

BISAN LIMITED

ABN 75 006 301 800

REPLACEMENT PROSPECTUS

A non-renounceable offer to Eligible Shareholders of one New Share for every one existing Share held (**Rights Issue**) to raise a total of up to approximately \$1,806,700 before costs.

This Offer is underwritten by RICT Pty Limited and Sino Haijing Holdings Limited. Refer to Section 9.1 and 9.2 of this Prospectus for details of the terms of the Underwriting Agreements.

IMPORTANT INFORMATION

This Prospectus is dated 15 August 2016 and was lodged with ASIC on that date. ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Company will apply for Official Quotation of the Shares offered under this Prospectus within seven days after the date of this Prospectus.

No person or entity is authorised to give any information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company or the Directors in connection with this Prospectus.

This Prospectus does not constitute an offer of Shares in any place in which, or to any person to whom, it would be unlawful to do so. No action has been taken to register the Offer or otherwise permit the Offer to be made in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and any person into whose possession this Prospectus comes (including nominees, trustees or custodians) should seek advice on and observe those restrictions. Failure to comply with these restrictions may violate securities laws.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary.

Risk factors

Before deciding whether to apply for Shares pursuant to this Prospectus, you should consider the risk factors that could affect the financial performance of the Company and consult with your professional advisers. For further information in relation to the risk factors of the Company please refer to the summary in the Investment Overview (Section 2) and Section 5 of this Prospectus.

Exposure Period

The Company's fully paid ordinary shares are *quoted securities* as defined in the Corporations Act. This is a Prospectus for the offer of securities in the same class as the *quoted securities* of the Company. Accordingly, no exposure period applies to this Prospectus by operation of ASIC Class Order CO 00/168.

Electronic Prospectus

This Prospectus will also be issued as an electronic prospectus. A copy of this Prospectus can be downloaded from the Company website at www.btclawyers.com.au/bisan-limited

If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided

together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Forward-looking statements

This Prospectus contains forward-looking statements, which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects' or 'intends', and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Directors and Company.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Privacy

For information in relation to the Company's Privacy Statement, please refer to Section 3.8.

General

All amounts are in Australian dollars unless otherwise specified.

A number of terms and abbreviations used in this Prospectus have defined meanings, which appear in Section 12.

All references to time are to the time in Sydney, New South Wales.

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1 CHAIRMAN'S LETTER

Dear Investor,

On behalf of the Board of Directors, I am pleased to invite you to participate in a non-renounceable Rights Issue Offer, to raise approximately \$1,806,700 (before costs and expenses) (**Offer**). The Offer is fully underwritten by RICT Pty Limited.

At the Annual General Meeting of the Company to be held on 18 August 2016, there was a proposal to put to Shareholders a resolution to consolidate the Company's Shares on a one-for-ten basis. The Directors have resolved to withdraw that resolution. Accordingly, the number of Shares that may be issued as a result of the Offer is 451,674,911. Under the Offer, for every one Share you hold on the Record Date, you have the right to subscribe for one New Share at an issue price of \$0.004 per Share.

The Offer is non-renounceable. This means the Offer is only available to existing Shareholders. If you do not wish to accept all or part of your Entitlement, you may not trade it.

Proceeds raised under the Offer will be allocated first to the costs and expenses of the Offer and then to:

- employing personnel (including an investment manager);
- investing further in the Company's current investments to enhance value;
- pursuing recovery action in relation to the Company's current investments; and
- making new investments.

My fellow Directors and I are pleased to offer Shareholders the opportunity to participate in this capital raising and assist in the funding of Bisan. We are hopeful that you will continue your loyal support of Bisan and help us to move forward.

Bisan is subject to a range of risks, which are more fully detailed in Section 5 and are summarised in Section 2. If any of these key risks or other material risks eventuates, it will likely adversely impact Bisan's future earnings.

This Prospectus includes details of the Offer and the Company. We recommend that you read this document carefully and, if you are interested in participating in the Offer, seek independent professional advice.

Yours sincerely,



Avi Kimelman

Chairman

15 August 2016

2 INVESTMENT OVERVIEW

2.1 Important notice

This information is a selective overview only. Investors should read the Prospectus in full before deciding whether to invest in Shares. In particular investors should consider the risk factors that could affect the financial and operating performance of the Company described in Section 5.

Question	Answer	Section
What is the Offer?	The Offer means the offer of approximately 451,674,911 New Shares by means of the Rights Issue and the Shortfall Offer.	3.1
Who is making the Offer?	Bisan Limited, an Australian public company listed on the official list of ASX (current ASX code: BSN).	6.1
What is the Issue Price?	The Issue Price is \$0.004 per Share.	3.1
What is the purpose of the Offer?	The key purpose of the Offer is to ensure adequate funding is available for the Company's ongoing operations including employing personnel (including an investment manager), investing further in the Company's current investments to enhance value, pursuing recovery action in relation to the Company's current investments and making new investments.	4.3
What is the Rights Issue?	<p>Shareholders who are registered holders as at 5.00 pm AEST on the Record Date (11 August 2016) and whose address on the register is in Australia or New Zealand will receive an entitlement allocation.</p> <p>If you are an Eligible Shareholder, your Entitlement is to an allocation of one New Share for every Share you hold on the Record Date.</p> <p>Rights are non-renounceable and cannot be traded.</p> <p>New Shares not subscribed for under the Rights Issue will be made available under the Shortfall Offer and can be subscribed for by, among others, Eligible Shareholders who wish to acquire more than their Entitlement, subject to applicable laws. The Rights Issue is fully underwritten by RICT Pty Limited and Sino Haijing Holdings Limited.</p>	3.1
Can foreign Shareholders participate in the	<p>Only Eligible Shareholders will receive an allocation under the Rights Issue.</p> <p>An Eligible Shareholder is a Shareholder whose registered</p>	3.9

Question	Answer	Section
Rights Issue?	address is in Australia or New Zealand and who is a Shareholder at 5.00 pm (AEST) on the Record Date.	
Can Eligible Shareholders apply for more than their Entitlement?	<p>Each Eligible Shareholder will receive an entitlement to subscribe for one New Share for every one Share held by them at the Record Date.</p> <p>Eligible Shareholders are entitled to apply for more New Shares than their Entitlement under the Shortfall Offer.</p>	3.3
What is the Shortfall Offer?	<p>Shortfall means the number of New Shares comprising the difference between the number of New Shares that are the subject of the Rights Issue and the number of New Shares for which valid Entitlement and Acceptance Forms have been received and accepted by Bisan by the Closing Date.</p> <p>The Shortfall Offer is the offer of the Shortfall to Eligible Shareholders and any other persons located and receiving this Prospectus in Australia.</p> <p>The offer of New Shares under the Shortfall Offer is a separate offer independent from the Rights Issue.</p> <p>The issue price of any New Shares issued under the Shortfall Offer will be the same as the Issue Price under the Rights Issue, being \$0.004 per New Share.</p>	3.5
What rights attach to the New Shares?	New Shares will have the same voting rights as existing Shares.	10.2
What are the risks associated with accepting or not accepting your Entitlement	<p>If you choose not to accept your Entitlement in full under this Prospectus, your shareholding in the Company may be diluted. You should also be aware that subscribing for New Shares involves a number of risks. Section 5 sets out the key risk factors you should consider in determining whether to take up your Entitlements.</p> <p>Set out below are some of the key investments risks to which the Company is exposed. Further risks associated with an investment in the Company are outlined in Section 5.</p> <p>Inability to realise value from its investments</p> <p>The Company's current assets consist of a number of</p>	5

Question**Answer****Section**

investments in various ventures. None of these ventures has yet yielded any significant revenue. There is a substantial risk that the Company may not be able to realise some or all of the value of these investments, especially if to do so would require substantial further investment.

Acquisitions

The Company may face risks in integrating any future acquisitions of assets or businesses. An acquisition may not perform to the level anticipated. A failure to identify and successfully execute suitable acquisitions may have an adverse effect on the financial performance and/or financial position of the Company.

Inability to secure funding

The Company might have further capital requirements for future major capital expenditure and acquisitions. There is a risk it may not be able to secure sufficient debt and equity funding on acceptable terms.

Liquidity and realisation

There is no guarantee that an active market for the Shares will develop once the Shares are requoted on ASX.

Foreign currency exchange

Revenues earned may be exposed to currency fluctuations between the Australian dollar and foreign currencies.

Economic conditions

The financial performance and value of the Company may be influenced by various economic factors such as inflation, interest rates, domestic and international economic growth, taxation policies, legislative change, political stability, stock market conditions in Australia and elsewhere, changes in investor sentiment towards particular market sectors, exchange rate fluctuations and acts of terrorism.

If any of the risks outlined above eventuate then the financial and operating position of the Company may be adversely impacted.

Please carefully consider whether to accept your Entitlement and, if you are in doubt as to whether to accept, you should consult your independent professional investment adviser.

