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email: smarttrans@smarttrans.com.au

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31 May 2012

Share Purchase Plan

SmartTrans Holdings Limited (**SmartTrans**) is pleased to advise that the attached Share Purchase Plan (**SPP**), together with a personalised Acceptance Form, is being dispatched today to eligible SmartTrans shareholders, holding shares in the Company as at the record date (5pm on 25 May 2012), providing them with the opportunity to subscribe for up to \$15,000 worth of shares at \$0.011 per share. The SPP offer is scheduled to close on 22 June 2012.

James Laurie
Company Secretary

31 May 2012

Dear Shareholder

Invitation to Participate in Shareholder Share Purchase Plan

As announced on 28 May 2012, SmartTrans Holdings Limited (**SMA** or **Company**) agreed to make a placement of 24,545,455 fully paid ordinary shares in the capital of the Company (**Shares**) at \$0.011 per Share to raise \$270,000 (**Placement**). The Placement was completed on 29 May 2012 via the issue of 24,545,455 shares. As noted in the announcement of 28 May 2012, SMA is pleased to offer Eligible Shareholders the opportunity to acquire shares pursuant to this Share Purchase Plan (**SPP**) at the same issue price of \$0.011 per Share as that paid by investors under the Placement.

Eligibility to participate in the SPP

The right to participate in the offer under the SPP is optional and is available exclusively to Shareholders who are registered as holders of Shares at 5pm (AEST) on 25 May 2012 (**Record Date**) and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

Share Purchase Plan

The SPP entitles Eligible Shareholders in the Company, irrespective of the size of their shareholding, to invest up to \$15,000 to purchase shares at a price of \$0.011 per Share (**Offer**).

The issue price of Shares under the Offer represents a discount of 14.1% to the average market closing price of the Company's Shares on the Australian Securities Exchange (**ASX**) calculated over the last 5 trading days on which sales of the Company's shares were recorded immediately prior to the announcement of the Offer on 28 May 2012. Further, the Company notes that the issue price of Shares under the Offer represents a discount of 21.1% to the volume weighted average trading price of the Company's Shares on the ASX calculated over the same 5 day period. The issue price of the Company's shares under the Offer is the same price at which the Placement was made.

The amount any Eligible Shareholder can invest to purchase shares will be restricted to a maximum of \$15,000.

Details of this Offer are set out in this letter and the enclosed Terms and Conditions together with a personalised SPP Application Form.

Company Update

Details of the Company's current activities are set out in the announcements by SMA to the ASX and are available from the ASX or from SMA's website at <http://www.smarttrans.com.au>.

The funds raised under the SPP, in conjunction with the funds raised from the recent Placement, will be applied towards the new strategic alliance with a provider of loyalty schemes in China (as detailed in the Company's announcement on 28 May 2012), provide working capital (including costs of the Placement and SPP) and provide funds for promotional activity in China.

How much can you invest?

Under the SPP, Eligible Shareholders may only invest \$15,000 to purchase Shares under a share purchase plan in any 12 month period.

Subscription and Application Procedure

To participate in the Offer pursuant to this SPP please complete the enclosed SPP Application Form and send it together with your payment by cheque made payable to 'SmartTrans Holdings Limited', drawn in Australian currency for the correct amount, to SMA's share registry Computershare Investor Services Pty Limited, GPO Box 505, Melbourne VIC 3001, on or before the Closing Date of **5pm (AEST) on 22 June 2012**. Alternatively, you may pay by Bpay[®] as per the instructions on the SPP Application Form on or before **5pm (AEST) on 22 June 2012** (or such earlier cut off time that your own financial institution may implement with regard to electronic payments). Applicants should not forward cash and direct bank transfers (other than by Bpay[®]) are not permitted. Late application will only be accepted at the Company's discretion.

Eligible Shareholders may participate by selecting **only one** of the following options to purchase Shares under the SPP.

Offer A	\$1,000 for 90,909 shares(minimum amount)
Offer B	\$2,000 for 181,818 shares
Offer C	\$3,000 for 272,727 shares
Offer D	\$4,000 for 363,636 shares
Offer E	\$5,000 for 454,545 shares
Offer F	\$7,500 for 681,818 shares
Offer G	\$10,000 for 909,091 shares
Offer H	\$12,500 for 1,136,364 shares
Offer I	\$15,000 for 1,363,636 shares (maximum amount)

Once an application has been made it cannot be revoked. All valid applications shall be deemed accepted if received before the Closing Date of 5.00pm (AEST) on **22 June 2012**. In the event of a fractional entitlement to Shares, Shares issued will be rounded to the nearest whole number. If the exact amount of money is not tendered with your application SMA reserves the right to either:

- a) return your SPP Application Form and/or payment and not allot any shares to you; or
- b) allot to you the number of shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund the excess application money to you by cheque as soon as possible, without interest.

