

Chairman's Address

24 November 2016

Good Morning Ladies & Gentleman, on behalf of my fellow Directors, I would like to welcome you to the 2016 Annual General Meeting for SmartTrans Holdings Limited.

As we have a quorum present, I declare the meeting open.

Firstly, by way of introduction for those of you who do not know me, my name is Mark Vaile and I am the Non-Executive Chairman of SmartTrans.

Joining me today are my fellow Directors Mr Andrew Forsyth, Mr Yui (Ian) Tang, Mr Greg Simpson, Mr Ian Hawkins, our Managing Director Bryan Carr and our Company Secretary, Ms Leanne Ralph.

Stevan Tao, the General Manager of our China operations, has also made the journey from Beijing and is here to meet with shareholders and our Australian business partners.

I have now been Chairman of SmartTrans for just over 6 months and whilst a shareholder for longer, this is my first SmartTrans' AGM.

Before we turn to the formal part of the meeting, I would like to provide a brief overview of the business and the financial year completed and the company's positioning going forward.

As shareholders will be aware, SmartTrans is a mobile and internet-based software and services provider. In Australia, the company has a well-established mobile and internet-based logistics software business, servicing a diverse range of commercial organisations. In China, the largest consumer market in the world, the company has successfully established itself in the rapidly emerging "fintech" sector, effectively distributing and collecting payment for a diverse range of products.

SmartTrans is positioned at the nexus of Technology, Consumption, Mobile and Finance. It is the “Gateway to China” for businesses seeking to sell their products online in China.

The company has formed privileged and trusted relationships in China working with companies such as China Mobile, China Telecom, Alibaba and QianDaiPay Payments Company and is a trusted provider to Australian businesses seeking to sell their products in China and importantly to receive payment in Australia.

SmartTrans’ business is simple at its core - we “clip the ticket”, whether it be a mobile-based app or the cross-border sale of goods and services.

Following on from the significant growth achieved by the company in financial year 2015, SmartTrans achieved further growth in financial year 2016, increasing revenue by 172% to \$11.65 million as the company continued to expand its business and the applications for its payments platform in China.

Having built up a substantial database of customers, the company has made the strategic decision to move its focus towards marketing and billing for products with higher gross margins and further broadening its portfolio of applications for its mobile and internet-based billing system by extending its business into the large and rapidly growing e-Commerce sector in China.

The company is matching the demand from Australian businesses eager to sell into China, but unsure of how to enter and service the market, with the growing demand from Chinese consumers seeking high quality, safe and prestigious Australian products.

Consequently, by investing in SmartTrans, shareholders gain diversified exposure to China’s consumption boom. Operating in the most highly populated country in the world, China, SmartTrans delivers access to the

largest mobile phone market in the world and the largest online shopping and e-commerce market in the world.⁽ⁱ⁾

With a diversified portfolio of products being distributed and billed for in China, SmartTrans offers a broader thematic exposure to Chinese consumption and cross-border trade than investment in any one product or sector.

We expect to continue to build our portfolio of products being sold and distributed in China and to continue to develop and benefit from an increasingly valuable customer database.

Whilst financial year 2016 saw SmartTrans concentrating on scaling up its platform and revenue for its Direct Carrier Billing services, the company's strategy in financial year 2017 is to secure higher margin, but initially lower volume, third-party billing transactions focused on products with cross-product and cross-platform marketing synergies.

Whilst achieving overall strong revenue growth for the year, the company has strategically positioned itself to achieve future growth in lucrative and expanding markets in China.

We are excited by the opportunities available to SmartTrans built on our innovative software solutions and our privileged positioning and relationships built up over a number of years in China.

As the virtual "Gateway to China" we look forward to servicing the growing demand from Australian businesses seeking to enter the China market. The company expects its business model to be equally appealing to businesses any where in the world providing for further expansion opportunities in the future.

The company also received sound endorsement for its products and services in 2016, winning two prestigious awards in China. In April 2016, SmartTrans won the Business Excellence Award for Business Innovation

at the AustCham Westpac Australia-China Business Awards and followed this up in May being presented with the Outstanding Technology Award from China's Ministry of Commerce and China World Trade Organisation;

On behalf of the Board I thank the SmartTrans team for another year of hard work and dedication in which significant revenue growth was achieved and a diverse range of applications for the company's billing platform was realised.

I would like to sincerely thank retiring director, Ian Hawkins, who has been working with SmartTrans providing his technical expertise to our team for over ten years and who has provided valuable input to the board over the last three years. Ian has elected to not stand for re-election due to his other growing business commitments and we wish him all the best with these ventures.

Our Managing Director Bryan Carr will now also provide some useful insights into SmartTrans' business and I will now hand over to him.