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Chairman's Address

Good Morning Ladies & Gentleman, on behalf of my fellow Directors, I would like to welcome you to the 2017 Annual General Meeting for SmartTrans Holdings Limited.

Firstly, by way of introduction for those of you who do not know me, my name is Mark Vaile and I am the Non-Executive Chairman of SmartTrans.

Joining me today are my fellow Directors Mr Yui (Ian) Tang, Ms Tracy Colgan, Mr Mark Ziirsen, our Managing Director Brendan Mason, and our Company Secretary, Julian Rockett. Mr Bryan Carr is not present.

I have now been Chairman of SmartTrans for year and a half, and have seen recent positive changes plus many exciting developments.

Before we turn to the formal part of the meeting, I would like to provide a brief overview of the business in the financial year completed.

As shareholders will know, SmartTrans is a mobile and internet- based software and services provider. In China, we have a promising eCommerce business that connects Australian manufacturers and suppliers with the vast and rapidly expanding Chinese market of increasing wealthy and discriminating consumers. Australian products, particularly in wine, food and personal care sectors are highly regarded by consumers in China. However Chinese customers are very fussy, and are particularly concerned about authenticity, quality and safety so are willing to go to considerable trouble to source from trusted suppliers. The term *daigou*, personal shoppers who buy in Australia on behalf of Chinese consumers, is now well known to us all. But recent changes to Chinese policy show a weakening of the tolerance for Daigou like activities.

Our eCommerce platform is a "Gateway to China" and supports businesses eager to sell into China, but unsure of how to enter and service the market. We offer authentic Australian suppliers a comprehensive package that includes all necessary regulatory approvals, IP trademark brand registration, and preparation of marketing materials for China. We also include a logistics solution that is either able to direct ship from Australia or warehouse in China and deliver to the customer.

With our Roolife eCommerce brand we are partnered with Dodoca and Wjke and one other distribution channel, who are all well-known China eCommerce channels to markets.

Using our new O2O channel our Chinese consumers can search for and purchase Australian goods for direct shipment to their door from a trusted source. Our new collaboration allows personal shoppers in China to inspect Australian goods in their local

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O2O shopfront and order directly from the Australian suppler via our network. Importantly, the Chinese consumers pay in local currency via their Alipay/Wechat smartphone QR code payment system and this is converted to Australian dollars and paid to the Australian vendor directly.

Our Roolife bundle, from a launch earlier in 2017, is showing strong revenue growth. We are now serving 20 Australian brands and the range of products listed on Roolife has expanded from 50 to 209 SKUs covering everything from health, beauty, health foods, and the purest traditional Chinese herbs.

A more disappointing development in China over the financial year was our decision to exit the mobile carrier payments business. This was a great setback, for although we had demonstrated outstanding revenue growth reaching over $12M annually we found that our China counterparties (China Mobile) in the mobile carrier companies became unreliable payers and we found ourselves holding substantial unpaid receivables balances. We are still pursuing China Mobile or the money that they owe us.

Moreover, we are aware that the introduction into the marketplace of new payment platforms such as Wechat and Alipay is an important strategic threat. These new payment systems offer increased customer convenience and made the carrier mobile payment system obsolete.

Turning to Australia, our well-established mobile and internet-based logistics software business has struck a purple patch and we are seeing strong revenue and margin contribution growth. Finally the message is getting out that our platform is able to offer truck and delivery fleet organisations a simple way of dramatically lowering the costs and improving the delivery performance of their fleet. In the past several months we have acquired seven new customers that represent an additional $2 million of contracted revenue over the coming years.

The big news in our logistics area is that we have an agreement with Resource Connect, a highly successful provider of managed personnel services to the mining and construction industry, to be acquired by SmartTrans in the near future. We expect that this acquisition will be transformative for SmartTrans. This is not the only strategic idea that we have.

Since its formation in 2013, Resource Connect successfully built revenues to reach $7.5M in the 2017 financial year and has been consistently been profitable. The acquisition is immediately earnings accretive for SmartTrans shareholders and heralds what we believe is the first idea of growth and profitability for SmartTrans.

The Resource Connect and SmartTrans businesses are highly complimentary. Resource Connect manages personnel movements; SmartTrans manages the transport fleets.

We expect that every existing Resource Connect customer will become a user of the transport solution as well and visa versa.

Turning to our people, 2017 has been a year of major change. Our CEO, Bryan Carr, has stepped down from an executive role after 10 years of service. These have been challenging years but Bryan has diligently fought to keep SmartTrans alive.

Brendan Mason is our new MD and bring experience in working in China, and running successful and profitable businesses in the health, technology and building materials sectors. He managed the largest (possibly the largest) truck fleet in Australia during is tenure at Boral Transport and (what became) Origin.

During the past year, Andrew Forsyth retired from the Board after 10 years of service. Andrew's contribution to Smarttrans has been pivotal to its success in dealing with the complex challenges that have arisen over the years. Greg Simpson also retired as chair of the audit committee. Thanks to both of you for your efforts.

On behalf of the Board, I thank the SmartTrans team (board + staff + shareholders) for a year of hard work, dedication and commitment.

Our Managing Director Brendan Mason will now speak to the SmartTrans presentation about our operations and business prospects going forward. It is my pleasure to hand over to him.

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