Question	Answer	Section
Who are the Directors and Key Personnel?	The current Directors of the Company are Mr Avrohorn Kimelman, Mr Lei Ding, Mr Peter Chai and Mr David Herszberg.	7
What key financial information do investors need to know?	A summary of the historical audited consolidated profit and loss statements and balance sheets of Bisan is set out in Section 8. The Proforma Consolidated Balance Sheet as at 30 June 2016 discloses net assets of \$2,156,349, assuming the Offer is fully subscribed. Bisan's financial history can be found on the ASX website www.asx.com.au under the code BSN.	8
What is the effect of the Offer?	The effect of the Offer on the capital structure of the Company is depicted in the table in Section 4.2.	4.2
What are the key Offer dates?	The key dates of the Offer are detailed in the indicative timetable in Section 3.2.	3.2
How will the Company use the proceeds from the Offer?	Proceeds raised under the Offer will be allocated first to the costs and expenses of the Offer and then to: <ul style="list-style-type: none"> • employ new personnel with a view to bringing in new business and generating income for the Company; • increase investment in the Company's current investments; • pursue recovery action in relation to the Company's current investments; and • make new investments. 	4.3
Is the Offer underwritten?	Yes, the underwriters have agreed to underwrite the Offer. RICT Pty Limited ("RICT") has agreed to underwrite 70% of the Rights Issue. Mr Lei Ding, a Director of the Company, has a controlling interest in the RICT. Sino Haijing Holdings Limited ("Sino") has agreed to underwrite 30% of the Rights Issue. Under the underwriting agreement with RICT, RICT is obliged to subscribe for 316,172,438 Shortfall Shares. In the event that RICT is required to subscribe for all of the Shortfall Shares under its agreement, the relevant interest in the issued Shares of the Company of RICT and of Mr Ding will be 37.55%. Under the underwriting agreement with Sino, Sino is obliged to subscribe for 135,502,473 Shortfall Shares. In the event that Sino is required to subscribe for all of the Shortfall Shares under its agreement, the relevant interest in the issued Shares of the Company of Sino will be 15.00%.	3.4, 6.4, 9.1 and 10.4.2
Will I receive dividends on my	Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will	10.2.3

Question	Answer	Section
Shares?	depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.	
What are the taxation implications?	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.</p>	10.10
How do I participate in the Offer?	To participate in the Offer, please complete the Application Form attached to this Prospectus and return it with payment of the application money before the Closing Date.	3.3
Further Questions?	If you have Questions in relation to the Offer, please contact the Company Secretary, Mr Brett Crowley, during business hours on 0411 713 555 or via email: brett@crowley.net.au .	3.10

3 DETAILS OF THE OFFER

3.1 The Offer

By this Prospectus, the Company is making a pro-rata non-renounceable offer of Securities on the basis that for every one Share held by Eligible Shareholders at the Record Date, Eligible Shareholders will have the right (but not the obligation) to subscribe for one New Share at an issue price of \$0.004 per New Share (**Rights Issue**).

The Rights Issue is non-renounceable. Eligible Shareholders may not sell or transfer all or any part of their Entitlement to this Rights Issue on ASX or otherwise.

In addition to the Rights Issue, persons located and receiving this Prospectus in Australia are invited to apply for any Shortfall Shares pursuant to the Shortfall Offer. For further details in relation to the Shortfall Offer, please refer to Section 3.5 of this Prospectus.

Eligible Shareholders may accept their Entitlement in whole or in part, or may decide not to accept their Entitlement at all. Shareholders who do not accept their Entitlement in full may, as a result of the Rights Issue, have their percentage shareholding in the Company diluted.

Eligible Shareholders wishing to take up all or part of their Entitlement under the Rights Issue can only do so by completing the Entitlement and Acceptance Form that accompanies this Prospectus.

3.2 Indicative timetable

An indicative timetable of events relating to the Offer and the Annual General Meeting is outlined below. The timetable is indicative only and is subject to change without notice. The Company reserves the right to extend the Closing Date or close the Offers early without notice. Entitlement and Acceptance Forms received after the Closing Date will be rejected and Application Moneys will be returned without interest.

Action	Date
Offer announced, Appendix 3B notice lodged with ASX, prospectus lodged with ASIC	8 August 2016
Company sends notice containing information in Appendix 3B to Shareholders	9 August 2016
Shares trade ex-entitlements	10 August 2016
Record Date	11 August 2016
Offer Document and Acceptance Form dispatched to eligible shareholders and lodged with ASX	16 August 2016
General Meeting	18 August 2016
Closing Date for acceptances	2 September 2016
Deferred settlement trading begins	5 September 2016
Notify ASX of undersubscriptions	7 September 2016
Issue of New Shares	9 September 2016
Holding statements are dispatched to Shareholders and deferred settlement ends	9 September 2016
Normal trading for New Shares commences	12 September 2016

3.3 Entitlements and acceptance

The Entitlement and Acceptance Form accompanying this Prospectus shows your Entitlement to New Shares for which you may apply and the total amount you would have to pay should you choose to take up all your Rights. Your Entitlement to New Shares is based on the number of Shares registered in your name on the Record Date.

You may subscribe for all or part of your Entitlement to New Shares prior to the Closing Date. There is no minimum number of New Shares for which you may apply.

Eligible Shareholders may apply for additional New Shares forming part of the Shortfall, provided that they take up their full Entitlement indicated on the Entitlement and Acceptance Form. The allocation of these New Shares will be limited to any Shortfall and subject to the Corporations Act and ASX Listing Rules. Accordingly, Eligible Shareholders who wish to apply for additional New Shares may receive fewer additional New Shares than that number for which they applied.

A completed and lodged Entitlement and Acceptance Form, together with a cheque for the Application Moneys or a BPAY® payment, constitute a binding and irrevocable contract to buy the

number of New Shares specified in the Entitlement and Acceptance Form or indicated by the amount of the BPAY® payment.

Completed Entitlement and Acceptance Forms together with the appropriate Application Moneys must reach the Company's share registry at the following address on or before the Closing Date:

Computershare Investor Services Pty Limited
GPO Box 505
MELBOURNE VIC 3001

or

452 Johnston Street
ABBOTSFORD VIC 3067

Payments by cheque must be made to 'Bisan Limited Rights Issue Account' and crossed 'not negotiable'.

All payments must be made in Australian dollars.

If you decide not to accept your Entitlement, you need not do anything; however, your percentage shareholding in the Company may be diluted.

3.4 Underwriting

The Offer is fully underwritten by RICT Pty Limited and Sino Haijing Holdings Limited. See Section 9.1 and 9.2 for details of the underwriting agreements and Section 10.4.3 for the potential effect of the underwriting on the control of the Company.

RICT Pty Limited intends to participate only as an underwriter to the Offer. It does not intend to subscribe for its Entitlements, therefore its Entitlements will form part of the Shortfall.

3.5 Shortfall Offer

Shortfall Shares are those New Shares being the difference between the total number of New Shares offered for subscription under the Rights Issue and the total number of New Shares in respect of which valid Entitlement and Application Forms are received by the Company. Shortfall Shares will only be offered for subscription to the extent necessary to make up that shortfall in acceptances and take-up of Entitlements. If the Company receives Applications for Shortfall Shares in excess of that shortfall that would result in the Offer being oversubscribed, then the Company will only accept Applications for Shortfall Shares to the extent of the available number of Shortfall Shares. In the event that Applications for Shortfall Shares in excess of the shortfall, the Directors intend to scale back each application on a pro rata basis, it is not intended that any Applications for Shortfall Shares would be rejected. All application monies in relation to which shortfall shares are not allocated will be returned without interest. All application monies in relation to which Shortfall Shares are not allocated will be returned without interest as soon as practicable.

Entitlements not taken up by Shareholders will become part of the Shortfall and be offered under the Shortfall Offer. The Directors intend to accept applications for Shortfall Shares from Eligible Shareholders before a request is made under either of the underwriting agreements to subscribe for Shares.

The offer of New Shares under the Shortfall Offer is a separate offer pursuant to this Prospectus and is independent from the Rights Issue and will remain open after the Rights Issue has closed to the extent permitted by the ASX Listing Rules. The issue price of any Shares issued pursuant to the Shortfall Offer will be \$0.004 per New Share, being the price at which the Entitlement has been offered to Eligible Shareholders pursuant to this Prospectus.

The Shortfall Offer to Eligible Shareholders will be made before any shortfall call is made on the Underwriters. This will maximise the opportunity to Eligible Shareholders to increase their shareholding interest in the Company.

The Company will ensure that no person, entity or Shareholder will, through the allocation of Shortfall Shares, acquire a holding of, or (in the case of existing Shareholders) increase their holding to, an amount in excess of 19.9% of all the Shares on issue following the completion of the Offer. The Shortfall will not be placed with Directors of the Company, their associates or related parties of the Company, other than RICT under its underwriting agreement.

3.6 Allotment of the New Shares

Allotment of the New Shares will take place as soon as practicable after the Closing Date. Where Applications are lodged for Shortfall Shares, as set out above, the Company will determine the allottee(s) of New Shares and reserves the right to reject any Application for Shortfall Shares.

