

BISAN Ltd

ABN 75 006 301 800

**BISAN LIMITED AND
CONTROLLED ENTITIES**

ASX PRELIMINARY FINAL REPORT

**FOR THE YEAR ENDED
30 JUNE 2016**

Lodged with the ASX under Listing Rule 4.3A

Key Appendix 4E Information
Appendix 4E items 1 and 2

Preliminary Statement of Profit or Loss and Other Comprehensive Income
Appendix 4E item 3

Preliminary Statement of Financial Position
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Preliminary Statement of Cash Flows
Appendix 4E item 5

Preliminary Statement of Changes in Equity
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Other Appendix 4E Information
Appendix 4E item 7 to 12 and 14 to 15

This report covers the consolidated entity comprising Bisan Limited and its controlled entities.

The financial report is presented in Australian dollars and has been prepared in accordance with Australian Accounting Standards.

Appendix 4E

PRELIMINARY FINAL REPORT

Name of entity

Bisan Limited

ABN

75 006 301 800

Half yearly
(tick)

☐

Preliminary
final (tick)

☒

Half year/financial year ended
(‘current period’)

30 June 2016
(previous period 30 June 2015)

For announcement to the market

Extracts from this report for announcement to the market

\$A

Revenues from ordinary activities	Up	303%	to	19,582
Loss from ordinary activities after tax attributable to members	Down	55%	to	(524,052)
Loss from extraordinary items after tax attributable to members		-		-
Net loss for the period attributable to members	Down	55%	to	(524,052)
Dividends (distributions)	Amount per security	Franked amount per security		
Final dividend <i>(Preliminary final report only)</i>	0.0000 ¢	0.0000 ¢		
Interim dividend <i>(Half yearly report only)</i>	N/A	N/A		
Previous corresponding period	0.0000 ¢	0.0000 ¢		
Record date for determining entitlements to the dividend	N/A			
	2016	2015		
Net tangible assets per security attributable to members	\$0.00083	\$0.0018		

Brief explanation of any of the figures reported above and short details of any item(s) of importance not previously released to the market:

The Directors of Bisan Limited present the preliminary results for Bisan and its controlled entities for the financial year ended 30 June 2016.

The consolidated loss of the consolidated entity after income tax amounted to \$524,052 (2015: loss of \$1,156,762).

In FY16, Bisan focused on assessing its business objectives and set out its strategy moving forward. The Company underwent a number of strategic changes designed to generate value for its shareholders.

Outlook

Bisan has actively sought and evaluated a number of investment opportunities. During the year additional investments were made in the unlisted company Waste Technologies Limited, ("P-Fuel"). P-Fuel has a process that claims to convert both waste plastics and waste oils into diesel. Bisan is a major shareholder in P-Fuel with a stake of approximately 19.9%.

In 2015 Bisan advanced a loan of \$315,000 to provide working capital to P-Fuel. On 31 October 2015 a dispute arose between the Bisan Directors at that time and Mr Patrick Volpe, as to the exact terms and conditions as to when and how the P-Fuel loan was to be repaid or converted into equity. P-Fuel and Mr Volpe have sent formal notice to Bisan advising the company that they have converted the loan into equity under a rights issue which P-fuel undertook. Subsequent to this based on legal advice Bisan converted the 315,000 loan to P-Fuel into equity.

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 \$160,575 which Mr Volpe and his companies claim became payable during and since Mr Volpe's tenure as a Director of the company.

On 13 February 2015 the Company announced the establishment of a new subsidiary "MyGeneration Smartphones" in Hong Kong. MyGeneration Smartphones would sell 'brand generation' smartphones (including Apple and Samsung). The smartphones were to be sold into emerging markets to compete against local home brands and would be offered with various grades that would determine a competitive pricing model. Bisan advised the ASX on 11 June 2015 that Mr Yehuda Szender refused to provide access to the smartphones, which were ready to be resold into the Hong Kong markets. On 18 August 2015 the Supreme Court of Victoria ordered that Mr Yehuda Shmaya Szender pay Bisan A\$30,157.90 plus GBP169,854.18 (both amounts include interest) together with the costs of the proceedings. Bisan is considering the available options for the enforcement of the Court orders both within and outside Australia. Significant uncertainty exists as to the ability of the Group to recover any funds from Szender.

Capital Raisings

The Directors continue to seek, identify, evaluate and pursue suitable opportunities to broaden its current business offerings. During the year the Company issued a total of 57,414,118 fully paid ordinary shares to raise additional capital of \$229,656 before costs.

On 14 July 2016, Bisan announced that it planned to undertake a fully underwritten pro rata rights issue to raise approximately \$1.8 million (before costs). It is expected that the raising will be completed by mid-September 2016

Annual Meeting

The annual meeting took place on the 18 August 2016

Compliance Statement

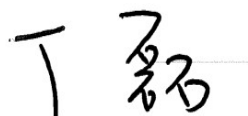
1. This report has been prepared in accordance with AASB Standards (incorporating AIFRS), other AASB and IASB authoritative pronouncements and other standards acceptable to ASX.

Other standards used:

Not applicable

2. This report, and the accounts upon which the report is based (if separate), use the same accounting policies.
3. This report does give a true and fair view of the matters disclosed.
4. This report is based on accounts to which one of the following applies:

<input type="checkbox"/> The accounts have been audited.	<input type="checkbox"/> The accounts have been subject to review.
<input checked="" type="checkbox"/> The accounts are in the process of being audited or subject to review.	<input type="checkbox"/> The accounts have not yet been audited or reviewed.
5. If the audit report or review by the auditor is not attached, details of any qualifications will follow immediately they are available. There are currently no disputes pending or expected to arise in the audit process.
6. Due to the size of the Board of Directors, the entity does not have a formally constituted Audit Committee.



Sign here:

Date: 31 August 2016

Print name: Lei Ding
Executive Chairman

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Corporate Directory

Bisan Limited
ABN 75 006 301 800

DIRECTORS

Mr Lei Ding
Mr Avi Kimelman
Mr David Herszberg
Mr Peter Chai

Chairman
Non-Executive Director
Non-Executive Director
Non-Executive Director

COMPANY SECRETARY

Brett Crowley

REGISTERED OFFICE

Suite 904, 37 Bligh Street,
Sydney, NSW, 2000.

T + 61 (02) 92333308

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).

Letter from the Chairman

Dear Shareholders,

The Year in Review

On behalf of the Board I am pleased to present the Annual Report of Bisan Limited (**Bisan** or the **Company**) and its controlled entities (the **Group**) for the financial year ended 30 June 2016 (**FY16**).

In FY16, Bisan focused on assessing its business objectives and set out its strategy moving forward. The Company underwent a number of strategic changes designed to generate value for its shareholders.

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

Activities & Outlook

Bisan has actively sought and evaluated a number of investment opportunities. During the year no additional investments were made in the unlisted company Waste Technologies Limited, ("P-Fuel"). P-Fuel has a process that claims to convert both waste plastics and waste oils into diesel. Bisan is a major shareholder in P-Fuel with a stake of approximately 19.9%.

In 2015 Bisan advanced a loan of \$315,000 to provide working capital to P-Fuel. On 31 October 2015 a dispute arose between the Bisan Directors at that time and Mr Patrick Volpe, as to the exact terms and conditions as to when and how the P-Fuel loan was to be repaid or converted into equity. P-Fuel and Mr Volpe have sent formal notice to Bisan advising the company that they have converted the loan into equity under a rights issue which P-fuel undertook. Subsequent to this based on legal advice Bisan converted the 315,000 loan to P-Fuel into equity.

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 \$160,575 which Mr Volpe and his companies claim became payable during and since Mr Volpe's tenure as a Director of the company.

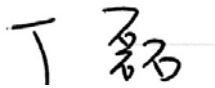
On 13 February 2015 the Company announced the establishment of a new subsidiary "MyGeneration Smartphones" in Hong Kong. MyGeneration Smartphones would sell 'brand generation' smartphones (including Apple and Samsung). The smartphones were to be sold into emerging markets to compete against local home brands and would be offered with various grades that would determine a competitive pricing model. Bisan advised the ASX on 11 June 2015 that Mr Yehuda Szender refused to provide access to the smartphones, which were ready to be resold into the Hong Kong markets. On 18 August 2015 the Supreme Court of Victoria ordered that Mr Yehuda Shmaya Szender pay Bisan A\$30,157.90 plus GBP169,854.18 (both amounts include interest) together with the costs of the proceedings. Bisan is considering the available options for the enforcement of the Court orders both within and outside Australia. Significant uncertainty exists as to the ability of the Group to recover any funds from Szender.

Capital Raisings

The Directors continue to seek, identify, evaluate and pursue suitable opportunities to broaden its current business offerings. During the year the Company issued a total of 57,414,118 fully paid ordinary shares to raise additional capital of \$229,656 before costs.

On 14 July 2016, Bisan announced that it planned to undertake a fully underwritten pro rata rights issue to raise approximately \$1.8 million (before costs). It is expected that the raising will be completed by mid-September 2016

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



Yours faithfully

Lei Ding

Chairman 31 August 2016

Directors' Report

The Directors of Bisan Limited are pleased to present the annual report of the Company for the financial year ended 30 June 2016. In accordance with the Corporations Act 2001, the Directors report as follows:

DIRECTORS

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

Current Directors

LEI DING	Chairman
AVI KIMELMAN	Non-Executive Director
PETER CHAI	Non-Executive Director
DAVID HERSZBERG	Non-Executive Director

Former Directors

PATRICK J VOLPE	Non-Executive Director	ceased role as a Director on 1 February 2016.
JONATHAN ROSEN	Non-Executive Director	ceased role as a Director on 12 January 2016.

Current Directors

Mr Lei Ding | CHAIRMAN

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

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

Lei has a relevant interest in 22,914,118 shares in Bisan.

Mr Avi Kimelman | Non- Executive Director

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

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

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

Avi has a relevant interest in 22,738,921 shares and 8,793,333 options in Bisan.

Mr Peter Chai | Non-Executive Director

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

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

Mr David Herszberg | Non-Executive Director

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

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

David has a relevant interest in 9,666,666 shares and 3,866,666 options in Bisan.

