

A nighttime aerial photograph of a city, likely Shanghai, featuring a complex multi-level highway interchange with light trails from traffic. In the background, several illuminated skyscrapers are visible against a dark blue sky. One prominent building has a distinctive conical roof.

SmartTrans Holdings Limited (ASX:SMA)

Annual General Meeting 2016

24 November 2016



Integration / Innovation / Inspiration / Information

SmartTrans Board



Hon. Mark Vaile AO
Non-Executive
Chairman



Bryan Carr
CEO &
Managing Director



Andrew Forsyth
Non-Executive Director



Yui (Ian) Tang
Non-Executive Director



Ian Hawkins
Executive Director



Greg Simpson
Non-Executive
Director

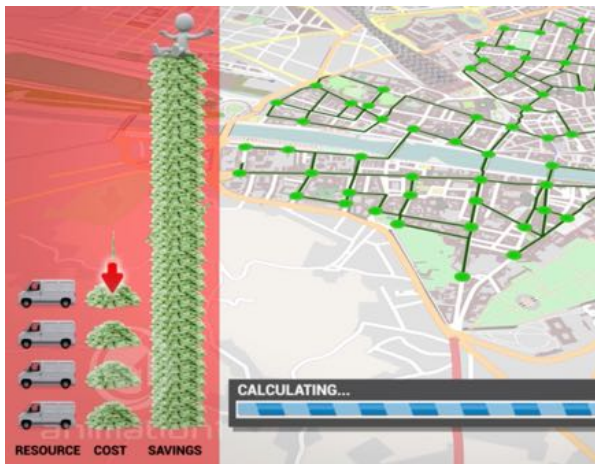
Two well defined operating businesses



SmartPay: Mobile/internet-based billing systems and e-Commerce platforms in China



Mobile and internet software solutions in Australia - exploring growth opportunities in China



Key revenue drivers in China



Direct Carrier Billing:

- Focus to date has been on scaling up platform and revenue base
- Forward strategy to secure higher margin, third party billing agreements – underway
- New initiatives such as PressPlay agreement present compelling opportunities
- Revenue growth through transaction fees + share of content/product sales
- Subscription billing a key focus



E-commerce:

- Revenue earned from share of product sales in China using WeChat and Alipay platforms
- Rolling out e-commerce through SMA's proprietary marketing platform, covering multiple websites/apps in China
- Hosting, digital brand marketing and customer acquisition services



Lotteries:

- Established partnership with lotteries provider
- Pilot program in Hainan province has been a success
- Pursuing broader rollout with General Administration of Sport plan to accelerate innovation
- Significant focus on sports betting
- SMA appointed advisor to government sponsored Lotteries Research Think Tank



