ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

VMOTO LIMITED ABN 36 098 455 460

CORPORATE DIRECTORY

DIRECTORS
Mr Charles Chen – Managing Director
Mr Ivan Teo – Finance Director
Mr Blair Sergeant – Non-Executive Director
Mr Martin Zhou – Non-Executive Director
Ms Shannon Coates – Non-Executive Director

COMPANY SECRETARY
Ms Loren King

PRINCIPAL AND REGISTERED OFFICE
Level 48, 152-158 St Georges Terrace,
Perth, Western Australia 6000
Australia
Telephone: +61 8 6311 9160

SHARE REGISTRY
Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth, Western Australia 6000
Australia
Telephone: +61 8 9323 2000

WEBSITE AND EMAIL
Website: www.vmoto.com
Email: info@vmoto.com

AUDITOR
Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road,
Subiaco, Western Australia 6008
Australia

BANKER
National Australia Bank
Level 14, 100 St Gerges Terrace
Perth, Western Australia 6000
Australia

SOLICITORS
Gilbert + Tobin
Level 16, Brookfield Place Tower 2,
123 St Georges Terrace
Perth, Western Australia 6000
Australia

SECURITIES EXCHANGES
Australian Securities Exchange
Level 40, Central Park
152-158 St Georges Terrace
Perth, Western Australia 6000
Australia

ASX Code: VMT

Vmoto Limited is a public company incorporated in Western Australia and listed on the Australian Securities Exchange.

VMOTO

CONTENTS

CORPORATE DIRECTORY 2

MANAGING DIRECTOR'S LETTER 4

OPERATIONS REVIEW 6

DIRECTORS' REPORT 12

REMUNERATION REPORT 22

FINANCIAL STATEMENTS 32

DIRECTORS' DECLARATION 77

AUDITOR'S INDEPENDENCE DECLARATION 78

INDEPENDENT AUDITOR'S REPORT 79

ADDITIONAL SHAREHOLDER INFORMATION 84

MANAGING DIRECTOR'S LETTER

DEAR SHAREHOLDERS,

2022 saw Vmoto Limited deliver the best set of Annual Results in the Company's history. Some of the highlights of the great performance delivered by the Vmoto team included,

- Record revenue of $116.7 million;
- Record NPAT of $10.3 million and EBITDA of $12.3 million;
- Record operating cash flow of $9.4 million; and
- Closing cash position of $28 million.

In addition to the record financial performance delivered in 2022, the Company has continued to make great strides in improving global marketing, branding and recognition. This is reflected in not only strong international unit sales of our electric two-wheel range of products, but also the strategic co-branding opportunities secured with globally recognised brands such as Ducati and one of the world's greatest automobile design houses, Pininfarina.

The Company also established commercial relationships that provides exposure to the broader opportunities represented by the electrification of the transport industry, taking place globally. The transaction with Charged Asia being one such transaction. We continue to assess a number of opportunities in this area as we strongly believe that they provide the Company with incredible potential to leverage off Vmoto's existing strong and successful platform.

As stated last year, the electrification of the transport industry is essential if the world is to ever achieve its stated net zero carbon goals. Consequently, Vmoto's ability to produce quality and affordable electric mopeds and motorcycles will continue to underpin the Company's growth.

Looking to FY23, I expect the Company to continue on the current successful path of profitable sales and earnings growth.

Importantly, I would like to take this opportunity to congratulate the entire Vmoto team of employees, contractors, suppliers and distributors who collective made 2022 such a great success.

Lastly, a very sincere thank you to our extremely loyal shareholder base for continued support.

Yours faithfully,

CHARLES CHEN
MANAGING DIRECTOR

OPERATIONS OVERVIEW

HIGHLIGHTS

FINANCIAL OVERVIEW FOR FY22

- Statutory results:
  - Record total revenue of $116.7 million, up 35% on FY21;
  - Record NPAT of $10.3 million, up 27% on FY21;
  - Earnings before interest, tax, depreciation, and amortisation ("EBITDA") of $12.3 million, up 20% on FY21; and
  - Strong positive cash flows from operating activities of $9.4 million;
- Strong cash position of $28 million as at 31 December 2022, up 50% from $18.6 million as at 31 December 2021;
- No bank debt as at 31 December 2022; and
- Net tangible assets of $58.5 million at 31 December 2022, up 27% on FY21.

OPERATIONAL HIGHLIGHTS AND KEY PERFORMANCE INDICATORS FOR FY22

- **Total sales of 37,181 units** of electric motorcycles/mopeds, delivered for FY22, up 19% on FY21 and up 58% on FY20;
- **Total international sales of 33,687 units**, delivered for FY22, up 13% on FY21 and up 57% on FY20;
- **Firm international orders** of 8,046 units as at 31 December 2022, for manufacture and delivery in the first half of FY23;
- **Continued to expand B2C international distributorships** in FY22, taking the total to 65 distributors worldwide;
- **Repeat orders** from the Company's existing B2B customers highlights the large growth opportunity represented by international B2B business with additional orders expected;
- Signed **new sponsorship agreement with Ducati Corse racing** as the official supplier of electric scooters for Team Ducati Corse in the MotoGP World Championship ("**MotoGP**") and the Superbike World Championship ("**SBK**") during the 2022-2023 seasons;
- Launched new products and introduced new concept "Air Performance Design" in cooperation with Pininfarina at 2022 EICMA; and
- Strategic technology and investment agreement signed with Charged Asia to **fast-track growth in Indonesia**, the third largest motorcycle market after India and China.

FY22 – CONTINUED STRONG OPERATIONAL AND COMMERCIAL GROWTH FOR VMOTO

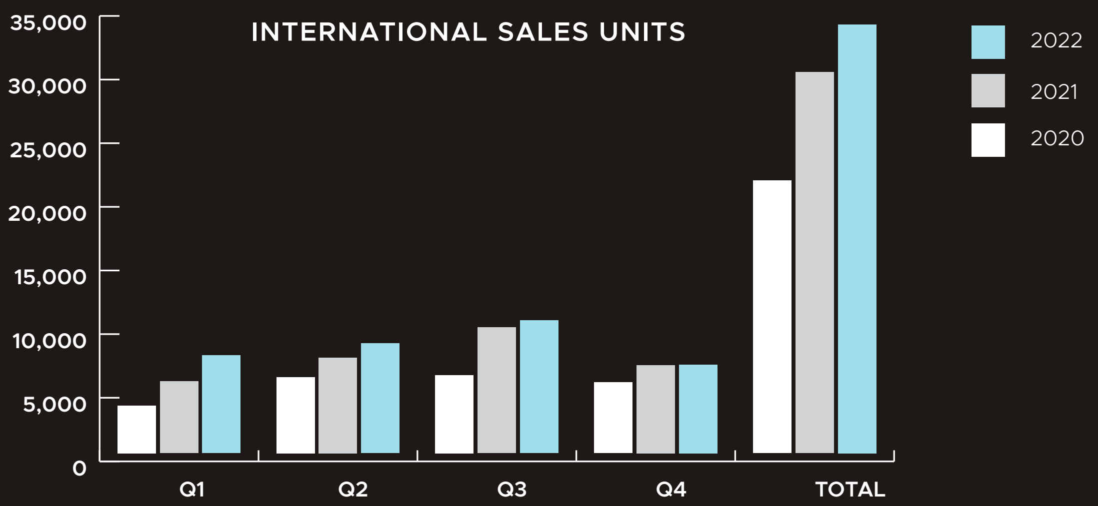
During FY22, Vmoto continued to deliver exceptionally strong sales and revenue growth, resulting in a record NPAT of circa $10.3 million.