Former Directors

Mr Patrick J Volpe | Non-Executive Director

Patrick Volpe retired as Non-Executive Director of the Company effective 1 February 2016.

Mr Jonathen Rosen | Non-Executive Director & Company Secretary

Jonathen Rosen was appointed Director and Company Secretary of the Company effective 20 October 2015. He suddenly passed away in January 2016.

Company Secretary

Brett Crowley

Mr Crowley is a practicing solicitor and is an experienced chairman, finance director and company secretary of ASX-listed companies. He is a former Senior Legal Member of the NSW Civil and Administrative Tribunal.

Mr Crowley was appointed Company Secretary of the Company effective 11 May 2016.

Former Company Secretary

Mr Ramon Jimenez

Ramon Jimenez retired as Company Secretary of the Company effective 20 October 2015.

Ms Alyn Tai

Alyn Tai was appointed Company Secretary of the Company in January 2016 and retired as Company Secretary of the Company effective 11 May 2016.

Nature of operations and principal activities

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

Events During the Year

P-FUEL LIMITED (“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.

On 31 October 2015 a dispute arose between the Bisan Directors at that time and Mr Patrick Volpe, as to the exact terms and conditions as to when and how the P-Fuel loan was to be repaid or converted into equity. P-Fuel and Mr Volpe sent formal notice to Bisan advising the company that they have converted the loan into equity under a rights issue which P-fuel undertook. Bisan’s Directors did not agree to this and the matter, together with Mr Volpe’s outstanding Director’s fees,.

Subsequent to this based on legal advice Bisan determined that the \$315,000 loan to P-Fuel should be converted into equity.

Bisan’s Directors do not agree to this and the matter, together with Mr Volpe’s outstanding Director’s fees, is currently subject to litigation in the Victorian Supreme Court. The litigation includes an application to wind-up Bisan Limited. This litigation is being defended by Bisan Limited.

MYGENERATION SMARTPHONES

On 13 February 2015 the Company announced the establishment of a new subsidiary “MyGeneration Smartphones” in Hong Kong. MyGeneration Smartphones would sell ‘brand generation’ smartphones (including Apple and Samsung). The smartphones were to be sold into emerging markets to compete against local home brands and would be offered with various grades that would determine a competitive pricing model.

Bisan advised the ASX on 11 June 2015 that Mr Yehuda Szender refused to provide access to the smartphones, which were ready to be resold into the Hong Kong markets.

On 18 August 2015 the Supreme Court of Victoria ordered that Mr Yehuda Shmaya Szender pay the Group AUD 30,157.90 plus GBP 169,854.18 (both amounts include interest) together with the costs of the proceedings. Bisan is considering the available options for the enforcement of the Court orders both within and outside Australia. Significant uncertainty exists as to the ability of the Group to recover any funds from Szender.

ANNUAL GENERAL MEETING

The 2016 Annual General Meeting was done on 18 August 2016.

OTHER INVESTMENTS

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

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

Board and Management Changes and Registered Office Change

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

Mr Avi Kimelman was appointed Chairman of the Company's Board on 7 September 2015.

On 20 October 2015:

- Mr Ramon Jimenez resigned as Bisan's Company Secretary.
- Mr Jonathen Rosen was appointed Non-Executive Director and Company Secretary of the Company.

On 12 January 2016 the Company announced the sudden passing of Mr Jonathen Rosen.

On 1 February 2016, the following changes were made to the Company's Board and management team:

- Appointment of Messrs Peter Chai and Lei Ding as Directors.
- Resignation of Mr Patrick Volpe as a Director.
- Appointment of Ms Alyn Tai as Company Secretary.

On 11 May 2016, the following changes were made to the Company's management team:

- Resignation of Ms Alyn Tai as Company Secretary.
- Appointment of Mr Brett Crowley as Company Secretary.

CAPITAL RAISINGS

The Directors continue to seek, identify, evaluate and pursue suitable opportunities to broaden the Company's current business offerings. On 18 December 2015 Bisan announced that it had secured a placement to raise \$229,656 through the placement of 57,414,118 new shares to a number of professional and sophisticated investors. The 57,414,118 shares were issued on 11 January 2016.

On 14 July 2016, Bisan announced that it planned to undertake a pro rata rights issue to raise approximately \$1.8 million (before costs).

Section 249D Notices

During October and December 2015, the Company received notices under section 249D of the *Corporations Act 2001* as follows:

- One notice under section 249D from one shareholder, who holds more than 5% of the votes that may be cast at a general meeting of the Company, requesting that the Company hold a general meeting of shareholders to vote on a resolution to remove Mr Patrick Volpe as a Director of the Company.
- One notice under section 249D from two shareholders, who together hold more than 5% of the votes that may be cast at a general meeting of the Company, requesting that the Company hold a general meeting of shareholders to vote on a resolution to remove Mr Patrick Volpe as a Director of the Company.
- One notice under section 249D from one shareholder, who holds more than 5% of the votes that may be cast at a general meeting of the Company, requesting that the Company hold a general meeting of shareholders to vote on the resolutions to remove Messrs Avi Kimelman and David Herszberg as Directors of the Company and to appoint Messrs Jacob Leo Khouri and Ramon Jimenez as Directors of the Company, and to remove any other Director appointed by Bisan in the time between 1 November 2015 and the date of the meeting at which these resolutions were to be put to shareholders.

- One notice under section 249D from one shareholder, who holds more than 5% of the votes that may be cast at a general meeting of the Company, requesting that the Company hold a general meeting of shareholders to vote on a resolution to appoint Mr Matthew John Hudson as a Director of Bisan.

One of the shareholders that provided a notice to the Company under section 249D (**Requisitioning Shareholder**) purported to call a general meeting of Bisan's shareholders pursuant to section 249E of the *Corporations Act 2001*, to be held on 15 January 2016. Bisan advised shareholders on 21 December 2015 that this notice was invalid and that Bisan would be calling a general meeting of its shareholders to be held on 29 January 2016. Bisan issued the notice of the 29 January 2016 meeting to shareholders on 22 December 2015.

On the 8th June 2016, the Company received a notice under section 249D of the *Corporations Act 2001* requesting that the Company hold a general meeting of shareholders to vote on a resolution to remove Mr Avi Kimelman and as Director of the Company. That Resolution has been put forward and rejected at the annual AGM on the 18th August
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OPTIONS

On the 31 December 2015 25,523,290 options, exercisable at 8 cents (\$0.08) each expired.

PERFORMANCE RIGHTS

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

Operating results

The consolidated loss of the consolidated entity after income tax amounted to \$524,052 (2014: loss of \$1,156,762).

State of affairs

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

Events subsequent to balance date and Outlook

- On the 6 July 2016, Bisan announced that the share capital will be consolidated on a proposed 10:1 basis
- On the 14 July 2016, Bisan announced that AGM has been rescheduled to 18 August 2016.
- On 14 July 2016, Bisan announced that it planned to undertake a fully underwritten pro rata rights issue to raise approximately \$1.8 million (before costs). It is expected that the raising will be completed by mid-September 2016. 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.
- On 27 July Mr Lei Ding became a Shareholder and Director of Rict Pty Ltd through which he holds 22,914,118 shares in Bisan,
- On the 15 August the Prospectus was issued which advised that 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.
- On 18 August 2016, the following changes were made to the Company's management team:
 - Appointment of Mr Lei Ding as Chairman
 - Re Appointment of Messer's Avi Kimelman, Peter Chai and David Herszberg as Directors

Likely developments

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

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

Environmental Regulation and Performance

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

Dividends

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

Review of operations

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

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

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

Key business risks

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

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

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

Share based payments

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

Indemnification and Insurance of Directors

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

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

The insurance relates to:

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

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

Directors' Interests

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

Avi Kimelman	22,738,921 ordinary shares 8,793,333 Listed options (exercisable at \$0.015 on or before 30/06/2018) 2,000,000 Listed options
David Herszberg	9,666,666 ordinary shares 3,866,666 Listed options (exercisable at \$0.015 on or before 30/06/2018) 1,000,000 Unlisted options
Peter Chai	Nil
Lei Ding	22,914,118 ordinary shares

Meetings of Directors

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

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

Directors	No. of meetings eligible to attend	Attended
Peter Chai	-	-
Lei Ding	-	-
Jonathan Rosen	1	1
Avi Kimelman	3	3
David Hersberg	3	3
Patrick Volpe	3	3

Audit, Nomination and Remuneration Committees

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

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

Auditor Independence

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

Non-Audit Services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 10 to the financial statements. No taxation services were provided during the year as per Note 10.

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

The Directors are of the opinion that the services as disclosed in Note 10 to the financial statements do not compromise the external auditor's independence for the following reasons:

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

Proceedings on Behalf of the Company

Litigation

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 \$160,575 which Mr Volpe and his companies claim became payable during and since Mr Volpe's tenure as a Director of the company.

Corporate Governance

The consolidated entity's corporate governance statement is contained on pages 19-24 of this Annual Report.

Options on issue

At the date of this report, the unissued ordinary shares of Bisan underlying the options on issue are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under option
Issued in prior years:			
29-11-2011	31-12-2015	\$0.08	22,523,290
10-12-2012	31-12-2015	\$0.08	3,000,000
02-12-2014	31-12-2018	\$0.05	37,130,895
17-04-2015	30-06-2018	\$0.015	157,102,984
12-06-2015	30-06-2018	\$0.015	50,000,000
Exercised in prior years:			
07-05-2015	30-06-2018	\$0.015	(3,333)
Balance as at 30 June 2016			269,753,836
Issued in current year:			Nil
Expired subsequent to FY15			
29-11-2011	31-12-2015	\$0.08	22,523,290
10-12-2012	31-12-2015	\$0.08	3,000,000
Balance as at date of this report			
02-12-2014	31-12-2018	\$0.05	37,130,895
17-04-2015	30-06-2018	\$0.015	157,102,984
12-06-2015	30-06-2018	\$0.015	50,000,000

Remuneration Report

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of Bisan's directors and its key management personnel for FY16.