Additionally, as referred to in Section 3.9 below, ASIC has not been requested to approve the Directors selling those New Shares forming part of the Shortfall not taken up by Ineligible Shareholders, being foreign shareholders to whom the Rights Issue is not being made. Therefore, no Eligible Shareholder will be able to rely on the exception provided by item 10 of section 611 of the Corporations Act which would permit them to increase their voting power in the Company beyond 19.9% without contravening section 606 of the Corporations Act.

In that situation, no Eligible Shareholder (or any of their associates) will be able to acquire Shares under the Offer if the result of the acquisition was to increase their voting power in the Company beyond 19.9% and the Company will accordingly not issue and allot any Eligible Shareholder any New Shares which they would otherwise be entitled to where such issue and allotment would increase such voting power beyond 19.9% of the total voting power attached to all shares in the capital of the Company as exist on completion of the Rights Issue.

Allotment of the New Shares will take place as soon as practicable after the Closing Date. Until allotment and issue of the New Shares, the Application Moneys will be held in trust in a separate bank account opened and maintained for that purpose only. Any interest earned on the Application

Moneys will be for the benefit of the Company and will be retained by it irrespective of whether allotment and issue of the New Shares takes place.

3.7 ASX listing

The Company made application to ASX on 8 August 2016 for official quotation of the Securities, being the New Shares, offered pursuant to this Prospectus. If approval is not granted by ASX within three months after the date of this Prospectus, the Company will not allot the Securities and will repay all Application Moneys (where applicable) as soon as practicable, without interest.

A decision by ASX to grant official quotation of the Securities is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the Securities.

3.8 Privacy Act

Shareholders provide personal information to the Company (directly or indirectly to the Company's share registry). The Company collects, holds and will use that information to service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act, the Corporations Act and certain rules such as the ASIC Settlement Rules. You should note that if you do not provide the information required on the application for New Shares, the Company may not be able to accept or process your application.

3.9 Ineligible Shareholders

The Company has decided that it is unreasonable to make offers under the Rights Issue Offer to Shareholders with registered addresses outside Australia and New Zealand having regard to:

- (a) the number of Shareholders in those places;
- (b) the number and value of the New Shares they would be offered; and
- (c) the cost of complying with the legal and regulatory requirements in those places.

Accordingly, the Rights Issue Offer is not being extended to, and does not qualify for distribution or sale, and no New Shares will be issued under the Rights Issue Offer to Shareholders having registered addresses outside Australia and New Zealand. This Prospectus is being sent to those Shareholders for

information purposes only. Rights that would otherwise have been offered to each of those Shareholders will lapse and the relevant New Shares will form part of the Shortfall.

3.10 Enquiries

Any questions concerning the Offer should be directed to the Company Secretary, Mr Brett Crowley, brett@crowley.net.au.

4 PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The purpose of the Offer is to raise new capital for the Company to fund its ongoing operating and administrative costs and the acquisition of investments.

As at 30 June 2016, the Company held cash of \$309,317.

4.2 Effect of the Offer on capital structure

Assuming the Offer is fully subscribed, the effect of the Offer on the capital structure of the Company (on an undiluted basis) is set out below.

	Number
Shares	
Shares on issue at date of this Prospectus	451,674,911
New Shares offered pursuant to the Offer	451,674,911
Total Shares on issue after the Closing Date	903,349,822
Options	
Listed options exercisable at \$0.15 per option expiring 30 Jun 2018	207,099,651
Unlisted options exercisable at \$0.50 per option expiring 31 Dec 2018	37,130,895
Total Options on issue after the Closing Date	244,230,546

Notes

1. The number of New Shares is subject to minor variation owing to rounding.
2. The Company will apply for the New Shares issued pursuant to this Rights Issue to be listed on ASX. See Section 3.7 for further details.

The issue of New Shares under this Prospectus will raise a maximum of approximately \$1,806,700 before expenses.

4.3 Use of Funds

A detailed description of the use of the funds is set out in section 6. A summary of the use of the funds is set out below:

- employ personnel (including an investment manager);
- invest further in the Company's current investments to enhance value;
- pursue recovery action in relation to the Company's current investments;
- make new investments; and
- working capital.

Assuming the Offer is fully subscribed, the funds raised will be allocated as follows:

Item	Amount
	(\$)
Expenses of the Offer (refer to Section 10.7)	23,850
Employ new personnel	250,000
Further investment in Company's current investments	200,000
Recovery action in relation to the Company's current investments	50,000
New investments	1,000,000
Working capital	282,850
Total	1,806,700

4.4 Financial effect

Set out below is the unaudited statement of financial position of the Company as at 30 June 2016 together with a pro-forma statement adjusted for the impact of the Rights Issue.

	Unaudited statement of financial position 30 June 2016⁽¹⁾	Pro forma statement of financial position⁽²⁾
	(A\$)	(A\$)
Current Assets		
Cash assets ⁽³⁾	309,317	2,092,167
Trade and other receivables	14,784	14,784
Total current assets	324,101	2,106,951
Non-current assets		
Other financial assets	834,984	834,984
Total non-current assets	834,894	834,894
Total assets	1,159,085	2,941,935
Current liabilities		
Trade and other payables	785,586	785,586
Total current liabilities	785,586	785,586
Total liabilities	785,586	785,586
Net assets	373,499	2,156,349
Equity		
Issued capital ⁽⁴⁾	14,411,377	16,194,2271
Foreign exchange reserve	1,456,351	1,456,351
Retained profits / (losses)	(15,494,229)	(15,494,229)
Total equity	373,399	2,156,349

Notes

1. Column 1 represents the unaudited historical consolidated statement of financial position of Bisan as at 30 June 2016.
2. Column 2 represents the pro forma statement of financial position of Bisan assuming the Offer is fully subscribed for \$1,806,700, less estimated associated costs of \$23,850.
3. Cash assets comprise the following:

Item	Value
	(\$)
Cash balance from Bisan as at 30 June 2016	309,317
Offer proceeds	1,806,700
Offer costs	23,850
Cash as per pro forma statement of financial position	2,092,167

4. Contributed equity is calculated as follows:

Item	No. Shares	Contributed equity
		(\$)
Shares on issue at date of this Prospectus	451,674,911	14,411,377
Capital Raising	451,674,911	1,806,700
Less offer costs to equity	–	(23,850)
Total Shares issued post Offer	903,349,822	16,194,227

5 RISK FACTORS

There are specific risks that relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares. The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

5.1 Risks specific to an investment in the Company

5.1.1 Inability to realise value from its investments

The Company's current assets consist of a number of investments in various ventures. None of these ventures has yet yielded any significant revenue. There is a substantial risk that the Company may not be able to realise some or all of the value of these investments, especially if to do so would require substantial further investment.

5.1.2 Acquisitions

If the Company undertakes any future acquisitions of assets or businesses, it may face risks in integrating those new assets or businesses. An acquisition may not perform to the level anticipated. A failure to identify and successfully execute suitable acquisitions may have an adverse effect on the financial performance and/or financial position of the Company.

5.1.3 Inability to secure funding

The Company might have further capital requirements for future major capital expenditure and acquisitions. There is a risk it may not be able to secure sufficient debt and equity funding on acceptable terms. The existing working capital and the issue proceeds of the Offer may not be sufficient to fully fund the estimated costs of implementing all these plans. Additional debt or equity to fund such expansion plans may be required.

5.1.4 Liquidity and realisation

There is no guarantee that an active market for the Shares will develop once the Shares are requested on ASX.

5.1.5 Future profitability or dividends are not assured

No assurance as to future profitability or dividends can be given as these depend on future earnings and the working capital requirements of the Company. Potential investors should note that there can be no guarantees with respect to the payment of dividends and return of capital.

5.2 General risks of an investment in the Company

5.2.1 Economic

The financial performance and value of the Company may be influenced by various economic factors such as inflation, interest rates, domestic and international economic growth, taxation policies, legislative change, political stability, stock market conditions in Australia and elsewhere, changes in investor sentiment towards particular market sectors, exchange rate fluctuations and acts of terrorism.

5.2.2 Unforeseen expenditure risk

Expenditure may need to be incurred that has not been taken into account in the preparation of this document. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

5.2.3 Liquidity and realisation

There is no guarantee that an active market for the Shares will develop once the Shares are re-quoted on ASX. There may also be relatively few potential buyers or sellers of the Shares on ASX or otherwise at any time, which may increase the volatility of the market price of the Shares.

It is important to recognise that Shareholders may receive a market price for their Shares that is less than the price that they paid.

5.2.4 Price of Shares

The price at which Shares are quoted on ASX may increase or decrease owing to a number of factors. These factors may cause the Shares to trade at prices below the Issue Price. There is no assurance that the price of the Shares will increase following the re-quotations on ASX. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Some of the factors that may affect the price of the Shares include fluctuations in the domestic and international market for listed stocks, general economic conditions, including interest rates, inflation rates, exchange rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation, inclusion in or removal from market indices, the nature of the markets in which the Company operates, and general operational and business risks.

5.2.5 Taxation changes

Changes to the rate of taxes imposed on the Company are likely to affect Shareholder returns. In addition, an interpretation of Australian taxation laws by the Australian Taxation Office that differs from the Company's interpretation may lead to an increase in the Company's taxation liabilities.

