1,928,341	416,977
	=====	=====

Units held in Unit Trusts are pledged as collateral for promissory notes.

Net Fair Values

Net Fair Values – Aggregate net fair values and carrying amounts of financial assets and liabilities at balance date:

	2011		2010	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
<u>Financial Assets</u>				
Available for sale financial assets at fair value (Reclassified)	-		2	2
Investments in unit trust	170,000	170,000	2,560,435	2,560,435
	170,000	170,000	2,560,437	2,560,437
<u>Intangible Asset</u>			--	--
ContrabartTrade Dollars	1,397,550	1,397,550		
<u>Financial Liabilities</u>				
Promissory notes	900,000	900,000	800,000	800,000
	900,000	900,000	800,000	800,000

SABINA CORPORATION LIMITED
ABN 67 010 723 181

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

18. FINANCIAL RISK MANAGEMENT (continued)

Promissory notes due past 12 months are discounted at market interest rates, to their present value

In order to determine the fair value of the investment in unit trusts the Trustees of the unit trusts have adopted the following accounting policy:

- The value of freehold properties, when settled or under an installment contract and other non-current assets of the trust are initially recorded at cost.
- Any increase in capital value of the non-current assets, based on market value as determined by a registered independent valuer, is taken up via the issue of bonus units.
- Where warranted, interim adjustments to the fair value are determined by the trustee in accordance with the Trust Deed and bonus units issued to correspond to the determined net increase in the trust asset value.
- On an annual basis, at year end, the Trustee re-assesses independent market valuation to ensure that the underlying fair value of trust assets corresponds to units issued. If circumstances exist that indicate that the trust assets no longer have the stated value, units and/or bonus units issued will be cancelled and the value of the investment reduced accordingly.

Sensitivity Analysis

The directors do not consider the company has any exposure to changes in interest rates as the only interest bearing financial liability is a fixed rate instrument.

	NOTE	2011 \$	2010 \$
19. NOTES TO STATEMENTS OF CASH FLOWS			
(i) Cash at the end of the year as shown in the Statements of Cash Flow, is reconciled to the related items in the Balance Sheet as follows:			
Cash at bank		13,037	65,778
Term deposit		-	-
		13,037	65,778
		13,037	65,778
(ii) Reconciliation of net cash provided by operating activities to profit after income tax			
Profit(Loss) after income tax		(1,569,336)	184,704
<i>Add back/(Subtract) the non-cash items</i>			
Expenditure satisfied by issue of shares/ proposed issue of shares		13,500	11,500
Capitalised interest		99,953	84,230
Loss on cancellation of units in unit trust		1,767,400	7,000
Non cash items in other expenses		-	864
Profit on redemption on units in unit trust		-	(500,000)
<i>Changes in assets and liabilities</i>			
Trade & other payables, net of related entity		(399,258)	(10,094)
Trade & other receivables, net of related entity		-	-
		(87,741)	(221,796)
		(87,741)	(221,796)
(iii) Non -Cash Financing and Investing Activities			
Issue of shares in Lieu of directors fees		13,500	11,500
Issue of share in lieu of cash payment for units in Green Energy Trust. Shares cancelled in 2011.	7(iv)	(941,835)	941,835

There are no unused loan facilities at 30 June 2011.

SABINA CORPORATION LIMITED
ABN 67 010 723 181

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

20. CAPITAL AND LEASING COMMITMENTS

There are no operating or finance lease commitments.

Sabina Corporation Ltd has not entered into any contracts for the purchase of plant and equipment, property or capital expenditure projects.

21. CORPORATE INFORMATION

Sabina Corporation Limited is a listed public company incorporated in Australia with its registered office at C/- PKF Chartered Accountants, Level 5 RSL Center, 9 Beach Road, Surfers Paradise, Qld 4217 and principal place of business at 36 Hinchcliffe Drive, Kooralbyn, Qld 4285 The principal activities of the company are disclosed in the directors' report. There were nil employees employed by the entity during the period ended 30 June 2011 (2010: nil).

22. GOING CONCERN

The financial report has been prepared on the going concern basis, because in the opinion of the directors, the company will be able to pay its debts as and when they fall due over the period of the next twelve months.

The entity has a continuing agreement with G8 Management Pty Ltd for consulting services.

Churchill Nominees Australia Pty Ltd has pledged financial support for any additional working capital needs.

G8 Management Pty Ltd has pledged financial support for any additional working capital needs and has advised the company that it would convert \$500,000 of the promissory notes (refer to note 9) to fully-paid ordinary shares at 25 cents as soon as approval by shareholders is given at the forthcoming AGM.

The ongoing operations of the company are dependent upon:

- The receipt of management fee income from development activities;
- The receipt of income from consultancy work;
- The receipt of funds from loan facilities and/or capital raisings negotiations; and
- The continued earnings of profit in future periods.