The Company is dedicated to supplying high performance and value for money zero emission[1] electric motorcycles/mopeds into international markets and continues to expand both its B2B business and B2C distribution network worldwide.

In FY22, the Company sold a total of **37,181 units** of zero emission electric motorcycles/mopeds representing an increase of 19% on the previous financial year, translating to total **revenue of $116.7 million** and **NPAT of $10.3 million**, both record performances in Vmoto's history.

New Vmoto B2C dedicated store in Philippines.

The chart below illustrates the Company's historic international unit sales, by quarter, for the current and previous financial years:



** Explanatory note: During FY22, the Company sold 5,000 sets of Complete Knock Down ("CKD") parts into the Indian market, which are not included in the above international sales unit graph.*

INTERNATIONAL MARKETS

During FY22, the Company signed and renewed distribution agreements with a number of international distributors across Paraguay, Morocco, Lebanon, Hungary, Croatia, Romania, Germany, Austria, India, the United States, and the United Arab Emirates for the warehousing, distribution, and marketing of its B2C range of electric motorcycles/ mopeds.

Vmoto now has a total of 65 international distributors across the world.

The Company continues to receive significant interest in Vmoto's B2B fleet products from business operators.

ORDER BOOK

As at 31 December 2022, the Company had firm international orders for 8,046 units, manufacture and delivery of which will take place in the first half of FY23.

Repeat orders from the Company's existing B2C and B2B customers highlights the large growth opportunity represented by international markets with additional orders expected for FY23 and beyond.

Electric scooters supplied by Vmoto to Team Ducati Corse for the MotoGP

VMOTO TO BE THE OFFICIAL SUPPLIER OF ELECTRIC SCOOTERS FOR DUCATI CORSE

In May 2022, Vmoto entered into a sponsorship agreement with Ducati Corse, a division of Ducati Motor Holding S.p.A. ("**Ducati**"), to become the official supplier of electric scooters to the Ducati Corse Team for the MotoGP and SBK Championship races in the 2022-2023 seasons.

Ducati Corse is the department of excellence in the design and construction of racing motorbikes of Ducati and the organiser of competitions for the official Ducati racing teams.

This agreement provides Vmoto's brands with significant exposure across international markets and is expected to drive greater product awareness in the zero emissions urban e-mobility sector. Vmoto logos will be visible on the supplied electric vehicles, Ducati's trucks and on all Ducati Corse, exhibition stands providing significant exposure of Vmoto's brands.

2022 WORLD DUCATI WEEK AND PRODAY

During July 2022, Vmoto exhibited at the 2022 World Ducati Week ("**WDW**") held in Misano, Italy, as a technical partner and sponsor of Ducati, which was attended by more than 80,000 attendees from 84 countries. Participation in this world class international event provided Vmoto the opportunity to showcase its electric scooter/motorcycle products to potential future consumers around the world.

Following the productive exhibition at WDW, in July 2022, Vmoto successfully held its second annual Vmoto Soco ProDay at the Mugello Circuit in Tuscany, Italy; a racetrack famous for its fast curves and incredible slopes revered by motorcyclists. The Company successfully hosted over 300 people, including Vmoto's distributors, partners, professional riders, media, and motorcycles enthusiasts. The Company also received significant exposure for its brands and products through the media spotlight, with a significant number of broadcasts reporting on the event.

Vmoto's 2022 Vmoto Soco ProDay event held at the Mugello Circuit on 25-26 July 2022

VMOTO LAUNCHES NEW ELECTRIC DIRT BIKE PRODUCTS

During the year, Vmoto launched a range of Vmoto dirt bikes, which are the Company's latest electric two-wheel vehicle products, offering both on road ("**On-R**") and off road ("**Off-R**") versions specifically designed to target B2C consumer groups and for distribution internationally to consumers via the Company's distribution channels in over 65 countries around the world.

Extensive market research was undertaken during the design phase and the Company is confident of the success of the dirt bike range from commencement of commercial availability, estimated to be in 2Q23.

NEW PROJECT WITH PININFARINA

Vmoto successfully secured the opportunity to work with Pininfarina (one of the top design companies in the world) to design a futuristic concept bike for display in 2022 EICMA, to showcase Vmoto's design and product development capability.

Together Pininfarina and Vmoto launched the new concept "Air Performance Design", meaning that the Company's future electric motorcycles will be designed and developed taking "Air Performance" into consideration. Air performance has historically only been considered when designing supercars, with Vmoto positioning itself to be the first electric motorcycle company to produce "Air Performance Design" electric motorcycle products.

Pininfarina and Vmoto launch new "Air Performance Design" concept at EICMA

STRATEGIC TECHNOLOGY AND INVESTMENT AGREEMENT WITH CHARGED ASIA

In December 2022, the Company entered into a strategic technology and investment agreement with Charged Asia Pte Ltd ("**Charged Asia**"), which owns 100% of PT Industri Charged Mobilitas and PT Charged Tech Indonesia ("**Charged Indonesia**"), a scale up electric motorcycle technology company in Indonesia focused on providing sustainable mobility options and Electric Vehicle as-a-service ("**EVaaS**") to Indonesian customers.

The Indonesian motorcycle industry is the third largest in the world after India and China, in which motorcycles are used for private as well as commercial purposes, including ride-hailing and delivery services. Currently, more than 120 million motorcycles operate in Indonesia, of which a small portion are estimated to be electric motorcycles, with the numbers of electric motorcycles continuing to grow.

In addition, Vmoto will act as core technology partner of Charged Indonesia, providing all necessary technical assistance to Charged Indonesia in relation to electric motorcycle products.

Electric scooters supplied by Vmoto to Team Ducati Corse for the MotoGP

OUTLOOK

Vmoto continues to execute on its strategy of selling high performance and value for money electric motorcycles/mopeds into international markets. The Company continues to focus on improving its brand recognition from sales of its premium high performance B2B and B2C products by expanding its distribution network worldwide.

The Company has been actively pursuing and engaging with a number of potential new distributors, B2B customers and partners for distribution and cooperation opportunities to expand into the Asian, South American, and United States markets as follows:

- In addition to the strategic technology and investment agreement with Charged Asia, the Company has signed an exclusive distribution agreement with an Indian distributor and has also identified a number of strategic opportunities to integrate into other Asian markets such as Thailand;
- The Company is in discussions with a number of customers and partners in Brazil to assess the feasibility of local assembly facilities, which will significantly reduce production costs and fast-track the growth with the distribution of Vmoto products into the South American markets; and
- The Company has appointed a distributor in the United States with orders anticipated to increase in FY23 as a result.

Vmoto has been working with C Creative and Pininfarina to develop iconic, high-performance electric motorcycles with the intention of designing proprietary products to extend the Company's reach and appeal. In addition to the range of electric motorcycles, the Company is also developing battery swapping stations with the aim of diversifying its revenue stream and becoming known as an international new energy e-mobility solution provider.

The Company continues to commit to and realise its mission of creating a feeling of excitement and joy for Vmoto zero emission electric motorcycle riders, to advance the electric motorcycle industry globally through uncompromising quality and the highest level of customer service, to constantly innovate, and to reduce greenhouse gas emissions to preserve the environment for future generations.

