

Chairman's Report

This year has been a transformative one for SmartTrans as the Company attained a new level of maturity and development.

The Company divested non-core assets, reduced its cost base substantially and is now sharply focused on its offerings of mobile and online payments in China, and logistics software and service in Australia.

In previous years SmartTrans devoted considerable effort and energy towards establishing commercial partnerships and agreements to utilise its proprietary online and mobile billing platform in the China market. This hard work has now come to fruition, with the Company having solid and rapidly growing revenues from this business division, and an enviable degree of market reach.

In financial year 2014, SmartTrans has achieved the following key milestones:

- Moved into the billing phase of its operations in China, resulting in strong and ongoing growth in revenues, and affirming the Company's marketing strategy here.
- Focussed on promoting and enhancing its MyLifeOnline portal to grow monthly revenue, increase average spend and reduce the acquisition cost of new customers.
- Enhanced its logistics software and service business in Australia by securing new contracts with blue-chip clients and contract renewals delivering cumulative revenues of \$1.38 million over a three year period.
- Closed its Perth office, reduced headcount and consolidated Australian operations to the Melbourne office to reduce overheads.
- Divested its remaining legacy mining assets to further reduce operating costs and focus on core business divisions.
- Achieved cost reductions, as above, which will save the Company over \$600,000 per annum in expenses.
- Restructured the business to focus on two key business divisions: its logistics software and service business in Australia, and its proprietary online/mobile payments platform and software solutions business in China.
- Appointed a qualified and experienced CFO to further maintain a focus on controlling costs, along with strategic capital management.
- Booked record operational revenue for the 2014 financial year of \$2,194,369.

SmartTrans is now firmly entrenched in an exciting niche in China offering unparalleled opportunities for growth. The Company has unprecedented market reach in the region through the direct-to-phone billing agreements it now has in place with all three telecommunications providers: China Mobile, China Unicom and China Telecom, which complement billing arrangements with AliPay, UnionPay and ChinaPay.

The Company is convinced that with its early mover advantage in China, combined with stable and growing revenue streams from this market and its Australian operations, along with reduced overheads and a strong cash position, it enters the 2015 financial year well placed to continue its high growth strategy with a view to achieving profitability in the 2016 financial year.

As outlined in the Annual Report, the Company feels that it now has the foundations in place to unlock maximum value for shareholders in the year ahead.

Geoffrey W Raby
Chairman
18 November 2014

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Further information please contact:

Bryan Carr
Managing Director
AUST: +61 412 111 968
CHINA: +86 138 1188 8401

Media inquiries to: Ben Jarvis, Six Degrees Investor Relations: +61 413 150 448

About SmartTrans

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 with *China Mobile*, *CMPay*, *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.

Beijing
101, Building 22,
Courtyard 4 Gongti Bei Lu
Chaoyang District
BEIJING CBD, 100027
Ph: +86 (10) 6500 0910

Melbourne
Level 1
10 Queens Road
MELBOURNE
VIC 3004
Ph: (03) 9866 7333

Sydney
G.05
55 Miller St
PYRMONT
NSW 2009
Ph: (02) 9660 4564