5.2.6 Accounting standards

Australian accounting standards are developed and issued by the Australian Accounting Standards Board and are not within the control of the Company or its Directors. Any changes to the accounting standards or to the interpretation of those standards may have an adverse effect on the reported financial performance and position of the Company.

5.2.7 Combination of risks

The Company may not be subject to a single risk. A combination of risks, including any of the risks outlined in this Section, could affect the performance valuation, financial position and prospects of the Company.

5.2.8 Tax audits

From time to time the Company may become subject to income tax audits or similar proceedings with both domestic and foreign tax jurisdictions, and as a result the Company may incur additional costs and expenses, or owe additional taxes, interest and penalties that may negatively impact future operating results.

6 BACKGROUND AND COMPANY OVERVIEW

6.1 Overview of Bisan

Bisan Limited (**Bisan** or the **Company**) is an ASX-listed investment and trading company. In recent years the Company has made a number of investments in various listed and unlisted technology, resources and retail companies, as described below.

6.2 Current investments

6.2.1 P-Fuel

The Company holds approximately 19.9% of the issued capital in Waste Technologies Limited, which operates under the trading name P-Fuel (**P-Fuel**), making it the largest single shareholder. P-Fuel has been granted patents for a process that converts waste plastic and oil to fuel and energy in several countries including the USA, Russia, Australia, Malaysia and South Africa.

Discussions are taking place with the directors of P-Fuel in relation to crystallising the value of the Company's investment. This will involve either remaining as a minority shareholder with increased funding to develop P-Fuel or alternatively, selling the whole of the Company's shares in P-Fuel.

As disclosed in section 6.4 below, the Company is involved in litigation with companies related to the previous chairman of Bisan, Mr Pat Volpe. Mr Volpe is also the controlling shareholder and a director of P-Fuel. Bisan's solicitor has put Mr Volpe on notice that Bisan is considering legal action in relation to its investment in P-Fuel. Accordingly, a proportion of the funds raised and described in section 4.4 above as "Recovery action in relation to the Company's current investments" has been allocated to that legal action. If the Directors resolve not to take that action, the funds allocated to this will instead become available to make new investments- see section 6.3 below.

6.2.2 MyGeneration Smartphones

In 2015 the Company, in collaboration with Mr Yehuda Shmaya Szender, established its MyGeneration Smartphones subsidiary in Hong Kong (**MyGeneration**), with plans to sell smartphones into emerging markets.

In mid-2015, a number of smartphones were ready to be resold into the Hong Kong market. However, Mr Szender took possession of the smartphones and refused to provide the Company access to them. In August 2015 the Company was successful in obtaining court orders against Mr Szender in the Supreme Court of Victoria.

The Company has since discontinued the MyGeneration business and is currently assessing its options for enforcing the court orders and recovering funds from Mr Szender. Part of the funds described in section 4.4 above as "Recovery action in relation to the Company's current investments" has been allocated to the enforcement of the court orders. If the Directors resolve not to take that

action, the funds allocated to this will instead become available to make new investments- see section 6.3 below.

6.2.3 Kaboko Mining

The Company holds shares in Kaboko Mining Limited (**Kaboko**), which is currently under administration. Discussions have taken place with the administrators of Kaboko for the purpose of determining whether it is in the interests of the Company to fund the administration and to restore the value in this investment. As Kaboko is in administration, an opportunity to fund the company to terminate the administration and take control of Kaboko is possible. The funds described in section 4.4 above as “Further investment in Company’s current investments” has been allocated to the Kaboko opportunity. However, the Company can only take steps to engage with the administrator once certainty regarding the availability of funds to the Company pursuant to the Rights Issue is obtained. If the opportunity to fund Kaboko does not arise, the funds allocated to this will instead become available to make new investments- see section 6.3 below.

6.2.4 Other investments

In addition to the above investments, Bisan holds investments in other listed and unlisted entities including:

- (a) Abilene Oil and Gas Limited (ASX: ABL), a listed oil exploration company.
- (b) Black Star Petroleum Limited (ASX: BSP), a listed oil exploration company; and
- (c) Jernigan Commodities Pty Limited (an unlisted company).

All investments of the Company are currently being reviewed to determine the most appropriate way to create or restore some value to these investments.

6.3 New investments

A portion of the proceeds from the Offer may be used to make portfolio investments in a broad range of industry groups.

The Directors are conducting investigations and due diligence in relation to a number of different investments. The Company has not completed due diligence on any specific acquisition and there are no current binding agreements in place. The opportunities currently being examined include:

- a funds management company;
- a first home owner rent-to-buy financing business;
- recapitalisation of a listed real estate investment trust;
- a residential development opportunity; and
- a private equity/venture capital business.

The Company’s strategy is to be a co-investor with the management and current shareholders in any investment it selects. It does not intend to acquire control of such investments or have a majority of

directors on their boards. The Directors believe that they can add significant value to a business by providing strategic advice, financial assistance and the introduction of significant new business.

Bisan will not seek to take a controlling interest in any of its investments. The Directors believe that it will be counter-productive to take a controlling interest in a company in which it invests. Instead, it is a key element of the strategy that the current owners and directors remain in control and directly manage the business. The Directors will assist those individuals to grow both the size and profitability of the business without seeking to take control. Bisan is likely to seek the appointment of at least one director, and in limited circumstances two directors, to the board of each of its investments. It is not the intention of the Directors to take a majority stake or to control the board of a company.

The investment process to determine new investments is as follows:

The Directors will be responsible for the process, to be assisted by an investment manager to be engaged subsequent to completion of the Rights Issue. A search for an appropriate person to be the investment manager will commence on Completion of the Offer. Together, the Directors after identifying an investment target:

- a) have the skills to undertake the quantitative analysis when determining whether to make an investment;
- b) will prepare the investment papers to be approved by the Board before any investments are made;
- c) will be able to develop the deal structuring using their combined experience in mergers, investment, corporate finance and accounting.

In making investment decisions, the Company will generally take a medium to long term view. The Company plans to limit its portfolio to investments to not more than five companies. The Company will target companies where it believes the mix of skills and experience of the Directors will enable it to add significant value for all stakeholders. A disciplined approach will be adopted in the investment process, and all Directors will be responsible for adherence to this process.

(i) Investment Objectives

The investment objectives of the Company are:

- to preserve the capital of the Company;
- at the same time equip the company with the ability to capitalise on good opportunities which arise; and
- to achieve a high real rate of return from either a dividend flow or the potential to sell its investments through either a trade sale or after a listing on an appropriate stock exchange.

(ii) Investment Strategy

To achieve its investment objectives, the Company intends to invest in Australian unlisted companies.

The investments will be funded from the funds raised from the Rights Issue. It is not intended that Bisan will dilute its shareholders by issuing shares to vendors of the investments. However, in some

cases, Bisan may issue shares to the vendors to partly fund the investments. As stated above, any issue of shares will be a minor component of the consideration and will not result in a change in shareholding control of Bisan (the transactions will not be of a kind referred to in ASX Guidance Note 12 as a “back-door listing”).

(iii) Investment process

The Directors will seek suitable opportunities through activities which include but are not limited to the following:

- engaging in discussion with industry participants, customers, clients, investors, suppliers and banks;
- examining independent and broker research;
- identifying key industry trends;
- meeting with management and owners of companies; and
- monitoring of media coverage.

The Directors will undertake a financial analysis of any proposed investment. This will include a consideration of the following measures:

- debt to equity ratio;
- earnings before interest, tax, depreciation, and amortisation;
- capital requirements; and
- cash flow

In assessing the relative merits of various companies, the Directors regard the following as desirable investment criteria:

- good long term growth potential;
- good management record of performance and integrity; and
- significant management equity interest.

The Directors, having regard to the factors determined above, will determine the capitalised value of the company which will form the basis of its investment. In most cases the strategy will be to make a direct investment for cash in new equity to be issued by the target company. It may also be appropriate to subscribe for convertible notes so that Bisan can recover some part of its cash investment from the repayment of the convertible notes.

(iv) Costs

The investment process will incur minimal expenses until such time as a decision is made to invest. The expenses incurred will be limited to search fees, reimbursement of travel by directors and possibly some advice or reports from consultants (being consultants not related to the Directors). Once a decision is made to invest, the Company is likely to incur more substantial costs in preparing to raise additional funds to invest in the target. These costs include expert reports, legal fees for the acquisition transaction, legal fees in preparing disclosure documents, travel costs of directors and broker costs.

(v) Exit process

The Company intends to develop each company in which it acquires an interest to the stage where it can exit the investment by either a sale to trade buyer or a sale of the shares of the target company shares after its listing on an appropriate stock exchange. The Directors are experienced in both the negotiation of both types of exits and have skills and experience in executing both a sale and an IPO.