Remuneration Policy

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

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

Remuneration packages may contain the following key elements:

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

Remuneration Structure

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

Remuneration Practices

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

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

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

Remuneration of Non-Executive Directors

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

Retirement Benefits

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

Remuneration of key management personnel

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

Directors Remuneration for the year ended 30 June 2016

Consolidated and Parent Entity

	Short Term Benefits			Post Employment Superannuation \$	Share based payments Options \$	Total \$
	Cash Salary & Fees \$	Payables \$	Non-monetary benefits \$			
P Chai	100,000	-	-	-	-	100,000
D Herszberg	3,000	34,000	-	-	-	37,000
A Kimelman	30,800	7,700	-	-	-	38,500
L Ding	40,000	40,000	-	-	-	\$80,000
	173,800	81,700	-	-	-	255,500

Salary & Fees include GST (where applicable).

During the year:

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

Other transactions with entities associated with the Directors are set out in Note 13 Related Party Transactions.

Directors Remuneration for the year ended 30 June 2015

Consolidated and Parent Entity

	Short Term Benefits			Post Employment Superannuation \$	Share based payments Options \$	Total \$
	Cash Salary & Fees \$	Payables \$	Non-monetary benefits \$			
P J Volpe	36,000	30,000	-	-	-	66,000
D Herszberg	15,000	15,000	-	-	-	30,000
A Kimelman	36,000	30,000	-	-	-	66,000
	87,000	75,000	-	-	-	162,000

Salary & Fees include GST (where applicable).

During the year:

- Directors collectively were paid half their annual remuneration of \$150,000 in cash and the balance of \$75,000 was accrued and unpaid at 30 June 2015.
- Current and former directors were paid their accrued remuneration of \$85,000 which was owing as at 30 June 2014.

Other transactions with entities associated with the Directors are set out in Note 13 Related Party Transactions.

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

Number of Options Held by Key Management Personnel at 30 June 2015 and 30 June 2016:

KMP	Balance 01/07/2014	Other	Options Balance 30/06/2015	Total Un- Exercisable	Balance 01/07/2015	Other	Options Balance 30/06/2016	Total Un- Exercisable
P Chai	-	-	-	-	-	-	-	-
D Herszberg	1,000,000	3,866,666	4,866,666	-	4,866,666	-	4,866,666	-
A Kimelman	2,000,000	8,793,333	10,793,333	-	10,793,333	-	10,793,333	-
L Ding	-	-	-	-	-	-	-	-
Total	3,000,000	12,659,999	15,659,999	-	15,659,999	-	15,659,999	-

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

No options were granted as compensation during the year (2015: Nil).

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

Number of Shares Held by Key Management Personnel at 30 June 2015 and 30 June 2016:

KMP	Balance 01/07/2014	Change	Balance 30/06/2015	Balance 01/07/2015	Change	Balance 30/06/2016
P Chai	-	-	-	-	-	-
D Herszberg	5,800,000	3,866,666	9,666,666	9,666,666	-	9,666,666
A Kimelman	13,945,589	8,793,333	22,738,922	22,738,922	-	22,738,922
L Ding	-	-	-	-	-	-
Total	19,745,589	12,659,999	32,405,588	32,405,588	-	32,405,588

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

No shares were granted as compensation during the year (2015: Nil).

Performance Rights

There are no Performance Rights currently on issue.

Compensation options and shares

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

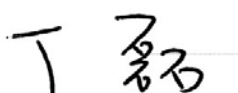
No shares were issued as compensation during the year.

This marks the end of the Audited Remuneration Report.

Directors' Resolution

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

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



Lei Ding
Chairman
31 August 2016

Corporate Governance Statement

This statement sets out the corporate governance practices that were in operation throughout the 2016 financial year for Bisan and its controlled entities and includes a summary of how the Group complies with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2010 Amendments, 3rd Edition.

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

ASX Recommendation	Status	Reference / Comment
Principle 1 – Lay solid foundations for management and oversight <i>A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.</i>		
1.1 A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Complying	<p>The Board has adopted a charter (Board Charter) which establishes the role of the Board and its relationship with management. The Board Charter clearly articulates the division of responsibilities between the Board and management, in order to manage expectations and avoid misunderstandings about their respective roles and accountabilities.</p> <p>As detailed in the Board Charter, the primary role of the Board is the protection and enhancement of long term shareholder value, and its responsibilities include the overall strategic direction of the Group, establishing goals for management and monitoring the achievement of these goals. The Board is also responsible for the overall corporate governance of Bisan.</p> <p>The Board Charter additionally sets out the role and responsibility of the Chairman, and outlines the Board's policy on when and how Directors may seek independent professional advice at the expense of the Company.</p> <p>In accordance with the Board Charter, the Board will review the Board Charter at least annually, and in doing so will continually review the division of functions between the Board and management to ensure that it continues to be appropriate to the needs of the Group.</p>
1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Complying	<p>Presently the Board as a whole performs the function of a nomination committee.</p> <p>It is the role of the Board, in performing the function of a nomination committee, to identify suitable candidates to complement the existing Board, to undertake appropriate checks on the candidate; to seek confirmation from the candidate that he/she will have sufficient time to fulfil his or her responsibilities as a director. Where appropriate, external consultants may be engaged to assist in searching for candidates and undertaking relevant checks.</p> <p>The Company provides information to shareholders about Directors seeking re-election at general meeting to enable them to make an informed decision on whether or not to re-elect the Director, including their relevant qualifications and experience and the skills they bring to the Board; details of any other listed directorships held by the Director in the preceding 3 years; the term of office already served by the Director; whether the Director is considered to be independent; and a recommendation by the Board in respect</p>

ASX Recommendation		Status	Reference / Comment
			<p>of the re-election of the Director.</p> <p>The Company will, in the case of a candidate standing for election as a director for the first time, provide information to shareholders about the candidate to enable them to make an informed decision on whether or not to elect the candidate, including material adverse information revealed by any checks the Board has performed on the candidate; details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect the candidate's capacity to exercise independent judgement on Board matters or to act in the best interests of the Company and its shareholders generally; the Board's view on whether the candidate will be considered to be an independent Director; and a recommendation by the Board in respect of the election of the candidate.</p>
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Complying	<p>All Directors have entered into written agreements with the Company.</p> <p>Specifically, each Non-Executive Director has been given a letter of appointment which outlines terms including the Director's duties, obligations, remuneration, expected time commitments and notification of the Company's policies. The Company does not have senior executives.</p>
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Complying	<p>The Company Secretary is responsible for the day to day operations of the company secretary's office, including the administration of Board and committee meetings, overseeing Bisan's relationship with its share registrar and lodgements with the ASX and other regulators. The Company Secretary is also responsible for communications with the ASX about listing rule matters, including making disclosures to the ASX in accordance with Bisan's Continuous Disclosure Policy. The Company Secretary supports the effectiveness of the Board by monitoring compliance with Board policies and procedures, and co-ordinating the completion and despatch of Board agendas and briefing papers.</p> <p>The Company Secretary is accountable to the Board, and all Directors have access to the Company Secretary.</p> <p>The decision to appoint or remove the Company Secretary is made or approved by the Board.</p>
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting</p>	Part-Complying	<p>The Board has contemplated the necessity of implementing a diversity policy. Noting the small size of the Company and the fact that the Company does not currently have any employees, the Board has resolved to depart from the recommendations by not implementing a gender diversity policy.</p> <p>Nonetheless, the Company is committed to the principles of employing people with a broad range of experiences, skills and views. All executives, managers and employees are responsible for promoting workforce diversity.</p> <p>Given the small size of the Company, the Company has not set formal measurable objectives for achieving gender diversity. However, at such time that the Company seeks to establish and expand its workforce, the Company will be committed to the principles of employing people with a broad range of experiences, skills and views.</p> <p>As at 30 June 2015, the Group had nil employees, and 1</p>

ASX Recommendation		Status	Reference / Comment
	<p>period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>		female contractor.
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Complying	<p>The Directors undertake an annual process to review the performance and effectiveness of the Board and individual directors. The Company Secretary oversees this process. As part of the review, each Director completes a questionnaire relating to the Board's role, composition, procedures, practices and behaviour. The questionnaires are confidential. The Chairman leads a discussion of the questionnaire results with the Board as a whole, and provides feedback to individual Directors as necessary.</p> <p>A performance evaluation for the Directors has not taken place in the reporting period.</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period,</p>	Complying	<p>During the year, the Company did not have any senior executives in employment. As and when senior executives are appointed, the Board will evaluate their performance on an annual basis.</p>

ASX Recommendation		Status	Reference / Comment
	whether a performance evaluation was undertaken in the reporting period in accordance with that process		
<p>Principle 2 – Structure the Board to add value</p> <p>A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.</p>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	Complying	<p>The Board has not established a formal nomination committee, having regard to the size of the Company. The Board acknowledges that when the size and nature of the Company warrants the necessity of a formal nomination committee, such a committee will operate under a nomination committee charter which will be approved by the Board.</p> <p>Presently, the Board, as a whole, serves as a nomination committee to the Company. Where necessary, the Board seeks advice of external advisers in connection with the suitability of applicants for Board membership.</p>
2.2	A listed entity should have and disclose a board skills	Part-Complying	Whilst the Company does not currently disclose a board skills matrix setting out the mix of skills of the Directors, the

