

**TO: COMPANY ANNOUNCEMENTS
OFFICE ASX LIMITED**

DATE: 28 February 2017

**APPENDIX 4D
HALF-YEAR ENDED 31 DECEMBER
2016**

This Appendix 4D is provided to ASX in accordance with ASX Listing Rule 4.2A.

Results for announcement to the market	31 Dec 2016 \$	Change From 31-Dec-2015
Revenue from continuing operations	50,522	+158%
Loss from continuing operations after tax attributable to members	(1,454,765)	+1021%
Net loss for the period attributable to members	(1,454,765)	+1021%

NTA Backing	31-Dec-2016 (cents)	31-Dec-2015 (cents)
Net tangible asset backing per share	0.79	0.41

Dividends

No dividend has been paid and it is not proposed to pay any dividend.

Commentary on results

Further details of the operations of Bisan Limited and its controlled entities during the period ended 31 December 2016 is contained in the accompanying financial report which forms part of this Appendix 4D.

This Appendix 4D and the accompanying report should be read in conjunction with the 2016 Annual Report of Bisan Limited and its controlled entities and the public announcements made to the ASX since the release of the Annual Report.

Lei Ding
Chairman
28 February 2017

BISAN Ltd

ABN 75 006 301 800

**BISAN LIMITED AND
CONTROLLED ENTITIES**

**HALF-YEAR
FINANCIAL REPORT
31 DECEMBER 2016**

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Corporate Directory

Bisan Limited
ABN 75 006 301 800

DIRECTORS	Mr Lei Ding Mr Peter Chai Ms Lu Hong-Ying Mr Brett Crowley	Executive Chairman Non-Executive Director Non-Executive Director Non-Executive Director
COMPANY SECRETARY	Brett Crowley	
REGISTERED OFFICE	Level 33, 50 Bridge St, Sydney NSW, 2000	T + 61 (02) 8246 8830
SHARE REGISTER	Computershare Yarra Falls, 452 Johnston Street Abbotsford, Victoria 3067	Local call 1300 850 505 International call + 61 (0) 3 9415 4000
AUDITOR	Grant Thornton Audit Pty Ltd Level 30 525 Collins Street Melbourne, Victoria 3000	

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

Directors' Report

The Directors of Bisan Limited ("Bisan" or the "Company") are pleased to present the half-year report of the Consolidated Entity for the financial period ending 31 December 2016 ("Half Year"). In accordance with the *Corporations Act 2001*, the Directors report as follows:

Directors

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

Current Directors

LEI DING	Executive Chairman
PETER CHAI	Non-Executive Director
LU HONG-YING	Non-Executive Director
BRETT CROWLEY	Non-Executive Director

Former Directors

AVI KIMELMAN	Non-Executive Director
DAVID HERSZBERG	Non-Executive Director

Principal Activities

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

Operating Results

The consolidated entity incurred a net loss of \$1,454,765 (2015 loss: \$119,129) for the half-year ended 31 December 2016.

The consolidated entity continues to seek other opportunities for the future with the objective of expanding its principal business activities to enhance shareholder value. Bisan may continue to increase its equity position in its investments.

Events During the Half Year

Loan from Kentway Investment Limited

On the 17th November 2016 the company entered in a loan agreement for \$2,000,000 with Kentway Investments at an interest rate of 10% per annum

Completion of rights issue

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

Acquisition of Endeavour Securities (Australia) Limited

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

Board and Management Changes and Registered Office Change

The following changes were made to the Company's Board and Management team during the Half Year:

- Mr Avi Kimelman did not seek re-election at the Annual General Meeting and ceased to be a director from 30 November 2016.
- Ms Lu Hong-Ying and Mr Brett Crowley were appointed directors on 30 November 2016.

Registered office

On 30 November 2016, the Company changed its registered office and principal place of business address to Level 33, 50 Bridge St, Sydney. A lease agreement was entered into on 8th September 2016, terminating on the 31 Dec 2017 for annual commitment of \$814,506 per annum including GST.

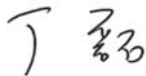
Events subsequent to balance date

Except as noted below, there has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Group to affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent periods.

On 15 February 2017, David Herszberg resigned as a director.

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included on the following page.

Signed in accordance with a resolution of the Directors.



