

BISAN Ltd

ABN 75 006 301 800

**BISAN LIMITED AND
CONTROLLED ENTITIES**

**ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2017**

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Corporate Directory

Bisan Limited
ABN 75 006 301 800

DIRECTORS

Mr Lei Ding
Mr Brett Crowley
Ms Lisha Teng

Chairman
Non-Executive Director
Non-Executive Director

COMPANY SECRETARY

Adrien Wing

REGISTERED OFFICE

Level 33, 50 Bridge Street,
Sydney, NSW 2000

T + 61 (02) 8246 8830

SHARE REGISTER

Computershare
Yarra Falls, 452 Johnston Street
Abbotsford, VIC 3067

Local call 1300 850 505
International call + 61 (03)
9415 4000

AUDITOR

Grant Thornton Audit Pty Ltd
Level 30
525 Collins Street
Melbourne, VIC 3000

Bisan Limited is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australia Securities Exchange (ASX: BSN).

Letter from the Chairman

Dear Shareholders,

The Year in Review

On behalf of the Board I am pleased to present the Annual Report of Bisan Limited (**Bisan** or the **Company**) and its controlled entities (the **Group**) for the financial year ended 30 June 2017 (**FY17**).

In FY17, Bisan focused on assessing its business objectives and set out its strategy moving forward. The Company underwent a number of strategic changes designed to generate value for its shareholders.

The current Directors collectively possess an effective blend of expertise in fund raising, investment portfolio management and executive management, and intend to focus on delivering initiatives designed to ultimately enhance shareholder value which, in the Board's view, is not presently reflected in the Company's current market capitalisation.

Activities & Outlook

- Impairment loss

Bisan has actively sought and evaluated a number of investment opportunities. In 2015, Bisan entered into a loan agreement with an unlisted company, Waste Technologies Limited ("WSL"), to provide an advance of funds ahead of a proposed entitlement offer by WSL to all its shareholders. In 2016, a dispute arose between the Bisan Directors at that time and the previous Bisan Chairman, Mr Patrick Volpe, as to the exact terms and conditions of when and how the loan is to be repaid or converted into equity. Based on legal advice, Bisan converted the \$315,000 loan to WSL into equity under a rights issue undertaken by WSL. WSL was previously known as P-Fuel.

In 2017, the Directors have considered the most recent WSL capital raising share price of \$0.012 on 15 November 2016 as a reflection of the value of investment, and have impaired the investment from \$822,500 to \$284,970, resulting in an impairment loss of \$537,530.

- Legal proceedings

In 2016, Bisan was the subject of a winding up application in the Supreme Court of Victoria. The litigation has been brought against Bisan by a company of which Mr Volpe is a director. On 14 September 2016, the proceedings were dismissed by the Court with no order as to costs.

Bisan had been defending two proceedings brought by companies related to Mr Volpe. On 18 September 2017, Bisan has signed Settlement Deed with Mr Volpe for a settlement amount of \$169,500. The settlement amount will be paid by Bisan on or before 12 November 2017. The amount is claimed in respect of the period during which Mr Volpe was a Bisan Director.

- Acquisition of Endeavour Securities (Australia) Limited

On 14 September 2016, Bisan agreed to acquire a 40% interest in Endeavour Securities (Australia) Limited ("ESL") for an amount of \$600,000 from Linchpin Capital Group Limited. The acquisition was subject to the completion of a condition precedent. As the condition precedent was not satisfied by the prescribed date, Bisan terminated the agreement on 22 December 2016.

- Loan from Kentway Investment Limited

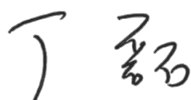
On 17 November 2016, Bisan entered into a loan agreement for \$2,000,000 with Kentway Investments Limited at an interest rate of 10% per annum. On 19 June 2017, Bisan and Kentway Investments Limited agreed to restructure the loan and signed a debt setoff agreement. As per the agreement, the loan from Kentway Investments Limited reduced to \$1,691,198.

Capital Raisings

The Directors continue to seek, identify, evaluate and pursue suitable opportunities to broaden its current business offerings. On 2 September 2016, the Directors announced that the pro rata rights issued closed, which was fully underwritten by RICT Pty Limited and Kentway Investment Limited. On 9 September 2016, Bisan issued 451,674,911 shares at \$0.004 pursuant to a pro rata rights issue, raising \$1,806,700 before costs. On 14 November 2016, a 10:1 consolidation of the shares took place. As a result, there are currently 90,334,342 fully paid shares on issue.

The Board wishes to thank all of its long standing and new shareholders for their support.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Lei Ding'.

Lei Ding
Chairman
28 September 2017

Directors' Report

The Directors of Bisan Limited are pleased to present the annual report of the Company for the financial year ended 30 June 2017. In accordance with the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The Directors in office at any time during or since the end of the year to the date of this report are:

Current Directors

LEI DING

Chairman

BRETT CROWLEY

Non-Executive Director appointed role as a Director 30 November 2016.

LISHA TENG

Non-Executive Director appointed role as a Director 19 June 2017.

Former Directors

AVI KIMELMAN

Non-Executive Director ceased role as a Director on 10 November 2016.

PETER CHAI

Non-Executive Director ceased role as a Director on 11 March 2017.

DAVID HERSZBERG

Non-Executive Director ceased role as a Director on 15 February 2017.

LU HONG-YING

Non-Executive Director appointed role as a Director 30 November 2016 - ceased role as a Director on 19 June 2017.

Current Directors

Mr Lei Ding | Chairman

Mr Lei Ding was appointed to the Board on 1 February 2016. He is the founding director of Guangxi Hengsheng Holding Group Limited and Guangxi Impression Sanjie Liu Cultural Industry Investment Limited. He is currently the Executive Director of China Xinhai International Investment Holding Group Limited.

Mr Lei Ding has more than twenty years of corporate and management experience in finance, real estate, iconic cultural development projects and investment management.

Mr Lei Ding has a relevant interest in 32,780,972 shares in Bisan.

Mr Brett Crowley | Non-Executive Director

Mr Brett Crowley was appointed to the Board on 30 November 2016. He is a practicing solicitor and is an experienced chairman, finance director and company secretary of ASX-listed companies. He is a former Senior Legal Member of the NSW Civil and Administrative Tribunal.

Mr Brett Crowley was appointed Company Secretary of the Company effective 11 May 2016. He has resigned as Company Secretary since 1 August 2017.

Ms Lisha Teng | Non-Executive Director

Ms Lisha Teng was appointed to the Board on 19 June 2017. She has a commerce degree from the University of Melbourne, majoring in finance and marketing. She is an experienced funds analyst.

Former Directors

Mr Avi Kimelman | Non-Executive Director

Mr Avi Kimelman advised the Board that, due to other business commitments, he did not wish to be re-elected as a director of Bisan Limited on 10 November 2016.

Mr Avi Kimelman was appointed to the Board on 6 December 2013. He has held senior positions in both local and overseas listed entities across a diverse range of businesses, industries and investment disciplines. He was appointed Chairman of the Board of Directors on 7 September 2015.

Mr Avi Kimelman has developed a reputation within the resources sector for identifying valuable assets and projects around the globe, raising capital for these projects through his extensive investor network as well as successfully negotiating the related transactions, particularly in the mining/oil and gas sector. He has been active in sourcing and securing various projects overseas whilst maintaining interests in both printing and manufacturing plants in Australia.

Mr Avi Kimelman is presently the Chief Executive Officer of Quantum Resources Limited (ASX: QUR).

Mr Avi Kimelman has a relevant interest in 2,273,892 shares and 879,333 options in Bisan.

Mr Peter Chai | Non-Executive Director

Mr Peter Chai resigned as Non-Executive Director of Company effective 11 March 2017.

Mr Peter Chai was appointed to the Board on 1 February 2016. He has more than thirty years of experience in corporate management and has held senior management positions in various listed entities in South-East Asia and Hong Kong. His expertise is in finance and funds management.

Mr Peter Chai also has excellent and in-depth knowledge and strong international contacts across the Asia-Pacific region. He was a special assistance to the late Datuk Ahmad Jaafar former Governor of Central Bank of Malaysia and Central Bank of Namibia.

Mr David Herszberg | Non-Executive Director

Mr David Herszberg resigned as Non-Executive Director of Company effective 15 February 2017.

Mr David Herszberg was appointed to the Board on 10 May 2012. He has more than twenty years of corporate and management experience. He has served in various positions as president or director of a number of private companies, both in Australia and the United States. He has extensive consumer electronics experience and was active in bringing electronic products to Australia. Further, he has extensive experience in the commercial property market in both developments and investments.

Mr. David Herszberg has a relevant interest in 966,666 shares in Bisan.

Ms Lu Hong-Ying | Non-Executive Director

Ms Lu Hong-Ying was appointed to the Board on 30 November 2016. She resigned as Director on 19 June 2017.

Company Secretary

Mr Adrien Wing

Mr Adrien Wing was appointed Company Secretary of the Company effective 1 August 2017.

Former Company Secretary

Mr Brett Crowley

Mr Brett Crowley was appointed Company Secretary of the Company effective 11 May 2016. He has resigned as Company Secretary since 1 August 2017.

Nature of Operations and Principal Activities

The principal activities, during the financial year, of the consolidated entity were investment and trading activities. There were no significant changes in those activities during the year.

Events During the Year

Completion of Rights Issue

The Directors continue to seek, identify, evaluate and pursue suitable opportunities to broaden its current business offerings. On 2 September 2016, the Directors announced that the pro rata rights issued closed, which was fully underwritten by RICT Pty Limited and Kentway Investment Limited. On 9 September 2016, Bisan issued 451,674,911 shares at \$0.004 pursuant to a pro rata rights issue, raising \$1,806,700 before costs. On 14 November 2016, a 10:1 consolidation of the shares took place. As a result, there are currently 90,334,342 fully paid shares on issue.

Acquisition of Endeavour Securities (Australia) Limited

On 14 September 2016, Bisan agreed to acquire a 40% interest in Endeavour Securities (Australia) Limited ("ESL") for an amount of \$600,000 from Linchpin Capital Group Limited. The acquisition was subject to the completion of a condition precedent. As the condition precedent was not satisfied by the prescribed date, Bisan terminated the agreement on 22 December 2016.

Loan from Kentway Investment Limited

On 17 November 2016, Bisan entered into a loan agreement for \$2,000,000 with Kentway Investments Limited at an interest rate of 10% per annum. On 19 June 2017, Bisan and Kentway Investments Limited agreed to restructure the loan and signed a debt setoff agreement. As per the agreement, the loan from Kentway Investments Limited reduced to \$1,691,198.

Legal Proceedings

In 2016, Bisan was the subject of a winding up application in the Supreme Court of Victoria. The litigation has been brought against Bisan by a company of which Mr Volpe is a director. On 14 September 2016, the proceedings were dismissed by the Court with no order as to costs.

Bisan had been defending two proceedings brought by companies related to Mr Volpe. On 18 September 2017, Bisan has signed Settlement Deed with Mr Volpe for a settlement amount of \$169,500. The settlement amount will be paid by Bisan on or before 12 November 2017. The amount is claimed in respect of the period during which Mr Volpe was a Bisan Director.

Annual General Meeting

The 2017 Annual General Meeting was held on 10 November 2016.

