



SmartTrans Holdings Limited (ASX:SMA)

October 2015



Integration / Innovation / Inspiration / Information

SmartTrans Business Summary

SmartTrans has two business segments:

- Mobile and internet-based billing systems and content for smartphone users in China;
- Mobile and internet software solutions for companies who are delivering either goods or services.

1.

SmartPay – smartphone payments platform servicing China market

- Allows companies to transact and process payments in China
- SmartTrans receives royalty revenue by operating billing platform
- Use of SmartPay platform in China is growing rapidly
- Growing uptake of SmartPay by well established Chinese and foreign companies
- Mobile payments preferred payment method for Chinese consumers



2.

Mobile & online Logistics software provider in Australia

- Logistics software to optimise goods delivery
- Blue chip customer base
- Recurring revenue from long term contracts – typically 3+ years
- Tender pipeline of new contracts to give the business greater scale
- Pursuing growth opportunities in China



SmartTrans Highlights

- ✓ Telco billing partners in China include China Mobile, China Telecom and China Unicom;
- ✓ Direct billing partnerships with UnionPay and AliPay;
- ✓ In 12 months, SmartTrans has secured 5,000,000 paying customers in China;
- ✓ Fifteen consecutive months of revenue growth from mobile billing business (July 2014 to September 2015);
- ✓ SmartTrans has trusted relationships with Content and App Providers in China with vast libraries of high-quality content;
- ✓ Established and proven technology for in-app billing and monthly subscription billing;
- ✓ Growing subscriber customer database of users subscribing to mobile news content paying a monthly fee for:
 - 1. Auto news**
 - 2. Movie news**
 - 3. Finance news**
- ✓ SmartTrans has a growing and active customer base for additional mobile and internet products;
- ✓ SmartTrans is well-positioned for further growth in China and to expand its reach into other markets;
- ✓ SmartTrans is able to deliver Apps and Content from China to the world.

SmartTrans Corporate Overview

Corporate Snapshot

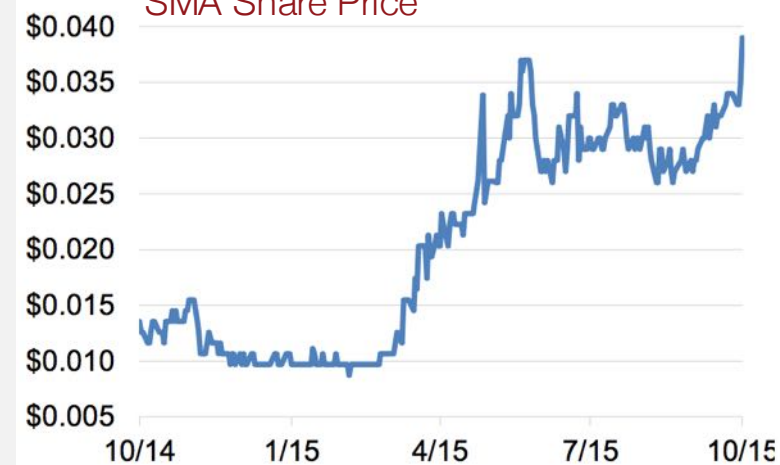
ASX Code	SMA
Market Cap at \$0.037/share (16-Oct-15)	\$82 million
Cash (as at 30 June, 2015)	~\$6 million
52 week high (\$/share)	\$0.039
52 week low (\$/share)	\$0.009
Shares on issue	2,205,811,961

