



SmartTrans Holdings Limited  
ASX: SMA

An Australian based  
Technology Solutions Company

**Corporate Structure:**

Shares on issue: 2215 M  
Unlisted Options: 166 M  
Market Cap: \$AUD 29M  
52 week high: 7.1 cents  
52 week low: 1.2 cents

**Directors:**

**Mr Mark Vaile AO**  
Non-Executive Chairman

**Mr Bryan Carr**  
CEO & Managing Director

**Mr Andrew Forsyth**  
Non-Executive Director

**Mr Yui (Ian) Tang**  
Non-Executive Director

**Mr Greg Simpson**  
Non-Executive Director

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**Youtube:**  
[https://youtu.be/-1t\\_yle1DBA](https://youtu.be/-1t_yle1DBA)



## SmartTrans secures \$4.5 million funding to scale up e-commerce market place in China and market SmartPay in Australia

- Placement to UK based investor Lanstead Capital LP to provide \$4,000,000 in funding (subject to Sharing Agreements)
- Placement to two existing major shareholders of the Company to raise \$500,000
- Both placements to occur in two tranches with the second tranche subject to shareholder approval
- Funds to be used to fast-track rollout and scale up e-commerce platform in China
- Expansion of SmartPay function into Australia to facilitate payment options for inbound Chinese tourists connecting Australian businesses with Chinese consumers

**28 December 2016: SmartTrans Holdings Limited (ASX: SMA) (SmartTrans or Company)** is pleased to announce it has secured funding of \$4.5 million from a new institutional investor and two existing shareholders to fund the expansion of its recently announced e-commerce platforms and facilitate the rollout of its SmartPay payments platform into Australia.

### Placement under Lanstead agreement

The Company has entered into agreements with UK based investor Lanstead Capital LP (**Lanstead**) for an equity investment, pursuant to which the Company will issue Lanstead 400,000,000 ordinary shares at an issue price of \$0.01 per share (\$4,000,000 investment) as follows:

- A placement for a total of 275,000,000 shares under the Company's 15% placement capacity (**Tranche A**); and
- A placement for a total of 125,000,000 shares (subject to, amongst other things, shareholder approval at the EGM) (**Tranche B**).

In addition, the parties have entered into sharing agreements with associated documentation in relation to each of the above tranches (**Sharing Agreements**).

### Placement to existing shareholders

Major shareholders, Loyal Strategic Investment and Dymocks Securities will, upon receipt by the company of the first tranche of funds from Lanstead, subscribe for 25,000,000 new shares each, at an issue price of \$0.01 per share, providing a total of \$500,000 in placement proceeds. The shares will be issued in two tranches:

- A placement of a total of 32,887,506 shares to raise approximately \$328,875 under the Company's 15% placement capacity; and
- A placement of approximately 17,112,494 shares to raise approximately \$171,124, subject to shareholder approval at an Extraordinary General Meeting (**EGM**) of the Company's shareholders, expected to be held in February 2017.

### ***Sharing Agreements***

Under the Sharing Agreements, SmartTrans will retain:

- (a) \$412,500 of the \$2,750,000 Tranche A subscription funds; and
- (b) \$187,500 of the \$1,250,000 Tranche B subscription funds (subject to shareholder approval being received from the Tranche B placement).

The remainder of the funds will be invested in the sharing arrangements described below, with funds being made available to SmartTrans over an 18 month period (commencing 60 days after closing of the respective tranche). The amount of those settlements will vary depending on the volume weighted average price (VWAP) for the Company's shares.

Both Sharing Agreements allow SmartTrans and Lanstead to share in the potential upside arising from SmartTrans' expected operational progress and growth, and consequent share price performance.

The Sharing Agreements set a benchmark share price of \$0.01333 (**Benchmark Price**). SmartTrans will then receive monthly cash settlements over an 18 month period, with the amount of each monthly settlement adjusted based on the Company's share price performance measured against the Benchmark Price.

The Sharing Agreements operate such that:

- If the share price were to average \$0.01333 over the 18 month term, SmartTrans would receive \$4,000,000 as follows:
  - Tranche A - \$412,500 up-front then \$2,337,500 in 18, monthly settlements;
  - Tranche B - \$187,500 up-front then \$1,062,500 in 18, monthly settlements;
- If the share price were to average more than \$0.01333 over the 18 month term, the subscription amount of \$4,000,000 and therefore the monthly settlements would increase proportionately; and
- If the share price were to average less than \$0.01333 over the 18 month term, the subscription amount of \$4,000,000 and therefore the monthly settlements would reduce proportionately.