Other Investments

At the end of the financial year, in addition to the investments in P-Fuel, the Group holds investments in other listed and unlisted entities including:

- Black Star Petroleum Limited (ASX: BSP)
- Jernigan Commodities Pty Ltd (unlisted company)
- Kaboko Mining Limited (ASX: KAB)
- Hawthorn Resources (ASX: HAW)
- Pancontinental Oil & Gas NL (ASX: PCL)
- Entrée Gold Inc (NYSE: EGI)

Board and Management Changes and Registered Office Change

The following changes were made to the Company's Board and management team during the year:

On 18 August 2016:

- Mr Avi Kimelman resigned as Chairman of the Company's Board.
- Mr Lei Ding was appointed Chairman of the Company's Board.

On 10 November 2016 Mr Avi Kimelman resigned as Non-Executive Director.

On 30 November 2016:

- Ms Lu Hong-Ying was appointed Non-Executive Director of the Company.
- Mr Brett Crowley was appointed Non-Executive Director of the Company.
- The Company's registered office, principal place of business and mailing address changed to Level 33, 50 Bridge Street, Sydney, NSW, 2000.
- The Company's telephone number changed to +61 (02) 8246 8830.

On 15 February 2017 Mr David Herszberg resigned as Non-Executive Director.

On 11 March 2017 Mr Peter Chai resigned as Non-Executive Director.

On 19 June 2017, the following changes were made to the Company's Board and management team:

- Resignation of Ms Lu Hong-Ying as Non-Executive Director.
- Appointment of Ms Lisha Teng as Non-Executive Director.

Capital Raisings

The Directors continue to seek, identify, evaluate and pursue suitable opportunities to broaden its current business offerings. On 2 September 2016, the Directors announced that the pro rata rights issued closed, which was fully underwritten by RICT Pty Limited and Kentway Investment Limited. On 9 September 2016, Bisan issued 451,674,911 shares at \$0.004 pursuant to a pro rata rights issue, raising \$1,806,700 before costs. On 14 November 2016, a 10:1 consolidation of the shares took place. As a result, there are currently 90,334,342 fully paid shares on issue.

Performance Rights

There are no performance Rights in place as they lapsed on the 30 June 2015 as the performance conditions were not met.

Operating Results

The consolidated loss of the consolidated entity after income tax amounted to \$2,108,018 (2016: loss of \$525,380).

State of Affairs

During the financial year there were no significant changes in the state of affairs of the consolidated entity other than that referred to above and in the financial statements or notes thereto.

Events Subsequent to Reporting Date and Outlook

- On 3 July 2017, Bisan signed Loan Extension Agreement with Kentway Investment Limited that extends the Loan to 30 November 2018.
- On 1 August 2017, Mr Adrien Wing has been appointed as company secretary, effective immediately. Mr Brett Crowley has resigned as company secretary. Mr Crowley will continue as a non-executive director.
- On 3 August 2017, Bisan received full repayment of \$232,218.72 from Golden Devina Limited.
- On 17 August 2017, Bisan has invested into a commercial property based unit trust to the amount of \$50,000.
- On 18 September 2017, Bisan has signed Settlement Deed with Mr. Volpe for a settlement amount of \$169,500.

Likely Developments

The Directors will continue to search for investments that are suitable for the Company.

The Company intends to raise additional capital in the short term in order to advance its current investments and participate in new investments.

Environmental Regulation and Performance

The Company's operations are not subject to any significant environmental regulations under the Commonwealth or State legislation. The Directors believe that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

Dividends

It is not recommended that a dividend be declared, and no dividend has been declared or paid since the end of the previous financial year.

Review of Operations

The consolidated entity derived income from its investment activities which was insufficient to meet administrative costs, resulting in losses for the year.

After a period of relative inactivity during the year, during which Bisan focused on assessing its options and determining forward strategies, the Company underwent a number of strategic changes levelled at generating value for shareholders.

The current Directors collectively possess an effective blend of expertise in fund raising, investment portfolio management and executive management, and intend to focus on delivering initiatives designed to ultimately enhance shareholder value which, in the Board's view, is not presently reflected in the Company's current market capitalisation.

Key Business Risks

Business specific risks that may impact significantly on Bisan, its performance and the price of its shares include:

- the overall performance of management and the ability of senior management to manage business operations;
- there is no assurance that funds expended by Bisan on its investments will result in the realisation of any value for Bisan;
- even if Bisan realises value and generates income from its investments, there is no guarantee that this will occur in the short to medium term;
- additional funding may be required for further expansion of Bisan's investment portfolio, and there is no assurance that Bisan will be able to raise such funding;
- as a company holding investments in a number of entities which operate in various industries, Bisan is indirectly subject to a broad range of factors beyond its control, such as fluctuations in commodities' prices; and
- unexpected circumstances may arise at any time which may have such as adverse impacts on the Company's activities.

The above risks should not be taken to be exhaustive of the risks faced by Bisan or its shareholders. Those risk factors, and others not specifically referred to above, may materially affect the financial performance of Bisan and the value of its shares in the future.

Share Based Payments

No share based payments were granted to Directors and/or senior management during the financial year.

Indemnification and Insurance of Directors

During the year, the Company agreed to indemnify all Directors in respect of certain liabilities incurred by them while acting as Directors of the Company.

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and all executive officers of the Company and of any related body corporate against a liability incurred as a Director, Secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The insurance relates to:

- Costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as an officer or auditor.

Directors' Interests

Particulars of Directors' relevant interests in the shares of Bisan as at the date of this report are as follows:

Lei Ding	32,780,972 ordinary shares
Brett Crowley	Nil
Lisha Teng	Nil

Meetings of Directors

During the year 3 Directors' meetings were held. The table below sets out the attendance by Directors at meetings.

A number of items of business were approved by circular resolutions during the year.

Directors	No. of meetings eligible to attend	Attended
Peter Chai	1	1
Lei Ding	3	3
Avi Kimelman	1	1
David Hersberg	2	-
Brett Crowley	2	2
Lu Hong-Ying	1	-

Audit, Nomination and Remuneration Committees

The Board has not established formal remuneration, audit or nomination committees, having regard to the size of the Company and its operations. The Board acknowledges that when the size and nature of the Company warrants the necessity of remuneration, audit or nomination committees, such committees will operate under respective charters which will be approved by the Board.

Presently, the Board as a whole, excluding any relevant affected director, serves as an audit, remuneration and nomination committee to the Company.

Auditor Independence

The auditor's independence declaration is included on page 29 of this Annual Report.

Non-Audit Services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 11 to the financial statements. No taxation services were provided during the year as per Note 11.

The Directors are satisfied that the provision of non-audit services, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in Note 11 to the financial statements do not compromise the external auditor's independence for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and
- The nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110. Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Proceedings on Behalf of the Company

Litigation

In 2016, Bisan was the subject of a winding up application in the Supreme Court of Victoria. The litigation has been brought against Bisan by a company of which Mr Volpe is a director. On 14 September 2016, the proceedings were dismissed by the Court with no order as to costs.

Bisan had been defending two proceedings brought by companies related to Mr Volpe. On 18 September 2017, Bisan has signed Settlement Deed with Mr Volpe for a settlement amount of \$169,500. The settlement amount will be paid by Bisan on or before 12 November 2017. The amount is claimed in respect of the period during which Mr Volpe was a Bisan Director.

Corporate Governance

The consolidated entity's corporate governance statement is contained on pages 17-28 of this Annual Report.

Options on Issue

The options on issue are contained on page 58 of this Annual Report.

Remuneration Report (Audited)

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of Bisan's Directors and its key management personnel for FY17.

Remuneration Policy

The Company's remuneration policy is based on the following principles:

- Provide competitive rewards to attract high quality executives;
- Provide where applicable an equity incentive for senior executives that will provide an incentive to executives to align their interests with those of the Company and its shareholders; and
- Ensure that rewards are referenced to relevant employment market conditions.

Remuneration packages may contain the following key elements:

- Primary benefits – salary/fees;
- Benefits, including the provision of motor vehicles and superannuation; and
- Incentive schemes.

Remuneration Structure

In accordance with best practice corporate governance, the structure of Non-Executive Directors and key management personnel remuneration is separate and distinct.

Remuneration Practices

The Board seeks to set remuneration at a level which provides the Company with the ability to attract and retain directors of relevant experience and skill, whilst incurring costs which are acceptable to shareholders.

Presently the Board as a whole, excluding any relevant affected director, serves as a remuneration committee to the Company. The Board is responsible for determining and reviewing compensation arrangements for the directors. The Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of directors on a periodic basis, with the overall objective of ensuring shareholder benefits.

There is no specific relationship between the remuneration policy and Bisan's trading performance.

Remuneration of Non-Executive Directors

Each Non-Executive Director receives a fee for being a Director of the Company and does not participate in performance based remuneration. Non-Executive Directors are encouraged to hold shares in the Company (purchased by the Director on-market). It is considered good governance for Directors to have a stake in the Company.

Retirement Benefits

Consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations which state that non-executive directors should not be provided with retirement benefits other than statutory superannuation, the Company does not provide retirement benefits to its Non-Executive Directors.

Remuneration of Key Management Personnel

During the year, the Directors received the following remuneration for the year:

Directors Remuneration for the year ended 30 June 2017

Consolidated and Parent Entity

	Short Term Benefits		Post Employment Superannuation \$	Share based payments Options \$	Total \$
	Salary & Fees \$	Non- monetary benefits \$			
L Ding	220,000	-	-	-	220,000
P Chai	127,388	-	-	-	127,388
B Crowley	59,400	-	-	-	59,400
A Kimelman	28,000	-	-	-	28,000
L Hong-Ying	30,000	-	-	-	30,000
D Herszberg	-	-	-	-	-
	464,788	-	-	-	464,788

Salary & Fees include GST (where applicable).

During the year:

- Directors collectively were paid their annual remuneration of \$464,788 in cash.
- Mr L Ding was paid his accrued remuneration of \$40,000 which was owing as at 30 June 2016.
- Mr A Kimelman was paid his accrued director fees of \$10,000 which was owing as at 30 June 2015. The 2015 accrued director fees were agreed to reduce to nil.
- Mr D Herszberg was paid his accrued director fees of \$15,000 which was owing as at 30 June 2015. The 2015 accrued director fees were agreed to reduce to nil.

Other transactions with entities associated with the Directors are set out in Note 14 Related Party Transactions.

Directors Remuneration for the year ended 30 June 2016

Consolidated and Parent Entity

	Short Term Benefits		Post Employment Superannuation \$	Share based payments Options \$	Total \$
	Salary & Fees \$	Non- monetary benefits \$			
P Chai	100,000	-	-	-	100,000
A Kimelman	38,500	-	-	-	38,500
D Herszberg	37,000	-	-	-	37,000
L Ding	80,000	-	-	-	80,000
	255,500	-	-	-	255,500

Salary & Fees include GST (where applicable).

During the year:

- Directors collectively were paid half their annual remuneration of \$173,800 in cash and the balance of \$81,700 was accrued and unpaid at 30 June 2016.

Other transactions with entities associated with the Directors are set out in Note 14 Related Party Transactions.

The number of options over ordinary shares in the Company held during the financial year by Key Management Personnel of the Group, including their personally related parties, are set out below.