Major Shareholders

% Ownership

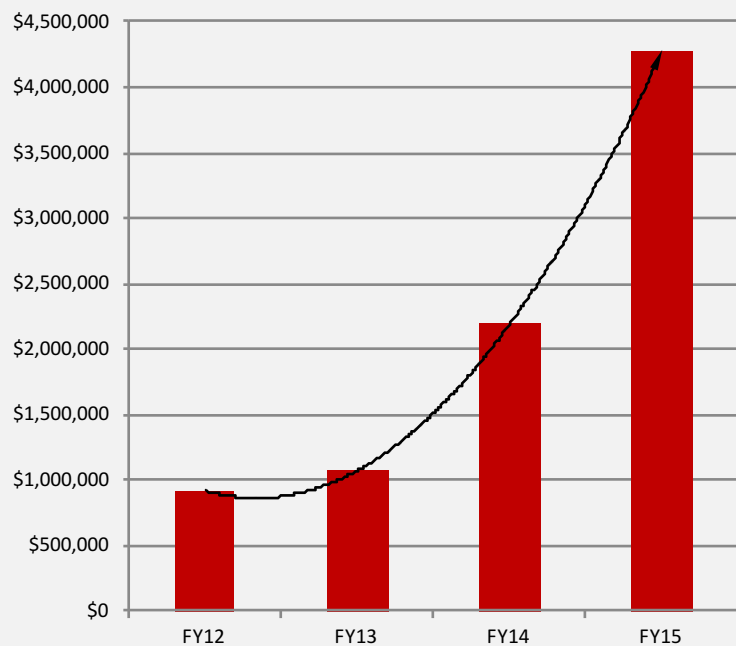
Directors, management, related ownership	48.58
Top 20	55.18
Dymocks Securities Pty Ltd	17.34
Loyal Strategic Investment Limited	10.66
Ocean Magic Investments Limited	5.90
Jamajon Pty Ltd	3.70
ITS Worldwide Ltd	2.82

SMA Share Price



SmartTrans Group Financials

SMA Group Revenue FY12 – FY15



	2015 \$	2014 \$
Revenue - Operations	4,277,301	2,194,369
Revenue – Non-operating activities	-	150,000
Online mobile promotion & third party cost	(2,176,918)	(99,804)
Employee salaries and benefits expense	(1,615,785)	(1,578,289)
Material and installation costs	(335,382)	(456,627)
Depreciation expense	(8,677)	(7,623)
Consultancy cost	(400,555)	(187,254)
ASIC, Audit & Tax	(296,435)	(99,308)
Loss on disposal of Tenement	-	(2,121,289)
Restructuring costs	-	(380,023)
Management and administration services expense	-	-
Share based payment	(67,176)	(81,699)
Rental & occupancy costs	(147,060)	(181,935)
Travelling and accommodation costs	(183,020)	(262,265)
Amortisation of intangible assets	(122,742)	(780,738)
Legal & associated costs	(152,731)	(173,911)
Foreign exchange gain/(loss)	(98,179)	(9,799)
Other Expenses	(325,806)	(300,084)
Loss before income tax	(1,653,165)	(4,376,279)

Board of Directors



Dr Geoff Raby
Non-Executive
Chairman



Andrew Forsyth
Non-Executive
Director



Yui (Ian) Tang
Non-Executive
Director



Ian Hawkins
Executive Director



Bryan Carr
CEO &
Managing Director



Greg Simpson
Non-Executive
Director

SmartTrans - SmartPay

SmartPay is a billing platform and technology wholly owned by SmartTrans.

Through SmartPay, SmartTrans provides the technology platform that allows app and content providers to bill customers, including the preferred method for consumers to make purchases - directly to their mobile telephone account with one click

By effectively utilizing SmartPay, SmartTrans has strong relationships in China and partners with:

- ✓ All telcos operating in China (China Mobile, China Unicom and China Telecom);
- ✓ Major Chinese Banks through UnionPay
- ✓ China's oldest and first online newspaper, Ta Kung Pao
- ✓ China's largest travel agency CITS
- ✓ A range of established content and app providers

SmartPay Overview

SmartPay currently provides real-time billing direct to customers of:

- ✓ China Mobile reaching 816 million customers;
- ✓ China Telecom reaching 188 million customers
- ✓ China Unicom reaching 285 million customers
- ✓ UnionPay reaching over 1 billion bank account holders
- ✓ AliPay reaching over 600 million account holders



Consumer makes purchase on mobile device or online

- Revenue derived from consumers making purchases through mobile devices and online

Transaction processed through SMA's payment platform

- SMA earns revenue from transaction:
 - Fee for use of payments platform
 - Purchase of online content