The maximum investment any shareholder may make will remain at \$15,000 even if a shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account).

Additional Information and Important Dates

The Offer is non-renounceable in nature and cannot be transferred and the Directors of the Company reserve the right to reject, or scale back on an equitable basis, any application. Shares allotted under the SPP will be issued no later than 10 business days after the Closing Date of the Offer. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

The maximum amount proposed to be raised under the SPP Offer is \$500,000, being a total maximum of 45,454,545 Shares (subject to rounding).

In the event of oversubscriptions (i.e. the Company receives applications under the SPP for over \$500,000) by the Closing Date the Directors may, at their absolute discretion:

- a) scale back applications on an equitable basis, and/or
- b) increase the maximum amount to be raised to allow for oversubscriptions.

If the Company rejects or scales back an application or purported application, the Company will promptly refund to the shareholder the relevant application monies, without interest.

The Offer is not presently underwritten. The Directors reserve the right to seek an underwriter of the Offer and/or place any shortfall under the Offer in their absolute discretion.

On the last trading day immediately prior to the announcement of the Offer on 28 May 2012, the closing price of the Shares traded on ASX was \$0.012. The market price of the Shares in the Company may rise and fall between the date of the Offer and the date that any Shares are allotted to you as a result of your acceptance of this Offer. This means that the subscription price you pay for your Shares may exceed the market price of the Shares at the date of allotment of the Shares under this Offer. The Board recommends that you obtain independent financial advice in relation to the Offer and consider price movements of Shares in the Company prior to accepting this Offer.

Indicative Timetable

Record Date (5.00pm AEST)	25 May 2012
Announcement Date of SPP	28 May 2012
Opening Date of SPP Offer	31 May 2012
Closing Date of SPP Offer (5.00pm AEST)	22 June 2012
Issue and Allot Shares under Offer	28 June 2012
Despatch Date for Holding Statements under SPP	29 June 2012

These dates are indicative only. The Company may vary the dates and times of the Offer without notice. Accordingly, shareholders are encouraged to submit their SPP Application Forms as early as possible.

Should you wish to discuss any information contained in this letter further, please do not hesitate to contact SMA's Company Secretary, Mr James Laurie on +61 (08) 9228 1199.

Yours faithfully,



James Laurie
Company Secretary

No offer in the US or to US persons

These materials do not constitute an offer of securities for sale in the United States or to "U.S. persons" (as defined in Regulation S under the U.S. Securities Act) and may not be sent or disseminated in, directly or indirectly, the United States or to any "U.S. person" in any place. The Company's shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered, sold or otherwise transferred in the United States or to any "U.S. person" except in compliance with the registration requirements of the U.S. Securities Act and any other applicable state securities laws or pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.

SmartTrans Holdings Limited
ACN 009 065 650
Shareholder Share Purchase Plan – Terms and Conditions

Purpose

The Purpose of the Shareholder Share Purchase Plan (**SPP**) is to offer shareholders of SmartTrans Holdings Limited (**SMA** or **Company**) the opportunity to acquire additional fully paid ordinary shares in the Company (**SMA Shares**) up to a maximum of \$15,000 (when combined with any shares issued under any share purchase plan in the 12 months preceding the date of the SPP) at \$0.011 per share, being a discount of 14.1% to the average market closing price of the Company's Shares on the Australian Securities Exchange (**ASX**) calculated over the last 5 trading days on which sales of the Company's shares were recorded immediately prior to the announcement of the Offer on 28 May 2012 (or a discount of 21.1% to the volume weighted average trading price of the Company's Shares on the ASX calculated over the same 5 day period) without the need to pay brokerage costs and without the need for SMA to issue a prospectus, upon such terms and conditions as the Board of Directors of the Company, in its absolute discretion sees fit.

Shareholders Eligible to Participate

Eligible Shareholders of SMA Shares that are registered within Australia or New Zealand at the relevant Record Date may participate in the SPP. Due to foreign securities laws, it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the SPP.

Participation in the SPP is optional and is subject to these terms and conditions. Offers made under the SPP are non-renounceable (i.e. eligible shareholders may not transfer their rights to any SMA Shares offered under this SPP).

An offer may, at the discretion of the Directors or the Company, be made under the SPP once a year. The maximum amount which any shareholder may subscribe for in any consecutive 12 month period is \$15,000. The Directors of the Company may also determine at their discretion the minimum amount for participation, the multiple of SMA Shares to be offered under the SPP and the period the Offer is available to Eligible Shareholders.