Number of Options Held by Key Management Personnel at 30 June 2016 and 30 June 2017:

KMP	Balance 01/07/2015	Other	Options Balance 30/06/2016	Total Un- Exercisable	Balance 01/07/2016	Other	Options Balance 30/06/2017	Total Un- Exercisable
P Chai	-	-	-	-	-	-	-	-
D Herszberg	4,866,666	-	4,866,666	-	4,866,666	(4,866,666)	-	-
A Kimelman	10,793,333	-	10,793,333	-	10,793,333	(9,914,000)	879,333	-
L Ding	-	-	-	-	-	-	-	-
L Hong-Ying	-	-	-	-	-	-	-	-
B Crowley	-	-	-	-	-	-	-	-
Total	15,659,999	-	15,659,999	-	15,659,999	(14,780,666)	879,333	-

Changes disclosed under "Other" resulted from Key Management Personnel participating in the Company's pro-rata rights issue during the year.

No options were granted as compensation during the year (2016: Nil).

The number of ordinary shares in the company held during the financial year by Key Management Personnel of the Group, including their personally related parties, are set out below.

Number of Shares Held by Key Management Personnel at 30 June 2016 and 30 June 2017:

KMP	Balance 01/07/2015	Change	Balance 30/06/2016	Balance 01/07/2016	Change	Balance 30/06/2017
P Chai	-	-	-	-	-	-
D Herszberg	9,666,666	-	9,666,666	9,666,666	(8,700,000)	966,666
A Kimelman	22,738,922	-	22,738,922	22,738,922	(20,465,030)	2,273,892
L Ding	-	22,914,118	22,914,118	22,914,118	9,866,854	32,780,972
L Hong-Ying	-	-	-	-	-	-
B Crowley	-	-	-	-	-	-
Total	32,405,588	22,914,118	55,319,706	55,319,706	(19,298,176)	36,021,530

Changes disclosed under "Other" resulted from Key Management Personnel participating in the Company's pro-rata rights issue during the prior year.

No shares were granted as compensation during the year (2016: Nil).

Performance Rights

There are no Performance Rights currently on issue.

Compensation Options and Shares

No compensation options were granted, lapsed or vested during the year.

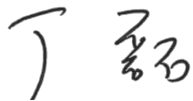
No shares were issued as compensation during the year.

This marks the end of the Audited Remuneration Report.

Directors' Resolution

This Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Directors made pursuant to section 298(2) of the Corporations Act 2001.

On behalf of the Directors of **Bisan Limited**

A handwritten signature in black ink, consisting of a stylized 'J' followed by the Chinese characters '丁磊' (Ding Lei).

Lei Ding

Chairman

28 September 2017

Corporate Governance Statement

This statement sets out the corporate governance practices that were in operation throughout the 2017 financial year for Bisan and its controlled entities and includes a summary of how the Group complies with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2014 Amendments, 3rd Edition.

The various charters and policies are all available upon request from the Company.

ASX Recommendation	Status	Reference / Comment
Principle 1 – Lay solid foundations for management and oversight <i>A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.</i>		
1.1 A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Complying	<p>The Company has adopted a Board Charter that sets out the specific roles and responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management.</p> <p>The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.</p> <p>A copy of the Company's Board Charter, which is part of the Company's Corporate Governance Plan, is available at the Company's registered office, and will be provided upon request.</p>
1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and (b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a Director.	Complying	<p>(a) The Company has guidelines for the appointment and selection of the Board in its Corporate Governance Plan. The Company's Nomination Committee Charter (in the Company's Corporate Governance Plan) requires the Nomination Committee (or, in its absence, the Board) to ensure appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate)) are undertaken before appointing a person, or putting forward to security holders a candidate for election, as a Director.</p> <p>(b) Under the Nomination Committee Charter, all material information relevant to a decision on whether or not to elect or re-elect a Director must be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director.</p>

ASX Recommendation		Status	Reference / Comment
1.3	A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.	Complying	<p>The Company's Nomination Committee Charter requires the Nomination Committee (or, in its absence, the Board) to ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.</p> <p>The Company has had written agreements with each of its Directors and senior executives for the past financial year.</p>
1.4	The Company Secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.	Complying	<p>The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.</p>
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary or it; and</p> <p>(c) disclose as at the end of each reporting period:</p> <p>(i) the measurable objectives for achieving gender diversity set by the Board in accordance with the entity's diversity policy and its progress towards achieving them; and</p> <p>(ii) either:</p> <p>(A) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior</p>	Part-Complying	<p>(a) The Company has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect of gender diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives, if considered appropriate, and to assess annually both the objectives (if any have been set) and the Company's progress in achieving them.</p> <p>(b) The Diversity Policy is available, as part of the Corporate Governance Plan, at the Company's registered office, and will be provided upon request.</p> <p>(c) The Board did not set measurable gender diversity objectives for the past financial year, because:</p> <ul style="list-style-type: none"> the Board did not anticipate there would be a need to appoint any new Directors or senior executives due to limited nature of the Company's existing and proposed activities and the Board's view that the existing Directors and senior executives have sufficient skill and experience to carry out the Company's plans; and if it became necessary to appoint any new Directors or senior executives, the Board considered the application of a measurable gender diversity objective requiring a specified proportion of women on the Board and in senior executive roles will, given the small size of the Company and the Board, unduly limit the Company from applying the Diversity Policy as a whole and the Company's policy of appointing based on skills and merit: and <p>(A) the Company had one (1) women on the Board, no women in senior executive positions or across the whole organisation for the past financial year (other than the director).</p>

ASX Recommendation		Status	Reference / Comment
	<p>executive” for these purposes); or</p> <p>(B) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in the Workplace Gender Equality Act.</p>		
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Complying	<p>(a) The Company’s Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Board, its committees and individual Directors on an annual basis. It may do so with the aid of an independent advisor. The process for this is set out in the Company’s Corporate Governance Plan, which is available at the Company’s registered office, and will be provided upon request.</p> <p>(b) The Company’s Corporate Governance Plan requires the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period. The Company has completed performance evaluations in respect of the Board, its committees (if any) and individual Directors for the past financial year on an informal basis.</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Complying	<p>(a) The Company’s Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Company’s senior executives on an annual basis. The Company’s Remuneration Committee (or, in its absence, the Board) is responsible for evaluating the remuneration of the Company’s senior executives on an annual basis. A senior executive, for these purposes, means key management personnel (as defined in the Corporations Act) other than a non-executive Director.</p> <p>(b) The applicable processes for these evaluations can be found in the Company’s Corporate Governance Plan, which is available at the Company’s registered office, and will be provided upon request. The Company did not have any senior executives besides the executive Chairmanduring the past financial year and so there was no need to complete performance evaluations in respect of senior executives.</p>

Principle 2 – Structure the Board to add value

A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.

ASX Recommendation	Status	Reference / Comment
<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>Complying</p>	<p>(a) The Company's Nomination Committee Charter provides for the creation of a Nomination Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director.</p> <p>(b) The Company did not have a Nomination Committee for the past financial year as the Board did not consider the Company would benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Nomination Committee under the Nomination Committee Charter, including the following processes to address succession issues and to ensure the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively:</p> <p>(i) devoting time at least annually to discuss Board succession issues and updating the Company's Board skills matrix; and</p> <p>(ii) all Board members being involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.</p>
<p>2.2 A listed entity should have and disclose a Board skill matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.</p>	<p>Part-Complying</p>	<p>The Company has a Board skill matrix setting out the mix of skills and diversity that the Board currently in its membership.</p> <p>The Board Charter requires the disclosure of each Board member's qualifications and expertise. Full details as to each Director and senior executive's relevant skills and experience are available in the Company's Annual Report.</p>

ASX Recommendation		Status	Reference / Comment
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the Directors considered by the Board to be independent Directors;</p> <p>(b) if a Director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and</p> <p>(c) the length of service of each Director</p>	Complying	<p>(a) The Board Charter requires the disclosure of the names of Directors considered by the Board to be independent. The Board considers Mr Brett Crowley and Ms Lisha Teng to be independent.</p> <p>(b) There are no independent Directors who fall into this category.</p> <p>(c) The Company's Annual Report discloses the length of service of each Director, as at the end of each financial year.</p>
2.4	A majority of the Board of a listed entity should be independent Directors.	Complying	<p>The Company's Board Charter requires that, where practical, the majority of the Board should be independent. There was an independent majority of the Board for all of the past financial year.</p> <p>It is noted the composition of the Board will be reassessed in future in line with changes in the Company's operations and level of activity and will be adjusted as deemed appropriate. The Board will consider the ASX Recommendations in assessing any future changes in Board composition</p>
2.5	The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.	Complying	<p>The Board Charter provides that, where practical, the Chair of the Board should be an independent Director and should not be the CEO/Managing Director.</p> <p>The Chair of the Company was Mr Lei Ding who is a non-independent Director (Chairman). Mr Ding is not the CEO.</p>

ASX Recommendation		Status	Reference / Comment
2.6	A listed entity should have a program for inducting new Directors and providing appropriate professional development opportunities for continuing Directors to develop and maintain the skills and knowledge needed to perform their role as a Director effectively.	Complying	In accordance with the Company's Board Charter, the Nominations Committee (or, in its absence, the Board) is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Company Secretary is responsible for facilitating inductions and professional development.
Principle 3 – Act ethically and responsibly A listed entity should act ethically and responsibly			
3.1	A listed entity should: (a) have a code of conduct for its Directors, senior executives and employees; and (b) disclose that code or a summary of it.	Complying	(a) The Company's Corporate Code of Conduct applies to the Company's Directors, senior executives and employees. (b) The Company's Corporate Code of Conduct (which forms part of the Company's Corporate Governance Plan) is available at the Company's registered office, and will be provided upon request.
Principle 4 – Safeguard integrity in corporate reporting A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and	Complying	The Board has not established a formal audit committee, having regard to the size of the Company. The Board acknowledges that when the size and nature of the Company warrants the necessity of an audit committee, such a committee will operate under an audit committee charter which has been approved by the Board. Presently, the Board, as a whole, serves as an audit committee to the Company and accordingly operates under the audit committee charter approved by the Board, and will continue to do so until a formal audit committee has been established.

ASX Recommendation	Status	Reference / Comment
<p>(2) is chaired by an independent Director, who is not the Chair of the Board,</p> <p>and disclose:</p> <p>(i) the charter of the committee;</p> <p>(ii) the relevant qualifications and experience of the members of the committee; and</p> <p>(iii) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>		<p>(a) The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee (if it is considered it will benefit the Company), with at least three members, all of whom must be independent Directors, and which must be chaired by an independent Director who is not the Chair.</p> <p>(b) The Company did not have an Audit and Risk Committee for the past financial year as the Board did not consider the Company would benefit from its establishment, and does not currently have one. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the following processes to independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p>(i) the Board devotes time at annual Board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors; and</p> <p>(ii) all members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.</p>
<p>4.2 The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal</p>	<p>Complying</p>	<p>The Company's Audit and Risk Committee Charter requires the CEO and CFO (or, if none, the person(s) fulfilling those functions) to provide a sign off on these terms.</p> <p>The Company has obtained a sign off on these terms for each of its financial statements in the past financial year.</p>

ASX Recommendation		Status	Reference / Comment
	control which is operating effectively.		
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Complying	<p>The Company's Corporate Governance Plan provides that the Board must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p> <p>The Company's external auditor attended the Company's last AGM during the past financial year.</p>
Principle 5 – Make timely and balanced disclosure <i>A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.</i>			
5.1	<p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	Complying	<p>(a) The Board Charter provides details of the Company's disclosure policy. In addition, the Corporate Governance Plan details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation.</p> <p>(b) The Corporate Governance Plan, which incorporates the Board Charter, is available at the Company's registered office, and will be provided upon request.</p>
Principle 6 – Respect the rights of security holders <i>A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.</i>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Complying	Information about the Company and its governance is available in the Corporate Governance Plan which can be found at the Company's registered office, and will be provided upon request.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Complying	The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to shareholders and is part of the Company's Corporate Governance Plan which can be found at the Company's registered office, and will be provided upon request.