23: CONTINGENT LIABILITIES

Both mortgage loans taken out by Uni Village Unit Trust (\$2,998,000) and Legana Unit Trust (\$1,500,000) were non-recourse facilities and as such no guarantees have been given.

As at 30th June 2011, there were no contingent liabilities.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF

SABINA CORPORATION LIMITED
ABN 67 010 723 181

Report on the Financial Report

We have audited the accompanying financial report of Sabina Corporation Limited (the company), which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial statements, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Sabina Corporation Limited on 25th August 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.

Continued.....

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF

SABINA CORPORATION LIMITED
ABN 67 010 723 181

Qualification

The receivables as disclosed in Note 6 highlight a significant risk as their recovery is not certain. No provision of impairment has been made in the accounts.

Qualified Auditor's Opinion

In our opinion, except for the matter referred to above:

- a. the financial report of Sabina Corporation Limited is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 16 of the report of the directors for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Sabina Corporation Limited Listed Public Limited for the year ended 30 June 2011 complies with s 300A of the *Corporations Act 2001*.

(Original signed)

Gary Paul Smith
Registered Company Auditor (222045)
Certified Practising Accountant
Director
GPS Business Services
Suite 3, 118 Vulture Street
South Brisbane Qld 4101

Date: 25th August 2011.

SHAREHOLDERS INFORMATION

Distribution of Listed Shares as at 31st July 2011:

Ordinary Shares Numbers	Shares	Shareholder
1 - 1,000	37,405	62
1,001 - 5,000	828,490	396
5,001 - 10,000	150,000	18
10,001 – 100,000	1,954,126	45
100,001 - over	15,960,257	22
	<hr/> 18,930,278 <hr/> <hr/>	<hr/> 543 <hr/> <hr/>

There are 484 shareholders who hold less than a marketable parcel of ordinary shares in the company. The 20 largest shareholders hold 83.76% of the ordinary shares issued in the company.

Voting Rights

Ordinary shares carry voting rights of one vote per share.

Twenty Largest Shareholders

The names of the 20 largest holders of ordinary shares as at 23rd August 2011 are listed below:

Name	No. of Ordinary Shares Held	% of Issued Share Capital
1 Churchill Nominees Australia Pty Ltd	9,485,532	50.10%
2 Peter Benjamin Chen	840,000	4.44%
3 Girvy Holdings Pty Ltf	697,000	3.68%
4 Philip Oh & Family	636,800	3.36%
5 Educorp (Aust) Pty Ltf	584,975	3.09%
6 Fuhau Investments Pty Ltd	449,500	2.37%
7 Mrs. Liliana Teofilova	425,000	2.25%
8 Ms Joo Hua Ong	350,000	1.85%
9 Mr Wei Leng Ong	350,000	1.85%
10 Tilby Superannuation Fund	350,000	1.85%
11 Imperial Investments Pty Ltd	336,000	1.77%
12 Dr. Francis C K Chen	200,000	1.06%
13 Ms Corina Claire Chen	195,000	1.03%
14 Mrs Claire Ong	195,000	1.03%
15 Mr. Graham Frederick Ellwood	148,000	0.78%
16 Ms Carole C Rowen	145,000	0.77%
17 Capital Nominees Limited	128,086	0.68%
18 John & Josephine McNaughton	122,764	0.65%
19 Jeffery & Gwenda Ising	111,000	0.59%
20 Allan Patrick McDonald	106,600	0.56%
	<hr/>	
TOTAL	15,856,257	83.76%

SABINA CORPORATION LIMITED
ABN 67 010 723 181

Company Secretary

The name of the company secretary is Mr. Roger X Yu.

Share Registry

Computershare Investor Services Pty Limited
Level 32, Central Plaza One
345 Queen Street
BRISBANE QLD 4000
PH (07) 3237 2100
Fax (07) 3229 9860

Substantial Shareholder as at 30 June 2011

Churchill Nominees Australia Pty Ltd
(As Trustee for the Mandarin Paradise Trust). 9,485,532 (41.88%) Before Reversal of Green Energy Trust share swap.

Shares in the Company in which Directors have a relevant interest as at 30 June 2011

Name of Director	Ordinary Shares	Options
Mr P B Chen	840,000	-
Mr. R D Tilby	410,000	-
Mr R X Yu	42,000	-
Mr J R Huey	--	-
Total	<u>1,292,000</u>	<u>-</u>

Restricted Securities

There are no restrictions on securities.

Current On-market Buy Back

There is no current on-market buy-back in place.

Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.

Auditor

Gary Paul Smith
Registered Company Auditor (222045)
Certified Practising Accounts
Director
GPS Business Services
Suite 3, 118 Vulture Street
South Brisbane Qld 4101

Legal Counsel

Mr. R X Yu
Yu Chambers
6 Eiley Street,
Runcorn Qld 4113

END