Settlement from Telco to SmartTrans

- 48 hours with Banks and Alipay
- 60-90 days with Telcos

Source: www.chinamobiletd.com, www.chinaunicom.com, www.chinatelecom.com.cn, www.alipay.com, www.unionpay.com

SmartPay Model: Third Party Application Billing



1. SmartPay system is our embedded in-app billing platform used by Chinese smartphone game developers
2. SMA earns revenue from in-app content purchase and subscription billing
3. The customer is billed in partnership with the telco and payment is deducted from the user's telephone account
4. SmartPay has now earned revenue from 5 million customers of smartphone game and content providers – with growth continuing

SmartPay Model: Subscription Billing



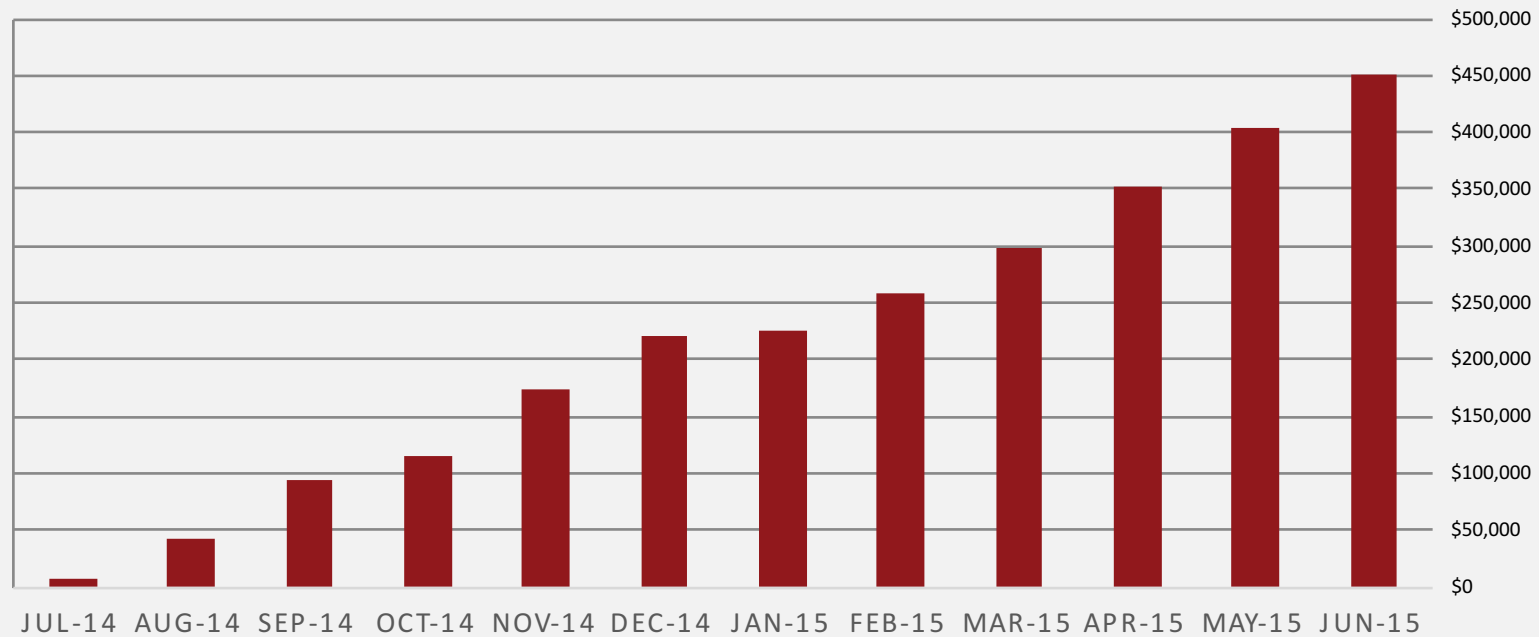
1. China Mobile and China Telecom users subscribe to SmartTrans owned mobile newspaper content
2. Subscription fees (monthly) billed to customers mobile phone accounts
3. China Mobile and China Telecom pay SmartTrans