Lei Ding
Chairman
27 February 2017

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

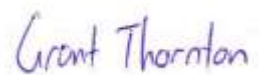
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Auditor's Independence Declaration To The Directors of Bisan Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Bisan Limited for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Matthew Hingley
Partner – Audit & Assurance

Melbourne, 27 February 2017

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Financial Results

Bisan Limited & Controlled Entities Statement of Financial Position As at 31 December 2016

	NOTE	31 December 2016 \$	30 June 2016 \$
CURRENT ASSETS			
Cash and cash equivalents		1,970,519	307,879
Receivables		54,700	14,892
Other financial assets		1,000,000	-
TOTAL CURRENT ASSETS		3,025,219	322,771
NON CURRENT ASSETS			
Other financial assets		298,705	834,984
Property, plant and equipment		78,130	-
TOTAL NON CURRENT ASSETS		376,835	834,984
TOTAL ASSETS		3,402,054	1,157,755
CURRENT LIABILITIES			
Trade and other payables		443,036	420,398
Borrowings		2,243,171	365,187
TOTAL CURRENT LIABILITIES		2,686,207	785,585
TOTAL LIABILITIES		2,686,207	785,585
NET ASSETS		715,847	372,170
EQUITY			
Contributed equity	7	16,209,819	14,411,377
Option reserve		1,456,351	1,456,351
		17,666,170	15,867,728
Accumulated losses		(16,950,323)	(15,495,558)
TOTAL EQUITY		715,847	372,170

The accompanying notes form part of these financial statements.

Bisan Limited & Controlled Entities
Statement of Profit or Loss and Other Comprehensive Income
For the Period ended 31 December 2016

	31 December 2016 \$	31 December 2015 \$
Revenue from continuing operations	50,522	19,582
Administration expenses	(163,893)	(8,628)
Auditors remuneration	(10,728)	(6,300)
Employee benefits expense	(37,455)	-
Occupancy expense	(283,228)	(4,792)
Share registry expense	(27,298)	(6,107)
Impairment of other financial assets	(536,279)	(40,318)
Legal fees expense	(33,971)	(40,027)
Listing fees	(16,899)	(15,713)
Consulting fees	(42,361)	(16,000)
Directors fees expense	(313,188)	-
Travel expense	(18,629)	(826)
Depreciation	(3,758)	-
Interest and finance charges	(17,600)	-
Loss before income tax expense	(1,454,765)	(119,129)
Income tax expense (benefit)	-	-
Loss after income tax expense	(1,454,765)	(119,129)
Other comprehensive income	-	-
Total comprehensive income	(1,454,765)	(119,129)
Earnings per share for loss from continuing operations attributable to owners of the parent entity	Cents	
Basic earnings (loss) per share	(1.94)	(1.24)
Diluted earnings (loss) per share	(1.94)	(1.24)

The accompanying notes form part of these financial statements.

Bisan Limited & Controlled Entities
Statement of Changes in Equity
For the Period ended 31 December 2016

Consolidated Entity

	Contributed Equity \$	Option Reserve \$	Accumulated Losses \$	Total Equity \$
At 1 July 2016	14,411,377	1,456,351	(15,495,558)	372,170
Loss for the period	-	-	(1,454,765)	(1,454,765)
Total comprehensive income/(loss) for the period	-	-	(1,454,765)	(1,454,765)
Transactions with equity holders in their capacity as equity holders				
Issue of new shares	1,806,699	-	-	1,806,699
Share issue cost	(8,257)	-	-	(8,257)
At 31 December 2016	16,209,819	1,456,351	(16,950,323)	715,847

	Contributed Equity \$	Option Reserve \$	Accumulated Losses \$	Total Equity \$
At 1 July 2015	14,202,412	1,456,351	(14,970,178)	688,585
Loss for the period	-	-	(119,129)	(119,129)
Total comprehensive income/(loss) for the period	-	-	(119,129)	(119,129)
Transactions with equity holders in their capacity as equity holders				
Share issue costs	(18,342)	-	-	(18,342)
At 31 December 2015	14,184,070	1,456,351	(15,089,307)	551,114

The accompanying notes form part of these financial statements.