ASX Recommendation		Status	Reference / Comment
	matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.		<p>following information is set out in the Company's Annual Report:</p> <ul style="list-style-type: none"> the skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report; and a statement as to the mix of skills and diversity for which the board of directors is looking to achieve in membership of the Board.
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	Complying	<p>During FY15, there were a total of three Directors on the Board; Messrs Avi Kimelman, David Herszberg and Patrick Volpe.</p> <p>The Board has considered the circumstances of each Director and determined that Mr Patrick Volpe was not and Mr Avi Kimelman is not an independent Director, on the basis that each of these Directors are associated with substantial holders of the Company's securities. Mr David Herzberg is an independent Director.</p> <p>In reaching the conclusions set out above, the Board considered the guidelines of materiality for the purpose of determining Director independence set out in the Board Charter and Box 2.3 of the Recommendations.</p> <p>The Board will continually assesses whether there are any factors or considerations which may mean that a Director's interest, position, association or relationship might influence, or reasonably be perceived to influence, the capacity of the Director to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally. The Corporations Act and monthly Board meeting processes require Directors to advise the Board of any interest they have that has the potential to conflict with the interests of the Group, including any development that may impact their perceived or actual independence. If the Board determines that a Director's status as an independent Director has changed, that determination will be disclosed and explained in a timely manner to the market.</p> <p>The length of service of each Director is set out in the Company's 2015 Annual Report.</p>
2.4	A majority of the board of a listed entity should be independent directors.	Non-Complying	The Board currently comprises 4 Directors, Messrs Avi Kimelman, David Herszberg, Peter Chai and Lei Ding of which 3 are independent.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Complying	<p>Mr Avi Kimelman has been Chairman of the Company since September 2015 and is an independent director. The Chairman leads the Board and is responsible for the efficient organisation and conduct of the Board's functions.</p> <p>The Company does not currently have a Chief Executive Officer.</p>

ASX Recommendation		Status	Reference / Comment
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Complying	<p>The Board is tasked with ensuring that an effective induction process is in place for newly appointed Directors, and the review of those induction procedures. In addition, incumbent Directors are provided with appropriate professional development opportunities to develop and maintain the skills and knowledge needed to perform their role as a director effectively.</p> <p>As Directors join the Board, they undertake a comprehensive induction program, which includes the provision of information on the Company's core values, key strategies, objectives, as well as its governance framework and operations.</p> <p>The Board receives ongoing governance updates as required, including in relation to recent legislative and regulatory changes and developments in corporate governance. All Directors have ongoing access to information on the Company's operations and to the Group's senior management.</p> <p>Each Director, at any time, is able to seek reasonable independent professional advice on any business-related matter at the expense of the Company. Directors also have access to adequate internal resources to seek any information from any officer or employee of the Group, or to require the attendance of management at meetings to enable them as Directors to fulfil their duties.</p>
Principle 3 – Act ethically and responsibly A listed entity should act ethically and responsibly			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	Complying	<p>The Board is committed to observing the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a Code of Conduct, which sets out the way in which Bisan seeks to conduct business, namely in an honest and fair manner, acting only in ways that reflect well on Bisan in strict compliance with all laws and regulations.</p> <p>The Code of Conduct articulates acceptable practices for Directors, senior executives and employees, to guide their behaviour and to demonstrate the commitment of the Company to ethical practices. The Company also seeks to ensure that advisers, consultants and contractors are aware of the Company's expectations as set out in its Code of Conduct.</p> <p>Responsibilities of Bisan's personnel under the Code of Conduct include protection of Bisan's business, using Bisan's resources in an appropriate manner, protecting confidential information and avoiding conflicts of interest.</p>
Principle 4 – Safeguard integrity in corporate reporting A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-	Complying	<p>The Board has not established a formal audit committee, having regard to the size of the Company. The Board acknowledges that when the size and nature of the Company warrants the necessity of an audit committee, such a committee will operate under an audit committee charter which has been approved by the Board.</p> <p>Presently, the Board, as a whole, serves as an audit committee to the Company and accordingly operates under</p>

ASX Recommendation	Status	Reference / Comment
<p>executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>		<p>the audit committee charter approved by the Board, and will continue to do so until a formal audit committee has been established.</p> <p>The audit-related role of the Board (in performing the function of an audit committee) is to oversee the Company's financial reporting and its internal and external audit functions. This includes confirming the quality and reliability of the financial information prepared by the Company, working with the external auditor and reviewing non-audit services provided by the external auditor, to confirm that they are consistent with maintaining external audit independence.</p>
<p>4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and</p>	<p>Complying</p>	<p>The Directors are committed to the preparation of financial statements that present a balanced and clear assessment of the Group's financial position and prospects.</p> <p>The Board reviews the Group's half yearly and annual financial statements.</p> <p>The Board has a process to receive written assurances from the persons performing the functions of the CEO and the CFO that the Group's financial reports present a true and fair view, in all material respects, of the Group's financial condition and operational results, and are in accordance with relevant accounting standards, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>

ASX Recommendation		Status	Reference / Comment
	performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.		The Board does and will continue to seek these assurances prior to approving the annual financial statements for all half year and full year results.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Complying	<p>Shareholders are encouraged to attend the Company's Annual General Meeting, at which the Company endeavours to ensure the attendance of its auditors.</p> <p>Shareholders are given an opportunity to ask questions of the Company's auditors regarding the conduct of the audit and preparation and content of the auditor's report.</p>
Principle 5 – Make timely and balanced disclosure <i>A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.</i>			
5.1	<p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	Complying	<p>The Company has a documented policy which has established procedures designed to ensure compliance with ASX Listing Rule disclosure requirements. The focus of these procedures is on continuous disclosure of any information concerning the Group that a reasonable person would expect to have a material effect on the price of the Company's securities and improving access to information for all investors. The Board and the Company Secretary are responsibly executing the Group's policy. The purpose of the procedures for identifying information for disclosure is to ensure timely and accurate information is provided equally to all shareholders and market participants.</p> <p>The Company Secretary is responsible for all communications with the ASX. All Company announcements are vetted and authorised by the Board to ensure they are made in a timely manner, are factual, do not omit material information and are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.</p>
Principle 6 – Respect the rights of security holders <i>A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.</i>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Non-Complying	The Company does not currently have a website.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Complying	<p>The Board is committed to facilitating effective two way communication with its shareholders, investors and stakeholders, and has adopted a Communications with Shareholders Policy to define and support this commitment.</p> <p>The Communications with Shareholders Policy sets out the Company's investor relations approach, namely by communicating with its shareholders and investors by posting information on its website, and by encouraging attendance and participation of shareholders at general meetings.</p>

ASX Recommendation		Status	Reference / Comment
			<p>In particular, the Board informs shareholders of all major developments affecting the Company's state of affairs as follows:</p> <ul style="list-style-type: none"> ▪ The annual report is distributed to all shareholders, including relevant information about the operations of the Company during the year and changes in the state of affairs. ▪ The half-yearly and quarterly reports to the ASX contain summarised financial information and a review of the operations of the Company during the period. ▪ All major announcements are lodged with the ASX. ▪ Proposed major changes in Company which may impact on share ownership rights are submitted to a vote of 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. ▪ The Company's auditor attends the Annual General Meeting.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Complying	<p>Shareholders are encouraged to attend the Company's general meetings, and notice of such meetings will be given in accordance with the Company's Constitution, the Corporations Act, and the ASX Listing Rules.</p> <p>The Company's Annual General Meeting in particular is an opportunity for shareholders to receive updates from the Chairman on Group performance, ask questions of the Board and vote on the various resolutions affecting the Company's business. Shareholders are also given an opportunity at Annual General Meetings to ask questions of the Company's auditors regarding the conduct of the audit and preparation and content of the auditor's report. The date, time and location of the Company's general meetings will be provided in the notices of meetings. Whilst shareholders are encouraged to attend meetings in person, in the event that they are unable to do so, they are encouraged to participate in the meeting by appointing a proxy, attorney or representative to vote on their behalf.</p>
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Complying	<p>Investors are able to communicate with the Company electronically by emailing the Company Secretary.</p> <p>Investors are also able to communicate with the Company's registry electronically by emailing the registry or via the registry's website.</p> <p>Bisan encourages its shareholders to receive company information electronically by registering their email addresses online with Bisan's share registry.</p>
<p align="center">Principle 7 – Recognise and manage risk <i>A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.</i></p>			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which:	Complying	<p>The Board has not established a formal risk committee, having regard to the size of the Company. The Board acknowledges that when the size and nature of the Company warrants the necessity of a formal risk committee, such a committee will operate under a risk committee charter which will be approved by the Board.</p>

ASX Recommendation		Status	Reference / Comment
	<p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>		<p>Presently, the Board, as a whole, serves as a risk committee to the Company and will continue to do so until a formal risk committee has been established.</p> <p>The risk-related role of the Board (in performing the function of a risk committee) is to oversee the Company's internal control structure and risk management systems, and to report on the status and management of the risks to the Company. The purpose of the Board's risk management process is to ensure that risks are identified, assessed and appropriately managed.</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	Complying	<p>The Group has established policies and procedures to identify, assess and manage all material business and operational risks. The Board has responsibility for monitoring risk oversight and ensures that persons performing the role of CEO and CFO or equivalent report on the status of business risks through risk management programs aimed at ensuring risks are identified, assessed and appropriately managed. In addition the Board reviews the risk management framework and policies of the Group, and is satisfied that management has developed and implemented a sound system of risk management and internal control.</p> <p>The Board oversees policies on risk assessment and management.</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs</p>	Complying	<p>The Company does not at this time, have an internal audit function. The Board has responsibility to ensure that the Company has appropriate internal audit systems and controls in place, and for overseeing the effectiveness of these internal controls. The Board is also responsible for conducting investigations of breaches or potential breaches of these internal controls.</p> <p>The Company's external auditors also provide recommendations to the Board where internal control weaknesses have been identified.</p> <p>During the year, the Board was responsible for overseeing</p>

ASX Recommendation		Status	Reference / Comment
	for evaluating and continually improving the effectiveness of its risk management and internal control processes.		the implementation of recommendations to improve internal control weaknesses made by the Company's auditors, as well as to generally oversee reviews and improvements to risk management and internal control processes.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Complying	<p>The Group's operations are not subject to any significant environmental regulations under the Commonwealth or State legislation.</p> <p>Whilst the Company has exposure to elements of risks relevant to the industry in which Bisan operates, the Company does not consider, given the nature of its business, that it has any specific extraordinary exposure to economic, environmental and social sustainability risks.</p>
<p align="center">Principle 8 – Remunerate fairly and responsibly</p> <p align="center"><i>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.</i></p>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior</p>	Complying	<p>The Board has not established a formal remuneration committee, having regard to the size of the Company. The Board acknowledges that when the size and nature of the Company warrants the necessity of a formal remuneration committee, such a committee will operate under a remuneration committee charter which has been approved by the Board.</p> <p>The Board, in performing the function of the remuneration committee, reviews remuneration packages and practices applicable to the CEO or equivalent and senior executives and the Directors themselves. This role also includes responsibility for share option schemes, incentive performance packages and retirement and termination entitlements. Remuneration levels are competitively set to attract the most qualified and experienced Directors and senior executives. The Board may obtain independent advice on the appropriateness of remuneration packages.</p>

ASX Recommendation		Status	Reference / Comment
	executives and ensuring that such remuneration is appropriate and not excessive.		
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Complying	Details of the Directors' remuneration are set out in the Remuneration Report section of the Company's 2015 Annual Report.
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Complying	The details of the Company's Performance Rights Plan are available in the Notice of Meeting for Bisan's 2014 Annual General Meeting.