SmartPay Payment Partnerships



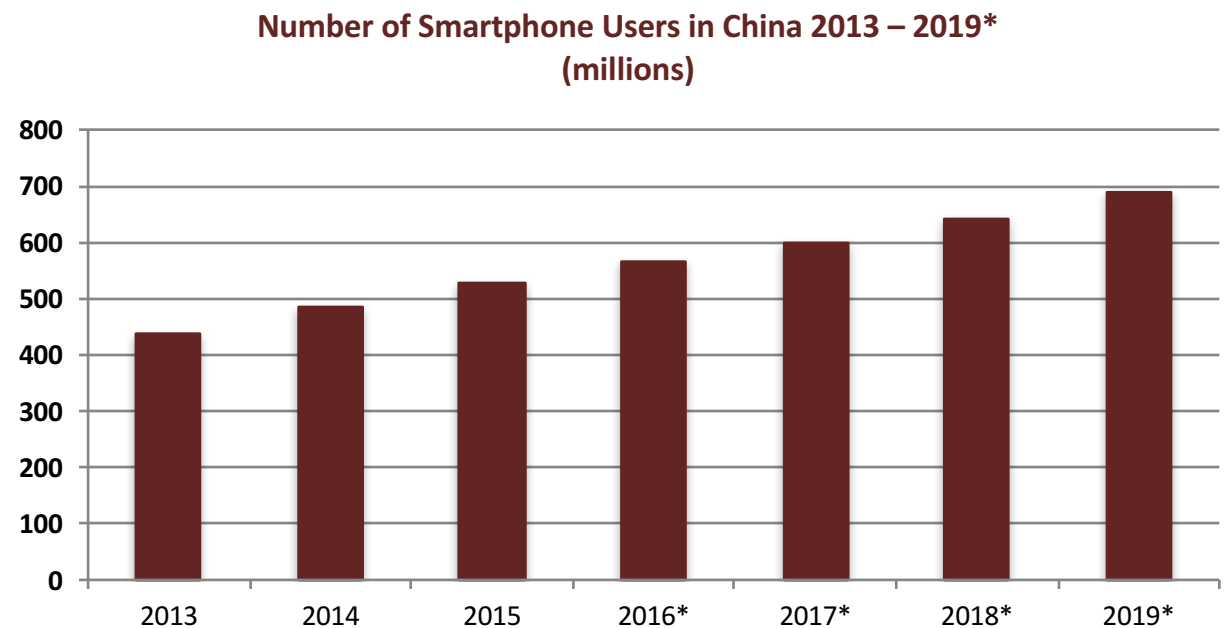
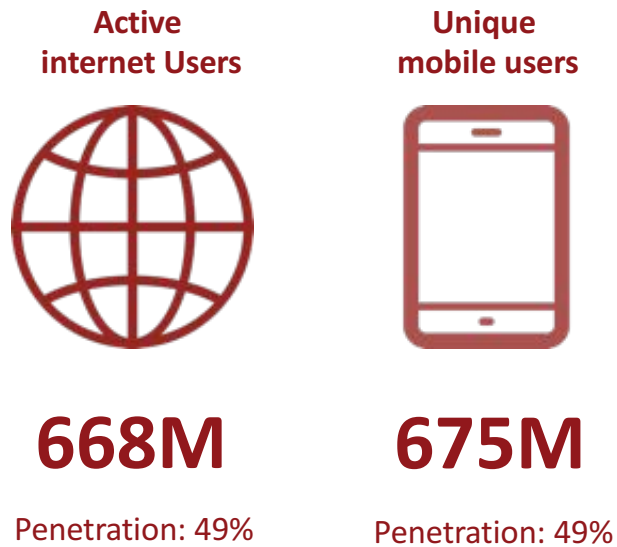
- SmartPay facilitates e-commerce, digital marketing and customer acquisition
- The ultimate gateway to transacting in China – relationships not easily replicated
- Direct carrier billing via China Mobile, China Telecom & China Unicom allows reach to +1.23 billion customers
- Credit or debit card transaction via UnionPay, thus catering to all bank account holders in China
- AliPay – Chinese equivalent to PayPal, allows consumers to pay using a platform which handles over 50% of China's online transactions
- WeChat Pay – popular way to pay via mobile. Chinese equivalent of Facebook & Twitter with +700 million users