ASX Recommendation		Status	Reference / Comment
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Complying	Shareholders are encouraged to participate at all general meetings and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material stating that all Shareholders are encouraged to participate at the meeting.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Complying	The Shareholder Communication Strategy provides that security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted. Shareholders queries should be referred to the Company Secretary at first instance.

Principle 7 – Recognise and manage risk

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

7.1	<p>The Board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(i) has at least three members, a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or</p>	Complying	<p>(a) The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee (if it is considered it will benefit the Company), with at least three members, all of whom must be independent Directors, and which must be chaired by an independent Director.</p> <p>A copy of the Corporate Governance Plan is available at the Company's registered office, and will be provided upon request.</p> <p>(b) The Company did not have an Audit and Risk Committee for the past financial year as the Board did not consider the Company would benefit from its establishment, and does not currently have one. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the Board devoting time at all Board meetings to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.</p>
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ASX Recommendation		Status	Reference / Comment
	committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.		
7.2	<p>The Board or a committee of the Board should:</p> <p>(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	Complying	<p>(a) The Audit and Risk Committee Charter requires that the Audit and Risk Committee (or, in its absence, the Board) should, at least annually, satisfy itself that the Company's risk management framework continues to be sound.</p> <p>(b) The Company's Board has completed a review of the Company's risk management framework in the past financial year.</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	Complying	<p>(a) The Audit and Risk Committee Charter provides for the Audit and Risk Committee to monitor the need for an internal audit function.</p> <p>(b) The Company did not have an internal audit function for the past financial year. The Company employed the following process for evaluating and continually improving the effectiveness of its risk management and internal control processes:</p> <ul style="list-style-type: none"> (i) the Board monitors the need for an internal audit function having regard to the size, location and complexity of the Company's operations; (ii) the Board periodically undertakes an internal review of financial systems and processes where systems are considered to require improvement these systems are developed; and (iii) The Board reviews risk management and internal compliance procedures at each Board meeting and monitors the quality of the accounting function.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Complying	<p>The Audit and Risk Committee Charter requires the Audit and Risk Committee (or, in its absence, the Board) to assist management determine whether the Company has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p> <p>The Company's Corporate Governance Plan requires the Company to disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks. The Company discloses this information in its Annual Report as part of its continuous disclosure obligations.</p>

ASX Recommendation	Status	Reference / Comment
<p align="center">Principle 8 – Remunerate fairly and responsibly</p> <p align="center"><i>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.</i></p>		
<p>8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>Complying</p>	<p>(a) The Company's Corporate Governance Plan contains a Remuneration Committee Charter that provides for the creation of a Remuneration Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom must be independent Directors, and which must be chaired by an independent Director.</p> <p>(b) The Company did not have a Remuneration Committee for the past financial year as the Board did not consider the Company would benefit from its establishment, and does not currently have one. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Remuneration Committee under the Remuneration Committee Charter. The Board devotes time at least annually at a Board meeting to assess the level and composition of remuneration for Directors to ensure remuneration is appropriate and not excessive.</p>
<p>8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives and ensure that the different roles and</p>	<p>Complying</p>	<p>The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of Directors and senior executives, which is disclosed in its Annual Report.</p>

ASX Recommendation		Status	Reference / Comment
	responsibilities of non-executive Directors compared to executive Directors and other senior executives are reflected in the level and composition of their remuneration.		
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Complying	<p>(a) The Company had an equity based remuneration scheme during the past financial year. The Company's Corporate Governance Plan prohibits Key Management Personnel entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.</p> <p>(b) Executives are prohibited from entering into transactions or arrangements which limit the economic risk of participating in equity based remuneration or in unvested entitlements</p>

Level 1
10 Kings Park Road
West Perth WA 6005

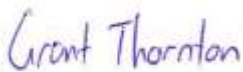
Correspondence to:
PO Box 570
West Perth WA 6872

T +61 8 9480 2000
F +61 8 9322 7787
E info.wa@au.gt.com
W www.grantthornton.com.au

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF BISAN LIMITED

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Bisan Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Matthew Hingeley
Partner - Audit & Assurance

Perth, 28 September 2017

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Level 1
10 Kings Park Road
West Perth WA 6005

Correspondence to:
PO Box 570
West Perth WA 6872

T +61 8 9480 2000
F +61 8 9322 7787
E info.wa@au.gt.com
W www.grantthornton.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BISAN LIMITED

Report on the audit of the financial report

Qualified Opinion

We have audited the financial report of Bisan Limited (the Company), and its subsidiaries (the Group) which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the effects of the matter described below in the Basis for Qualified Opinion section of our report, the accompanying consolidated statement report of Bisan Limited is in accordance with the *Corporations Act 2001*, including:

- a Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
- b Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Qualified Opinion

Included in Note 4 of the financial report, the Company has reported a receivable from Linchpin Capital Limited amounting to \$400,000 and uncollected rent of \$96,000 as at 30 June 2017. We have been unable to obtain sufficient appropriate audit evidence in respect to the collectability of these amounts.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial report, which notes that the Group generated a loss before tax of \$2,108,018. This condition, along with other matters set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Our report has not been modified in relation to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matters described in the Basis for Qualified Opinion and Material Uncertainty Related to Going Concern sections, we have determined the matters below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of shares in unlisted entity Note 5</p> <p>The Group holds shares in Waste Technologies, an unlisted company, with a carrying value of \$284,970 at 30 June 2017.</p> <p>In line with AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured can be measured at cost less impairment losses. Impairment of \$537,530 was recorded in the half year to 31 December 2016 based on a prospectus released in October 2016 valuing the shares at 1.2c.</p> <p>This is a key audit matter due to the judgement involved in determining the value of the investment.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none">• Considering whether the accounting treatment of the unlisted investment is in accordance with the accounting standards;• Reviewing the Group's calculation of cost less impairment and agreeing the key assumptions to supporting documentation;• Obtaining information on any additional arms-length transactions in respect to the shares of the unlisted company and comparing the price to the carrying value; and• Assessing the adequacy of the Group's disclosures within the financial statements.

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

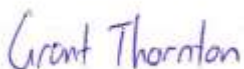
Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 15 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Bisan Ltd, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 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.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Matthew Hingeley
Partner - Audit & Assurance

Perth, 28 September 2017

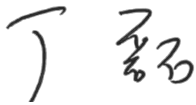
Directors' Declaration

In accordance with a resolution of the Directors of Bisan Limited I state that:

1. In the opinion of the Directors:

- (a) the financial statements and notes of Bisan Limited and its controlled entities for the financial year ended 30 June 2017 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001;
 - (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1(a); and
 - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors by the Chief Executive Officer and Chief Financial Officer (or equivalents) in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2017.

On behalf of the Board



Lei Ding
Chairman

28 September 2017

Financial Statements

Bisan Limited & Controlled Entities Statement of Financial Position As at 30 June 2017

	NOTE	2017 \$	2016 \$
CURRENT ASSETS			
Cash and Cash Equivalents	18(a)	681,013	307,879
Trade and Other Receivables	4	500,693	14,892
Other Financial Assets	5	230,868	-
TOTAL CURRENT ASSETS		1,412,574	322,771
NON CURRENT ASSETS			
Other Financial Assets	5	297,261	834,984
Property, Plant and Equipment	6	69,525	-
TOTAL NON CURRENT ASSETS		366,786	834,984
TOTAL ASSETS		1,779,360	1,157,755
CURRENT LIABILITIES			
Trade and Other Payables	7	192,855	420,398
Borrowings	8	1,523,910	365,187
TOTAL CURRENT LIABILITIES		1,716,765	785,585
TOTAL LIABILITIES		1,716,765	785,585
NET ASSETS		62,595	372,170
EQUITY			
Contributed Equity	9	16,209,819	14,411,377
Option Reserve		1,456,351	1,456,351
		17,666,170	15,867,728
Accumulated Losses		(17,603,575)	(15,495,558)
TOTAL EQUITY		62,595	372,170

The accompanying notes form part of these financial statements.

Bisan Limited & Controlled Entities
Statement of Profit or Loss and Other Comprehensive Income
For the Year ended 30 June 2017

	NOTE	2017 \$	2016 \$
Revenue from continuing operations	2	54,081	19,582
Other Income	2	380,081	-
Auditors remuneration	11	(10,728)	(40,700)
Employee benefits expenses		(115,979)	(16,160)
Interest expenses	2	(143,349)	-
Occupancy expenses	2	(722,044)	(10,146)
Share registry and listing fees		(48,732)	(28,662)
Impairment of other financial assets	2	(537,722)	(43,771)
Legal fees		(145,614)	(53,188)
Consulting fees		(67,111)	(46,845)
Directors fees	12	(464,788)	(235,636)
Travel expenses		(37,681)	(4,119)
Company secretary fees		-	(18,980)
Depreciation	6	(18,041)	-
Others	2	(230,392)	(46,755)
Loss before income tax		(2,108,018)	(525,380)
Income tax expense (benefit)	3	-	-
Loss for the year		(2,108,018)	(525,380)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Revaluation for available-for-sale financial assets		-	-
Total comprehensive income		(2,108,018)	(525,380)
Earnings (loss) per share	16	Cents	Cents
<i>Basic earnings (loss) per share</i>			
Loss from continuing operations		(2.56)	(0.12)
Loss from discontinued operations		-	-
Total		(2.56)	(0.12)
<i>Diluted earnings (loss) per share</i>			
Loss from continuing operations		(2.56)	(0.12)
Loss from discontinued operations		-	-
Total		(2.56)	(0.12)

The accompanying notes form part of these financial statements.

Bisan Limited & Controlled Entities
Statements of Changes in Equity
For the Year ended 30 June 2017

Consolidated Entity

	Contributed Equity \$	Available for sale investments revaluation reserve \$	Option Reserve \$	Accumulated Losses \$	Total Equity \$
At 1 July 2016	14,411,377	-	1,456,351	(15,495,558)	372,170
Loss for the period	-	-	-	(2,108,018)	(2,108,018)
Total comprehensive income/(loss) for the period	-	-	-	(2,108,018)	(2,108,018)
Transactions with equity holders in their capacity as equity holders					
Issue of new shares	1,806,699	-	-	-	1,806,699
Share issue costs	(8,257)	-	-	-	(8,257)
At 30 June 2017	16,209,819	-	1,456,351	(17,603,576)	62,595
At 1 July 2015	14,202,412	-	1,456,351	(14,970,178)	688,585
Loss for the period	-	-	-	(525,380)	(525,380)
Total comprehensive income/(loss) for the period	-	-	-	(525,380)	(525,380)
Transactions with equity holders in their capacity as equity holders					
Issue of new shares	229,626	-	-	-	229,626
Share issue costs	(20,661)	-	-	-	(20,661)
At 30 June 2016	14,411,377	-	1,456,351	(15,495,558)	372,170

The accompanying notes form part of these financial statements.