Mobile Payments Growth Record

- ✓ New Content Providers constantly being added to SmartPay platform in China;
- ✓ Fifteen consecutive months of revenue growth from mobile billing business (July 2014 to September 2015);
- ✓ Customers include smartphone games developers, mobile content providers, media and travel;
- ✓ Rich portfolio of content from Chinese developers and content providers seeking new markets;
- ✓ Subscription billing by Chinese consumers generating recurring revenue – focussed on expansion;
- ✓ Monthly customer retention running at 80%+ month-to-month for subscription billing;
- ✓ Strong cash position to drive growth.

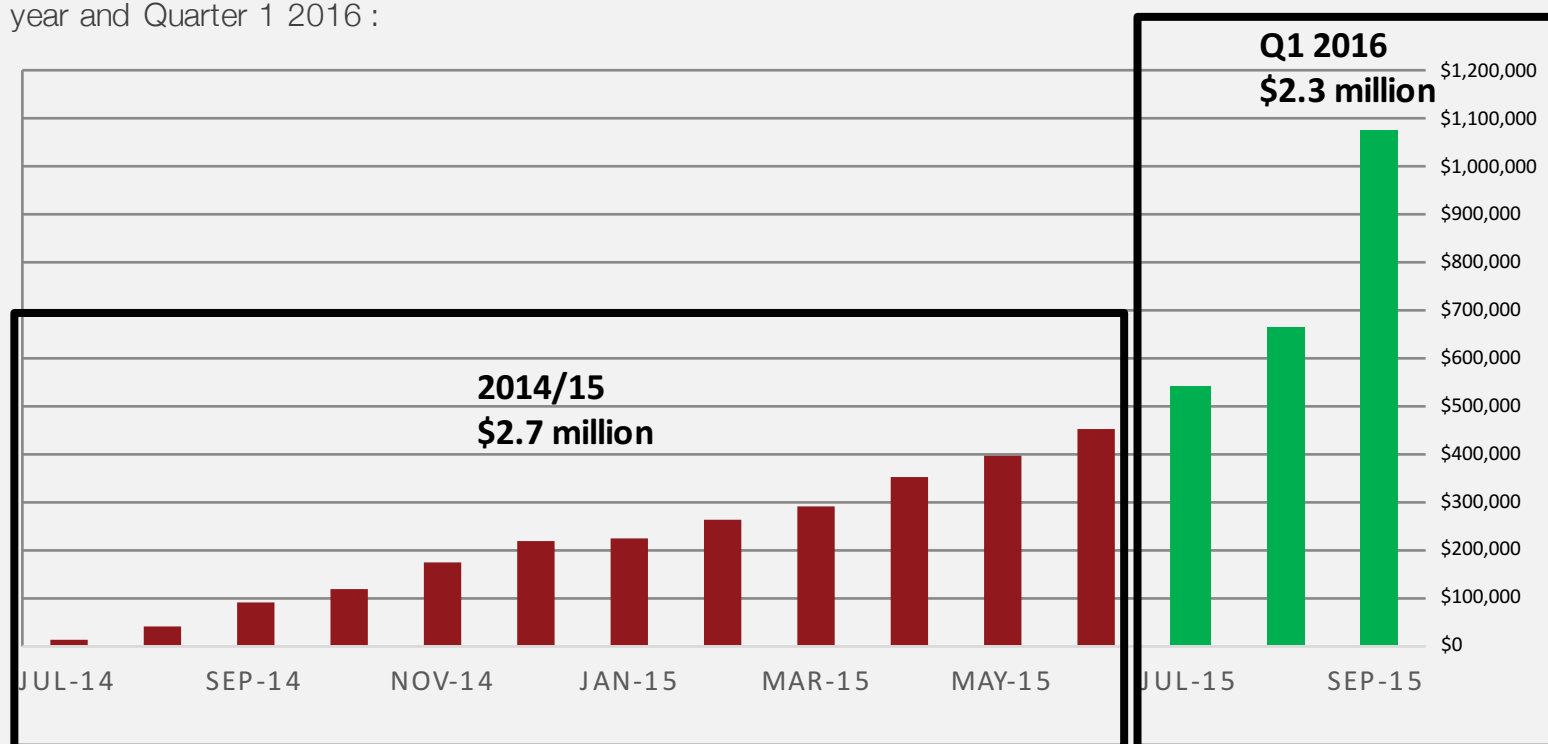
China Revenue FY 2014/15

The below figures represent the revenue growth for SmartTrans China growth over the 2014/15 financial year :