Bisan Limited & Controlled Entities
Consolidated Statement of Cash Flows
For the Period ended 31 December 2016

	CONSOLIDATED ENTITY	
	HALF- YEAR	
	2016	2015
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(937,742)	(67,238)
Interest received	22	16,080
Other Income	-	3,502
Interest and other cost of finance paid	(22,659)	-
Refunds Received	22,224	9,901
Net cash outflows from operating activities	(940,155)	(37,755)
Cash flows from investing activities		
Purchase of plant & equipment	(81,888)	-
Loans to non-related entities	(1,000,000)	-
Net cash outflows from investing activities	(1,081,888)	-
Cash flows from financing activities		
Proceeds from issue of shares	1,806,700	-
Borrowings	3,799,948	-
Repayment of borrowings	(1,921,965)	-
Net cash inflows from financing activities	3,684,683	-
Net increase/(decrease) in cash held	1,662,640	(37,755)
Cash and cash equivalents at beginning of period	307,879	50,465
Cash and cash equivalents at end of period	1,970,519	12,710

The accompanying notes form part of these financial statements.

Bisan Limited & Controlled Entities
Notes to the Financial Statements
For the period ended 31 December 2016

1. Basis of Preparation of the Half-Year Financial Report

a) Statement of Compliance

The half-year financial report ended 31 December 2016 is a general purpose financial report that has been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*.

b) Basis of preparation

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position, and financing and investing activities of the Company as the most recent annual financial report.

The half-year financial report should be read in conjunction with the annual financial report of Bisan Limited as at 30 June 2016.

It is also recommended that the half-year financial report be considered together with any public announcements made by Bisan Limited during the half-year ended 31 December 2016 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

The half-year financial report has been prepared on a historical cost basis, except for available-for-sale financial assets held at fair value and financial assets at fair value through profit and loss.

All amounts are presented in Australian dollars.

c) Significant accounting policies and methods of computation

The half-year consolidated financial statements have been prepared using the same accounting policies and methods of computation as used in the annual financial statements for the year ended 30 June 2016.

d) Going Concern

Notwithstanding the fact that for the period ended 31 December 2016 the consolidated entity generated a loss, the financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. For the period ended 31 December 2016, the consolidated entity generated a loss after tax of \$1,454,765 (31 Dec 2015: loss of \$119,129).

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

- Cash flow required to fund mandatory expenditure is sufficient in order for the consolidated entity to meet its obligations as and when they fall due.
- Further capital raising activities will be required, The Board has a track record of raising capital and raised \$1,806,699 during the last six months. A further rights issue is expected to be completed in the next three months which will be fully underwritten.
- The ability of the consolidated entity to sell its listed shares in Abilene Oil and Gas Limited or the unlisted investment in Waste Technologies Limited if necessary; and
- Negotiating with key service providers, including Directors and employees, to defer payment for their services or to accept shares or other securities in lieu of payment.

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

Bisan Limited & Controlled Entities
Notes to the Financial Statements
For the period ended 31 December 2016

e) Operating Segments

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

f) Key Accounting Estimates and Judgments

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

i. Going Concern

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

ii. Investments in unlisted shares

The Group holds investments in unquoted shares and accounts for these investments as available-for-sale investments.

For the investment in Waste Technologies Limited, the Directors have considered the most recent Waste Technologies capital raising on the 15th November 2016 share price 0.012c as a reflection of the value of the investment, and have impaired the investment to \$284,970.

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

- Bisan owns less than 20% of Waster Technologies; and
- Bisan does not currently have any representation on the board of Waste Technologies.

Accordingly Bisan has not equity accounted its investment in Waste Technologies.

g) GST

During the period, the ATO determined that the company was not carrying on an enterprise for the purposes of GST and hence should not be registered for GST. As a result the company repaid GST claimed and incurred a penalty of \$28,600. The Directors are currently working towards having the GST registration reinstated on the basis of planned business activities that would meet the definition of an enterprise for GST purposes.

2. Segment Reporting

The consolidated entity operates in one segment, being investment activities in Australia.

3. Contingent Liabilities

There are no contingent liabilities or commitments expected to arise.

4. Capital Raising

On 2 September 2016, the Company completed a 1:1 rights issue raising \$1,806,699

Bisan Limited & Controlled Entities
Notes to the Financial Statements
For the period ended 31 December 2016

5. Related Party Transactions

The following related party transactions (other than remuneration of Directors and employees) occurred during the half-year on normal commercial terms and conditions:

- a) (The following transactions occurred between the Company and RICT Pty Ltd (a company of which Lei Ding is a Shareholder and Director)):
 - The Company received an additional loan of \$57,699 from RICT Pty Ltd, closing balance \$243,183 as at 31 December 2016
- b) (The following transactions occurred between the Company and Kentway Investments Limited. (A Shareholder of Bisan Limited)):
 - On the 17th November 2016 the company entered in a loan agreement for \$2,000,000 with Kentway Investments at an interest rate of 10% per annum.
- c) Directors and their related entities are reimbursed for out-of-pocket expenses incurred in the performance of their duties.