[1] "zero emissions" is a reference to Vmoto's range of electric motorcycles and mopeds producing zero emissions when operated, not the total lifecycle emissions associated with producing the products or the emissions of the Company itself.

DIRECTOR'S REPORT

The Directors present their report together with the consolidated financial statements of Vmoto Limited ("Vmoto" or the "Company") and its controlled entities (the "Group") for the financial period 1 January 2022 to 31 December 2022.

The Directors of the Company at any time during or since the end of the financial year are set out below. Directors were in office for the entire year unless otherwise stated:

EXECUTIVE DIRECTORS

CHARLES CHEN
MANAGING DIRECTOR

Experience and responsibilities:

Mr Chen has been an Executive Director of the Company since 5 January 2007 and Managing Director since 1 September 2011.

Mr Chen is an entrepreneur in the motorcycle industry and has previously founded Freedomotor Corporation Limited in 2004, which was subsequently acquired by Vmoto through a management buyout of key assets. Mr Chen holds a Bachelor of Automobile Engineering from Wuhan University of Automobile Technology (China) and a postgraduate Diploma of Business Administration from South Wales University (UK).

Mr Chen began his career with Hainan Sundiro Motorcycle Co, Ltd, the largest publicly listed industrial company in Hainan Province, which was acquired by Honda Japan in 2001. Mr Chen has held senior executive roles with Hainan Sundiro from 1993 to 2002, and professionally trained in broad aspect of the motorcycle manufacturing and distribution operations including international sales and marketing, research and development, procurement and production.

Mr Chen resides in China, and oversees all of the Company's operations and activities.

IVAN TEO
FINANCE DIRECTOR

Experience and responsibilities:

Mr Teo joined the Company as Chief Financial Officer on 17 June 2009 and has been Finance Director of the Company since 29 January 2013. Mr Teo is an experienced finance executive with significant experience in international business.

Mr Teo is a qualified Chartered Accountant and has over 18 years of finance and accounting experience with private and public companies in a diverse range of industries including automobile, manufacturing, mining and retail.

Mr Teo graduated from the University of Adelaide, South Australia with a Bachelor of Commerce and currently resides in China.

NON-EXECUTIVE DIRECTORS

BLAIR SERGEANT
INDEPENDENT
NON-EXECUTIVE DIRECTOR

Experience and responsibilities:

Mr Sergeant has been a Non-Executive Director of the Company since 4 November 2020.

Mr Sergeant is an experienced public company executive, having been an Executive Director of Bowen Coking Coal Limited where he, alongside the Managing Director, was integral in the Company's transformation from explorer to producer. Mr Sergeant was also the former Founding Managing Director of Lemur Resources Limited, as well as the former Finance Director of Coal of Africa Limited, which grew from a sub-$2m market capitalisation to over $1.5b at its peak. Mr Sergeant was instrumental in the acquisition of Vmoto in mid-2006 via a reverse takeover of Optima Corporation Limited and the acquisition of Freedomotor Corporation Ltd by Vmoto Limited in early 2007.

Currently, Mr Sergeant is also a non-executive director of Rincon Resources Ltd. Mr Sergeant was also executive and non-executive directors of Celsius Resources Ltd, Bowen Coking Coal Ltd and Ikwezi Mining Ltd in the past 3 years.

SHANNON COATES
INDEPENDENT
NON-EXECUTIVE DIRECTOR

Experience and responsibilities:

Ms Coates has been a Non-Executive Director of the Company since 23 May 2014.

Ms Coates completed a Bachelor of Laws through Murdoch University and has since gained over 25 years' in-house experience in corporate law and compliance for public companies. She is a Chartered Secretary and an Associate Member of the Governance Institute of Australia. She is also a graduate of the Australian Institute of Company Directors.

Ms Coates is an Executive Director of Source Governance, a professional services provider specialising in company secretarial and governance services to both private and public ASX listed companies.

Currently, Ms Coates is also a non-executive director of Bellevue Gold Ltd. Ms Coates was also non-executive directors of ENRG Elements Ltd and Flinders Mines Ltd in the past 3 years.

KAIJIAN CHEN
INDEPENDENT
NON-EXECUTIVE DIRECTOR

Experience and responsibilities:

Mr Chen was a Non-Executive Director of the Company from 1 September 2011 to 16 September 2022.

Mr Chen has extensive experience in the motorcycle manufacturing industry in China. He was formerly vice president of Hainan Sundiro Motorcycle Co, Ltd and also served as vice president for Xinri E-Vehicle Co. Ltd. Currently, Mr Chen is vice president of Changzhou Supaiqi E-Vehicle Co, Ltd, which is one of the most renowned electric vehicle manufacturers in China at present.

Mr Chen holds a degree from the Beijing Institute of Technology and resides in China.

MARTIN ZHOU
INDEPENDENT
NON-EXECUTIVE DIRECTOR

Experience and responsibilities:

Mr Zhou has been a Non-Executive Director of the Company since 16 September 2022.

Mr Zhou's career spans over 36 years and includes national and international postings in the motorcycle industry in China and Japan. Mr Zhou was instrumental in Honda Japan's strategic acquisition and cooperation with Sundiro Group in China in year 2001 and directly participated in the acquisition process including acquisition negotiations, staff restructuring and technical advice on motorcycle models. Mr Zhou was also involved in the strategic introduction of a number of motorcycle groups from Japan and China to Sundiro Group in China, with the resulting cooperation arrangements including product development and technology partnerships.

Mr Zhou graduated from Shandong University, China with a degree specialising in internal combustion engines. Subsequently, Mr Zhou graduated from the School of Economics, Yamaguchi University, Japan and received a Master of Business Administration.

COMPANY SECRETARY

LOREN KING

Experience and responsibilities:

Ms King has been the Company Secretary of the Company since 30 September 2022.

Mrs King has over 15 years' experience in assisting ASX listed companies across a range of sectors with corporate affairs, governance, ASIC and ASX regulatory requirements. She has a Bachelor of Science in Psychology from Curtin University of Technology, a Graduate Diploma of Applied Corporate Governance with Chartered Secretaries Australia and is a BIA Accredited Bookkeeper and a member of the Institute of Certified Bookkeepers, holding a Certificate IV Financial Services (Bookkeeping).

Ms Coates was the Company Secretary of the Company from 10 May 2007 to 30 September 2022. Mr James Doyle was the Joint Company Secretary from 1 May 2022 to 30 September 2022.

DIRECTORSHIPS IN OTHER LISTED ENTITIES

Directorships in other listed entities held by Directors of the Company during the last 3 years immediately before 31 December 2022 are as follows:

DIRECTOR	COMPANY	FROM	TO
Mr Charles Chen	-	-	-
Mr Ivan Teo	-	-	-
Mr Blair Sergeant	Bowen Coking Coal Limited	2018	2021
	Rincon Resources Limited	2020	Current
	Ikwezi Mining Limited	2020	2021
	Celsius Resources Limited	2021	2021
Ms Shannon Coates	Bellevue Gold Ltd	2020	Current
	Flinders Mines Limited	2018	2019
	ENRG Elements Ltd	2015	2020
Mr Martin Zhou	-	-	-

DIRECTORS' MEETINGS

The number of Directors' meetings and the number of meetings attended by each of the Directors of the Company during the year ended 31 December 2022 are:

	BOARD MEETINGS		
DIRECTOR	HELD WHILE DIRECTOR	ATTENDED	CIRCULAR
Mr Charles Chen	4	4	11
Mr Ivan Teo	4	4	11
Mr Blair Sergeant	4	4	11
Ms Shannon Coates	4	4	11
Mr Kaijian Chen	2	2	10
Mr Martin Zhou	2	2	1

There is presently no separate Audit, Nomination or Remuneration Committee, with all committee functions being addressed by the full Board.