6.4 Litigation

The Company is currently the subject of a winding up application in the Supreme Court of Victoria. The litigation has been brought against the Company by companies of which the previous chairman, Mr Pat Volpe, is a director and follows from the Company failing to apply to the court to set aside a creditor's statutory demand ("CSD") served on it within the time required by the Corporations Act. As a result of that failure, the Company must satisfy the Court that it is solvent. The proceedings have been adjourned to 14 September 2016 in order for the Company to file evidence including its audited accounts for the year ended 30 June 2016. The Directors are in no doubt that the Company is solvent notwithstanding the disputed debt claimed in the CSD. This view is further reinforced by the raising of the funds under the Offer which is fully underwritten. The Directors therefore believe that the proceedings will be dismissed on 14 September 2016.

Upon the proceedings being dismissed, the Company will defend any proceedings brought by Mr Volpe or his related companies in relation to the amount in dispute. The total amount in dispute is approximately \$163,000 which Mr Volpe and his companies claim became payable during and since Mr Volpe's tenure as a Director of the company.

6.5 Underwriting

The Offer has been fully underwritten by RICT Pty Limited ("RICT") and Sino Haijing Holding Limited ("Sino").

A director of the Company, Mr Lei Ding, is a shareholder and director of RICT. Therefore, RICT is a Related Party of the Company.

Sino is a company listed on the Hong Kong Stock Exchange. Sino is not a Related Party or an Associate of the Company or of RICT.

7 BOARD AND SENIOR MANAGEMENT

7.1 Current Directors

7.1.1 Avrohom (Avi) Kimelman—Chairman

Avi Kimelman was appointed to the Board of Bisan 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.

Avi 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 related transactions, particularly in the mining/oil and gas sector.

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

In accordance with a notice received by the Company pursuant to Section 249D(1) of the Corporations Act, a resolution to remove Mr Kimelman as a Director of the Company will be considered at the General Meeting to be held on 18 August 2016.

7.1.2 Lei Ding—Non-Executive Director

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

Lei has more than 20 years of corporate and management experience in finance, real estate, iconic cultural development projects and investment management.

7.1.3 Mr Peter Chai—Non-Executive Director

Peter Chai was appointed to the Board of Bisan on 1 February 2016. He has more than 30 years' experience in corporate management and has held senior management positions in various listed entities in Southeast Asia and Hong Kong. His expertise is in finance and funds management.

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

7.1.4 David Herzberg—Non-Executive Director

David Herzberg was appointed to the Board of Bisan on 10 May 2012. He has more than 20 years' 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.

David is currently a Non-Executive Director of the ASX-listed company Cohiba Minerals Limited (ASX: CHK). In the last three years, he has also been a director of Altius Mining Limited (ASX: AYM, now Australia United Mining Limited) and Lemarne Corporation Limited (ASX: LMC).

7.2 Corporate governance

The Company is a disclosing entity listed on ASX. Details of the Company's policies regarding corporate governance and associated matters are disclosed in the Annual Reports to Shareholders that have previously been lodged with ASX. The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below.

The Company has adopted the *Principles of Corporate Governance and Recommendations (3rd Edition)* published by ASX Corporate Governance Council unless disclosed below.

7.2.1 Board of Directors

The Board of Directors is responsible for the corporate governance of the consolidated entity. It monitors the business affairs of the Company on behalf of shareholders by whom they are elected and to whom they are accountable.

7.2.2 Board composition

The composition of the Board shall be determined in accordance with the following principles and guidelines:

- The Board shall comprise at least three Directors, increasing where additional expertise is considered desirable in certain areas;
- The Board shall not comprise a majority of executive Directors; and
- Directors shall bring characteristics that allow a mix of qualifications, skills and experience.

While there is currently no formal review process in place, the performance of all Directors is informally reviewed by the Chairman in order to ensure that the Board continues to discharge its responsibilities in an appropriate manner. Directors whose performance is unsatisfactory may be asked to retire.

The Board currently comprises three independent directors. The skills, experience and expertise relevant to the position of each Director who is in office at the date of this Prospectus are detailed in Section 7.1 above.

The role of Chairman is currently filled by Avi Kimelman.

7.2.3 Continuous disclosure

The Company is required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. Subject to the exceptions contained in the ASX Listing Rules, the Company discloses to ASX any information concerning the Company that is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares. The Company is committed to observing its disclosure obligations under the ASX Listing Rules and the Corporations Act. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office.

The Board's aim is to ensure that Shareholders are provided with sufficient information to assess the performance of the Company and that they are informed of all major developments affecting the state of affairs of the Company relevant to Shareholders in accordance with all applicable laws. Information will be communicated to Shareholders through the lodgement of all relevant financial and other information with ASX.

The Company has adopted a policy to take effect from Listing that establishes procedures that are aimed at ensuring that Directors and management are aware of and fulfil their obligations in relation to the timely disclosure of material price-sensitive information.

7.2.4 Performance evaluation and communication to Shareholders

The Board aims to ensure that the Shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of all Directors. Information is communicated to the Shareholders through:

- the Annual Report, which is distributed to all Shareholders and posted on the ASX website **www.asx.com.au**;
- the half-yearly report, which is posted on the ASX website **www.asx.com.au**;
- the Annual General Meeting and other meetings called to obtain approval for Board action as appropriate; and
- the Company's compliance with ASX continuous disclosure requirements; and
- all public announcements and associated documents, which are made available on the Company website at www.btclawyers.com.au/bisan-limited.

7.2.5 The role of Shareholders

The Board aims to ensure that Shareholders are informed of all major developments affecting the consolidated entity's state of affairs:

- Proposed major changes in the consolidated entity that may impact on share ownership rights are submitted to a vote of Shareholders.
- Notices of all meetings of Shareholders are made available to Shareholders.

- The Board encourages full participation of Shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the consolidated entity's strategy and goals. Important issues are presented to the Shareholders as single resolutions.
- The Shareholders are requested to vote on the appointment and aggregate remuneration of Directors, the granting of options and shares and changes to the Constitution. Copies of the Constitution are available to any Shareholder who requests it.
- The External Auditor is to attend the Annual General Meeting and is available to answer Shareholder Questions about the conduct of the audit and the preparation and content of the Auditor's report.

7.2.6 Audit committee

The Board holds the responsibilities of the audit committee.

7.2.7 Internal control framework

The Board acknowledges that it is responsible for the overall internal control framework but recognises that no cost-effective internal control system will preclude all errors and irregularities. The Board believes that the current cost control framework to be suitable to the Company's current operations. There is no internal audit function as the cost would significantly outweigh the benefits.

7.2.8 Trading policy

The Company's policy regarding Directors and employees trading in its securities is set by the Board. The policy restricts Directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

7.2.9 Conflict of interest

In accordance with Corporations Act and the Company's Constitution, the Directors must keep the Board advised on an ongoing basis of any interest that could potentially conflict with those of the Company.

7.2.10 Independent professional advice

Each Director will have the right to seek independent professional advice at the Company's expense. However, prior approval of the Chairman will be required, which will not be unreasonably withheld.

7.2.11 Business risk management

The Board will monitor and receive advice on areas of operational and financial risk, and consider strategies for appropriate risk management arrangements.

Specific areas that were initially identified and which will be regularly considered by the Board meetings include foreign currency fluctuations, performance of activities, human resources, the environment and continuous disclosure obligations.

7.2.12 Ethical standards

The Board's policy is for all Directors and management to conduct themselves with the highest ethical standards. All Directors and employees will be expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the consolidated entity.

The Company has a Diversity Policy in place that provides a framework for establishing measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.

7.2.13 Other information

Further information relating to the Company's corporate governance practices and policies can be obtained from the Company upon request.

8 FINANCIAL INFORMATION

8.1 Basis and method of preparation

The purpose of this section is to provide a pro forma financial perspective of Bisan Limited (**Bisan**) following completion of the Offer (assuming it is fully subscribed for \$1,806,700).

The Historical Financial Information presented comprises the following:

- audited historical statements of financial performance of Bisan for the years ended 30 June 2014 and 30 June 2015;
- unaudited statement of financial performance of Bisan for the year ended 30 June 2016;
- unaudited consolidated statement of financial position of Bisan as at 30 June 2016; and
- significant accounting policies and material accounting matters.

The Pro Forma Consolidated Historical Financial Information presented comprises the following:

- the pro forma consolidated statement of financial position of Bisan as at 30 June 2016, assuming completion of the Offer as disclosed in the Prospectus.

The historical financial information of Bisan has been extracted from its annual financial reports, which were audited by Grant Thornton Audit Pty Limited in accordance with the Australian Auditing Standards.

The financial information is presented in Australian dollars. The financial information for overseas entities has been translated into Australian dollars at the appropriate foreign exchange rates for the year end or period.

8.2 Statements of financial performance

Detailed in the table below are the summarised consolidated historical statements of financial performance for Bisan. This information should be read in conjunction with the information provided elsewhere in this Prospectus.