China Revenue FY 2014/15 + Q1 2016

The below figures represent the revenue growth for SmartTrans China growth over the 2014/15 financial year and Quarter 1 2016 :



The Market in China for SmartTrans

Total Population



1.37B

Urbanisation: 55%

Active
internet Users



668M

Penetration: 49%

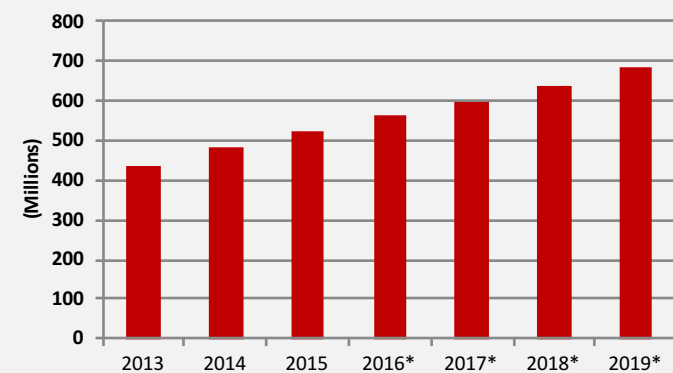
Unique
mobile users



675M

Penetration: 49%

Number of Smartphone Users in China 2013 – 2019*
(millions)