Directors' Declaration

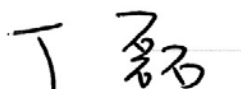
In accordance with a resolution of the Directors of Bisan Limited I state that:

1. In the opinion of the Directors:

- (a) the financial statements and notes of Bisan Limited and its controlled entities for the financial year ended 30 June 2016 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001;
- (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1(a); and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the Directors by the Chief Executive Officer and Chief Financial Officer (or equivalents) in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2016.

On behalf of the Board



Lei Ding
Chairman

Dated 31 August 2016.

Financial Results

Bisan Limited & Controlled Entities Statement of Financial Position As at 30 June 2016

	NOTE	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents	17(a)	309,316	50,465
Receivables	4	14,784	19,497
Other financial assets	5	-	315,000
TOTAL CURRENT ASSETS		324,100	384,962
NON CURRENT ASSETS			
Other financial assets	5	834,984	563,755
Property, plant and equipment	6	-	2,529
TOTAL NON CURRENT ASSETS		834,984	566,284
TOTAL ASSETS		1,159,084	951,246
CURRENT LIABILITIES			
Trade and other payables	7	785,586	262,661
TOTAL CURRENT LIABILITIES		785,586	262,661
TOTAL LIABILITIES		785,586	262,661
NET ASSETS		373,498	688,585
EQUITY			
Contributed equity	8	14,411,377	14,202,412
Option reserve		1,456,351	1,456,351
		15,867,728	15,658,763
Accumulated losses		(15,494,230)	(14,970,178)
TOTAL EQUITY		373,498	688,585

The accompanying notes form part of these financial statements.

Bisan Limited & Controlled Entities
Statement of Profit or Loss and Other Comprehensive Income
For the Year ended 30 June 2016

	NOTE	2016 \$	2015 \$
		-	
Revenue from continuing operations	2	19,582	4,860
Administration expenses		(30,807)	(49,251)
Auditors remuneration	10	(40,700)	(13,795)
Employee benefits expense		(16,160)	-
Interest expense		-	(2,000)
Occupancy expense		(10,146)	(13,643)
Share registry and listing fees expense		(28,662)	(30,447)
Impairment of other financial assets	2	(43,771)	(28,957)
Legal fees expense		(53,188)	(1,353)
Consulting Fees		(46,845)	-
Directors fee expense	11	(235,636)	(162,000)
Investment and consulting expense		-	(197,326)
Travel expense		(3,739)	(2,407)
Company secretary fee expense		(18,890)	(11,000)
Due-diligence costs – Pencil Hill		-	(220,032)
Realised losses on held-for-trading investments		-	(8,439)
Other		(15,000)	(31,585)
Loss before income tax		(524,052)	(767,375)
Income tax expense (benefit)	3	-	-
Loss after income tax from continuing operations		(524,052)	(767,375)
Loss after income tax from discontinued operations	18	-	(389,387)
Loss for the year		(524,052)	(1,156,762)
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		(524,052)	(1,156,762)
Earnings (loss) per share	15	Cents	Cents
<i>Basic earnings (loss) per share</i>			
Loss from continuing operations		(0.12)	(0.33)
Loss from discontinued operations		-	(0.17)
Total		(0.12)	(0.50)
<i>Diluted earnings (loss) per share</i>			
Loss from continuing operations		(0.12)	(0.33)
Loss from discontinued operations		-	(0.17)
Total		(0.12)	(0.50)

The accompanying notes form part of these financial statements.

Bisan Limited & Controlled Entities
Statements of Changes in Equity
For the Year ended 30 June 2016

Consolidated Entity

	Contributed Equity \$	Available for sale investments revaluation reserve \$	Option Reserve \$	Accumulated Losses \$	Total Equity \$
At 1 July 2015	14,202,412	-	1,456,351	(14,970,178)	685,585
Loss for the period	-	-	-	(524,052)	(524,052)
Total comprehensive income/(loss) for the period	-	-	-	(524,052)	(524,052)
Transactions with equity holders in their capacity as equity holders					
Issue of new shares	229,626	-	-	-	229,626
Share issue costs	(20,661)	-	-	-	(20,661)
At 30 June 2016	14,411,377	-	1,456,351	(15,494,230)	373,498
At 1 July 2014	12,638,759	-	1,456,351	(13,813,416)	281,694
Loss for the period	-	-	-	(1,156,762)	(1,156,762)
Total comprehensive income/(loss) for the period	-	-	-	(1,156,762)	(1,156,762)
Transactions with equity holders in their capacity as equity holders					
Issue of new shares	1,675,028	-	-	-	1,675,028
Share issue costs	(111,375)	-	-	-	(111,375)
At 30 June 2015	14,202,412	-	1,456,351	(14,970,178)	685,585

The accompanying notes form part of these financial statements.

Bisan Limited & Controlled Entities
Consolidated Statement of Cash Flows
For the Year ended 30 June 2016

	NOTE	2016 \$	2015 \$
Cash flows from operating activities:			
Payments to suppliers and employees		(368,131)	(714,038)
Interest received		16,080	-
Other Income		3,502	-
Refunds Received		30,241	-
Net cash used in continuing operations		(318,318)	(714,038)
Net cash used in discontinued operations	18	-	(389,387)
Net cash outflows from operating activities	17(b)	(318,318)	(1,103,425)
Cash flows from investing activities:			
Proceeds from sale of investments		-	41,529
Purchase of investments		-	(180,000)
Loans to other entities		-	(315,000)
Interest received		-	4,860
Net cash outflow from investing activities		-	(448,611)
Cash flows from financing activities:			
Proceeds from issue of shares		229,626	1,652,528
Share issue costs		(17,645)	(102,418)
Proceeds from borrowings		426,817	120,000
Interest paid		-	(2,000)
Repayment of borrowings		(61,629)	(123,500)
Net cash inflows from financing activities		577,169	1,544,610
Net Increase/(decrease) in cash held		258,851	(7,426)
Cash and cash equivalents at beginning of the financial year		50,465	57,891
Cash and cash equivalents at end of the financial year	17(a)	309,316	50,465

The accompanying notes form part of these financial statements.

Bisan Limited & Controlled Entities

Notes to the Financial Statements as at 30 June 2016

1. Summary of Significant Accounting Policies

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

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

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

a) Statement of Compliance

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

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

b) Principles of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2016. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

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

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

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

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

c) Income tax

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

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

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

Bisan Limited & Controlled Entities

Notes to the Financial Statements as at 30 June 2016 (continued)

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

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

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

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

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

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

d) Investments

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

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

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

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

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

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

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

Bisan Limited & Controlled Entities

Notes to the Financial Statements as at 30 June 2016 (continued)

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

Joint Ventures

Interests in joint ventures are accounted for in the consolidated financial statements using the equity method. Under the equity method of accounting, the group's share of post-acquisition profits or losses of joint ventures are recognised in consolidated profit or loss and the group's share of the movements in reserves of joint ventures are recognised in consolidated other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Details of joint ventures are set out in Note 5.

e) Employee benefits

Wages & Salaries, Annual Leave & Sick Leave

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

Long Service Leave

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

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

f) Joint Ventures

Investments in joint ventures are measured at cost less any impairment losses in the parent entity financial information in Note 21.

g) Earnings/(loss) per share

Basic earnings/(loss) per share

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

Diluted earnings/(loss) per share

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

h) Going concern

Notwithstanding the fact that for the year ended 30 June 2016, the consolidated Group generated a loss and deficiency in working capital, the financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. As at 30 June 2016, the Group generated a loss after tax of \$524,052 (2015: loss of \$1,156,762) and a net working capital deficiency of \$461,486 (2015: surplus of \$122,301).

Bisan Limited & Controlled Entities

Notes to the Financial Statements as at 30 June 2016 (continued)

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

- Cash flow required to fund mandatory expenditure is sufficient in order for the Company to meet its obligations as and when they fall due;
- Further capital raising activities will be required, the Board has a track record of raising capital and has assisted the Company in raising in excess of \$1.6M in the year to 30 June 2015;
- On 14 July 2016, Bisan announced that it planned to undertake a fully underwritten pro rata rights issue to raise approximately \$1.8 million (before costs). It is expected that the raising will be completed by mid-September 2016
- On the 15 August the Prospectus was issued which advised that 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.
- The ability of the Company to sell its listed shares in Abilene Oil and Gas Limited or the unlisted investment in P-Fuel 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 going concern basis in the preparation of this financial report is appropriate. The financial report does not include any adjustments in relation to the recoverability or classification of recorded assets, or the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

i) Revenue

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

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

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

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

All revenue is stated net of the amount of goods and services tax (GST).

j) Trade and other payables

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

k) Trade and other receivables

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

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

Bisan Limited & Controlled Entities
Notes to the Financial Statements as at 30 June 2016 (continued)

l) Leases

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

m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

n) Impairment of Assets

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

o) Cash and Cash Equivalents

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

p) Contributed Equity

Ordinary shares are classified as equity.