Bisan Limited—Statement of Financial Performance

	2016	2015	2014
	(\$)	(\$)	(\$)
Revenue from continuing operations	19,582	4,860	16,495
Administration expenses	(30,806)	(49,251)	(48,061)
Auditors remuneration	(40,700)	(13,795)	(22,620)
Interest expense	–	(2,000)	–
Occupancy expense	(10,146)	(13,643)	(31,404)
Share registry and listing fees expense	(28,662)	(30,447)	(32,917)
Impairment of other financial assets	(43,771)	(28,957)	(326,800)
Legal fees expense	(53,188)	(1,353)	(32,440)
Directors fee expense	(235,636)	(162,000)	(166,108)
	(16,160)		
Investment and consulting expense	(46,845)	(197,326)	(110,000)
Travel expense	(3,739)	(2,407)	(11,560)
Company secretary fee expense	(18,980)	(11,000)	(30,394)
Registration fees expense	–	–	(11,085)
Due-diligence costs—Pencil Hill	–	(220,032)	–
Realised losses on held-for-trading investments	–	(8,439)	–
Other	(15,000)	(31,585)	(14,627)
Loss before income tax	(524,051)	(767,375)	(821,521)
Income tax expense (benefit)	–	–	–
Loss after income tax from continuing operations	(524,051)	(767,375)	(821,521)
Loss after income tax from discontinued operations	–	(389,387)	–
Loss for the year	(524,051)	(1,156,762)	(821,521)
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	(524,051)	(1,156,762)	(821,521)
Earnings (loss) per share	cents	cents	cents
Basic earnings (loss) per share			
Loss from continuing operations	(0.12)	(3.3)	(6.6)
Loss from discontinued operations	–	(1.7)	–
Total basic earnings (loss) per share	(0.12)	(5.0)	(6.6)
Diluted earnings (loss) per share			
Loss from continuing operations	(0.12)	(3.3)	(6.6)
Loss from discontinued operations	–	(1.7)	–

THIS IS A REPLACEMENT PROSPECTUS DATED 15 AUGUST 2016. IT REPLACES A PROSPECTUS DATED 8 AUGUST RELATING TO SHARES OF BISAN LIMITED.

Total diluted earnings (loss) per share	(0.12)	(5.0)	(6.6)
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8.3 Historical and pro forma statements of financial position

Set out in the table below is a summarised historical consolidated statement of financial position for Bisan as at 30 June 2016, and a summarised pro forma consolidated statement of financial position assuming completion of the Offer occurred on 30 June 2016 adjusted for other material events that have occurred subsequent to 30 June 2016 as detailed in the notes below.

	Unaudited statement of financial position 30 June 2016⁽¹⁾	Pro forma consolidated statement of financial position
	(A\$)	(A\$)
Current Assets		
Cash assets ⁽³⁾	309,317	2,092,167
Trade and other receivables	14,784	14,784
Total current assets	324,101	2,106,951
Non-current assets		
Other Financial Assets	834,984	834,984
Total non-current assets	834,894	834,984
Total assets	1,159,085	2,941,935
Current liabilities		
Trade and other payables	785,586	785,586
Total current liabilities	785,586	785,586
Total liabilities	785,586	785,586
Net assets	373,499	2,156,349
Equity		
Contributed equity ⁽⁴⁾	14,411,377	16,194,227
Option reserve	1,456,351	1,456,351
Accumulated losses	(15,494,229)	(15,494,229)
Total equity	373,399	2,156,349

Notes

- Column 1 represents the unaudited historical consolidated statement of financial position of Bisan as at 30 June 2016.
- Column 2 represents the pro forma consolidated statement of financial position of Bisan assuming the Offer is fully subscribed to raise \$1,806,700, less estimated associated costs of \$23,850;

3. Cash assets comprise the following:

Item	Value
	(\$)
Cash balance from Bisan as at 30 June 2016	309,317
Offer proceeds	1,806,700
Offer costs	(23,850)
Cash as per pro forma statement of financial position	2,092,167

4. Contributed equity is calculated as follows:

Item	No. Shares	Contributed equity
		(\$)
Shares on issue at date of this Prospectus	451,674,911	14,411,377
Capital Raising	451,674,911	1,806,700
Less offer costs to equity	–	(23,850)
Total Shares issued post Offer	903,349,822	16,194,227

8.4 Statement of significant accounting policies

8.4.1 Basis of preparation

The financial statements have been prepared in accordance with the measurement and recognition (but not the disclosure) requirements of Australian Accounting Standards, Australian Accounting Interpretations and the Corporations Act 2001.

The financial statements have been prepared on an accruals basis, are based on historical cost and except where stated do not take into account changing money values or current valuations of selected non-current assets, financial assets and financial liabilities. Cost is based on the fair values of the consideration given in exchange for assets.

The preparation of the Statements of Financial Performance and Statements of Financial Position requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Statements of Financial Performance and Statement of Financial Position are disclosed where appropriate.

The financial information has been prepared on the basis of a going concern that contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

8.4.2 Principles of consolidation

The consolidated financial information incorporates the assets and liabilities of all subsidiaries of Bisan Limited (**company** or **parent entity**) as at 30 June 2016 and the results of all subsidiaries for the year then ended. Bisan Limited including its subsidiaries together are referred to in this financial information as the **consolidated entity** or **Group**.

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

8.4.3 Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

8.4.4 Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

8.4.5 Cash and cash equivalents

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 and which are subject to an insignificant risk of changes in value.

8.4.6 Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of

trade receivables is raised when there is objective evidence that the consolidated entity 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 (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of 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 immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

8.4.7 Inventories

Inventory relates to lots which are sold as columbarium. Inventory is measured at the lower of cost and net realisable value.

8.4.8 Property and equipment

Property and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight line basis over the estimated useful life of the asset.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

8.4.9 Formation expenses

Formation expenses are initially recognised at cost.

8.4.10 Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

8.4.11 Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

8.4.12 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

8.4.13 Issued capital

Ordinary shares are classified as equity.

Transaction costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

8.4.14 Goods and Services Tax (GST) and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

9 MATERIAL CONTRACTS

Set out below is a brief summary of the material contracts or arrangements that have been entered into by Bisan and its subsidiaries. These are important contracts for the Company and have been identified as relevant to potential investors in the Company.

9.1 Underwriting Agreement with RICT Pty Limited

On 12 August 2016, the Company entered into an underwriting agreement with RICT Pty Limited to underwrite 70% of the Offer, being up to 316,172,438 Shares (**RICT Underwriting Agreement**). The underwriting does not extend to any additional Shares issued prior to the Record Date, including as a result of the exercise of any Options on issue.

RICT is a Related Party of Bisan Limited and is controlled by Mr Lei Ding, a Director of Bisan.

In the event of a Shortfall, the Directors are not aware of any reason why RICT would not be in a position to meet its financial obligations to subscribe for the Shortfall in accordance with the RICT Underwriting Agreement.

The RICT Underwriting Agreement was negotiated on an arms' length basis. RICT is obliged to subscribe for 70% of the Shortfall, up to a maximum of 316,172,438 Shares after receiving notice from the Company as to the number of Shortfall Shares.

The Company is required to make the Entitlement Offer in accordance with all relevant regulatory requirements and has given various representations and warranties to RICT, which are customary for an agreement of this nature.

As is normal for underwriting agreements of this nature, RICT has a wide discretion to terminate its obligations under the RICT Underwriting Agreement on the occurrence of a number of events, which may occur before the issue of Shares. The more significant termination events are a fall in indices event allowing the Underwriter to terminate its obligations if the S&P/ASX 200 Index falls to a level that is 7.5% or more below the level at the close of business on the business day prior to the date of this Prospectus, the Shares of the Company finish trading on any trading day upon which Shares trade with a closing price that is less than the Offer price of \$0.004, and where an adverse change occurs in respect of the Company or its assets which has a material adverse effect.

No fees payable are payable to RICT.

9.2 Underwriting Agreement with Sino Limited

On 12 August 2016, the Company entered into an underwriting agreement with Sino Haijing Holdings Limited to underwrite 30% of the Offer, being up to 135,502,473 Shares (**Sino Underwriting Agreement**). The underwriting does not extend to any additional Shares issued prior to the Record Date, including as a result of the exercise of any Options on issue.

Sino is not a Related Party of Bisan Limited. It is not a Related Party or Associate of RICT.

In the event of a Shortfall, the Directors are not aware of any reason why Sino would not be in a position to meet its financial obligations to subscribe for the Shortfall in accordance with the Sino Underwriting Agreement.

The Sino Underwriting Agreement was negotiated on an arms' length basis. RICT is obliged to subscribe for 30% of the Shortfall, up to a maximum of 135,502,473 Shares, after receiving notice from the Company as to the number of Shortfall Shares.

The Company is required to make the Entitlement Offer in accordance with all relevant regulatory requirements and has given various representations and warranties to Sino, which are customary for an agreement of this nature.

As is normal for underwriting agreements of this nature, Sino has a wide discretion to terminate its obligations under the Sino Underwriting Agreement on the occurrence of a number of events, which may occur before the issue of Shares. The more significant termination events are a fall in indices event allowing the Underwriter to terminate its obligations if the S&P/ASX 200 Index falls to a level that is 7.5% or more below the level at the close of business on the business day prior to the date of this Prospectus, the Shares of the Company finish trading on any trading day upon which Shares trade with a closing price that is less than the Offer price of \$0.004, and where an adverse change occurs in respect of the Company or its assets which has a material adverse effect.