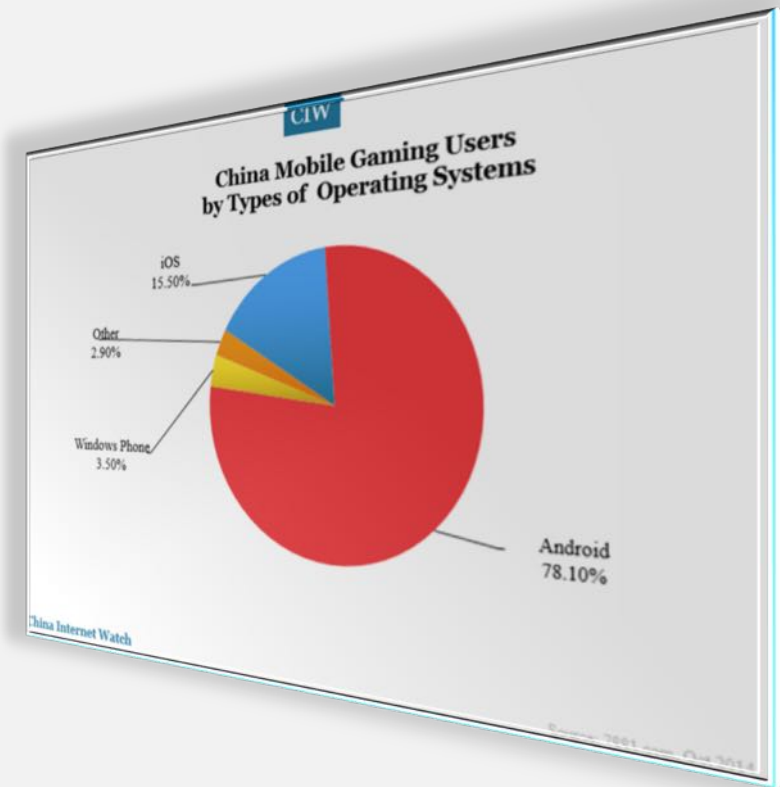


*Data from We Are Social: Digital, Social, Mobile in China 2015, Statista,

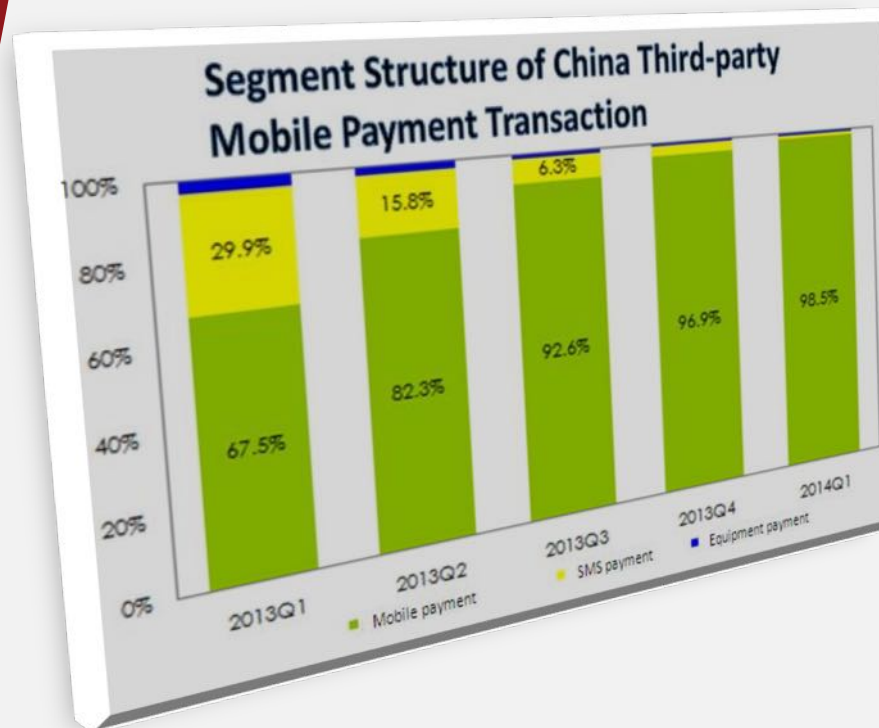
SmartTrans' Market: Android Users

SmartTrans' focus and expertise in servicing the Android phone market

- ✓ SmartTrans is a proven mobile content and billing provider with a strong established business in the world's largest smartphone market – China
- ✓ Strong credentials in the Android market space - 78% of Mobile Gaming Users in China are using an Android smartphone – the target market for SmartTrans



Growing Third-party Mobile Payments



The continued growth and uptake of online and mobile payments presents SmartTrans and SmartPay opportunities for expansion and growth.

- ✓ SmartTrans to expand SmartPay utilization and product range
- ✓ SmartPay to expand utilization geographically across China across six difference provinces: Guangdong, Shandong, Hubei, Sichuan, Hunan and Jiangsu

Geographic Reach & Expansion

Provinces in China covered by SmartTrans SmartPay



Source: www.tieba.baidu.com/p/2537083595

	Province	*Population	**Cell phone Users #
1	Guangdong	107,240,000	139,350,000
2	Hubei	57,260,000	43,519,000
3	Gansu	25,849,800	18,917,000
4	Sichuan	81,070,000	59,322,000
5	Shandong	95,800,000	78,252,000
6	Jiangsu	79,394,900	77,614,000
	TOTAL	446,614,700	416,974,000

SmartTrans Partners in China



In the News

1

“SmartTrans is highly scalable business with the upfront costs in developing and establishing platforms already absorbed, resulting in a significant proportion of future revenues dropping straight to earnings before interest and tax. The company has a degree of resilience, benefiting from recurring income and non-discretionary spending such as bill payments.”

Trevor Hoey – Financial Review: Smart Investor

2

“SmartTrans has been building a mobile and online payment business in China that is starting to kick some real goals as it gradually spreads to various provinces”

John Beveridge – Herald Sun

3

“The convergence of media and telecommunications has accelerated in recent years and the exponential growth of smartphone use via apps has created a highly scalable market opportunity for SmartTrans”

Trevor Hoey – Financial Review: Smart Investor



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