PRINCIPAL ACTIVITY

The principal activity of the Group during the year ended 31 December 2022 was the development and manufacture, marketing and distribution of electric two-wheel vehicles (electric motorcycles and electric mopeds).

OPERATING AND FINANCIAL REVIEW

REVIEW OF OPERATIONS

Vmoto Limited is a global electric two-wheel vehicle (EV) brand owner, designer, manufacturer and distributor. The Company specialises in high quality electric two-wheel vehicle and manufactures a range of high-end electric two-wheel vehicle from its own manufacturing facilities in Nanjing, China. Vmoto combines comprehensive and well-established Chinese manufacturing capabilities and supply chain with international design. The Group operates through the following primary brands:

- VMOTO, the Company's own proprietary brand, targeting international premium B2C markets;
- VMOTO Fleet, the Company's own proprietary brand, targeting international B2B markets; and
- Super Soco, a B2C brand for which Vmoto holds international marketing rights outside of China.

Total consolidated sales of $116.7 million were recorded for the Group for the year ended 31 December 2022 (FY2021: $86.2 million). The revenue of the Group has increased 35% compared to the year ended 31 December 2021, largely due to increased international sales and expansion of its distribution network globally. The Company capitalised on its high-quality products and over 13 years of experience in the electric two-wheel vehicle market by providing fully integrated e-mobility solution to its customers.

During the year ended 31 December 2022, the Group recorded a net profit of $10,217,956 after income tax (FY2021: $8,034,030). The earnings before interest, tax, depreciation and amortisation (EBITDA) for the year ended 31 December 2022 was $12,298,306 (FY2021: $10,225,753). Note that the above NPAT and EBITDA are results after accounting for the provision of doubtful debts of USD2.7 million (approximately $4 million) due to bankruptcy filed by its Netherlands B2B customers, Greenmo Rent BV and Greenmo Services BV.

The following table provides a reconciliation between the EBITDA and statutory net profit after tax for the year ended 31 December 2022 and 31 December 2021:

	FY2022	**FY2021**
Earnings before interest, tax, depreciation and amortisation	$12,298,306	$10,225,753
Depreciation and amortisation	($1,309,901)	($1,643,173)
Profit before interest and tax	**$10,988,405**	**$8,582,580**
Interest income	$433,345	$189,705
Interest expense	($21,953)	($23,101)
Income tax expense	**($1,181,841)**	**($715,154)**
NET PROFIT AFTER TAX	**$10,217,956**	**$8,034,030**

Directors believe this information is useful to provide investors with transparency on the underlying performance of the Company.

A more detailed review of operations for the year ended 31 December 2022 is set out in the Operations Review preceding the Directors' Report.

REVIEW OF FINANCIAL POSITION

The Group's net assets increased by approximately $12.5 million to $58.5 million during the year ended 31 December 2022.

Cash balances increased by approximately $9.4 million during the year ended 31 December 2022 due to increased sales to existing and new customers. The Company is utilising its cash for working capital to meet increasing orders and to invest further into the Group's expanding international distribution operations, with an aim to continue to penetrate further into international markets and further consolidate the Group's position as a global leader in the manufacture, sales and distribution of electric two-wheel vehicles.

Trade and other receivables increased by $2.7 million, largely due to growing orders from the customers and increase in VAT credits from governments as a result of increased sales activities.

Inventories increased slightly by $1 million and prepayments increased by approximately $6 million, which reflect the increase in orders from customers and prepayments made to suppliers to secure parts for manufacturing the products.

Trade and other payables increased by approximately $5.8 million during the period primarily reflecting the increased manufacturing and sales activities and better payment terms from suppliers.

Issued capital increased by $1.3 million during the year ended 31 December 2022, primarily due to the vesting and issue of share-based incentives to executive directors and employees, and investments from strategic partnerships with Giovanni Castiglioni and Graziano Milone.

No dividend has been declared or paid by the Company to the date of this Annual Report in respect of the year ended 31 December 2022.

BUSINESS STRATEGIES AND PROSPECTS FOR FUTURE FINANCIAL YEARS

The Company's business strategies for future financial years include:

- Continue to focus on high value and high margin international markets and to become a worldwide leading electric vehicle manufacturer and provider to B2C and B2B customers and markets internationally;
- Continue to improve the Company's electric two-wheel vehicle products to attract high quality international business group customers;
- Expand the Company's product range including an electric three-wheel vehicle to supply to broad spectrum of consumers and customers;
- Expand its European distribution network and warehouse in Europe to accelerate sales into European B2C and B2B markets;
- Expand its international distribution network including North America, Asia, South America and the Middle East, and to work with strategic distributors/customers to target large projects in their local markets;
- Expand its international B2B business and target large B2B customers in ride-sharing and delivery sectors; and
- To develop battery station products with the aim of increasing its revenue stream and becoming known as an international integrated e-mobility solution provider.

The potential material business risks faced by the Company that are likely to have an effect on the financial prospects of the Company and how the Company manages these risks include:

- Competition in the electric two-wheel vehicles industry – Vmoto operates in the electric two-wheel vehicle industry and the Company expects additional competitors to enter this market that may have greater financial, research and development, marketing, distribution and other resources. We believe that we can compete in this market due to our first mover advantage, having operated in the electric two-wheel vehicle markets since 2009. Vmoto manufactures its products in China and has an established, comprehensive supply chain for parts required to manufacture electric two-wheel vehicles and an established distribution network, currently comprising 65 countries.
- Technological obsolescence – given the Company operates in an industry involving electric vehicle technology, any technological obsolescence could have an impact on our financial results. We address this risk through continued investment in research and development, patent appropriate and necessary research and development results, recruitment of competent technicians and constantly monitoring the market. We see this risk as minimal as the Company is constantly developing new technology and functions in its electric two-wheel vehicle products and has the protection of trademarks and patents.
- Business relationship with Super Soco – Vmoto signed a joint investment agreement with Super Soco in February 2020, to establish a jointly owned Chinese registered manufacturing company, Nanjing Vmoto Soco Intelligent Technology Co, Ltd (Vmoto Soco Manufacturing). Vmoto and Super Soco each own 50% of the issued capital of Vmoto Soco Manufacturing. The joint investment agreement reduced the risk however changes in business cooperation and circumstances of Super Soco could have an impact on our financial results.

IMPACT OF LEGISLATION AND OTHER EXTERNAL REQUIREMENTS

The Group's operations are not subject to any significant environmental regulations. The Board believes that the Group has adequate systems in place for the management of its environmental regulations and is not aware of any breach of those environmental requirements as they apply to the Group.

CLEAN ENERGY LEGISLATIVE PACKAGE

The Clean Energy Legislative Package, which included the Clean Energy Act 2011, was passed by the Australian Government in November 2011. It sets out the way that the government will introduce a carbon price to reduce Australia's carbon pollution and move to a clean energy future.

The Group's manufacturing activities are primarily carried out in China and the Directors believe that the Group will not be significantly affected by this legislation. The Group has not incorporated the effect of any carbon price implementation in its impairment testing at 31 December 2022.

The Directors' view is that there were no changes in environmental or other legislative requirements during the year that have significantly affected the results or operations of the Group.