6. Fair value measurement of financial instruments

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

(a) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

The following table presents the group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2016 and 31 December 2016 on a recurring basis:

At 31 December 2016	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total
Assets				
Held for trading investments	13,585	-	150	13,735
Available-for-sale financial assets	-	-	284,970	284,970
At 30 June 2016	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total
Assets				
Held for trading investments	12,334	-	150	12,484
Available-for-sale financial assets	-	-	822,500	822,500

(b) Valuation techniques used to determine fair values

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

Bisan Limited & Controlled Entities
Notes to the Financial Statements
For the period ended 31 December 2016

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

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

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

(c) Valuation processes and fair values of other financial instruments

The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Group approximates their carrying amounts.

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

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

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

Bisan Limited & Controlled Entities
Notes to the Financial Statements
For the period ended 31 December 2016

7. Contributed Equity

	31 December 2016 \$	30 June 2016 \$
90,334,342 Fully Paid Ordinary Shares (30 June 2016– 461,674,911)	16,209,819	14,411,377
	<u>16,209,819</u>	<u>14,411,377</u>

Movements in ordinary share capital

	31 December 2016		30 June 2016	
	No.	\$	No.	\$
Fully paid ordinary shares				
At the beginning of the period	451,674,911	14,411,377	394,260,793	14,202,412
Shares issued during the period				
Shares issued prior to consolidation	451,674,911	1,806,699	57,414,118	229,626
Consolidation of shares – (1)	(813,015,480)			
Share issue costs		(8,257)		(20,661)
At the end of the period	90,334,342	16,209,819	451,674,911	14,411,377

(1) On 16 November 2016 the Company completed a share consolidation on a 10:1 basis.

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

8. Leasing Commitments

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

	31 December 2016 \$	30 June 2016 \$
Payable – Minimum lease commitments		
-No later than twelve months	823,206	-
-Between twelve months and five years		-
-Greater than five years		-
	<u>823,206</u>	<u>-</u>

Property Leases were entered into on the following terms

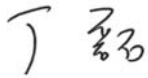
- Property: Level 33, AMP Centre, 50 Bridge Street, Sydney 2000, 8th September 2016, terminating on the 31 Dec 2017 lease amount of \$61,705.00 plus GST per month
- Property: 1308/168 Kent Street, Millers Point NSW 2000 - 5th September 2016 termination on the 4th March 2017 lease amount of \$4,562.50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

Directors' Declaration

In the opinion of the Directors of Bisan Limited (ACN 006 301 800):

1. The consolidated financial statements and accompanying notes of Bisan Limited are in accordance with the *Corporations Act 2001*, and:
 - a. comply with Accounting Standard AASB 134 *Interim Financial Reporting*; and
 - b. give a true and fair view of the financial position of the consolidated entity as at 31 December 2016 and of its performance for the half-year ended on that date, and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Lei Ding
Chairman
27 February 2017

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Independent Auditor's Review Report To the Members of Bisan Limited

We have reviewed the accompanying half-year financial report of Bisan Limited (the Company), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies, other explanatory information and the directors' declaration of the Group, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Bisan Limited consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Bisan Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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Liability limited by a scheme approved under Professional Standards Legislation.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the *Corporations Act 2001*.

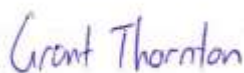
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Bisan Limited is not in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Material Uncertainty Regarding Going Concern

Without qualifying our opinion we draw attention to Note 1(d) in the consolidated financial statements which indicates that the consolidated entity incurred a net loss of \$1,454,765 during the period ended 31 December 2016. Note 1(d) also indicates that to continue as a going concern, the consolidated entity is dependent upon obtaining necessary funds to meet its current obligations, and will need to do this through successful capital raisings. These conditions along with other matters set forth in Note 1(d), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Matthew Hingeley
Partner – Audit & Assurance

Melbourne, 27 February 2017