Custodians, Trustees and Nominees

If you are an eligible shareholder and hold the SMA Shares as a custodian (as defined in ASIC Class Order [CO 09/425] (refer below) (**Custodian**) or in any more specific ASIC relief granted to the Company in relation to the SPP), you may apply for up to the maximum of new Shares for each beneficiary for whom you act as custodian provided you annexe to your SPP Application Form a certificate to the Company (**Custodian Certificate**) with the following information:

- that you held shares in the Company on behalf of one or more persons (each a **Participating Beneficiary**) at 5:00pm (AEST) on 25 May 2012 who have subsequently instructed you to apply for Shares under the SPP on their behalf;
- the number of Participating Beneficiaries and their names and addresses;
- the number of Shares that you hold on behalf of each Participating Beneficiary;
- the dollar amount of the Shares that each Participating Beneficiary has instructed you, either directly or indirectly through another custodian, to apply for on their behalf;
- that the application price for Shares applied for under the Offer for each Participating Beneficiary for whom you act plus the application price for any other SMA Shares issued to you as custodian for that Participating Beneficiary under any arrangement similar to the SPP in the prior 12 months does not exceed \$15,000;
- that a copy of the written offer document was given to each beneficiary; and
- where you hold shares on behalf of a Beneficiary indirectly, through one or more interposed custodians, the name and address of each interposed custodian.

For the purposes of ASIC Class Order [CO 09/425] you are a 'Custodian' if you are a registered holder that:

- holds an Australian Financial Services Licence that allows you to perform custodian or depository services or operate IDPS accounts;
- is exempt from holding an Australian Financial Services Licence by virtue of Class Order [CO 03/184] or by relying on the Australian Financial Services Licence of your master custodian under regulation 7.1.06(k) of the Corporations Regulations 2001;
- is a trustee of a self-managed superannuation fund or superannuation master trust;
- is a responsible entity of an IDPS like scheme;
- is noted on the Company's register of members as holding the shares on account of another person.

If you hold SMA Shares as a trustee or nominee for another person or persons, but not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case the rules for multiple single holdings (above) apply.

Custodians should request a Custodian Certificate when making application on behalf of Participating Beneficiaries. To request a Custodian Certificate or if you would like further information on how to apply, you should contact Computershare during the Offer period by telephone on 1300 850 505 (within Australia) or +61 (03) 9415 4000 (outside Australia).

Any application for new shares by a Custodian for a Participating Beneficiary will be taken to include a representation that the application and any resulting issue of new shares will not breach any applicable securities laws or legal requirements, including as applies to the Participating Beneficiary.

The Company reserves the right to reject any application for Shares under the SPP to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with the above requirements. The Company reserves the right to reject any application in accordance with these Terms and Conditions.

Price of SMA Shares

The price of the SMA Shares to be issued under the SPP will be \$0.011 per Share.

Applications and Notices

At the discretion of the Directors of the Company, the Company will send eligible shareholders a letter of offer and acceptance procedures, inviting them to subscribe for SMA Shares under the SPP, and accompanied by these Terms and Conditions of the SPP and an SPP Application Form. Applications will not be accepted after the closing date of an offer, unless the Directors, in their discretion decide otherwise. Over subscriptions to an offer may be refunded without interest.

Maximum Amount

The maximum amount proposed to be raised under the SPP Offer is \$500,000, being a total maximum of 45,454,545 Shares (subject to rounding). In the event of oversubscriptions (i.e. the Company receives applications under the SPP for over \$500,000) by the Closing Date the Directors may, in their absolute discretion, scale back applications on an equitable basis, and/or (at the sole discretion of the Company) increase the maximum amount to be raised to allow for oversubscriptions.

The Offer is not presently underwritten. If the Company were to subsequently choose to secure any underwriting of the Offer, the underwriter would be remunerated at market rates.

Issue of SMA Shares

SMA Shares to be issued under the SPP will be issued as soon as reasonably practicable after the Closing Date specified by the Directors of the Company in the relevant offer.

SMA Shares issued under the SPP will rank equally in all respects with all other fully paid ordinary shares in the Company from the date of issue.

Shareholding statements or CHESS notification will be issued in respect of all SMA Shares issued under the SPP. The Company will, promptly after the issue of SMA Shares under the SPP, make application for those SMA Shares to be listed for quotation on the official list of the ASX.

Modification and Termination of the SPP

The Company may modify or terminate the SPP at any time. The Company will notify ASX of any modification to, or termination of, the SPP. The omission to give notice of any modifications to, or termination or, the SPP or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, the Company may issue to any person fewer SMA Shares than the person applied for under the SPP if the issue of the SMA Shares applied for would contravene any applicable law or the Listing Rules of the ASX.