EVENTS SUBSEQUENT TO BALANCE DATE

ISSUE OF SHARES TO DIRECTORS AND EMPLOYEES

On 3 January 2023, 2,850,995 shares were issued to Managing Director Mr Charles Chen and 1,186,122 shares were issued to Finance Director Mr Ivan Teo, following vesting of performance rights issued under the Company's employee securities incentive plan, approved by shareholders on 16 December 2020.

On 23 February 2023, the Company issued a total of 2,238,139 shares to employees in recognition of their efforts and contribution to the Company.

VMOTO'S NETHERLANDS B2B CUSTOMERS

In February 2023, the Company became aware that one of its strategic B2B customer, GreenMo Services BV (Greenmo Services) had filed for bankruptcy in the Netherlands.

GreenMo Services and GreenMo Rent have been strategic B2B customers in the Netherlands for over seven years with no history of default. Under current business arrangements, there are outstanding accounts receivables of approximately USD2.7 million due to Vmoto from GreenMo Services and GreenMo Rent, which the full amount have been provided for as doubtful debts in the year ended 31 December 2022.

ACQUISITION OF VMOTO UK DISTRIBUTOR

On 7 March 2023, the Company announced it had acquired the business and certain assets of its UK Distributor for approximately $1 million.

Other than the above, there has not arisen in the interval between the end of the financial period and the date of this Annual Report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

LIKELY DEVELOPMENTS

Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years are discussed in the Operations Review.

DIRECTORS' INTERESTS

The relevant interests of each Director in the shares, options and rights issued by the Company at the date of this Annual Report are as follows:

DIRECTOR	ORDINARY SHARES	OPTIONS	SERVICE & PERFORMANCE RIGHTS
Mr Charles Chen[1]	36,655,779	-	2,693,054
Mr Ivan Teo[2]	3,086,122	-	1,201,976
Mr Blair Sergeant[3]	140,000	-	-
Ms Shannon Coates[4]	497,929	-	-
Mr Martin Zhou[5]	12,164,812	-	-

1. 36,655,779 shares and 2,693,054 performance rights are held directly by Mr Charles Chen.
2. 3,086,122 shares and 1,201,976 performance rights are held directly by Mr Ivan Teo.
3. 140,000 shares are held indirectly by Rio Super Pty Ltd as trustee for Rio Grande Do Norte Super Fund. Mr Sergeant is a beneficiary of Rio Grande Do Norte Super Fund.
4. 437,929 shares are held indirectly by Ms Coates' spouse, Mr Simon Kimberley Coates as trustee for the Kooyong Trust. 60,000 shares are held indirectly by Mr Simon Kimberley Coates and Mrs Shannon Coates as trustee for the Sunnyside Super Fund. Ms Coates is a beneficiary of the Kooyong Trust and the Sunnyside Super Fund.
5. 12,164,812 shares are held directly by Mr Martin Zhou.

OPTIONS

On 11 April 2022, the Company issued 21 million options with exercise between $0.45 and $0.65 to Giovanni Castiglioni and issued 2.1 million options with exercise between $0.45 and $0.65 to Graziano Milone pursuant strategic partnership and investment agreements signed in April 2022.

On 21 June 2022, the Company issued 1 million options to an advisor for investor relation services provided.

At the date of this report, options over unissued ordinary shares of the Company are:

CLASS	EXERCISE PRICE	NUMBER
2022 Options	$0.45	6,600,000
2022 Options	$0.55	7,700,000
2022 Options	$0.65	8,800,000
2022 Options	$0.55	1,000,000

SERVICE & PERFORMANCE RIGHTS

On 13 May 2022, the Company issued 1,372,346 performance rights to Mr Charles Chen and 652,512 performance rights to Mr Ivan Teo following shareholder approval at the Company's Annual General Meeting on 13 May 2022.

All Performance Rights convert to fully paid ordinary shares for nil cash consideration, subject to performance based vesting conditions. At the date of this report, rights over unissued ordinary shares of the Company are:

CLASS	NUMBER
2020 Performance rights	4,037,117
2021 Performance rights	1,870,172
2022 Performance rights	2,024,858

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

INDEMNIFICATION

The Company has agreed to indemnify the current Directors and Officers of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors and Officers of the Company, except where the liability arises out of conduct involving a lack of good faith.

The agreement stipulates that the Company will meet, to the maximum extent permitted by law, the full amount of any such liabilities, including costs and expenses.

The Company has not agreed to indemnify their current auditors, Hall Chadwick WA Audit Pty Ltd.

INSURANCE PREMIUMS

As at the date of this Annual Report, a Directors and Officers insurance policy has been secured. The insurance premium for this policy paid during the year ended 31 December 2022 was $58,937.

Non-audit services

During the year, Hall Chadwick WA Audit Pty Ltd, the Company's auditor, did not perform any non-audit services in addition to their statutory duties.

Auditor's Independence Declaration

The Auditor's Independence Declaration is set out on page 78 and forms part of the Directors' Report for the year ended 31 December 2022.

REMUNERATION REPORT

This remuneration report outlines the Director and executive remuneration arrangements of the Company and the Group.

The Board as a whole is responsible for considering remuneration policies and packages applicable both to Directors and executives of the Company and the Group.

Key Management Personnel have authority and responsibility for planning, directing and controlling the activities of the Company and the Group, including Directors of the Company and other executives. Key Management Personnel comprise the Directors of the Company, key management and executives for the Company and the Group.

DIRECTOR AND KEY MANAGEMENT PERSONNEL DETAILS

The following persons acted as Directors of the Company during or since the end of the financial year:

- Mr Charles Chen
- Mr Ivan Teo
- Mr Blair Sergeant
- Ms Shannon Coates
- Mr Kaijian Chen (resigned 16 September 2022)
- Mr Martin Zhou (appointed 16 September 2022)

The term 'Key Management Personnel' is used in this remuneration report to refer to the Directors and the following persons. Except as noted, the named persons held their position during or since the end of the financial year:

- Mr Graziano Milone (Chief Marketing Officer & President of Strategic Business Development)
- Mr Gaetan Orselli (Sales Manager)
- Mr Maik Spaan (Europe After Sales & Service Manager)
- Mr Adam Cui (Sales Manager)
- Mr Yaze Liu (Research & Development Manager)
- Mr Jeffrey Wu (Sales Manager, resigned 31 March 2022)

OVERVIEW OF REMUNERATION POLICIES

Broadly, remuneration levels for Key Management Personnel of the Company and Key Management Personnel of the Group are competitively set to attract and retain appropriately qualified and experienced Directors and executives and reward the achievement of strategic objectives. The Board may seek independent advice on the appropriateness of remuneration packages of both the Company and the Group given trends in comparative companies both locally and internationally, and the objectives of the Company's remuneration strategy.

Remuneration packages consist of fixed remuneration including base salary, employer contributions to superannuation funds and non-cash benefits.

The Company has established a long-term incentive plan, which is known as the Vmoto Limited Employee Long Term Incentive Plan ('Plan'). This plan allows Directors to offer equity securities to attract, motivate and retain key directors, employees and consultants and provide them with the opportunity to participate in the future growth of the Company. Under the plan, the Board may offer to eligible persons the opportunity to subscribe for equity securities in the Company as the Board may decide and, on the terms, set out in the rules of the Plan.

FIXED REMUNERATION

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any FBT charges related to employee benefits including motor vehicle), as well as employer contributions to superannuation funds.