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

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

q) Share-based Payments

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

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

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

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

Bisan Limited & Controlled Entities

Notes to the Financial Statements as at 30 June 2016 (continued)

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

r) Significant and Critical Judgements and Estimates

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

i. Going Concern

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

ii. Investments in unlisted shares

The Group holds investments in unquoted shares and accounts for these investments as available-for-sale investments. For the investment in JCL, the Directors were not able to obtain the necessary financial information to determine the fair value of the investment. Accordingly, this investment is carried at cost less impairment. In assessing for impairment, the Directors use the best information available to assess the appropriate carrying values for the investments and amount of impairment (if any). For the investment in P-Fuel acquired during the year, the Directors consider the acquisition cost is a reasonable estimation of the fair value of the investment at year end.

The directors believe that Bisan does not have significant influence over P-Fuel as:

- Bisan owns less than 20% of P-fuel.
- Pat Volpe directorship and ownership in P-Fuel stemmed from prior to his involvement with Bisan.
- Bisan does not currently have any representation on the board of P-Fuel
- Pat Volpe abstained from circular resolutions in relation to P-Fuel.
- The Loan agreement between P-Fuel and Bisan was made on commercial terms

s) Standards and Interpretations in issue not yet adopted

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

AASB 9: Financial instruments – addresses the classification, measurement and de-recognition of financial instruments. The standard only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. The standard is applicable for annual reporting period commencing 1 January 2018.

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

AASB 15: replaces AASB 118 Revenue, AASB 111 Construction

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

- changes the basis for deciding whether revenue is to be recognised over time or at a point in time

- provides new and more detailed guidance on specific topics (e.g., multiple element arrangements, variable pricing, rights of return, warranties and licensing)

- expands and improves disclosures about revenue on May 2015, the AASB issued ED 260 Income of Not-for-Profit

Entities, proposing to replace the income recognition requirements of AASB 1004 Contributions and provide guidance to, assist not-for-profit entities to apply the principles of AASB 15.

Bisan Limited & Controlled Entities
Notes to the Financial Statements as at 30 June 2016 (continued)

The ED is open for comment until 14 August 2015. The entity is yet to undertake a detailed assessment of the impact of AASB 15.

However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2018.

t) Segment Information

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

	NOTE	2016 \$	2015 \$
2. Revenue and Expenses			
Loss before income tax includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the entity:			
(a) Expenses			
Impairment of other financial assets:			
- shares in listed bodies corporate		43,771	28,957
- shares in unlisted bodies corporate			-
		<u>43,771</u>	<u>28,957</u>
(b) Revenue			
Interest received from other persons and / or bodies corporate		16,079	4,860
Realised gains on held-for-trading investments			-
Others		3,502	-
		<u>19,581</u>	<u>4,860</u>
3. Income Tax			
(a) The components of tax benefit comprise:			
Current Tax		-	-
Deferred Tax		-	-
Total		<u>-</u>	<u>-</u>
(b) The prima facie tax payable (benefit) on the loss before income tax is reconciled to the income tax expense (benefit) as follows:			
Loss before income tax		(524,052)	(1,156,762)
Prima facie tax payable (benefit) at 30% (2015: 30%)		(157,216)	(347,029)
Temporary differences not brought to account		13,131	84,067
Permanent difference not brought to account		24	457
Income tax losses not brought to account		<u>(144,061)</u>	<u>(262,505)</u>

Bisan Limited & Controlled Entities
Notes to the Financial Statements as at 30 June 2016 (continued)

(c) Unrecognised deferred tax assets:

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

- Unused tax losses	4,463,404	3,984,604
- Deductible temporary differences	403,013	357,840

	<u>4,866,417</u>	<u>4,342,444</u>
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Potential deferred tax asset not brought to account at 30 June 2016 calculated at the corporate tax rate of 30% (2015: 30%)

	<u>1,459,925</u>	<u>1,302,733</u>
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3. Income Tax (continued)

These benefits will only be obtained if:

- (i) The consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised.
- (ii) The consolidated entity continues to comply with the conditions for deductibility imposed by the law; and
- (iii) No changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deduction for the loss.
- (iv) Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking dividends and franking credits that may be prevented from distribution in subsequent financial years.

	<u>321,009</u>	<u>321,009</u>
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- (d) No decisions has yet been made in relation to the Consolidations Tax Regime and its applicability to the consolidated entity. As there are no deferred tax balances brought to account in the financial statements it is unlikely this regime will have a material impact on the consolidated entity.

1. Trade and other receivables

Current

Other receivables	<u>14,784</u>	<u>19,497</u>
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5. Other Financial Assets

Current

Unsecured loan to P-Fuel Limited	<u>--</u>	<u>315,000</u>
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On 30 April 2015 Bisan Limited entered into a Loan Agreement with P-Fuel Limited ("P-Fuel") to provide an advance of funds ahead of a proposed entitlements offer by P-Fuel to all its shareholders. The loan is on normal terms and conditions and interest is payable by P-Fuel monthly in arrears at the same rate as is charged by the Bank of Melbourne on commercial overdrafts. The rate of interest charged during the year was 8.80% per annum.

Bisan received interest of \$16,080 from P-Fuel during the year. At the repayable due date being the 31st October 2015 a dispute arised between the existing Bisan directors and Mr Patrick Volpe as to the exact terms and conditions when and how the loan is to be repaid or converted into equity. P-fuel and Mr Patrick Volpe have since sent formal notice to Bisan advising it, that they have converted the loan owed to Bisan into equity under a rights issue Pfuel undertook. The non-associated directors don't agree to this, and the matter together with Mr Patrick Volpe's outstanding fees is in the midst of being discussed.

Subsequent to this based on legal advice Bisan converted the \$315,000 loan to P-Fuel into equity under a rights issue which P-fuel undertook.

Bisan Limited & Controlled Entities
Notes to the Financial Statements as at 30 June 2016 (continued)

	NOTE	2016 \$	2015 \$
5. Other Financial Assets (continued)			
Non-current			
Other Financial Assets:			
<i>Held for trading investments – at fair value</i>			
(a) Investments quoted on a prescribed stock exchange:			
Shares in other bodies corporate		12,334	56,105
(b) Units in unit trusts		150	150
		12,484	56,255
<i>Available for sale investments – at fair value</i>			
(a) Unquoted shares (i)		822,500	507,500
<i>Available for sale investments – at cost</i>			
(a) Unquoted shares – cost (ii)		235,000	235,000
Less: impairment		(235,00)	(235,000)
Unquoted shares – carrying amount		-	-
Total non-current other financial assets		834,984	563,755
(i) This investment is in P-Fuel Limited (“P-Fuel”):			
The Directors have considered the financial position of P-Fuel and have noted that the Company is still in the process of restarting its operations. The Directors consider the net tangible assets as a reasonable estimation of the fair value of the investment at year-end.			
(ii) This investment is in Jernigan Commodities Pty Ltd (“JCL”):			
Fair value information has not been disclosed for the investment in JCL because its fair value cannot be measured reliably as Bisan is not able to obtain updated financial information for JCL. This investment is an unlisted equity investment in an Australian company, and therefore, has no active market. The investment has been stated at cost less impairment charges. In 2014, an impairment charge of \$235,000 was recognised in the Statement of Profit and Loss. Bisan has no plan to dispose of this investment. The loss on de-recognition of this investment will be the amount of cost of acquisition of this investment less impairment loss made.			
(d) Aggregate quoted market value of investments listed on a prescribed stock exchange at reporting date amount to:		12,334	56,105

Bisan Limited & Controlled Entities
Notes to the Financial Statements as at 30 June 2016 (continued)

NOTE	2016 \$	2015 \$
6. Property, plant and equipment		
Balance at 1 July	2,529	-
Impairment	(2,529)	-
Additions	-	2,529
Balance at 30 June	-	2,529

7. Trade and Other Payables

Trade and other payables	345,399	187,661
Other creditors and accruals	75,000	75,000
Borrowings	365,187	-
	785,586	262,661

Trade and other payables includes \$81,700 fees due to directors as at 30 June 2016, Other creditors and accruals includes \$75,000 of fees due to directors as at 30 June 2016.

8. Contributed Equity

451,674,911 Fully Paid Ordinary Shares* (2015 – 394,260,792)	14,411,377	14,202,412
	14,411,377	14,202,412

Movements in ordinary share capital:

	2016		2015	
	No.	\$	No.	\$
Fully paid ordinary shares				
At the beginning of the reporting period	394,260,793	14,202,412	148,523,581	12,638,759
Shares issued during the year	57,414,118	229,626	245,737,212	1,675,028
Share issue costs		(20,661)	-	(111,375)
At the end of the reporting period	451,674,911	14,411,377	394,260,793	14,202,412

*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.

9. Unsecured loans to controlled entities

The directors of the parent entity (Bisan Limited) have issued assurances to Bisan International Limited, Bisan International Pty Ltd, Bisan Investment Corporation Pty Ltd, Australian Commercial Mortgages Pty Ltd, Elken Tower Pty Ltd, Toplite Connection Pty Ltd and My Generation Smartphones (HK) Limited, that Bisan Limited will continue to provide financial support to these bodies corporate and consequently will not call up the debt owing to the parent entity during the next financial year. The parent entity is owed \$6,528,903 (2015: \$6,528,903) by wholly owned subsidiaries against which a provision for non-collectability of \$6,449,606 (2014: \$6,449,606) has been raised.

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

Bisan Limited & Controlled Entities
Notes to the Financial Statements as at 30 June 2016 (continued)

10. Auditor's remuneration

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

Auditing or reviewing the financial statements	40,700	13,795
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11. Remuneration of directors and key management personnel

The Directors of Bisan Limited during the financial year were Mr D Herszberg, Mr A Kimelman, Mr P Chai, Mr L Ding. Details of remuneration of key management personnel of the Company during the financial year are represented in the Directors Report. Other transactions with directors and key management personnel are detailed in Note 13.

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

Short-term Employee Benefits		
- Cash Salary & Fees	173,800	87,000
- Payables	81,700	75,000
Non-monetary Benefits	-	-
Post-employment Benefits		
- Superannuation	-	-
Share Based Payment	-	-
	255,500	162,000

Directors fees were accrued and unpaid as at 30 June 2016 for the following directors: Mr L Ding (\$40,000), Mr A Kimelman (\$7,700) and Mr D Herszberg (\$34,000).

