



24th December 2010

ASX ANNOUNCEMENT

China Update

SmartTrans provides the following update:

SmartTrans has established a Wholly Foreign Owned Entity (WFOE) in China and has been granted a business licence to provide its mobile telephone based AMP software and SmartTrans e-Solution logistics software in China.

In parallel, SmartTrans has selected Gruden Asia to provide creative digital support to SmartTrans in China. Gruden has delivered its digital services to clients such as Disney, NineMSN and Yahoo and is well credentialed to support the rollout of SmartTrans systems in China.

SmartTrans understands that contract negotiations with China Mobile Shanxi Group are complete and that the execution of the agreement awaits the conclusion of Government administrative requirements associated with SmartTrans' new entity in China.

SmartTrans does not expect the expiration of the MOU between the parties on 31st December 2010 to affect the expected contract execution.

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