Bisan Limited & Controlled Entities
Consolidated Statement of Cash Flows
For the Year ended 30 June 2017

	NOTE	2017 \$	2016 \$
Cash flows from operating activities:			
Payments to suppliers and employees		(2,327,846)	(369,568)
Other income		106,456	16,080
Interest received		22	3,502
Interest and other costs of finance paid		(22,839)	-
Refunds received		20,224	30,231
Net cash outflows from operating activities	18(b)	<u>(2,223,983)</u>	<u>(319,755)</u>
Cash flows from investing activities:			
Purchase of plant & equipment		(87,566)	-
Loans to non-related entities		(1,000,000)	-
Net cash outflows from investing activities		<u>(1,087,566)</u>	<u>-</u>
Cash flows from financing activities:			
Proceeds from issue of shares		1,806,700	229,626
Share issue costs		-	(17,645)
Borrowings		3,799,948	426,817
Repayment of borrowings		(1,921,965)	(61,629)
Net cash inflows from financing activities		<u>3,684,683</u>	<u>577,169</u>
Net Increase/(decrease) in cash held		373,134	257,414
Cash and cash equivalents at beginning of the financial year		<u>307,879</u>	<u>50,465</u>
Cash and cash equivalents at end of the financial year	18(a)	<u>681,013</u>	<u>307,879</u>

The accompanying notes form part of these financial statements.

Bisan Limited & Controlled Entities

Notes to the Financial Statements as at 30 June 2017

1. Summary of Significant Accounting Policies

The financial statements cover the consolidated entity of Bisan Limited and controlled entities. Bisan Limited is a listed public company incorporated and domiciled in Australia. The financial statements have been prepared on an accruals basis and are based on historical convention, as modified by the revaluation of financial assets at fair value through profit and loss. Cost is based on the fair values of the consideration given in exchange for assets.

The functional and presentation currency of the financial statements is the Australian Dollar.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

a) Statement of Compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Bisan Limited is a for-profit entity for the purpose of preparing financial statements.

The financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

b) Principles of Consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2017. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

The financial information for the parent entity, Bisan Limited, included in Note 21, has been prepared on the same basis as the consolidated financial statements.

c) Income Tax

The income tax expense for the year is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

Bisan Limited & Controlled Entities

Notes to the Financial Statements as at 30 June 2017 (continued)

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred tax balances relating to items recognised directly in equity are also recognised in equity and not in the profit or loss.

d) Investments

All investments are initially recognised at cost, being the fair value of the consideration given including all directly attributable transaction costs.

After initial recognition, investments, which are classified as held for trading, are measured at fair value. Gains or losses on investments held for trading are recognised in the profit or loss.

Financial assets at fair value through profit or loss include financial assets that are classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which hedge accounting requirements apply.

For investments that are actively traded in active markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the reporting date.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment. Assumptions used are based on observable market prices and rates at reporting date.

The Group's available-for-sale investments include equity investments in JCL and WSL. The investment in JCL is measured at cost less any impairment charges, as its fair value cannot currently be estimated reliably. Impairment charges are recognised in profit or loss.

The equity investment in WSL is measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the available-for-sale investments revaluation reserve within equity, except for impairment losses, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income.

Bisan Limited & Controlled Entities

Notes to the Financial Statements as at 30 June 2017 (continued)

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date i.e. the date that the Group commits to purchase the asset.

e) Employee Benefits

Wages & Salaries, Annual Leave & Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled wholly within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long Service Leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Contributions made by the consolidated entity to employee superannuation funds are charged as expenses when incurred.

f) Earnings/(loss) per Share

Basic earnings/(loss) per share

Basic earnings/(loss) per share is determined by dividing the profit or loss for the year after related income tax attributable to members of Bisan Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings/(loss) per share

Diluted earnings/(loss) per share adjusts the figures used in the determination of basic earnings/(loss) per share to take into account after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

g) Going Concern

Notwithstanding the fact that for the year ended 30 June 2017, the Consolidated Group generated a loss and deficiency in working capital, the financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. As at 30 June 2017, the Group generated a loss before tax of \$2,108,018 (2016: loss of \$525,380).

Significant judgments made by the Directors in determining that the financial statements to be prepared on a going concern basis include:

- Cash flow required to fund mandatory expenditure is sufficient in order for the Company to meet its obligations as and when they fall due;
- Further capital raising activities will be required, the Board has a track record of raising capital and has assisted the Company in raising in excess of \$1.8M in the year to 30 June 2017 and \$229k to 30 June 2016;
- The ability of the consolidated entity to sell its unlisted investment in Waste Technologies Limited if necessary.
- Negotiating with key service providers, including Directors and employees, to defer payment for their services or to accept shares or other securities in lieu of payment; and

Bisan Limited & Controlled Entities

Notes to the Financial Statements as at 30 June 2017 (continued)

- Negotiating with key lender, to extend the terms of the loan or request to convert the loan amount into equity shares.
- Continue effort to seek out investments that may provide for solid returns to the Company.

For these reasons, the Directors believe the assumption of going concern basis in the preparation of this financial report is appropriate. The financial report does not include any adjustments in relation to the recoverability or classification of recorded assets, or the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

h) Revenue

Revenue is recognised at the fair value of consideration received or receivable.

Revenue from the sale of investments and disposal of other assets is recognised when the consolidated entity has passed risks and rewards of the investments or other assets to the purchaser, and can be reliably measured.

Interest revenue is recognised on a time proportion basis using the effective interest method.

Dividends and trust distributions are recognised when the right to receive the dividend and/or trust distribution has been established.

i) Trade and Other Payables

Trade and other payables are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services. They are measured initially at fair value and subsequently at amortised cost. The amounts are unsecured and are usually paid within 30 days of recognition.

j) Trade and Other Receivables

Trade and other receivables are recognised initially at fair value, and subsequently at amortised cost, less any impairment. Trade receivables are generally due to settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is not material.

k) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred on a straight line basis.

l) Goods and Services Tax (GST)

During the year, the ATO determined that the company was not carrying on an enterprise for the purposes of GST and hence should not be registered for GST. As a result the company repaid GST claimed and incurred a penalty of \$28,600.

The Directors have had the GST registration reinstated successfully, effective from 1 July 2017. Accordingly, from 1 July 2017, revenues, expenses and assets will be recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position will be shown inclusive of GST.

m) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events of circumstances indicate that they might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets, other than goodwill, that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

n) Cash and Cash Equivalents

For Statement of Cash Flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash.

o) Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, eg. as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

p) Share-based Payments

Share based compensation benefits are provided to employees via the employee share scheme.

The fair value of options granted under the employee share scheme is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined by using a Black Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

The impact of the revision to original estimates, if any, is recognised in the profit or loss with a corresponding adjustment to equity.

q) Significant and Critical Judgements and Estimates

The group makes estimates and assumptions concerning the future. The resulting estimates may not always equal the related results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are:

Bisan Limited & Controlled Entities

Notes to the Financial Statements as at 30 June 2017 (continued)

i. Going concern

The financial statements have been prepared on a going concern basis as explained in Note 1(g). If this basis is not appropriate the carrying amount of assets and liabilities may be significantly different.

ii. Investments in unlisted shares

The Group holds investments in unquoted shares and accounts for these investments as available-for-sale investments. For the investment in JCL, the Directors were not able to obtain the necessary financial information to determine the fair value of the investment. Accordingly, this investment is carried at cost less impairment. In assessing for impairment, the Directors use the best information available to assess the appropriate carrying values for the investments and amount of impairment (if any). For the investment in WSL, the Directors have considered the most recent WSL capital raising on 15 November 2016 share price \$0.012 as a reflection of the value of the investment, and have impaired the investment to \$284,970.

The directors believe that Bisan does not have significant influence over WSL as:

- Bisan owns less than 20% shares of WSL.
- Bisan does not currently have any representation on the board of WSL.

Accordingly, Bisan has not equity accounted in its investment in WSL.

r) Standards and Interpretations in Issue not yet Adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements. The standard is applicable for annual reporting period commencing 1 January 2018.

The entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

AASB 15: replaces AASB 118 Revenue, AASB 111 Construction

Contracts and some revenue-related Interpretations: - establishes a new revenue recognition model

- changes the basis for deciding whether revenue is to be recognised over time or at a point in time
- provides new and more detailed guidance on specific topics (e.g., multiple element arrangements, variable pricing, rights of return, warranties and licensing)

The entity is yet to undertake a detailed assessment of the impact of AASB 15.

However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

s) Segment Information

No information is disclosed for operating segments as no management accounts are regularly provided to the Board of Directors, other than those of the consolidated entity. As such no operating segments exist.

Bisan Limited & Controlled Entities
Notes to the Financial Statements as at 30 June 2017 (continued)

	NOTE	2017 \$	2016 \$
2. Revenue and Expenses			
Loss before income tax includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the entity:			
(a) Revenue			
Interest received from other persons and / or bodies corporate		54,081	4,860
Interest income includes \$54,060 interest receivable from Golden Devina Limited. Transactions are detailed in Note 5.			
(b) Other Income			
Fair Value Gains (i)		178,245	-
Other Income (ii)		201,836	-
		380,081	4,860
(i) Fair value gains relate to the difference between the book value and the fair value of the loan from Kentway Investments Ltd as at 30 June 2017. Transactions are detailed in Note 5.			
(ii) Other income relates to rent earned from sublease of part of Bisan's premises to other tenants.			
(c) Expenses			
Interest expenses:		143,349	-
Interest expenses include \$125,347 interest payable to Kentway Investments Limited. Transactions are detailed in Note 5.			
Occupancy expenses:			
- office rent		716,844	10,146
- light, power and heating		5,200	-
		722,044	10,146
Property leases were entered into on the following terms:			
- Property: Level 33, AMP Centre, 50 Bridge Street, Sydney 2000, 8 September 2016, terminating on 31 December 2017, lease amount of \$61,705.00 plus GST per month.			
- Property: 1308/168 Kent Street, Millers Point NSW 2000, 5 September 2016, terminating on 4 March 2017, lease amount of \$4,562.50 per month.			
Impairment of other financial assets:			
- shares in listed bodies corporate		192	43,771
- shares in unlisted bodies corporate		537,530	-
		537,722	43,771
Impairment loss in unlisted bodies corporate relates to investment in Waste Technologies Limited. Transactions are detailed in Note 5.			

Bisan Limited & Controlled Entities
Notes to the Financial Statements as at 30 June 2017 (continued)

	NOTE	2017 \$	2016 \$
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2. Revenue and Expenses (continued)

Others:		230,392	46,755
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Other Expenses include \$28,600 penalty and \$66,269 GST paid to Australian Taxation Office. During the year, the ATO determined that the company was not carrying on an enterprise for the purposes of GST and hence should not be registered for GST. As a result, Bisan repaid GST credits previously claimed and a penalty of \$28,600.

