

iCash Payment Systems Limited

ABN 87 061 041 281



26 November 2014

ASX announcement – Chairman’s Address

Attached is the Chairman’s address to be delivered at iCash Payment Systems Limited’s Annual General Meeting, schedule to commence this morning at 10am.

For more information, please contact:

Sungki Lee
Company Secretary
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Important note

This announcement contains or may contain forward-looking statements that are based on the Board’s beliefs, assumptions and expectations and on information currently available to management. That information includes information provided to the Company by the management of its subsidiary, NeoICP Korea, Inc which has not been independently verified. All statements that address operating performance, events, or developments that the Company expects or anticipates will occur in the future are forward-looking statements, including without limitation the Company’s expectations with respect to potential revenues, costs, profitability and financial performance. The Board believes that forward-looking statements are reasonable as and when made.

26 November 2014

Chairman's Address

I am pleased to present this report to the shareholders of iCash Payment Systems Limited ('iCash').

As part of the reconstituted iCash board appointed on the 21 August 2013 and re-elected at last year's annual general meeting, our commitment made to the shareholders was to provide a return of capital to the shareholders by offering an equal access share buy-back and to mitigate the company's reliance on future dividend from our former subsidiary, NeolCP Korea Inc. ('NeolCP'), as the only source of potential income. The main focus of the Board this year has been to follow through and execute on these commitments.

The equal access share buy-back at 13 cents per share was approved by the shareholders at the last AGM in December 2013 and was completed in February 2014, with a total amount of \$3,428,351 being distributed to accepting shareholders. In parallel, a selective reduction of capital to mop up minority shareholdings was completed in order to reduce the Company's administrative costs by reducing the number of shareholders with small shareholdings.

With NeolCP's operations, the decline in revenue performance of previous years has been stabilised with a focus on reducing operational expense and increasing revenue from the service operation. NeolCP continues to make investments in product development for the casino gaming market and the joint development of a notes analysis and sorting product with HOTS (Hitachi Omron Terminal Solutions). However the board continues to experience delay in the product launch of these products due to additional and more rigorous requirements for testing and verification. We are hopeful NeolCP may start to generate revenue from these products during the second half of 2015 financial year.

For the Australian operations, the board has been focusing on establishing a sales and service operation in Australia that can generate an additional income stream. The board believes the NeolCP Recycling ATM (RATM) product that can provide a cash deposit capability for the ATM deployment market is strategic and offers an opportunity for growth in the Australian market.

In addition, the board has also been evaluating a number of business opportunities that will complement and strengthen iCash. You will have no doubt read the announcement released last Friday that we have signed an exclusive, non-binding Memorandum of Understanding ("MOU") to acquire 100% of Stargroup Limited, an Australian ATM deployment and electronic payment services provider.

Should the merger be concluded, the merged entity will strengthen the management team with more Australian-based ATM and payment related experience who will aim to explore other value-adding payment processing systems. As announced, it is intended that any merger will be concluded in February 2015 and will be subject to shareholder approval. The exact metrics are yet to be concluded and will involve discussions with ASX as to the most appropriate means, metrics and approvals for the merger.

Although it has been a challenging year for the company and there is still much work to be done, the board wishes to thank the shareholders for their continuing support as we focus further and redouble our efforts to rebuild and grow the company.

Yours faithfully,

Jong Ho (Jay) Kim
Chairman
Sydney, Australia

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