Dispute Resolution

The Company may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant, application or SMA Shares. The decision of the Company in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

The Company reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of the Company under these conditions may be exercised by the Directors of the Company or any delegate of the Directors of the Company.

Questions and Contact Details

If you have any questions regarding the SPP or how to deal with this Offer, please contact your stock broker or professional adviser or Mr James Laurie, Company Secretary, on +61 (08) 9228 1199. Alternatively, you can call the Company's share registry on: 1300 850 505 (within Australia) or +61 (03) 9415 4000 (outside Australia).

For all enquiries:

Phone:



(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Web:



www.investorcentre.com/contact

Make your payment:



See over for details of the Offer and how to make your payment

Share Purchase Plan Application Form

 **Your payment must be received by 5:00pm (AEST) Friday, 22 June 2012**

This is an important document that requires your immediate attention.

It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

By making payment you agree to be bound by the Constitution of SmartTrans Holdings Limited and that the submission of this payment constitutes an irrevocable offer by you to subscribe for SmartTrans Holdings Limited shares on the terms of the Share Purchase Plan (SPP).

In addition, by submitting the slip below you certify that the aggregate of the application price paid by you for:

- the shares the subject of the slip below; and
- any other shares and interests in the class applied for by you under the SPP or any similar arrangement in the 12 months prior to the date of submission of the slip below does not exceed A\$15,000.

SmartTrans Holdings Limited may make determinations in any manner it thinks fit, in relation to any difficulties which may arise in connection with the SPP whether generally or in relation to any participant or application.

Any determinations by SmartTrans Holdings Limited will be conclusive and binding on all eligible shareholders and other persons to whom the determination relates. SmartTrans Holdings Limited reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions or to suspend or terminate the SPP at any time. Any such amendment, suspension or termination will be binding on all eligible shareholders even where SmartTrans Holdings Limited does not notify you of that event.

Step 1: Registration Name

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

Note that shares may be purchased in increments as listed on the reverse side of payment slip subject to purchase of the minimum value and not exceeding the maximum value. Note that the amount chosen may be subject to scale back in accordance with the terms of the SPP.

Payment for the SmartTrans Holdings Limited Share Purchase Plan must be received by 5.00pm (AEST) Friday, 22 June 2012.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the slip with **BPAY** payment.

By Mail: Complete the reverse side of this payment slip and detach and return with your payment. Make your cheque or bank draft payable in Australian dollars to **"SmartTrans Holdings Limited"** and crossed **"Not Negotiable"**. The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the slip below as indicated. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

Share Purchase Plan Application Form

STEP 1

Registration Name & Offer Details

For your security keep your SRN/
HIN confidential.

Registration Name:

Entitlement No:

Offer Details:

Record date:

5:00pm (AEST) Friday, 25 May 2012

Minimum value
available to purchase:

\$1,000

Maximum value
available to purchase:

\$15,000

STEP 2

Make Your Payment



Bill Code: 200865

Ref No:

Pay by Mail:



Make your cheque, money order or bank draft payable to "**SmartTrans Holdings Limited**" and crossed "**Not Negotiable**". Return your cheque with the below slip to:
Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

Contact your financial institution to make your payment from your cheque or savings account.

Lodgement of Acceptance

If you are applying for shares and your payment is being made by BPAY®, you do not need to return the slip below. Your payment must be received by no later than 5:00pm (AEST) on Friday, 22 June 2012. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor SmartTrans Holdings Limited accepts any responsibility for loss incurred through incorrectly completed BPAY® payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY® are received by this time.

If you are paying by cheque, bank draft or money order the slip below must be received by CIS by no later than 5:00pm (AEST) on Friday, 22 June 2012. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the slip below with cheque attached. Neither CIS nor the Company accepts any responsibility if you lodge the slip below at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited (CIS) as registrar for the securities issuer (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS using the details provided above or email privacy@computershare.com.au

Detach here

Purchase Details for SmartTrans Holdings Limited (choose one option)

- | | | | | |
|--|----|--|----|--|
| ☐ \$1,000 for 90,909 shares | OR | ☐ \$2,000 for 181,818 shares | OR | ☐ \$3,000 for 272,727 shares |
| ☐ \$4,000 for 363,636 shares | OR | ☐ \$5,000 for 454,545 shares | OR | ☐ \$7,500 for 681,818 shares |
| ☐ \$10,000 for 909,091 shares | OR | ☐ \$12,500 for 1,136,364 shares | OR | ☐ \$15,000 for 1,363,636 shares |

Entitlement No:

Payment must be received by 5:00pm (AEST) Friday, 22 June 2012

Contact Details

Contact
Name

Daytime

Telephone

Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A\$