3. Income Tax

(a) The components of tax benefit comprise:

Current Tax	-	-
Deferred Tax	-	-
Total	-	-

(b) The prima facie tax payable (benefit) on the loss before income tax is reconciled to the income tax expense (benefit) as follows:

Loss before income tax	(2,108,018)	(525,380)
Prima facie tax payable (benefit) at 27.5% (2016: 30%)	(579,705)	(157,614)
Temporary differences not brought to account		
- Impairment of other financial assets	147,874	13,131
- Superannuation payable movement	(263)	421
- Fair value gains	(49,017)	
- Annual leave provision	2,682	
Permanent difference not brought to account	9,436	82
Income tax losses not brought to account	(468,995)	(144,401)

(c) Unrecognised deferred tax assets:

Deferred tax assets have not been recognised in the statement of financial position for the following items:

- Unused tax losses	6,169,971	4,464,536
- Deductible temporary differences	771,284	403,013
	6,941,255	4,867,549

Potential deferred tax asset not brought to account at 30 June 2017 calculated at the corporate tax rate of 27.5% (2016: 30%)

1,908,845	1,460,265
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These benefits will only be obtained if:

- The consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised.
- The consolidated entity continues to comply with the conditions for deductibility imposed by the law; and
- No changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deduction for the loss.

Bisan Limited & Controlled Entities
Notes to the Financial Statements as at 30 June 2017 (continued)

	NOTE	2017 \$	2016 \$
3. Income Tax (continued)			
(iv)	Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking dividends and franking credits that may be prevented from distribution in subsequent financial years.	321,009	321,009

- (d) No decisions have yet been made in relation to the Consolidations Tax Regime and its applicability to the consolidated entity. As there are no deferred tax balances brought to account in the financial statements it is unlikely this regime will have a material impact on the consolidated entity.

4. Trade and Other Receivables

Current

Other receivables	500,693	14,784
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Other receivables include (i) \$96,000 uncollected rent from Linchpin Capital Limited ("Linchpin") and (ii) \$400,000 receivable from Linchpin in relation to termination of the agreement from acquisition of Endeavour Securities (Australia) Limited.

- (i) \$96,000 uncollected rent from Linchpin

Bisan entered into a non-cancellable property lease contract to use Level 33, AMP Centre, 50 Bridge Street, Sydney 2000 as its principal place of business, starting from 8 September 2016.

At approximately the same time, Bisan subleased part of its premises to Linchpin. For the first six months from October 2016 to March 2017, Linchpin was required to pay \$16,000 per calendar month to Bisan.

A dispute arose between Bisan and Linchpin in relation to the rent during this period. As at 30 June 2017, Bisan still had uncollected rent of \$96,000 (namely, \$16,000 x 6) from Linchpin. The Directors of the company believe that they are entitled to collect the \$96,000 rent and they have confidence in collecting the rent through negotiation.

- (ii) \$400,000 receivable from Linchpin

On 14 September 2016, Bisan agreed to acquire a 40% of interest in Endeavour Securities (Australia) Limited ("ESL") for an amount of \$600,000 from Linchpin Capital Group Limited ("Linchpin"). The acquisition was subject to the completion of a condition precedent. A cheque for the amount of \$400,000 was paid to Linchpin.

As the condition precedent was not satisfied by the prescribed date, the contract could not be completed and was terminated on 22 December 2016. There was no breach of the contract by any party.

The Directors of the company believe that the \$400,000 is recoverable from Linchpin. Mr Ding, the Chairman of the company, has been negotiating with Linchpin so as to have the amount returned. If the negotiation is ultimately unsuccessful, Bisan will take legal action to recover it.

Bisan Limited & Controlled Entities
Notes to the Financial Statements as at 30 June 2017 (continued)

	NOTE	2017 \$	2016 \$
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5. Other Financial Assets

Current

Unsecured loan to Golden Devina Limited		230,868	-
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On 13 September 2016, Bisan loaned \$600,000 to Golden Devina Limited ("GDL"), under a loan agreement at an interest rate of 12% per annum.

On 17 November 2016, Bisan entered into a loan agreement with Kentway Investments Limited (Inc in HK 2328760) ("Kentway") and borrowed \$2,000,000 from Kentway at an interest rate of 10% per annum.

During the year, Kentway entered into a loan agreement with Mr Fengrui Li (a shareholder of Bisan) and borrowed \$522,678 from Mr Fengrui Li. Kentway had repaid \$164,000 to Mr Li and there was \$423,192 outstanding prior to 19 June 2017.

On 19 June 2017, each party agreed to restructure their loans and signed a debt setoff agreement, as follows:

- (a) Bisan accepted partial repayment of its loan to GDL in the amount of \$423,192.
- (b) Kentway accepted partial repayment of its loan to Bisan in the amount of \$423,192.
- (c) Mr Li accepted full repayment of its loan to Kentway in the amount of \$423,192.

As a result of loan restructure, the loan to GDL and the loan from Kentway have been adjusted, as follows:

(i) Loan to GDL

As at the debt setoff agreement date, GDL owed Bisan \$653,227.96, which included interest payable of \$53,227.96. After the loan restructure, the loan to GDL as at 19 June 2017 reduced to \$230,035.96. Interest of \$831.91 was accrued for the period from 19 June 2017 to 30 June 2017, increasing the loan balance to \$230,868. Total interest receivable from GDL as at 30 June 2017 amounts to \$54,059.87.

On 3 August 2017, Bisan received full repayment from GDL.

(ii) Loan from Kentway

As at the debt setoff agreement date, Bisan owed Kentway \$2,114,390.39, which included interest payable of \$114,390.39. After the loan restructure, the loan from Kentway as at 19 June 2017 was reduced to \$1,691,198.49. Interest of \$5,096.76 was accrued for the period from 19 June 2017 to 30 June 2017, increasing the loan balance to \$1,696,295. Total interest payable to Kentway as at 30 June 2017 amounts to \$119,487.15.

On 3 July 2017, a Loan Extension Agreement was made between Bisan and Kentway, which extends the repayment date of the loan to 30 November 2018 at an interest rate of 10% per annum.

According to AASB 13 Fair Value Measurement, the loan from Kentway is recognised at fair value at inception of the loan, which is reflected at the net present value of total forecast cash flows utilising a discount rate. As Bisan and Kentway are related parties, a discount rate of 20% is used as a proxy for an arm's length interest rate. The fair value of the loan as at 30 June 2017 amounts to \$1,518,050. The difference between the book value (\$1,696,295) and the fair value (\$1,518,050) amounts to \$178,245, which is recognised as Fair Value Gains in the Statement of Profit & Loss. Additional \$5,860 interest over the term of the loan is also recorded and accrued to the loan as at 30 June 2017. Accordingly, the loan balance as at 30 June 2017 is \$1,523,910.

Bisan Limited & Controlled Entities
Notes to the Financial Statements as at 30 June 2017 (continued)

	NOTE	2017 \$	2016 \$
5. Other Financial Assets (continued)			
Non-current			
Other Financial Assets:			
<i>Held for trading investments – at fair value</i>			
(a) Investments quoted on a prescribed stock exchange:			
Shares in other bodies corporate		12,141	12,334
(b) Units in unit trusts		150	150
		<u>12,291</u>	<u>12,484</u>
<i>Available for sale investments – at cost</i>			
(c) Unquoted shares (i)		822,500	822,500
Less: impairment		(537,530)	-
		<u>284,970</u>	<u>822,500</u>
<i>Available for sale investments – at cost</i>			
(d) Unquoted shares – cost (ii)		235,000	235,000
Less: impairment		(235,000)	(235,000)
Unquoted shares – carrying amount		-	-
Total non-current other financial assets		<u>297,261</u>	<u>834,984</u>

(i) This investment is in Waste Technologies Limited (“WSL”):

The Directors have considered the financial position of WSL and have noted that the Company is still in the process of restarting its operations. In 2016, the loan to WSL was converted to equity resulting in an increase in the investment. In 2017, the Directors have considered the most recent WSL capital raising on 15 November 2016 share price \$0.012 as a reflection of the value of the investment, and have impaired the investment to \$284,970.

The Directors believe that Bisan does not have significant influence over WSL as:

- Bisan owns less than 20% shares of WSL.
- Bisan does not currently have any representation on the board of WSL.

Accordingly, Bisan has not equity accounted in its investment in WSL.

(ii) This investment is in Jernigan Commodities Pty Ltd (“JCL”):

Fair value information has not been disclosed for the investment in JCL because its fair value cannot be measured reliably as Bisan is not able to obtain updated financial information for JCL. This investment is an unlisted equity investment in an Australian company, and therefore, has no active market. The investment has been stated at cost less impairment charges. In 2014, an impairment charge of \$235,000 was recognised in the Statement of Profit and Loss. Bisan has no plan to dispose of this investment. The loss on de-recognition of this investment will be the amount of cost of acquisition of this investment less impairment loss made.

Bisan Limited & Controlled Entities
Notes to the Financial Statements as at 30 June 2017 (continued)

	NOTE	2017 \$	2016 \$
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5. Other Financial Assets (continued)

(e) Aggregate quoted market value of investments listed on a prescribed stock exchange at reporting date amount to:

	12,141	12,334
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6. Property, Plant and Equipment

Balance at 1 July	-	2,529
Additions	87,566	-
Impairment	(18,041)	(2,529)
Balance at 30 June	69,525	-

7. Trade and Other Payables

Trade and other payables	117,930	345,398
Other creditors and accruals	74,925	75,000
	192,855	420,398

Trade and other payables includes \$94,575 fees due to Mr Volpe or his companies as at 30 June 2017. Other creditors and accruals includes \$74,925 fees due to Mr Volpe or his companies as at 30 June 2017.

8. Borrowings

Borrowings	1,523,910	365,187
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Borrowings relate to the loan from Kentway Investments Limited. Transactions are detailed in Note 5.

9. Contributed Equity

90,334,342 Fully Paid Ordinary Shares*
(2016 – 451,674,911)

	16,209,819	14,411,377
	16,209,819	14,411,377

Movements in ordinary share capital:

	2017		2016	
	No.	\$	No.	\$
Fully paid ordinary shares				
At the beginning of the reporting period	451,674,911	14,411,377	394,260,793	14,202,412
Shares issued during the year	451,674,911	1,806,700	57,414,118	229,626
Share issue costs	-	(8,257)	-	(20,661)
Share consolidation	(813,015,480)	-	-	-
At the end of the reporting period	90,334,342	16,209,819	451,674,911	14,411,377

Bisan Limited & Controlled Entities
Notes to the Financial Statements as at 30 June 2017 (continued)

NOTE	2017 \$	2016 \$
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9. Contributed Equity (continued)

*Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

On 2 September 2016, the Company completed a 1:1 rights issue raising \$1,806,699. On 14 November 2016, a 10:1 consolidation of the shares in the Company took place. As a result, there are currently 90,334,342 fully paid shares on issue.

10. Unsecured Loans to Controlled Entities

The directors of the parent entity (Bisan Limited) have issued assurances to Bisan International Limited, Bisan International Pty Ltd, Bisan Investment Corporation Pty Ltd, Australian Commercial Mortgages Pty Ltd, Elken Tower Pty Ltd, Toplite Connection Pty Ltd and My Generation Smartphones (HK) Limited, that Bisan Limited will continue to provide financial support to these bodies corporate and consequently will not call up the debt owing to the parent entity during the next financial year. The parent entity is owed \$6,528,903 (2016: \$6,528,903) by wholly owned subsidiaries against which a provision for non-collectability of \$6,449,606 (2016: \$6,449,606) has been raised.

