

TO: COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED

DATE: 13 FEBRUARY 2015

Bisan's new subsidiary "MyGeneration Smartphones" to sell brand generation and graded smartphones.

The business will trade under the name of "MyGeneration Smartphones" and operate initially from Hong Kong.

- **Shareholders to have rights to subscribe to a renounceable rights issue.**
- **A placement made to professional and sophisticated investors.**
- **Cash funds raised will include allocation of working capital for the "MyGeneration Smartphones" Hong Kong based new business.**

Summary

Bisan Limited (ASX: BSN) ("the Company") is pleased to advise that it will set up a new business in Hong Kong that will sell specific "brand generation and graded" smartphones out of Hong Kong.

The business will trade under the name **"MyGeneration Smartphones"**.

"MyGeneration Smartphones" will provide an offering initially in Hong Kong and then into Singapore and Dubai of different generations of brand smartphones such as APPLE and SAMSUNG to compete against local home brands in emerging markets and will be offered with various grades that will determine a competitive pricing model.

Bisan was introduced to the business opportunity by FoxFire Capital Pty Ltd (“Foxfire”) who have placed funds for the Company to be used as the initial working capital for the **MyGeneration Smartphones** business.

A Letter of Intent has been entered into with the “**contract team**” that consists of the group that will operate the “**MyGeneration Smartphones**” business. The contract team have the expertise required to source specific brand generation smartphones including Apple, Samsung and others, and recruit marketing and sales staff to sell these products from Hong Kong, Singapore and Dubai to customers for distribution into emerging markets.

The “MyGeneration Smartphones” deal:

Bisan Limited will:

- Subscribe for 100% of a newly established Hong Kong trading company for USD \$50,000 share capital and provide a loan of USD\$250,000 to this company.
- These funds will be used as initial working capital to start the trading operations in Hong Kong.
- Enter into a “**earn in**” agreement between the Hong Kong subsidiary that will issue 60% of its equity to the “**contract team**” if performance targets agreed are achieved at the end of the first four months of operations.

EARN-IN AGREEMENT:

Under the Earn In agreement, the “contract team” must:

- Provide and secure skilled and experienced purchasing and sales persons to immediately commence business for the sale of the brand generation smartphones.
- Commence the business operations in the month of March 2015 (after the Chinese New Year – The commencement date).
- The contact team will have 4 months from the commencement date to hit the agreed performance targets.

On achieving these performance targets, Bisan will transfer to the contract team 60% of the equity in the Hong Kong subsidiary.

Proposed vending of the Hong Kong Company “MyGeneration Smartphones” into Bisan.

If the “contract team” meets the “earn in” terms and conditions, they will receive 60% of the equity in the Hong Kong company.

Within 21 days of earning their 60% equity interest and at the election of the contract team, their 60% equity in the Hong Kong company can convert into a 60% equity interest in Bisan Limited issued capital (covering all issued securities including ordinary fully paid shares and all series of options on issue at the time).

The Bisan Board will do all that is necessary to put the acquisition offer to the Bisan shareholders at a general meeting of members for their consideration.

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This transaction will also be subject to regulatory approvals required under the Corporations Act, ASX Listing Rules and ASIC Regulatory Guides.

Alternatively, the contract team can elect to list the Hong Kong company on the ASX or on any another international bourse.

Compliance with ASX and ASIC Rules and Regulations

In the event that the “contract team” achieves the performance targets and they elect to exchange their 60% equity in the Hong Kong Company for Bisan securities then this acquisition may require Bisan to re-comply with Chapters 1 and 2 of the ASX Listing Rules. The Company will continue to consult with the ASX and ASIC to ensure it is within full compliance.

Capital Raising

Details of the renounceable rights issue to shareholders and the share placement has been released today to the ASX in a separate detailed announcement.

Your Board remains committed in seeking investment opportunities that have potential to add to shareholder value.

Pat Volpe
Chairman

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