Large addressable market



China – the world’s largest smart device market underpins SMA’s growth

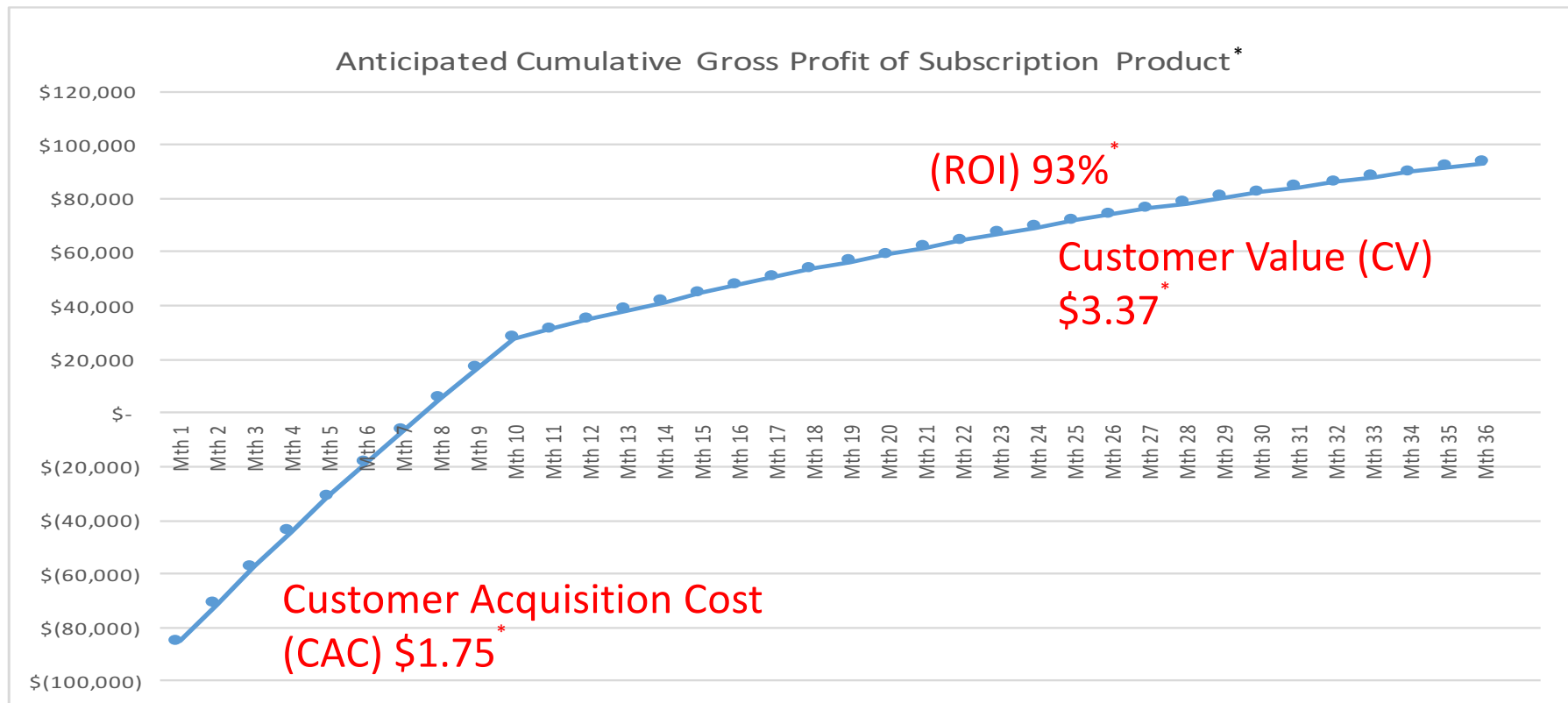


Source: Source Deutsche Bank iResearch

Direct Carrier Billing – Subscription Billing



- SmartTrans provides monthly recurring subscription billing in the China smartphone market
- Distribution and billing for a range of products with payments billed and collected by telcos
- Subscription-based recurring billing providing long-term revenue streams from up-front investment



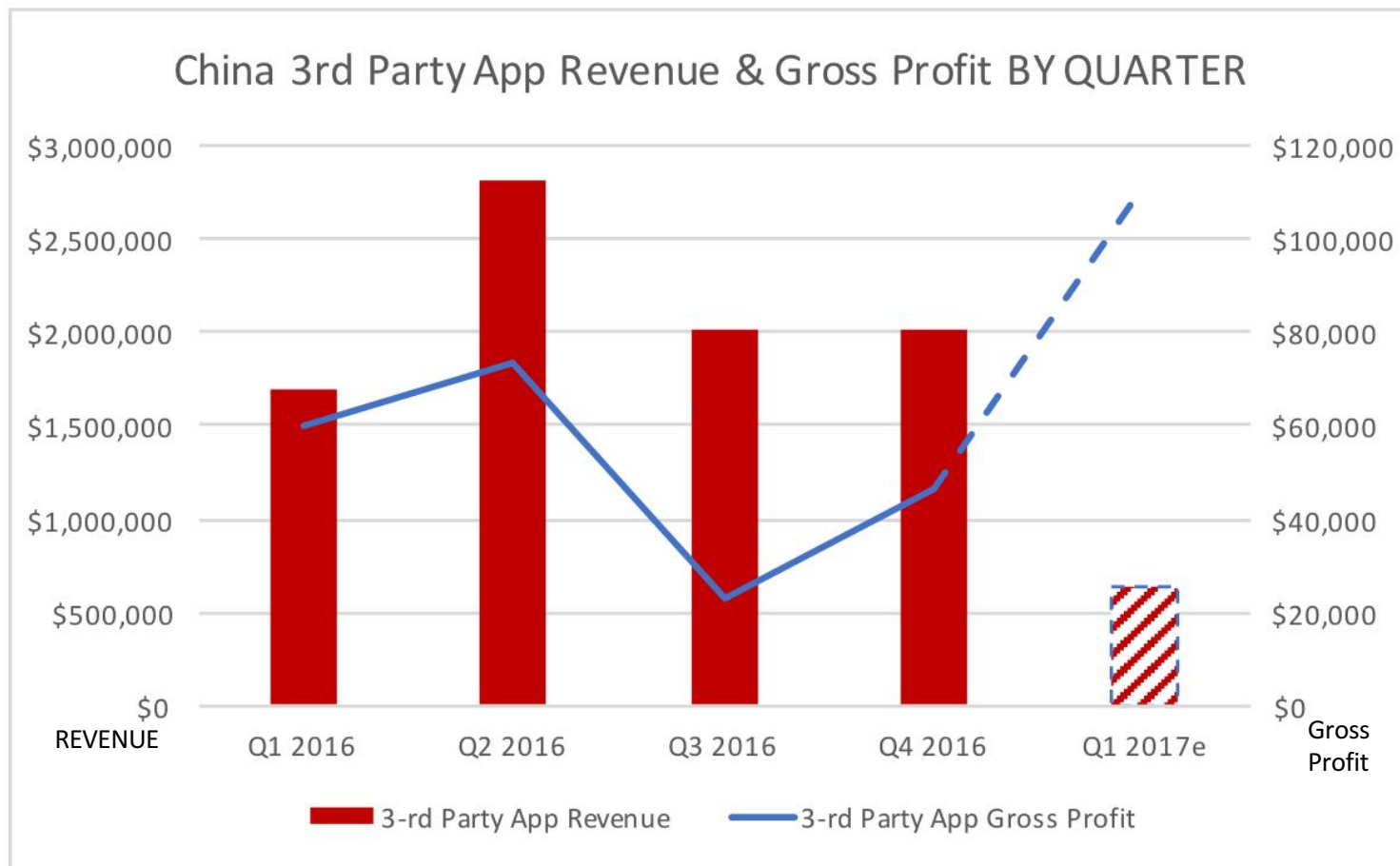
*Expected future return from one of the company's subscription products based on the historical performance of its subscription products.