No fees payable are payable to Sino.

10 ADDITIONAL INFORMATION

10.1 Company information

Bisan's assets comprise a number of residual assets from its businesses, which it no longer carries on. None of these investments currently produces income for the Company and the Board considers they are unlikely to create Shareholder value in the foreseeable future (refer to Section 6.1 for further information).

10.2 Constitution and rights and liabilities attaching to Shares

The Shares to be issued under this Prospectus will rank equally with the existing fully paid ordinary shares in the Company.

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

10.2.1 Ranking of Shares

At the date of this Prospectus, all Shares are of the same class (ordinary shares) and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.

10.2.2 Voting rights

Subject to any special rights (at present there are none), at any general meeting of the Company, each Shareholder present in person or by proxy has one vote on a show of hands, and on a poll has one vote for each Share held.

10.2.3 Dividend rights

Subject to any special rights (at present there are none), any dividends that may be declared by the Company are payable on all Shares in proportion to the amount paid up.

10.2.4 Variation of rights

The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.

10.2.5 Transfer of Shares

Subject to the Constitution, the Corporations Act, the ASX Listing Rules and other relevant laws, the Shares are freely transferable.

10.2.6 General meetings

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and any other laws.

10.2.7 Rights on winding up

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company:

- divide among the Shareholders the whole or any part of the Company's property; and
- decide how the division is to be carried out between the Shareholders.

Subject to any special rights (at present there are none), any surplus assets (following full satisfaction of all creditors' debts) on a winding up are to be distributed to Shareholders in proportion to the number of Shares held by them irrespective of the amounts paid or credited as paid.

10.3 Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in Section 111AC of the Corporations Act) and, as such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

10.4 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director has, or has had within two years preceding lodgement of this Prospectus with ASIC:

- any interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer; and
- no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director or Proposed Director, either to induce him or her to become, or to Qualify them as a Director, or otherwise, for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

10.4.1 Shareholding qualifications

Directors are not required to hold any Shares under the Constitution.

10.4.2 Directors' interests

Other than as set out below or elsewhere in this Prospectus, no Director of Bisan, and no firm in which a Director of Bisan is a partner, holds, or held at any time during the last two years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of Bisan;
- (b) any property acquired or proposed to be acquired by Bisan in connection with its formation or promotion or in connection with the Offer; or
- (c) the Offer;

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director or proposed director of Bisan:

- (a) to induce them to become, or to qualify them as, a Director; or
- (b) for services rendered by them in connection with the formation or promotion of Bisan or in connection with the Offer.

Directors are not required under Bisan's constitution to hold any shares in Bisan.

The table below shows the interest of each Director (whether held directly or indirectly) in securities of Bisan as at the date of this Prospectus:

Director	Shares	Listed options exercisable at \$0.15 expiring 30 June 2018	Unlisted options exercisable at \$0.50 expiring 31 December 2018
Avrohom (Avi) Kimelman	22,738,921	8,793,333	200,000
Lei Ding ¹	22,914,118	–	–
Peter Chai	–	–	–
David Herzberg	9,666,666	3,866,666	100,000

1. The Offer is underwritten by RICT Pty Limited, a company of which Mr Ding has a controlling interest. See Section 10.4.3 below for details.

Directors may hold the relevant interests in Shares shown above directly, or through holdings by companies, trusts or other persons with whom they are associated.

Mr Kimelman intends to take up his Entitlements in full

10.4.3 Effect of underwriting on control of the Company

The Rights Issue is underwritten by two underwriters. RICT Pty Limited ("RICT") has underwritten 70% of the Rights Issue. Sino Haijing Holding Limited ("Sino") has underwritten 30% of the Rights Issue.

(i) RICT

Under the underwriting agreement with RICT, RICT is obliged to subscribe for 75% of any shortfall, up to a maximum 316,172,438 Shortfall Shares. Mr Lei Ding, a Director of the Company, has a controlling interest in RICT. The extent to which shares are issued pursuant to the underwriting will increase the RICT's voting power in the Company, and consequently the voting power of Mr Ding. In the event that the Underwriter is required to subscribe for all of the Shortfall Shares up to the underwritten amount, the relevant interest of RICT and of Mr Ding will be 37.54%. The relevant interests of RICT and Mr Ding under several scenarios are set out in the table below.

	Shares held directly by Mr Ding	Shares controlled by Mr Ding	Voting power of Mr Ding (%)
Event			
Date of Prospectus	0	22,914,118	5.11
Completion of the Offer			
—Fully subscribed	0	22,914,118	2.54
—75% subscribed	0	101,957,227	11.29
—50% subscribed	0	181,000,337	20.04
—25% subscribed	0	260,043,446	28.79
—0% subscribed	0	339,086,556	37.54

The number of Shares held by RICT and Mr Ding and their voting power in the table above show the potential effect of the underwriting of the Offer. However, it is unlikely that no Shareholders will take up entitlements under the Offer. The underwriting obligation and therefore voting power of the RICT will reduce by a corresponding amount for the amount of Entitlements under the Offer taken up by the other Shareholders.

Mr Ding has informed the other Directors that on the facts and circumstances presently known to him, he is supportive of the current direction of the Company and does not currently intend to make any major changes to its direction and objectives, and that other than as disclosed in this Prospectus:

- (a) does not currently intend to make any changes to the Company's existing businesses;
- (b) does not currently intend to inject further capital into the Company other than in underwriting the Offer;
- (c) does not currently intend for any property to be transferred between the Company and him or any person associated with him;
- (d) does not currently intend to redeploy the Company's fixed assets; and
- (e) does not currently intend to change the Company's existing financial or dividend policies.

(ii) Sino

Under the underwriting agreement with Sino, Sino is obliged to subscribe for 30% of any shortfall, up to 135,502,473 Shortfall Shares. Sino is not a Related Party of the Company. Sino is not an Associate of RICT or Mr Ding.

The extent to which shares are issued pursuant to the underwriting will increase the Sino's voting power in the Company. In the event that Sino is required to subscribe for all of the Shortfall Shares up to the underwritten amount, the relevant interest of Sino will be 15.00%. The relevant interests of Sino under several scenarios are set out in the table below.

	Shares held by by Sino	Voting power of Sino
		(%)
Event		
Date of Replacement Prospectus	Nil	Nil
Completion of the Offer		
—Fully subscribed	Nil	Nil
—75% subscribed	33,875,618	3.75
—50% subscribed	67,751,237	7.50
—25% subscribed	101,626,855	11.25
—0% subscribed	135,502,473	15.00

The number of Shares held by Sino and its voting power in the table above show the potential effect of the underwriting of the Offer. However, it is unlikely that no Shareholders will take up entitlements under the Offer. The underwriting obligation and therefore voting power of Sino will reduce by a corresponding amount for the amount of Entitlements under the Offer taken up by the other Shareholders.

Sino has informed the Directors that on the facts and circumstances presently known to it, it is supportive of the current direction of the Company and does not currently intend to make any major changes to its direction and objectives, and that other than as disclosed in this Prospectus:

- (f) does not currently intend to make any changes to the Company's existing businesses;
- (g) does not currently intend to inject further capital into the Company other than in underwriting the Offer;
- (h) does not currently intend for any property to be transferred between the Company and Sino or any person associated with Sino;

- (i) does not currently intend to redeploy the Company's fixed assets; and
- (j) does not currently intend to change the Company's existing financial or dividend policies.

(iii) Shareholder dilution

Additionally, Shareholders should be aware that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 50% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders is set out in the table below:

Holder	Holding as at Record Date	Interest as at Record Date (%)	Entitlement under Offer	Interest post-Offer if Entitlement not taken up
Shareholder 1	22,000,000	4.48	22,000,000	2.44
Shareholder 2	10,000,000	2.21	10,000,000	1.11
Shareholder 3	5,000,000	1.11	5,000,000	0.55
Shareholder 4	2,500,000	0.55	2,500,000	0.28
Shareholder 5	1,000,000	0.22	1,000,000	0.11
Shareholder 6	500,000	0.11	500,000	0.06

Under the underwriting agreement with Sino, Sino is obliged to subscribe for 135,502,473 Shortfall Shares. In the event that Sino is required to subscribe for all of the Shortfall Shares under its agreement, the relevant interest of Sino will be 15.00%.

10.4.4 Directors' remuneration

The Constitution provides that the Directors are entitled to such remuneration for their services as Directors from the Company as the Directors decide, but the total amount provided to all Directors must not exceed in aggregate the amount fixed by the Company in a general meeting or, prior to an amount being fixed in general meeting, an amount determined by the Directors. The current aggregate remuneration for all Directors (as set by the Company in general meeting) will be not more than \$300,000 per annum (allowing for the appointment of future Directors) to be apportioned among the Directors in such a manner as they determine.

The remuneration of Mr Kimelman is currently \$76,363.64 plus GST per annum.

The remuneration of Mr Ding is currently \$240,000 plus GST per annum.

The remuneration of Mr Chai is currently \$240,000 plus GST per annum.

The remuneration of Mr Herzberg is currently \$0 plus GST per annum.