The Benchmark Price for each monthly settlement is measured against the VWAP of SmartTrans' shares for the five trading days prior to the valuation date of the relevant month.

Importantly:

- There is no upper limit placed on the additional funds receivable by the Company if the relevant VWAP exceeds the Benchmark Price; and
- No additional shares will be issued if the amount payable to SmartTrans increases beyond \$4,000,000.

In consideration for the Sharing Agreement, SmartTrans will issue Lanstead 20,000,000 shares.

If the Tranche B shares are issued, then subject to the ASX Listing Rules, SmartTrans will also issue to Lanstead 200,000,000 unlisted options exercisable within two years to subscribe for shares at \$0.0175. The options are subject to standard adjustment terms.

As noted above, the second tranches of each of the above placements are subject to receipt of shareholder approval. A notice of EGM will be dispatched shortly, setting out further information in relation to those transactions.

### Use of Funds

SmartTrans will apply the funds to grow its e-Commerce and SmartPay payments platforms and to market its products in both China and Australia.

SmartTrans recently announced a Memorandum of Understanding (MOU) with Shanghai Stock Exchange-listed digital marketing and e-commerce agency, Shanghai Dodoca Information Technology Co., Ltd (Guangzhou-Weiyue Information Technology Co. Ltd (Dodoca)), to launch and operate a WeChat e-commerce market place to promote and sell premium Australian products to Chinese consumers.

The market place is scheduled to launch shortly and funds received from this placement will be used to facilitate the launch and the scale up of the platform over the next 12 months. An announcement on the launch date and other developments is pending.

SmartTrans is also planning to expand its SmartPay platform into the Australian market to process payments made by inbound Chinese tourists wanting to use their existing payment infrastructure – WeChat, UnionPay and Alipay – to procure goods and services when travelling in Australia, consequently establishing and forging a connection between Australian businesses and Chinese consumers. Funds raised under this placement will also be used to market and provide the SmartPay infrastructure to Australia-based retailers and tourism operators in Australia.

SmartTrans has also held preliminary discussions with Gruden Group Limited to explore the possibility of integrating its Smartpay system with the Gruden Mobile Den System and to explore other opportunities that may be available and SmartTrans will apply appropriate funding to support these initiatives.

### Commentary

**SmartTrans Managing Director, Bryan Carr said:** “These new funds give us the necessary financial flexibility to significantly scale up the WeChat market place and build a platform with very high consumer recognition in China and high visibility and trust with Australian merchants. With significant partnerships in place and being developed, we are very confident that the platform will have excellent visibility. An update on progress is expected shortly.

“We also see significant scope to expand our SmartPay payments platform into the Australian market so Chinese tourists can use their existing payments infrastructure when travelling in Australia establishing that important first link between Australian businesses and Chinese consumers, facilitating future online transactions. We expect this to be very well supported by local retailers and tour operators. China’s tourism market presents significant scope for growth for SmartTrans and we are only just starting to recognise its potential.”

**Lanstead Capital LP’s Greg Kofford added:** “We are attracted to SmartTrans’ business model and its well-established operations in China, built up over the last decade. We believe the Company is only just beginning to benefit from its investment in establishing its entrenched presence in China as a trusted foreign company. There is an excellent opportunity for Lanstead to fund this future growth and benefit in the upside along with the existing shareholder base.”

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<p><b>For further information, please contact:</b></p> <p><b>Bryan Carr</b>  <b>Managing Director</b>  <b>AUST: +61 412 111 968</b>  <b>CHINA: +86 138 1188 8401</b></p> <p><b>Media inquiries to: Ben Jarvis</b>  <b>Six Degrees Investor Relations:</b>  <b>+61 413 150 448</b></p>	<p><b>About SmartTrans</b>  (<a href="https://youtu.be/-1t_yJe1DBA">https://youtu.be/-1t_yJe1DBA</a>)</p> <p>SmartTrans Holdings Limited (ASX: SMA) is a leading Australian technology and software provider that has developed a mobile and online billing and payment platform for the China market. The company has agreements in place to bill with China Mobile, China Unicom, China Telecom, UnionPay and Alipay. With the growing use of the smartphone as a billing device in China, the company is experiencing significant uptake of its technology in that market. SmartTrans has also developed cutting-edge proprietary logistics software which is used by some of Australia’s leading blue-chip organisations who have long term contracts in place with the company. SmartTrans is assessing growth opportunities for its logistic offering in China to complement its mobile and online payments platform.</p>
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