It is also expected that revenue will continue beyond the period presented in the graph.

Direct Carrier Billing – 3rd Party App Billing



- SmartTrans provides in-App billing to third parties in the largest smartphone market in the world
- Distribution and billing for well-know foreign brands
- The reduction in revenue and the increase in gross profit for Q1 2017 arises directly from the decision to focus upon lower volume but higher margin products.



SmartTrans e-Commerce

Connecting Australian businesses to China



- SmartTrans is targeting 40 merchant companies with each company targeting \$1m per annum in sales in China
- SmartTrans generates revenue from:
 - Marketing services – brand promotion, customer acquisition
 - Merchant fee on transaction at purchase
 - Margin on products
 - Fee on cross-border payment settlement transaction

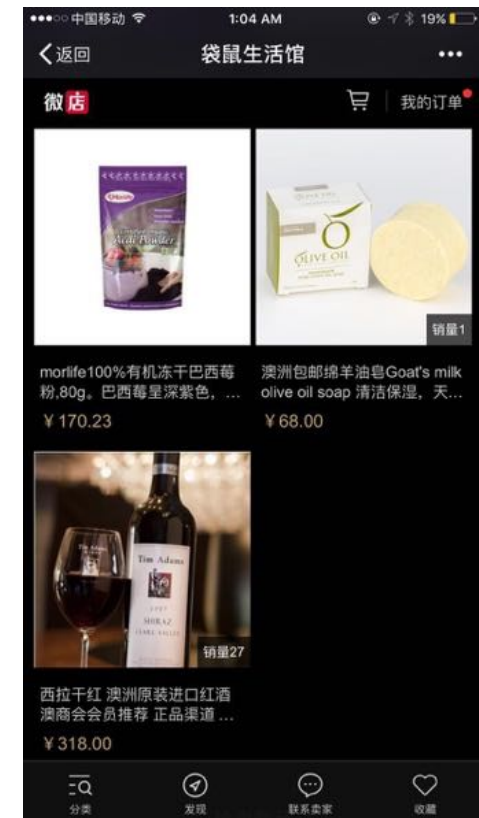
SmartTrans e-Commerce

Connecting Australian businesses to China

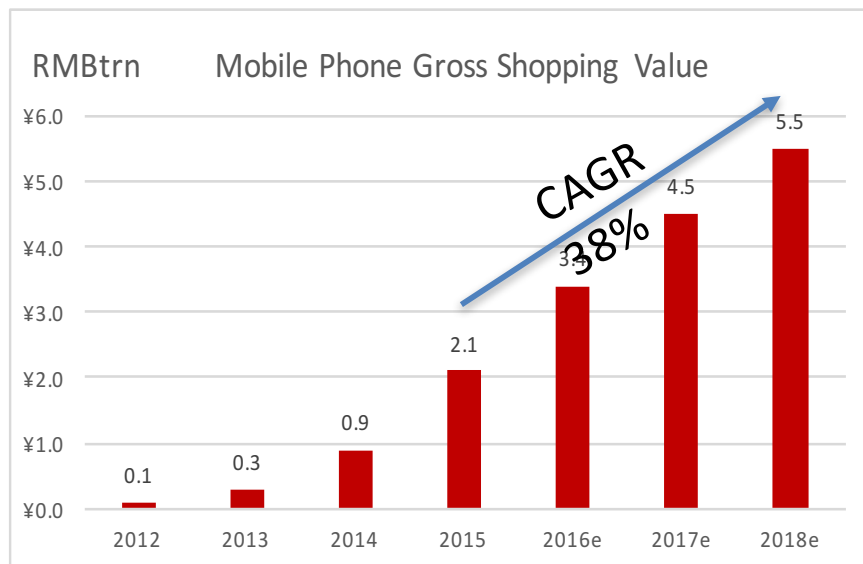


What SmartTrans offers to companies seeking to sell into China:

- Online presence – hosted mobile and website platforms
- Online marketing and customer acquisition
- Addresses tax and regulatory requirements
- Multi-faceted payment processing – all the payment methods people are accustomed to using in China with focus on mobile
- Ability to settle payment back to Australia in AUD or other countries in preferred currency



- Targeting growth in the large and rapidly growing e-Commerce market in China where 76% of people have used their smartphone to make purchases within the last three months
- China's online shoppers are expected to increase to 587 million in 2018 generating RMB5.5 trillion in sales (up from 413 million shoppers in 2015)
- Focusing on high-growth markets for products sourced outside China for which it bills consumers in China
- Developing strategic relationships with strong online partners such as Shanghai-listed Dodoca for WeChat marketing



Source: Source Deutsche Bank iResearch



Source: Based on CNNIC data and iResearch's statistical model.

SmartTrans, with a focus on high-growth product sectors, is launching the sale of third-party products in the following markets:

- Vitamins and supplements market in China - a \$20 billion market growing at 20% per annum
- Personal hygiene market - growing at 41% per annum
- Personal skin care market - growing at 29% per annum
- Australian wine exports to China which grew by 64% last year to A\$397 million



Sources: www.masterintelligence.com/content/intelligence/en/research/press-release/2016/digital-wallets-surge-popularity.html, www.scmp.com/business/companies/article/1994999/chinas-online-retail-sales-double-three-years-analysts-say
Euromonitor International Country Reports 2015, Nielsen 2015 online shopper study, www.wineaustralia.com/en/Market%20Development/Market%20Programs/China.aspx

Lotteries Services



- In 2016, SmartTrans commenced working with a online and offline lottery provider in China, providing its technical systems to service the world's largest lottery market (by sales volume)*
- Market which has grown at a 30% CAGR since launch in 1987*
- SmartTrans' lotteries service initially launched in Hainan Province to provide consumers with access to lottery and associated products
- SmartTrans appointed advisor to government sponsored Lotteries Research Think Tank
- The General Administration of Sport released the 13th Five-year Plan for China's sports development on 5 May 2016, restating the objective of policymakers to accelerate innovation in the sports lottery segment
- Through strategic partnerships SmartTrans is positioning to become a leading service provider to this sector.



*Source: www.agtech.com/html/industry_lottery_overview_char.php

Positioning for higher margin revenue

- At the nexus of Technology, Consumption, Mobile and Finance... *The Gateway to China*
- High Barriers to entry – Privileged and trusted billing access to China Mobile, China Telecom and China Unicom customer databases
- Diverse applications of its billing services by third parties
 - Virtual products - Games and Apps
 - Physical and Services - e-Commerce
- Annuity-style income streams through subscription billing generating high double digit ROIs – a focus for SMA moving forward
- Focus now is to reduce emphasis on lower margin in-App billing to pursue higher-margin products and e-Commerce revenue – will result in a change in revenue profile
- Diversified exposure to China's large and growing e-commerce industry. No single product risk exposure which offers a broader, thematic exposure to Chinese consumption and cross-border trade
- Exposure to the largest lottery market in the world growing at 30% CAGR since 1987*

Source: www.agtech.com/html/industry_lottery_overview_char.php

Compelling Investment Case



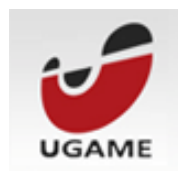
Highly scalable:

- A simple business – we ‘clip the ticket’ whether it be a mobile-based app, the cross-border sale of goods and services or the buying of a lottery product
- Servicing the largest mobile phone market in the world – China
- Operating in the largest e-commerce market in the world
- Servicing the largest lottery market in the world
- Valuable cross-border payment settlement facility



Source: www.agtech.com/html/industry_lottery_overview_char.php, iResearch)

Growing, diversified customer base across China and Australia



Global Automotive Interiors



BAYCORP.



CLARE VALLEY



Customers base continues to grow as more companies seek to transact in China

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