The Board intends to appoint Mr Chai and Mr Ding as executive Directors of the Company in due course. The above remuneration fees reflect the services of Mr Chai and Mr Ding as both Directors and executives of the Company.

The Board may review the ongoing remuneration of Directors in accordance with the Company's Corporate Governance policies and market practices.

10.5 Interests and fees of professionals

Each of the following parties has given and has not, before the issue of this Prospectus, withdrawn its written consent to being named in the Prospectus and to the inclusion, in the form and context in which it is included, of any information described below as being included with its consent.

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror), the Directors of the Company, persons named in the Prospectus with their consent as proposed directors of the Company, any underwriters, persons named in the Prospectus with their consent as having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading or deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the content of the Prospectus, other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

In light of this, only to the maximum extent permitted by law, each of the parties referred to below expressly disclaims and takes no responsibility for any part of this Prospectus other than the reference to its name and any statement or report included in this Prospectus.

BTC Lawyers has acted as solicitor to the Company in relation to this Prospectus. The Company estimates it will pay \$11,000 (excluding GST) for these services up to the date of lodgement of this Prospectus with ASIC. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with ASIC, BTC Lawyers has received fees of \$5,000 plus GST from the Company for legal services.

10.6 Related party transactions

At the date of this Prospectus, no material transactions with related parties, or Directors' interests or third parties exist or are contemplated, of which the Directors are aware, other than as disclosed in section 9.1.

10.7 Expenses of the Offer

It is estimated that approximately \$23,850 in expenses will be incurred or payable by the Company in respect of legal, accounting and independent experts' fees, commissions, printing, ASIC and ASX fees, and other miscellaneous costs in connection with the Offer. The total estimated costs are set out in the table below:

Item	Fees
	(\$)
Legal fees	11,000
Printing and distribution	3,000
ASIC fees	2,350
ASX fees	7,500
Total fees	23,850

10.8 Consents

Each of the parties referred to in this section:

- (a) has not authorised or caused the issue of this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based, other than as specified in this section; and
- (c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

BTC Lawyers has given its written consent to being named as the solicitor to the Company in this Prospectus and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

RICT Pty Limited has given its written consent to being named as the Underwriter to the Offer in this Prospectus and the statement in section 10.43 and 6.5 and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Sino has given its written consent to being named as the Underwriter to the Offer in this Prospectus and the statement in section 10.43 and 6.5 and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

10.9 Disputes and litigation

Other than disclosed at section 6.4, as at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

10.10 Taxation

The acquisition and disposal of Shares in the Company will have tax consequences, which will differ depending on the individual circumstances of each investor. All potential investors in the Company are urged to obtain independent professional financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally. It is the sole responsibility of potential Applicants to inform themselves of their taxation position resulting from participation in the Offer.

The Directors do not consider that it is appropriate to give potential Applicants advice regarding taxation matters and consequences of applying for Shares under this Prospectus, as it is not possible to provide a comprehensive summary of all the possible taxation positions of potential Applicants.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to any taxation consequences to investors of subscribing for Shares under this Prospectus.

10.11 Electronic Prospectus

Pursuant to Class Order 00/44, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC, the publication of notices referring to an Electronic Prospectus or electronic application form, and the issue of shares in response to an electronic application form, subject to compliance with certain provisions.

Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

If you have received this Prospectus as an Electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and it will send to you free of charge either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.btclawyers.com.au/bisan-limited.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the application monies received will be dealt with in accordance with Section 722 of the Corporations Act.

10.12 Documents available for inspection

The following documents are available for inspection during normal business hours at the registered office of the Company:

- this Prospectus;
- the Constitution; and
- the consents referred to in Section 10.8 of this Prospectus.

11 DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that, in respect to any other statements made in this Prospectus by persons other than Directors, the Directors have made reasonable enquiries and, on that basis, have reasonable grounds to believe that persons making the statement or statements were competent to make such statements. Those persons have given their consent to the statements being included in this Prospectus, in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with ASIC or, to the Directors' knowledge, before any issue of Shares pursuant to this Prospectus.

This Prospectus is signed for and on behalf of the Company pursuant to a resolution of the Board.

A handwritten signature in black ink, appearing to read 'Avi Kimelman', with a stylized, flowing script.

Avi Kimelman
Chairman
15 August 2016

12 GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

A\$ or \$ means an Australian dollar.

AEST means Australian Eastern Standard Time.

Applicant means a person who submits an Application Form.

Application Moneys means money received by the Company in respect of Applications.

Application Form means the application form that accompanies this Prospectus relating to the Offer.

ASIC means the Australian Securities and Investments Commission.

Associate means an Associate within the meaning of that term as defined in the Corporations Act.

ASX means ASX Limited (ABN 98 008 624 691) or the financial market operated by it known as Australian Securities Exchange (as the context requires).

ASX Listing Rules or **Listing Rules** means the official listing rules of ASX.

ASX Restricted Securities means any securities that are classified by ASX as Restricted Securities under the ASX Listing Rules.

Bisan means the Company.

Board or **Board of Directors** means the board of Directors as constituted from time to time.

Business Day means a day on which ASX is open for trading.

CHESS means Clearing House Electronic Subregister System, which is operated by ASX Settlement Pty Limited, a wholly owned subsidiary of ASX.

Closing Date means the closing date of the Offer as set out in the indicative timetable in Section 3.2 (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company means Bisan Limited (ABN 75 006 301 800).

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company at the date of this Prospectus.

Electronic Prospectus means the electronic copy of this Prospectus located at the website www.btclawyers.com.au/bisan-limited

Eligible Shareholder means a Shareholder whose registered address is in Australia or New Zealand and who is a Shareholder at 5.00 pm (AEST) on the Record Date.

Entitlement or Right means the entitlement of Eligible Shareholders to subscribe for one New Share for every Share held by them as at the Record Date.

Entitlement and Acceptance Form means the personalised entitlement and acceptance form accompanying this Prospectus.

General Meeting means the Annual General Meeting of the Company to be held on 18 August 2016.

Issue Price means \$0.004 (0.4 cents).

Kaboko means Kaboko Mining Limited (ABN 93 107 316 683).

Lodgement Date means the date this Prospectus was lodged with ASIC as set out in Section 3.2.

Material Contracts means the material contracts to which the Company is a party that may be material in terms of the Offer for the operation of the business of the Company or otherwise may be relevant to a potential investor in the Company, and which are summarised in Section 9.

MyGeneration means My Generation Smartphones (HK) Limited, a company incorporated in Hong Kong.

New Shares means the Shares to be issued in the Company under this Prospectus.

Notice of Meeting means the Amended Notice of Annual General Meeting of the Company dated 14 July 2016.

Offer means the offer of New Shares pursuant to this Prospectus.

Offer Shares means the Shares offered under the Offer.

Official List means the Official List of ASX.

Official Quotation means Quotation of the Shares on the Official List in accordance with the ASX Listing Rules.

Opening Date means the opening date of the Offer as set out in the indicative timetable in Section 3.2.

Option means an option to acquire a Share.

P-Fuel means Waste Technologies Limited (ACN 115 932 744).

Prospectus means this prospectus.

Record Date means 5.00 pm AEST on 11 August 2016.

Related Party means a Related Party within the meaning of that term as defined in the Corporations Act.

Rights Issue has the meaning given to that term on the cover page of this Prospectus.

RICT means RICT Pty Limited ACN 137 223 931.

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Computershare Investor Services Pty Limited.

Shareholder means a holder of Shares.

Shortfall means the difference between the total number of Securities offered to Eligible Shareholders under the Offer and the number of Securities applied for on a pro rata basis in exercising the Entitlements.

Shortfall Offer means the offer of the Shortfall to persons located and receiving this Prospectus in Australia.

Shortfall Shares means new Shares not subscribed for prior to the close of the Offer.

Sino means Sino Haijing Holdings Limited.

Underwriting Agreements means the agreements entered into between the Company and each of RICT and Sino by which each of RICT and Sino will underwrite the Offer, as summarised in Section 9.1 and 9.2.

Underwriters means RICT and Sino.

CORPORATE DIRECTORY

Directors

Avrohom Kimelman (Non-Executive Chairman)
Peter Chai (Non-Executive Director)
Lei Ding (Non-Executive Director)
David Herzberg (Non-Executive Director)

Company Secretary

Brett Crowley (Company Secretary)

Registered Office

Suite 904
37 Bligh Street
SYDNEY NSW 2000
Australia

Telephone: 02 9233 3308
Facsimile: 02 9233 3307

www.btclawyers.com.au/bisan-limited

ASX Code

BSN

Solicitor to the Offer

BTC Lawyers
Suite 904
37 Bligh Street
SYDNEY NSW 2000

Telephone: 02 9233 3308
Facsimile: 02 9233 3307

Auditors*

Grant Thornton Audit Pty Limited
Level 30
525 Collins Street
MELBOURNE VIC 3000

Share Registry*

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnson Street
ABBOTSFORD VIC 3067

Telephone: 1300 850 505 (local)

Telephone: +61 3 9415 4000 (international)

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.