Remuneration levels are reviewed annually by the Board through a process that considers individual, segment and overall performance of the Group. The Board has regard to remuneration levels external to the Group to ensure the Directors' and executives' remuneration is competitive in the market place.

Executive Directors are employed full time and receive fixed remuneration in the form of salary and statutory superannuation or consultancy fees, commensurate with their required level of services.

Non-Executive Directors receive a fixed monthly fee for their services. Where Non-Executive Directors provide services materially outside their usual Board duties, they are remunerated on an agreed retainer or daily rate basis.

SERVICE AGREEMENTS

It is the Group's policy that service agreements for Key Management Personnel are unlimited in term but capable of termination on 3 months' notice and that the Group retains the right to terminate the service agreements immediately, by making payment equal to 3 months' pay in lieu of notice.

The service agreement outlines the components of compensation paid to Key Management Personnel but does not prescribe how remuneration levels are modified year to year. Remuneration levels are reviewed annually on a date as close as possible to 31 December of each year to take into account Key Management Personnel's performance.

Certain Key Management Personnel will be entitled to bonuses as the Board may decide in its absolute discretion from time to time.

NON-EXECUTIVE DIRECTORS

Total remuneration for all Non-Executive Directors, last voted upon by shareholders at the 2012 Annual General Meeting, is not to exceed A$300,000 per annum and has been set at a level to enable the Company to attract and retain suitably qualified Directors. The Company does not have any scheme relating to retirement benefits for Non-Executive Directors.

RELATIONSHIP BETWEEN THE REMUNERATION POLICY AND COMPANY PERFORMANCE

The remuneration policy has been tailored to increase goal congruence between shareholders, Directors and executives. Two methods have been applied to achieve this aim, the first being a performance-based rights subject to performance-based vesting conditions, and the second being the issue of options or shares to Key Management Personnel to encourage the alignment of personal and shareholder interests.

The tables below set out summary information about the Group's earnings and movements in shareholder wealth for the last five reporting years:

In AUD	**31 Dec 2022 12 months**	**31 Dec 2021 12 months**	**31 Dec 2020 12 months**	**31 Dec 2019 12 months**	**31 Dec 2018 12 months**
In AUD	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Revenue	116,673	86,167	61,013	45,672	19,578
Net profit / (loss) before tax	11,400	8,749	4,220	1,301	(918)
Net profit / (loss) after tax	10,218	8,034	3,656	1,301	(918)
In AUD	**31 Dec 2022 12 months**	**31 Dec 2021 12 months**	**31 Dec 2020 12 months**	**31 Dec 2019 12 months**	**31 Dec 2018 12 months**
Share price at start of period	$0.43	$0.44	$0.245	$0.056	$0.058
Share price at end of period	$0.40	$0.43	$0.44	$0.245	$0.056
Dividend	-	-	-	-	-
Basic earnings/ (loss) per share	3.64 cents	2.89 cents	1.45 cents	0.58 cents	(0.43 cents)
Diluted earnings/ (loss) per share	3.43 cents	2.82 cents	1.45 cents	0.57 cents	(0.43 cents)

DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION

Details of the nature and amount of each major element of the remuneration of each Director of the Company and the named officers of the Company and the Group for the years ended 31 December 2022 and 31 December 2021 are:

		SHORT-TERM		POST EMPLOY-MENT	SHARE BASED			
		Salary & fees	STI cash bonus	Superannuation benefits	Shares	Total	Proportion of remuneration shares related	Proportion of remuneration performance related
In AUD		**$**	**$**	**$**	**$**	**$**	**$**	**$**
EXECUTIVE DIRECTORS								
Mr Charles Chen	12 months to Dec 2022	420,000[1]	-	-	789,488	1,209,488	65%	63%
	12 months to Dec 2021	390,833[1]	-	-	870,745	1,261,578	69%	44%
Mr Ivan Teo	12 months to Dec 2022	212,500[2]	-	-	348,812	561,312	62%	58%
	12 months to Dec 2021	185,521[2]	-	-	362,461	547,982	66%	42%
NON-EXECUTIVE DIRECTORS								
Mr Blair Sergeant[3]	12 months to Dec 2022	100,000	-	-	-	100,000	-	-
	12 months to Dec 2021	120,000	-	-	-	120,000	-	-
Ms Shannon Coates[4]	12 months to Dec 2022	76,256	-	7,244	-	83,500	-	-
	12 months to Dec 2021	54,795	-	5,205	-	60,000	-	-
Mr Martin Zhou[4] (appointed 16 Sep 2022)	12 months to Dec 2022	-	-	-	17,500	17,500	100%	-
	12 months to Dec 2021	-	-	-	-	-	-	-
Mr Kaijian Chen (resigned 16 Sep 2022)	12 months to Dec 2022	-	-	-	28,333	28,333	100%	-
	12 months to Dec 2021	-	-	-	42,603	42,603	100%	-
Total, all Directors	**12 months to Dec 2022**	**808,756**	**-**	**7,244**	**1,184,133**	**2,000,133**	**59%**	**54%**
	12 months to Dec 2021	**751,149**	**-**	**5,205**	**1,275,809**	**2,032,163**	**63%**	**39%**

1. Mr Chen's Director fees for the year ended 31 December 2022 was USD336,000 and for the year ended 31 December 2021 was USD312,667.

2. Mr Teo's Director fees for the year ended 31 December 2022 was USD 170,000 and for the year ended 31 December 2021 was USD148,417.

3. Ms Coates was appointed as Non-Executive Director on 23 May 2014. Ms Coates was appointed Company Secretary to the Company in 2007 and, via an associated company Evolution Corporate Services Pty Ltd, provided company secretarial, corporate advisory and Australian registered office services to Vmoto for a monthly retainer until 30 June 2022. Ms Coates resigned as Company Secretary on 30 September 2022. For the 2022 financial year, the Company paid Evolution Corporate Services Pty Ltd $39,000 for these services, which is not included in the amount above.

4. Mr Martin Zhou was appointed as Non-Executive Director on 16 September 2022. Mr Zhou has agreed to receive his director fees in shares and the Company will seek shareholders' approval for this issue at the 2023 Annual General Meeting.

		SHORT-TERM		POST-EMPLOYMENT	SHARE BASED PAYMENTS			
		Salary & fees	STI cash bonus	Superannuation benefits	Shares	Total	Proportion of remuneration shares related	Proportion of remuneration performance related
In AUD		**$**	**$**	**$**	**$**	**$**	**$**	**$**
EXECUTIVES								
Mr Graziano Milone (Chief Marketing Officer & President of Strategic Business Development, appointed 1 March 2022)	12 months to Dec 2022	75,838	-	-	143,171	219,009	65%	-
	12 months to Dec 2021	-	-	-	-	-	-	-
Mr Gaetan Orselli (Sales Manager)	12 months to Dec 2022	127,850	-	-	4,875	132,725	4%	-
	12 months to Dec 2021	131,250	-	-	-	131,250	-	-
Mr Maik Spaan (Europe After Sales & Service Manager)	12 months to Dec 2022	122,376	-	-	13,542	135,918	10%	-
	12 months to Dec 2021	110,122	-	-	7,944	118,066	7%	-
Mr Adam Cui (Sales Manager)	12 months to Dec 2022	46,181	59,865	-	-	106,046	-	56%
	12 months to Dec 2021	51,873	34,151	-	-	86,024	-	40%
Mr Yaze Liu (R&D Manager, appointed 1 July 2022)	12 months to Dec 2022	98,751	26,779	-	-	125,530	-	21%
	12 months to Dec 2021	-	-	-	-	-	-	-
Ms Susan Xie (Sales Manager)	12 months to Dec 2022	-	-	-	-	-	-	-
	12 months to Dec 2021	51,563	32,081	-	22,934	106,578	22%	30%
Mr Jeffrey Wu (Sales Manager, resigned 31 March 2022)	12 months to Dec 2022	12,829	-	-	8,083	20,912	39%	-
	12 months to Dec 2021	63,569	29,804	-	39,260	132,633	30%	22%
Total, all Executives	**12 months to Dec 2022**	**483,825**	**86,644**	**-**	**169,671**	**740,140**	**23%**	**12%**
	12 months to Dec 2021	**408,377**	**96,036**	**-**	**70,138**	**574,551**	**12%**	**17%**