During the year the company paid current directors remuneration of \$173,800

Other amounts were paid to entities associated with directors as set out in Note 13 Related Party Transactions.

12. Contingent liabilities and commitments

Mr Pat Volpe is in dispute with Bisan approximately \$160,575 which Mr Volpe and his companies claim became payable during and since Mr Volpe's tenure as a Director of the company. Bisan is in the process of defending any proceedings brought by Mr Volpe or his related companies in relation to these amounts.

13. Related party transactions

- (a) The directors of the parent entity who held office during the year are referred to in Note 11. Remuneration of directors is disclosed in Note 11.
- (b) Directors' relevant interests in shares and other securities of Bisan Limited at the beginning and at the end of the financial year are shown in the table below.
- (c) Aggregate amounts receivable from wholly owned and controlled entities and the provision for non-collectability on these loans are disclosed at Note 9. These unsecured loans are interest free.
- (d) During the 1997 year, the consolidated entity acquired 50 per cent of the issued units of Dynamic Earth Unit Trust at a cost of \$150. No distribution of income was received during the current financial year (2014: \$Nil) and as at 30 June 2016 the Trust owed Bisan Limited \$90,029 (2015: \$90,029). A provision for non-collectability of \$90,029 (2015: \$90,029) has been raised against this amount

Bisan Limited & Controlled Entities
Notes to the Financial Statements as at 30 June 2016 (continued)

13. Related party transactions (continued)

- (e) The following transactions occurred between the Company and Botswana Metals Limited ("BML") (a company of which Patrick J Volpe was a Director during the period):
- BML invoiced the Company \$383 for the costs of repair and service for MYOB – the invoice was paid.
 - BML invoiced the Company \$1,835.05 for the reimbursement of call charges regarding My Generation Smartphones – the invoice was paid.
- (f) The following transactions occurred between the Company and Cohiba Minerals Limited ("Cohiba") (a company of which Patrick J Volpe and David Herszberg were directors during the period):
- the Company paid Cohiba \$870.83 for the provision of office space during the period the - invoice was paid.
 - The Company paid Cohiba \$2,719 for the laptop that was supplied by Cohiba on 30 June 2015
- (g) The following transactions occurred between the Company and P-Fuel Limited ("P-Fuel") (a company of which Patrick J Volpe and Avi Kimelman were directors during the period):
- the Company received interest of \$16,080 from P-Fuel.
 - The Company converted the \$315,000 loan into equity

In view of his significant interest in P-Fuel, Mr Volpe did not participate in any of the decisions by the Directors regarding transactions between the Company and P-Fuel.

Mr Volpe is a Director of P-Fuel and directly owns 2.87% of P-Fuel and is a Director and Shareholder of the following companies that own shares in P-Fuel:

- Bisan Limited (in which Mr Volpe's interest is 6.34%) holds 16.39% of P-Fuel.
 - Growthtech International Pty Ltd (in which Mr Volpe's interest is 23%) holds 9.09% of P-Fuel.
 - Teltec Capital Pty Ltd (in which Mr Volpe's interest is 29%) holds 3.30% of P-Fuel.
 - Nova Vita Pty Ltd (in which Mr Volpe's interest is 47%) holds 2.64% of P-Fuel.
- (h) The following transactions occurred between the Company and RICT Pty Ltd (a company of which is owned by a close family member of Lei Ding, and which Lei Ding became a Shareholder and Director subsequent to year end):
- The Company received a loan of \$185,483.41 from RICT Pty Ltd
- (i) The following transactions occurred between the Company and Carraway Pty Ltd (a company of which Avi Kimelman was a director during the period):
- The Company reimbursed Carraway Pty Ltd \$10,290 for the provision of office space leased during the period. The office space was leased by Carraway Pty Ltd.
- (j) Directors and their related entities are reimbursed for out-of-pocket expenses incurred in the performance of their duties.
- (k) Mr Pat Volpe is a Director and substantial shareholder of Cohiba, a consultant to, and a shareholder of, Foxfire and a substantial Shareholder in P-Fuel. Close family members of Mr Pat Volpe are Directors and shareholders of CAP. Mr David Herszberg is a Director of Cohiba. Mr Avi Kimelman is a Director and substantial shareholder of Kushkush Pty Ltd and Carraway Pty Ltd. RICT Pty Ltd is a company of which is owned by a close family member of Lei Ding.

Bisan Limited & Controlled Entities
Notes to the Financial Statements as at 30 June 2016 (continued)

13. Related party transactions (continued)

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

Number of Options Held by Key Management Personnel at 30 June 2015 and 30 June 2016:

KMP	Balance 01/07/2014	Other	Options Balance 30/06/2015	Total Un- Exercisable	Balance 01/07/2015	Other	Options Balance 30/06/2016	Total Un- Exercisable
P Chai	-	-	-	-	-	-	-	-
D Herszberg	1,000,000	3,866,666	4,866,666	-	4,866,666	-	4,866,666	-
A Kimelman	2,000,000	8,793,333	10,793,333	-	10,793,333	-	10,793,333	-
L Ding	-	-	-	-	-	-	-	-
Total	3,000,000	12,659,999	15,659,999	-	15,659,999	-	15,659,999	-

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

No options were granted as compensation during the year (2014: Nil).

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

Number of Shares Held by Key Management Personnel at 30 June 2015 and 30 June 2016:

KMP	Balance 01/07/2014	Change	Balance 30/06/2015	Balance 01/07/2015	Change	Balance 30/06/2016
P Chai	-	-	-	-	-	-
D Herszberg	5,800,000	3,866,666	9,666,666	9,666,666	-	9,666,666
A Kimelman	13,945,589	8,793,333	22,738,922	22,738,922	-	22,738,922
L Ding	-	-	-	-	-	-
Total	19,745,589	12,659,999	32,405,588	32,405,588	-	32,405,588

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

No shares were granted as compensation during the year (2014: Nil).

Number of performance rights Held by Key Management Personnel

There were no performance rights on issue as at 30 June 2016 (2015: Nil).

14. Segmental information

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

Bisan Limited & Controlled Entities
Notes to the Financial Statements as at 30 June 2016 (continued)

15. Loss per share

	NOTE	2016 \$	2015 \$
		(cents)	(cents)
<i>Basic earnings/(loss) per share</i>			
Loss from continuing operations		(0.12)	(0.33)
Loss from discontinued operations		-	(0.17)
		<u>(0.12)</u>	<u>(0.50)</u>
<i>Diluted earnings/(loss) per share</i>			
Loss from continuing operations		(0.12)	(0.33)
Loss from discontinued operations		-	(0.17)
		<u>(0.12)</u>	<u>(0.50)</u>
		No.	No.
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share & diluted earnings per share		<u>424,934,089</u>	<u>233,298,065</u>

The 244,230, 546 options on issue during the year (2015: 269,753,836) were not included in the diluted loss per share calculation as the securities are non-dilutive.

16. Leasing Commitments

There were no leasing commitments at year end.

17. Notes to Statement of Cash Flows

(a) Reconciliation of cash and cash equivalents

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

Cash and cash equivalents	<u>309,316</u>	<u>50,465</u>
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(b) Reconciliation of net cash outflows from operating activities to loss after income tax:

Loss after income tax	(524,052)	(1,156,762)
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Adjustments

Realised losses/(gains) on other financial assets	-	8,439
Impairment of other financial assets	43,771	28,957
Interest revenue included in investing cash flows	-	(4,860)
Interest expense included in financing cash flows	-	2,000

Changes in assets and liabilities

Decrease/(increase) in receivables	4,713	(13,411)
Increase/(decrease) in trade and other payables	157,250	32,212

Net cash outflows from operating activities	<u>(318,318)</u>	<u>(1,103,425)</u>
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Bisan Limited & Controlled Entities
Notes to the Financial Statements as at 30 June 2016 (continued)

(c) Financing arrangements:

There are no bank overdraft or loan facilities at reporting date.

18. Discontinued Operations

During the 2015 year the Company established a business for the trading of smartphones. The Company entered into a Services Agreement with Mr Yehuda Shmaya Szender for the conduct of the business. The first batch of smart phones was purchased and then, in breach of the Services Agreement, Szender refused to sell or hand over the phones. The Company subsequently discontinued the business. Expenses relating to the My Generation business have been eliminated from profit or loss from the Group's continuing operations and are shown as a single line item on the face of the Statement of Profit or Loss and Other Comprehensive Income (see loss for the year from discontinued operations):

Operating loss for the My Generation business is as follows:

Revenue	-	-
Cost of smart phones	-	(320,939)
Other expenses	-	(68,448)
Loss for the year from discontinued operations	-	(389,387)

There are no assets or liabilities within the Group relating to the discontinued business.

Cash flows generated by the discontinued business are as follows:

Operating activities	-	(389,387)
Cash flows from discontinued operations	-	(389,387)

19. Financial Instruments

(a) Significant Accounting Policies

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

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

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

Bisan Limited & Controlled Entities
Notes to the Financial Statements as at 30 June 2016 (continued)

(b) Interest Rate Risk Exposure

The consolidated entity is exposed to interest rate risk primarily through cash. The following table summarises the interest rate risk for the consolidated entity, together with the effective weighted average interest rate for each class of financial assets and liabilities.