Financial information for the parent entity is disclosed in Note 21.

11. Auditor's remuneration

Amounts received or due and receivable by the auditors of the consolidated entity for:

Auditing or reviewing the financial statements	36,520	40,700
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12. Remuneration of Directors and Key Management Personnel

The Directors of Bisan Limited during the financial year were Mr D Herszberg, Mr A Kimelman, Mr P Chai, Mr L Ding, Ms H Lu and Mr B Crowley. Details of remuneration of key management personnel of the Company during the financial year are represented in the Directors Report. Other transactions with directors and key management personnel are detailed in Note 14.

The following table summarises the remuneration of directors and key management personnel.

Short-term Employee Benefits		
- Salary & Fees	464,788	255,500
Non-monetary Benefits	-	-
Post-employment Benefits		
- Superannuation	-	-
Share Based Payment	-	-
	464,788	255,500

During the year the company paid current directors remuneration of \$474,788.

Other amounts were paid to entities associated with directors as set out in Note 14 Related Party Transactions.

Bisan Limited & Controlled Entities
Notes to the Financial Statements as at 30 June 2017 (continued)

NOTE	2017 \$	2016 \$
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13. Contingent Liabilities and Commitments

Mr Volpe and related companies are in dispute with Bisan which Mr Volpe and his companies claim became payable during and since Mr Volpe's tenure as a Director of the Company. On 18 September 2017, Bisan has signed Settlement Deed with Mr Volpe for a settlement amount of \$169,500. The settlement amount will be paid by Bisan on or before 12 November 2017. \$169,500 has already been accrued for and reflected as a liability in the accounts. Further, there is a contingent liability of approximately \$35,000 in relation to indemnity costs in relation to these proceedings.

14. Related Party Transactions

The directors of the parent entity who held office during the year are referred to in Note 12. Remuneration of Directors is disclosed in Note 12.

- (a) Directors' relevant interests in shares and other securities of Bisan Limited at the beginning and at the end of the financial year are shown in the table below.
- (b) Aggregate amounts receivable from wholly owned and controlled entities and the provision for non-collectability on these loans are disclosed at Note 10. These unsecured loans are interest free.
- (c) During the 1997 year, the consolidated entity acquired 50 per cent of the issued units of Dynamic Earth Unit Trust at a cost of \$150. No distribution of income was received during the current financial year (2016: \$Nil) and as at 30 June 2017 the Trust owed Bisan Limited \$90,029 (2016:\$90,029). A provision for non-collectability of \$90,029 (2016: \$90,029) has been raised against this amount
- (d) The following transactions occurred between the Company and RICT Pty Ltd (a company of which is owned by a close family member of Lei Ding, and which Lei Ding became a Shareholder and Director subsequent to year end):
 - The Company received a loan of \$185,483 from RICT Pty Ltd in 2016.
 - The Company fully repaid the loan to RICT Pty Ltd on 10 March 2017.
- (e) The following transaction occurred between the Company and Carraway Pty Ltd (a company of which Avi Kimelman was a director during the period):
 - The Company paid Carraway Pty Ltd \$10,000 for the 2015 accrued director fees. The 2015 accrued director fees were agreed to reduce to nil.
- (f) Mr Volpe is a Director and substantial shareholder of Cohiba, a consultant to, and a shareholder of, Foxfire and a substantial Shareholder in WSL. Close family members of Mr Volpe are Directors and shareholders of CAP. Mr David Herszberg is a Director of Cohiba. Mr Avi Kimelman is a Director and substantial shareholder of Kushkush Pty Ltd and Carraway Pty Ltd. RICT Pty Ltd is a company of which is owned by a close family member of Lei Ding.
- (g) The following transactions occurred between the Company and Kentway (a shareholder of Bisan Limited):
 - On 17 November 2016 the Company entered into a loan agreement for \$2,000,000 with Kentway at an interest rate of 10% per annum.

Bisan Limited & Controlled Entities
Notes to the Financial Statements as at 30 June 2017 (continued)

NOTE	2017 \$	2016 \$
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14. Related Party Transactions (continued)

- On 19 June 2017, the Company and Kentway agreed to restructure their loans and signed a debt setoff agreement. As of the debt setoff agreement date, Bisan owed Kentway \$2,114,390.39, which included interest payable amount of \$114,390.39. After the loan restructure, the loan from Kentway as at 19 June 2017 was reduced to \$1,691,198.49. Interest expense of \$5,096.76 was accrued for the period from 19 June 2017 to 30 June 2017, increasing the loan balance to \$1,696,295.
 - On 3 July 2017, a Loan Extension Agreement was made between Bisan and Kentway, which extends the repayment date of the loan to 30 November 2018 at an interest rate of 10% per annum.
- (h) The following transaction occurred between the Company and BTC Lawyers Pty Ltd (a company of which Brett Cowley is a director during the period):
- Bisan subleased part of its premises to BTC Lawyers Pty Ltd from December 2016. BTC Lawyers Pty Ltd paid \$2,500 per calendar month to Bisan.
- (i) Directors and their related entities are reimbursed for out-of-pocket expenses incurred in the performance of their duties

The number of options over ordinary shares in the company held during the financial year by Key Management Personnel of the Group, including their personally related parties, are set out below.

Number of Options Held by Key Management Personnel at 30 June 2016 and 30 June 2017:

KMP	Balance 01/07/2015	Other	Options Balance 30/06/2016	Total Un- Exercisable	Balance 01/07/2016	Other	Options Balance 30/06/2017	Total Un- Exercisable
P Chai	-	-	-	-	-	-	-	-
D Herszberg	4,866,666	-	4,866,666	-	4,866,666	(4,866,666)	-	-
A Kimelman	10,793,333	-	10,793,333	-	10,793,333	(9,914,000)	879,333	-
L Ding	-	-	-	-	-	-	-	-
L Hong-Ying	-	-	-	-	-	-	-	-
B Crowley	-	-	-	-	-	-	-	-
Total	15,659,999	-	15,659,999	-	15,659,999	(14,780,666)	879,333	-

Changes disclosed under "Other" resulted from Key Management Personnel participating in the Company's pro-rata rights issue during the year.

No options were granted as compensation during the year (2016: Nil).

The number of ordinary shares in the company held during the financial year by Key Management Personnel of the Group, including their personally related parties, are set out below.

Number of Shares Held by Key Management Personnel at 30 June 2016 and 30 June 2017:

KMP	Balance 01/07/2015	Change	Balance 30/06/2016	Balance 01/07/2016	Change	Balance 30/06/2017
P Chai	-	-	-	-	-	-
D Herszberg	9,666,666	-	9,666,666	9,666,666	(8,700,000)	966,666
A Kimelman	22,738,922	-	22,738,922	22,738,922	(20,465,030)	2,273,892
L Ding	-	22,914,118	22,914,118	22,914,118	9,866,854	32,780,972
L Hong-Ying	-	-	-	-	-	-
B Crowley	-	-	-	-	-	-
Total	32,405,588	22,914,118	55,319,706	55,319,706	(19,298,176)	36,021,530

Bisan Limited & Controlled Entities
Notes to the Financial Statements as at 30 June 2017 (continued)

	NOTE	2017 \$	2016 \$
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14. Related Party Transactions (continued)

Changes disclosed under "Other" resulted from Key Management Personnel participating in the Company's pro-rata rights issue during the year.

No shares were granted as compensation during the year (2016: Nil).

Number of Performance Rights Held by Key Management Personnel

There were no performance rights on issue as at 30 June 2017 (2016: Nil).

15. Segmental Information

No information is disclosed for operating segments as no management accounts are regularly provided to the Board of Directors, other than those of the consolidated entity. As such no operating segments exist.

16. Loss per share

	(cents)	(cents)
<i>Basic earnings/(loss) per share</i>		
Loss from continuing operations	(2.56)	(0.12)
Loss from discontinued operations	-	-
	<u>(2.56)</u>	<u>(0.12)</u>
<i>Diluted earnings/(loss) per share</i>		
Loss from continuing operations	(2.56)	(0.12)
Loss from discontinued operations	-	-
	<u>(2.56)</u>	<u>(0.12)</u>
	No.	No.
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share & diluted earnings per share	<u>82,291,456</u>	<u>424,934,089</u>

17. Leasing Commitments

Non-cancellable leases contracted for but not accounted for in financial statements

Payable – Minimum lease commitments

-No later than twelve months	407,253	-
-Between twelve months and five years	-	-
-Greater than five years	-	-
	<u>407,253</u>	<u>-</u>

Property leases were entered into on the following terms:

- Property: Level 33, AMP Centre, 50 Bridge Street, Sydney 2000, 8 September 2016, terminating on the 31 Dec 2017 lease amount \$61,705.00 plus GST per month.
- Property: 1308/168 Kent Street, Millers Point NSW 2000, 5 September 2016, terminating on the 4 March 2017 lease amount \$4,562.50 month.

Bisan Limited & Controlled Entities
Notes to the Financial Statements as at 30 June 2017 (continued)

NOTE	2017 \$	2016 \$
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18. Notes to Statement of Cash Flows

(a) Reconciliation of cash and cash equivalents

For the purpose of the statements of cash flows, cash includes cash on hand and at bank and short term deposits at call which are readily convertible to cash and which are used in the cash management function on a day to day basis, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash and cash equivalents	681,013	307,879
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(b) Reconciliation of net cash outflows from operating activities to loss after income tax:

Loss after income tax	(2,108,018)	(525,380)
Adjustments		
Realised losses/(gains) on other financial assets	-	-
Depreciation	18,041	-
Impairment of other financial assets	537,722	43,771
Interest revenue	(54,060)	-
Interest expense	125,347	-
Fair value gains	(178,245)	-
Changes in assets and liabilities		
Decrease/(increase) in receivables	(85,801)	4,605
Increase/(decrease) in trade and other payables	(478,969)	157,249
Net cash outflows from operating activities	(2,223,983)	(319,755)

(c) Financing arrangements:

On 17 November 2016, the Company entered into a loan agreement for \$2,000,000 with Kentway at an interest rate of 10% per annum.

19. Financial Instruments

(a) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

Bisan's activities expose it to financial risks such as credit risk, cash flow interest rate risk, liquidity risk and market risk. The directors are responsible for Bisan's risk management strategy and management is responsible for implementing the Directors' strategy. A risk management program focuses on the unpredictability of finance markets and seeks to minimise potential adverse effects on financial performance. Bisan uses different methods to measure different types of risk to which it is exposed.

These methods include sensitivity analysis in the case on interest rate and market risk. Bisan does not use derivatives.