SHARE-BASED PAYMENT ARRANGEMENTS

SHARES

On 4 April 2022, 1,720,000 shares were granted to Key Management Personnel as an incentive and to recognise their efforts in the year ended 31 December 2021. The shares granted to Key Management Personnel are subject to a three-year voluntary escrow period.

OPTIONS

The Company operates an Employee Long Term Incentive Plan (Plan) for eligible persons of the Group. In accordance with the provisions of the Plan, eligible persons may be granted options to purchase ordinary shares at an exercise price to be determined by the Board with regard to the market value of the shares when it resolves to offer the options. The options may only be granted to eligible persons after the Board considers the person's seniority, position, length of service, record of employment, potential contribution and any other matters which the Board considers relevant.

Each employee share option converts into one ordinary share of Vmoto Limited on exercise. No amounts are paid or payable to the Company by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The number of options granted is determined by the Board.

There is no further service or performance criteria that need to be met in relation to options granted before the beneficial interest vests in the recipient.

During the year ended 31 December 2022, no options were granted to Key Management Personnel under the Plan.

SERVICE & PERFORMANCE RIGHTS

As above, the Company operates an Employee Long Term Incentive Plan for eligible persons of the Group. In accordance with the provisions of the Plan, eligible persons may be granted rights to attract, motivate and retain key directors, employees and consultants to participate in the future growth of the Company to be determined by the Board and on the terms set out in the rules of the plan. The rights may only be granted to eligible persons after the Board considers the person's seniority, position, length of service, record of employment, potential contribution and any other matters which the Board considers relevant.

Each right converts into one ordinary share of Vmoto Limited at nil consideration when service and performance-based conditions as determined by the Board are met within designated period. No amounts are paid or payable to the Company by the recipient on receipt of the rights or on conversion of the rights to shares. Rights carry neither rights to dividends nor voting rights.

The number of rights granted is determined by the Board.

Rights under the Plan expire when the applicable service and/or performance conditions are not met within the designated period, or immediately on the resignation of the eligible persons, whichever is the earlier.

Unless specified by the Board at the time of offer of rights, there are no further service or performance criteria that need to be met in relation to rights granted before the beneficial interest vests in the recipient.

PERFORMANCE RIGHTS GRANTED IN FY2022

During the year ended 31 December 2022, 1,372,346 performance rights were granted to Mr Charles Chen and 652,512 performance rights were granted to Mr Ivan Teo pursuant to the shareholder approval on 13 May 2022.

The performance rights vest subject to:

- Continuing employment;
- Minimum performance hurdle of a minimum share price compound annual growth rate (CAGR) increases of 5% over the performance period;
- No performance rights will vest if CAGR is less than 5% over the respective period; and
- 50% of the performance rights will vest if CAGR of 10% is achieved, up to maximum of 100% of the performance rights will vest if CAGR of 15% is achieved and pro rata of the performance rights will vest if CAGR is >5%&<10% and >10%&<15%, as follows:

			PERFORMANCE HURDLES		
Performance right grants	**Performance period**	**Share price hurdle**	**25% vest**	**50% vest**	**100% vest**
2020 performance rights	2 years to 31 December 2022	5%	5%	10%	15%
2021 performance rights	3 years to 31 December 2023	5%	5%	10%	15%
2022 performance rights	3 years to 31 December 2024	5%	5%	10%	15%

FAIR VALUE OF PERFORMANCE RIGHTS GRANTED DURING THE PERIOD

The fair value of services received in return for performance and service rights granted to executive directors is measured by reference to the fair value of the rights granted. The estimate of the fair value of the services received is measured by reference to the vesting conditions specific to the grant based on Black-Scholes valuation methodology for service rights and Monte Carlo valuation methodology for performance rights.

Assumptions to determine fair value of rights	**2022 performance rights**
Grant date	13 May 2022
Fair value at measurement date	$0.2246
Share price at grant date	$0.38
Performance rights life	3 years

SHARE HOLDINGS AND TRANSACTIONS OF KEY MANAGEMENT PERSONNEL

The movement during the year ended 31 December 2022 in the number of ordinary shares held, directly, indirectly or beneficially by each key management person, including their personally-related entities, is as follows:

	Held at 1 Jan 2022	Held at date of appointment	Net change[1]	Granted as remuneration	Received on vest of service rights	Held at date of resignation	Held at 31 Dec 2022
DIRECTORS							
Mr C Chen	23,087,784	N/A	10,117,000	-	3,450,995	N/A	36,655,779
Mr I Teo	1,621,207	N/A	28,793	-	1,436,122	N/A	3,086,122
Mr B Sergeant	90,000	N/A	50,000	-	-	N/A	140,000
Ms S Coates	437,929	N/A	60,000	-	-	N/A	497,929
Mr K Chen	3,002,427	N/A	-	94,117	-	3,096,544	N/A
Mr M Zhou	N/A	12,164,812	-	-	-	N/A	12,164,812
EXECUTIVES							
Mr G Milone	N/A	400,000	300,000	300,000	-	N/A	1,000,000
Mr G Orselli	-	N/A	-	50,000	-	N/A	50,000
Mr M Spaan	50,000	N/A	-	50,000	-	N/A	100,000
Mr A Cui	-	N/A	-	-	-	N/A	-
Mr Y Liu	N/A	-	-	-	-	N/A	-
Mr J Wu	1,000,000	N/A	(600,000)	-	-	400,000	N/A

1. Net change represents the acquisition and disposal of shares on market and exercise of options by the Key Management Personnel.