	Average Interest Rate %	Variable Interest Rate \$	Fixed Interest Maturing in		Non- Interest Bearing \$	Total \$
			1 year or Less \$	Over 1 to 5 years \$		
Financial Assets						
Cash	--	--	--	--	309,316	309,316
Receivables	--	--	--	--	14,784	14,784
Other Financial Assets						
Listed securities	--	--	--	--	--	12,334
Unlisted securities	--	--	--	--	822,650	822,650
Unsecured loan	--	--	--	--	--	--
Total Financial Assets		--	--	--		1,159,084
Financial Liabilities						
Trade and other payables	--				420,399	420,399
Unsecured Loan	12%	--	185,483			185,483
Secured Loan	10%	--	179,704		--	179,704
Total Financial Liabilities		--	365,187		420,399	785,586
2015						
Financial Assets		315,000	--	--	633,717	948,717
Financial Liabilities		--	--	--	262,661	262,661

Interest Rate Sensitivity Analysis

At 30 June 2016, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2016 \$	2015 \$
Change in Profit		
• Increase in interest rate by 2%	322	97
• Decrease in interest rate by 2%	(322)	(97)
Change in Equity		
• Increase in interest rate by 2%	322	97
• Decrease in interest rate by 2%	322	(97)

19. Financial Instruments (continued)

(c) Net fair values of financial assets and liabilities

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

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 2014 and 30 June 2015 on a recurring basis:

Bisan Limited & Controlled Entities
Notes to the Financial Statements as at 30 June 2016 (continued)

At 30 June 2016	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Assets				
Held for trading investments	12,334		150	12,484
Available for sale investment			822,650	822,650
At 30 June 2015	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Assets				
Held for trading investments	56,105	-	150	56,255
Available for sale investment	-	-	507,500	507,500

Valuation techniques used to determine fair values

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

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

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

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

Valuation processes and fair values of other financial instruments

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

	NOTE	2016 \$	2015 \$
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19. Financial Instruments (continued)

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.

(d) Credit Risk exposure

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

(e) Liquidity Risk

The Directors monitor the funding requirements of the Group, but the liquidity risk management is only carried out when the Group requires funds. At present, funds are raised primarily through share issue and the Group does not have any credit facilities as disclosed in Note 17(c).

(f) Market Risk

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

Market Risk Sensitivity Analysis

At 30 June 2016, the effect on equity as a result of changes in the market value of listed investments, with all other variables remaining constant would be as follows:

Change in profit	
-Increase in market value by 10%	1,218
-Decrease in market value by 10%	(1,218)

20. Share based payments

Performance Rights, Shares and Options

There were no performance shares or options issued during the year ended 30 June 2016.

Expenses arising from share - based payment transactions

There were no share-based payment transactions recognised during the year ended 30 June 2016.

Assets acquired from share – based payment transactions

There were no assets acquired from share based payments during the year ended 30 June 2016,

Bisan Limited & Controlled Entities
Notes to the Financial Statements as at 30 June 2016 (continued)

	2016 \$	2015 \$
21. Parent Entity Information		
The following details information related to the parent entity, Bisan Limited, at 30 June 2016. The information presented here has been prepared using the consistent accounting policies as set out in Note 1.		
CURRENT ASSETS	310,152	384,948
NON CURRENT ASSETS	903,062	614,362
TOTAL ASSETS	1,213,214	999,310
CURRENT LIABILITIES	771,651	262,661
NON- CURRENT LIABILITIES	-	-
TOTAL LIABILITIES	785,585	262,661
NET ASSETS	441,563	736,649
Issued Capital	14,411,378	14,202,412
Reserves	1,445,646	1,445,646
Accumulated losses	(15,415,461)	(14,911,409)
TOTAL EQUITY	441,563	736,649
Loss for the year	(504,052)	(1,113,013)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	(504,052)	(1,113,013)

22. Events after the Reporting Date

- On the 6 July 2016, Bisan announced that the share capital will be consolidated on a proposed 10:1 basis
- On the 14 July 2016, Bisan announced that AGM has been rescheduled to 18 August 2016.
- On 14 July 2016, Bisan announced that it planned to undertake a fully underwritten pro rata rights issue to raise approximately \$1.8 million (before costs). It is expected that the raising will be completed by mid-September 2016. 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.
- On 27 July Mr Lei Ding became a Shareholder and Director of Rict Pty Ltd through which he holds 22,914,118 shares in Bisan,
- On the 15 August the Prospectus was issued which advised that 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.
- On 18 August 2016, the following changes were made to the Company's management team:
 - Appointment of Mr Lei Ding as Chairman
 - Re Appointment of Messer's Avi Kimelman, Peter Chai and David Herszberg as Directors

ADDITIONAL SECURITIES EXCHANGE INFORMATION

as at 30 June 2016 (Reporting Date)

Number of Holders of Ordinary Shares

As at the Reporting Date, the issued capital of the Company consisted of 451,674,911 ordinary fully paid shares held by 546 shareholders. Each share entitles the holder to one vote

The Company has 244,230,546 options on issue. Further details regarding the options are provided below on the following page.

There are no restricted securities on issue.

Twenty Largest Holders of Quoted Shares

Rank	Name	Units at 30 Jun 2016	% of Units
1.	POLARITY B PTY LTD	46,435,988	10.28
2.	VERMAR PTY LTD <CAP A/C>	25,000,000	5.53
3.	RICT PTY LTD	22,914,118	5.07
4.	KUSHKUSH INVESTMENTS PTY LTD <ALEXANDRA DISCRETIONARY A/C>	22,738,921	5.03
5.	DIMENSION INVESTMENTS PTY LTD	22,000,000	4.87
6.	MR NACHUM LABKOWSKI	16,500,000	3.65
7.	FIRST INVESTMENT PARTNERS PTY LTD	14,047,576	3.11
8.	MR ITZCHAK BENEDIKT + MRS ROZETTE BENEDIKT <SNIDER CARMEL P/L S/F A/C>	12,284,376	2.72
9.	JASCOT RISE PTY LTD	11,446,000	2.53
10.	MR EMANUEL MAX GREEN + MRS SHARON GREEN <THE GREEN SUPER FUND A/C>	10,752,686	2.38
11.	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	10,020,237	2.22
12.	DENMAN AUDIO PTY LTD	9,666,666	2.14
13.	HARAPID PTY LTD	8,451,613	1.87
14.	JOMOT PTY LTD	7,789,999	1.72
15.	MR ANTHONY VIOLI	7,649,600	1.69
16.	FIRESTONE CAPITAL PARTNERS PTY LTD	7,110,393	1.57
17.	MR FRANK VIOLI	7,070,332	1.57
18.	CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C>	6,369,885	1.41
19.	COMP-WORLD LIMITED	5,821,189	1.29
20.	SALE SALE AUSTRALIA PTY LTD	5,118,158	1.13
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)		279,187,737	61.81
Total Remaining Holders Balance		172,487,174	38.19

Distribution of Holders of Quoted Shares

Range	Total Holders	Units	%
1 - 1,000	55	47,780	0.01
1,001 - 5,000	151	473015	0.1
5,001 - 10,000	61	517,914	0.11
10,001 - 50,000	84	2258957	0.5
50,001 - 100,000	35	2,914,531	0.65
100,001 - 500,000	57	16584028	3.67
500,001 - 1,000,000	31	25,765,325	5.70
1,000,001 - 9,999,999,999	72	403,113,361	89.3
Total	546	451,674,911	100

Unmarketable Parcels

Unmarketable Parcels	Minimum parcel size	Holders	Units
Minimum \$500.00 parcel at \$0.003 per unit	166,667	402	8327147

Substantial Shareholders

Substantial Shareholder	Units	%
Polarity B Pty Ltd	46,435,988	10.28
Vermar Pty Ltd <CAP A/C>	25,000,000	5.53
RICT PTY LTD	22,914,118	5.07
Kushkush Investments Pty Ltd <Alexandra Discretionary A/C>	22,738,921	5.03

Other Information

The name of the Company Secretary is Mr Brett Crowley Alyn. The registered office of Bisan Limited is Suite 904, 37 Bligh street Sydney NSW 2000 and the telephone number is (02) 923 3308

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

There is current no on-market buy-back.

ADDITIONAL SECURITIES EXCHANGE INFORMATION as at 30 June 2016 Reporting Date) (continued)

Number of Holders of Options

The Company has the following options on issue:

- 207,099,651 quoted options exercisable at 1.5 cents per option expiring 30/06/2018 held by 112 holders.
- 37,130,895 unquoted options exercisable at 5 cents per option expiring 31/12/2018 held by 22 holders.

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

Distribution of Holders of Quoted Options

Range	Total holders	Units	% of Issued Capital
1 - 1,000	3	1,029	0.00
1,001 - 5,000	8	15998	0.01
5,001 - 10,000	3	19,999	0.01
10,001 - 100,000	17	741717	0.36
100,001 - 999,999,999	81	206,320,908	99.62
1,000,000,000 - 9,999,999,999	0	0	0

Twenty Largest Holders of Quoted Options

Rank	Name	Units	% of Units
1.	POLARITY B PTY LTD	36,435,988	17.59
2.	MR EMANUEL MAX GREEN + MRS SHARON GREEN <THE GREEN SUPER FUND A/C>	10,752,686	5.19
3.	TANGIER HOLDINGS LIMITED	10,000,000	4.83
4.	VERMAR PTY LTD <CAP A/C>	10,000,000	4.83
5.	MR NACHUM LABKOWSKI	9,000,000	4.35
6.	KUSHKUSH INVESTMENTS PTY LTD <ALEXANDRA DISCRETIONARY A/C>	8,793,333	4.25
7.	HARAPID PTY LTD	8,451,613	4.08
8.	MR ANTHONY VIOLI	7,049,600	3.4
9.	MR ITZCHAK BENEDIKT + MRS ROZETTE BENEDIKT <SNIDER CARMEL P/L S/F A/C>	6,673,750	3.22
10.	FIRESTONE CAPITAL PARTNERS PTY LTD	5,777,060	2.79
11.	NACHUM LABKOWSKI	5,500,000	2.66
12.	MR PAUL GABRIEL SHARBANEE <THE SCORPION FUND A/C>	4,999,999	2.41
13.	MR FRANK VIOLI	4,133,332	2.00
14.	MR ARI KANTOR	4,000,000	1.93
15.	DENMAN AUDIO PTY LTD	3,866,666	1.87
16.	MR JOHN CECCON + MS MARIA LYNN MCLEAN <MCCM SUPER FUND A/C>	3,679,009	1.78
17.	JOMOT PTY LTD	3,549,998	1.71
18.	HARAPID PTY LTD	3,225,806	1.56
19.	CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C>	3,203,219	1.55
20.	JASCOT RISE PTY LTD	3,000,000	1.45
Totals: Top 20 holders of LISTED OPTIONS EXPIRING 30/06/2018 @ \$0.015		152,092,059	73.44
Total Remaining Holders Balance		55,007,592	26.56