Bisan Limited & Controlled Entities
Notes to the Financial Statements as at 30 June 2017 (continued)

	NOTE	2017 \$	2016 \$			
(b) Interest Rate Risk Exposure						
The consolidated entity is exposed to interest rate risk primarily through cash. The following table summarises the interest rate risk for the consolidated entity, together with the effective weighted average interest rate for each class of financial assets and liabilities.						
	Average Interest Rate %	Variable Interest Rate \$	Fixed Interest Maturing in 1 year or Less \$	Over 1 to 5 years \$	Non- Interest Bearing \$	Total \$
Financial Assets						
Cash	-	-	-	-	681,013	681,013
Receivables	-	-	400,000	-	100,693	500,693
Other Financial Assets						
Listed securities	-	-	-	-	12,141	12,141
Unlisted securities	-	-	-	-	285,120	285,120
Unsecured loan	12%	-	230,868	-	-	230,868
Total Financial Assets		-	630,868	-	1,078,967	1,709,835
Financial Liabilities						
Trade and other payables	-	-	-	-	138,178	138,178
Unsecured Loan	10%	-	1,523,910	-	-	1,523,910
Secured Loan		-	-	-	-	-
Total Financial Liabilities		-	1,523,910	-	138,178	1,662,088
2016						
Financial Assets		-	-	-	1,159,084	1,159,084
Financial Liabilities		-	365,187	-	420,398	785,585

Interest Rate Sensitivity Analysis

At 30 June 2017, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2017 \$	2016 \$
Change in Profit		
• Increase in interest rate by 2%	(1,306)	322
• Decrease in interest rate by 2%	1,306	(322)
Change in Equity		
• Increase in interest rate by 2%	(1,306)	322
• Decrease in interest rate by 2%	1,306	322

(c) Net fair values of financial assets and liabilities

This note provides an update on the judgments and estimates made by the Group in determining the fair values of the financial instruments since the last annual financial report.

Bisan Limited & Controlled Entities
Notes to the Financial Statements as at 30 June 2017 (continued)

	NOTE	2017 \$	2016 \$
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19. Financial Instruments (continued)

Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table. The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2016 and 30 June 2017 on a recurring basis:

At 30 June 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Assets				
Held for trading investments	12,141	-	150	12,291
Available for sale investment	-	-	284,970	284,970
At 30 June 2016	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Assets				
Held for trading investments	12,334	-	150	12,484
Available for sale investment	-	-	822,500	822,500

Valuation techniques used to determine fair values

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities. Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at reporting date.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

Valuation processes and fair values of other financial instruments

The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Group approximates their carrying amounts. The fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles. Non-interest bearing related party receivables are repayable on demand, thus face value equates to fair value.

Bisan Limited & Controlled Entities
Notes to the Financial Statements as at 30 June 2017 (continued)

	NOTE	2017 \$	2016 \$
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19. Financial Instruments (continued)

Equity investments traded on organised markets have been valued by reference to market prices prevailing reporting date. For non-traded equity investments, the fair value is an assessment by the Directors based on the underlying net assets, future maintainable earnings and any special circumstances pertaining to a particular investment.

The carrying amounts of financial assets and liabilities noted above equates to their fair values at reporting date.

(d) Credit Risk exposure

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the consolidated entity's maximum exposure to credit risk, without taking account of the value of any collateral or other security obtained. The entity has no significant contributions of risk.

(e) Liquidity Risk

The Directors monitor the funding requirements of the Group, but the liquidity risk management is only carried out when the Group requires funds. At present, funds are raised primarily through share issue and the Group does not have any credit facilities as disclosed in Note 18(c).

(f) Market Risk

The Group is exposed to equity securities price risk. This arises for investments held by the Group and classified as held at fair value through profit and loss.

Market Risk Sensitivity Analysis

At 30 June 2017, the effect on equity as a result of changes in the market value of listed investments, with all other variables remaining constant would be as follows:

Change in profit	
-Increase in market value by 10%	79
-Decrease in market value by 10%	(79)

20. Share based payments

Performance Rights, Shares and Options

There were no performance shares or options issued during the year ended 30 June 2017.

Expenses arising from share - based payment transactions

There were no share-based payment transactions recognised during the year ended 30 June 2017.

Assets acquired from share – based payment transactions

There were no assets acquired from share based payments during the year ended 30 June 2017.

Bisan Limited & Controlled Entities
Notes to the Financial Statements as at 30 June 2017 (continued)

	NOTE	2017 \$	2016 \$
21. Parent Entity Information			
The following details information related to the parent entity, Bisan Limited, at 30 June 2017. The information presented here has been prepared using the consistent accounting policies as set out in Note 1.			
CURRENT ASSETS		1,412,560	322,757
NON CURRENT ASSETS		355,566	903,062
TOTAL ASSETS		1,768,126	1,225,819
CURRENT LIABILITIES		1,716,765	785,584
TOTAL LIABILITIES		1,716,765	785,584
NET ASSETS		51,361	440,235
Issued Capital		16,209,819	14,411,378
Reserve		1,445,646	1,445,646
Accumulated losses		(17,604,104)	(15,416,789)
TOTAL EQUITY		51,361	440,235
Loss for the year		(2,108,018)	(505,380)
Other comprehensive income for the year			-
Total comprehensive loss for the year		(2,108,018)	(505,380)

22. Events after the Reporting Date

- On 3 July 2017, Bisan signed Loan Extension Agreement with Kentway Investment Limited that extends the loan to 30 November 2018.
- On 3 August 2017, Bisan received full repayment of \$232,218.72 from Golden Devina Limited.
- On 1 August 2017, Mr Adrien Wing has been appointed as company secretary, effective immediately. Mr Brett Crowley has resigned as company secretary. Mr Crowley will continue as a non-executive director
- On 17 August 2017, Bisan has invested into a commercial property based unit trust to the amount of \$50,000.
- On 18 September 2017, Bisan has signed Settlement Deed with Mr. Volpe for a settlement amount of \$169,500.

ADDITIONAL SECURITIES EXCHANGE INFORMATION

as at 30 June 2017 (Reporting Date)

Number of Holders of Ordinary Shares

As at the Reporting Date, the issued capital of the Company consisted of 90,334,342 ordinary fully paid shares held by 524 shareholders. Each share entitles the holder to one vote

There are no restricted securities on issue.

Top 20 Holders of Quoted Shares

Rank	Name	Units at 30 Jun 2017	% of Units
1.	RICT PTY LTD	32,780,972	36.29
2.	KENTWAY INVESTMENTS LTD	15,156,703	16.78
3.	POLARITY B PTY LTD	4,643,598	5.14
4.	MR FENGRUI LI	4,100,000	4.54
5.	VERMAR PTY LTD <CAP A/C>	2,500,000	2.77
6.	KUSHKUSH INVESTMENTS PTY LTD <ALEXANDRA DISCRETIONARY A/C>	2,273,892	2.52
7.	DIMENSION INVESTMENTS PTY LTD	2,200,000	2.44
8.	MR JASON PETERSON + MRS LISA PETERSON <J & L PETERSON S/F A/C>	1,273,977	1.41
9.	JASCOT RISE PTY LTD	1,144,600	1.27
10.	FIRST INVESTMENT PARTNERS PTY LTD	1,007,358	1.12
11.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,000,003	1.11
12.	GOTHA STREET CAPITAL PTY LTD <BLUE SKY NO 2 A/C>	1,000,000	1.11
13.	PROFESSIONAL PAYMENT SERVICES PTY LTD	768,726	0.85
14.	MR ANTHONY VIOLI	764,960	0.85
15.	MONARCH ASSET MANAGEMENT P/L <PRICE SUPER>	735,000	0.81
16.	FIRESTONE CAPITAL PARTNERS PTY LTD	711,039	0.79
17.	MR FRANK VIOLI	707,033	0.78
18.	COMP-WORLD LIMITED	582,118	0.64
19.	DENMAN AUDIO PTY LTD	518,266	0.57
20.	NINTH RELNOR PTY LTD	480,000	0.53
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)		74,348,245	82.30
Total Remaining Holders Balance		15,986,097	17.70

Distribution of Holders of Quoted Shares

Range	Total Holders	Units	%
1 - 1,000	267	104,908	0.12
1,001 - 5,000	81	212,259	0.23
5,001 - 10,000	33	273,483	0.30
10,001 - 50,000	49	1,366,513	1.51
50,001 - 100,000	30	2,499,966	2.77
100,001 - 500,000	45	12,009,418	13.29
500,001 - 1,000,000	8	5,786,692	6.41
1,000,001 - 9,999,999,999	11	68,081,103	75.37
Total	524	90,334,342	100

Unmarketable Parcels

Unmarketable Parcels	Minimum parcel size	Holders	Units
Minimum \$500.00 parcel at \$0.014 per unit	35,715	416	1,330,073

Substantial Shareholders

Substantial Shareholder	Units	%
RICT PTY LTD	32,780,972	36.29
KENTWAY INVESTMENTS LTD	15,156,703	16.78
POLARITY B PTY LTD	4,643,598	5.14
MR FENGRUI LI	4,100,000	4.54

Other Information

The name of the Company Secretary is Mr Adrien Wing. The registered office of Bisan Limited is Level 33, 50 Bridge Street Sydney NSW 2000 and the telephone number is (02) 8246 8830.

The Company is listed on the Australian Securities Exchange. Registers of securities are held at the following address; Computershare Investor Services Pty Ltd, Yarra Falls, 452 Johnston Street, Abbotsford Victoria 3067, local call is 1300 850 505, international call is +61 3 9415 4000.

There is current no on-market buy-back.

ADDITIONAL SECURITIES EXCHANGE INFORMATION as at 30 June 2017 (Reporting Date) (continued)

Number of Holders of Options

The Company has 25,523,290 unlisted options on issue held by 17 holders.

The options do not carry a right to vote. All shares issued on exercise of options have the same voting rights as other ordinary shares.

Top 17 Holders of Unquoted Options

Rank	Name	Units	% of Units
1.	ARIEL NOMINEES PTY LTD <AJS1 FAMILY TRUST>	6,031,862	23.63
2.	MR MICHAEL GOLDBIRSCH	3,000,000	11.75
3.	JPG TRADING PTY LTD <JPG TRADING DISCRETIONARY A/C>	2,300,000	9.01
4.	KUSHKUSH INVESTMENTS PTY LTD <ALEXANDRA DISCRETIONARY A/C>	2,000,000	7.84
5.	ROKEBA NOMINEES PROPRIETARY LIMITED <SILMAN PROPERTY A/C>	2,000,000	7.84
6.	HAYDOS CORPORATION PTY LTD	1,941,428	7.61
7.	PENSON AUSTRALIA NOMINEES PTY LTD <INDIAN OCEAN A/C>	1,250,000	4.90
8.	COLBERN FIDUCIARY NOMINEES PTY LTD	1,000,000	3.92
9.	DENMAN AUDIO PTY LTD	1,000,000	3.92
10.	LETTERED MANAGEMENT PTY LTD <BALMOORAL FAMILY A/C>	1,000,000	3.92
11.	STRATEGIC FUNDING MANAGEMENT PTY LTD	1,000,000	3.92
12.	KOBIA HOLDINGS PTY LTD <THE KOBIA A/C>	750,000	2.94
13.	MRS TIRZAH BROH <INKERMAN SERVICES A/C>	500,000	1.96
14.	CARR SAUNDERS GROUP PTY LTD <CSG FAMILY A/C>	500,000	1.96
15.	MATTHEW THOMAS FELD	500,000	1.96
16.	HAMMERHEAD HOLDINGS PTY LTD <HHH S/F A/C>	500,000	1.96
17.	BENJAMIN KOPPEL + SARAH KOPPEL <SUPERANNUATION FUND A/C>	250,000	0.98
Totals: Top 17 holders of UNLISTED OPTIONS		25,523,290	100.00
Total Remaining Holders Balance		0	0.00