OPTION HOLDINGS OF KEY MANAGEMENT PERSONNEL

The movement during the year ended 31 December 2022 in the number of options over ordinary shares held, directly, indirectly or beneficially by each key management person, including their personally-related entities, is as follows:

	Held at 1 Jan 2022	Held at date of appointment	Net change[1]	Granted as remuneration	Received on vest of service rights	Held at date of resignation	Held at 31 Dec 2022
DIRECTORS							
Mr C Chen	-	N/A	-	-	-	N/A	-
Mr I Teo	-	N/A	-	-	-	N/A	-
Mr B Sergeant	-	N/A	-	-	-	N/A	-
Ms S Coates	-	N/A	-	-	-	N/A	-
Mr K Chen	-	N/A	-	-	-	-	N/A
Mr M Zhou	N/A	-	-	-	-	N/A	-
EXECUTIVES							
Mr G Milone	N/A	-	2,100,000	-	-	N/A	2,100,000
Mr G Orselli	-	N/A	-	-	-	N/A	-
Mr M Spaan	-	N/A	-	-	-	N/A	-
Mr A Cui	-	N/A	-	-	-	N/A	-
Mr Y Liu	N/A	-	-	-	-	N/A	-
Mr J Wu	-	N/A	-	-	-	-	N/A

SERVICE AND PERFORMANCE RIGHTS OF KEY MANAGEMENT PERSONNEL

The movement during the year ended 31 December 2022 in the number of service and performance rights over ordinary shares held, directly, indirectly or beneficially by each key management person, including their personally-related entities, is as follows:

	Held at 1 Jan 2021	Held at date of appointment	Net change[1]	Granted as remuneration	Received on vest of service rights	Held at date of resignation	Held at 31 Dec 2021
DIRECTORS							
Mr C Chen	4,771,703	N/A	-	1,372,346	3,450,995	N/A	2,693,054
Mr I Teo	1,985,586	N/A	-	652,512	(1,436,122)	N/A	1,201,976
Mr B Sergeant	-	N/A	-	-	-	N/A	-
Ms S Coates	-	N/A	-	-	-	N/A	-
Mr K Chen	-	N/A	-	-	-	N/A	-
Mr M Zhou	N/A	-	-	-	-	N/A	-
EXECUTIVES							
Mr G Milone	N/A	-	-	-	-	N/A	-
Mr G Orselli	-	N/A	-	-	-	N/A	-
Mr M Spaan	-	N/A	-	-	-	N/A	-
Mr A Cui	-	N/A	-	-	-	N/A	-
Mr Y Liu	N/A	-	-	-	-	N/A	-
Mr J Wu	-	N/A	-	-	-	-	N/A

OTHER KEY MANAGEMENT PERSONNEL TRANSACTIONS

From 1 January to 30 June 2022, Evolution Corporate Services Pty Ltd, an entity associated with Ms Shannon Coates, provided company secretarial, administration and registered office services to the Group pursuant to consultancy agreement and received total fees of $39,000 for the year ended 31 December 2022.

Other than the above, there have been no related party transactions involving any of the Key Management Personnel identified in the table above during the year or the previous year.

This report is made with a resolution of the Directors pursuant to s298(2) of the Corporations Act 2001:

CHARLES CHEN
MANAGING DIRECTOR

Dated at Western Australia, this 30th day of March 2023.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Year ended 31 December 2022 $	Year ended 31 December 2021 $
Revenue from sale of goods		116,672,738	86,167,219
Cost of sales		(85,211,766)	(62,520,741)
Gross Profit		**31,460,972**	**23,646,478**
Other income	2(a)	3,872,339	2,294,341
Operational expenses		(10,641,839)	(10,917,613)
Marketing and distribution expenses		(2,135,640)	(1,644,402)
Corporate and administrative expenses		(5,293,612)	(4,577,367)
Occupancy expenses		(233,999)	(177,396)
Other expenses	2(b)	(4,283,394)	(491,927)
Share of losses from equity accounted investments		(1,323,077)	640,171
Finance costs		(21,953)	(23,101)
Profit from continuing operations before tax		**11,399,797**	**8,749,184**
Income tax expense	4(a)	(1,181,841)	(715,154)
Profit after tax from continuing operations		**10,217,956**	**8,034,030**

	Notes	Year ended 31 December 2022 $	Year ended 31 December 2021 $
Other comprehensive income			
Foreign currency translation differences		54,224	3,179,413
Other comprehensive income for the year, net of income tax		54,224	3,179,413
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**10,272,180**	**11,213,443**
Profit/(Loss) for the year attributable to:			
Owners of the Company		10,268,775	8,082,465
Non-controlling interests		(50,819)	(48,435)
		10,217,956	8,034,030
Total comprehensive income for the year attributable to:			
Owners of the Company		10,322,999	11,261,878
Non-controlling interest		(50,819)	(48,435)
		10,272,180	11,213,443
Earnings per share	20		
Basic earnings/(loss) per share		3.64 cents	2.89 cents
Diluted earnings/(loss) per share		3.43 cents	2.82 cents

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

CURRENT ASSETS	NOTES	31 DEC 2022	31 DEC 2021
Cash and cash equivalents	5	28,025,897	18,633,879
Trade and other receivables	6	17,469,720	14,812,971
Inventories	7	13,507,893	12,527,456
Other assets	8	9,923,366	3,847,521
Total Current Assets		**68,926,876**	**49,821,826**

NON-CURRENT ASSETS			
Property, plant and equipment	9	5,156,139	5,988,074
Right-of-use assets	13	1,001,588	360,509
Intangible Assets	10	-	-
Investments accounted for using equity method	11	5,901,577	7,132,878
Total Non-Current Assets		**12,059,304**	**13,481,461**

TOTAL ASSETS		80,986,180	63,303,287

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 (CONTINUED)

CURRENT LIABILITIES	NOTES	31 DEC 2022	31 DEC 2021
Trade and other payables	12	21,700,449	16,863,435
Current tax liabilities	4(e)	474,397	9,451
Lease liabilities	13	110,266	110,494
Total Current Liabilities		**22,285,112**	**16,983,380**

NON-CURRENT LIABILITIES			
Lease liabilities	13	164,865	282,768
Total Non-Current Liabilities		164,865	282,768

TOTAL LIABILITIES		**22,449,977**	**17,266,149**
NET ASSETS		**58,536,203**	**46,037,138**

EQUITY			
Issued capital	14	91,907,912	90,559,203
Reserves	14	2,327,352	1,394,952
Accumulated losses	17	(35,574,178)	(45,842,953)
Non-controlling interests	15	(124,883)	(74,064)
TOTAL EQUITY		**58,536,203**	**46,037,138**

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Year ended 31 December 2022 $	Year ended 31 December 2021 $
Cash flows from operating activities			
Receipts from customers		117,125,622	95,511,785
Payments to suppliers and employees		(111,832,204)	(92,944,871)
Interest received		433,345	189,705
Interest paid		-	-
Other cash receipts		3,623,498	1,038,256
Net cash generated by operating activities	**24**	**9,350,261**	**3,794,875**
Cash flows from investing activities			
Payments for property, plant & equipment		(662,144)	(615,084)
Payments for equity-accounted investments		-	-
Net cash used in investing activities		**(662,144)**	**(615,084)**
Cash flows from financing activities			
Proceeds from issue of equity shares		529,125	-
Payments for share issue costs		-	-
Repayment of borrowings		-	-
Net cash generated by financing activities		**529,125**	**-**
Net (decrease)/increase in cash and cash equivalents		9,217,242	3,179,791
Cash and cash equivalents at the beginning of the year		18,633,879	14,997,486
Effect of exchange rate fluctuations on cash held		174,776	456,602
Cash and cash equivalents at the end of the year		**28,025,897**	**18,633,879**

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Issued Capital $	Reserves $	Accumulated Losses $	Non-con-trolling Interests	Total $
Balance as at 1 January 2021	**89,823,509**	**(2,711,667)**	**(53,925,418)**	**(25,629)**	**33,160,795**
Profit for the year	-	-	8,082,465	(48,435)	8,034,030
Other comprehensive income for the year	-	3,179,413	-	-	3,179,413
Total comprehensive income for the year	**-**	**3,179,413**	**8,082,465**	**(48,435)**	**11,213,443**
Issue of ordinary shares	429,694	-	-	-	429,694
Issue of service and performance rights	-	1,233,206	-	-	1,233,206
Transfer vested service rights reserve to issued capital	306,000	(306,000)	-	-	-
Balance as at 31 December 2021	**90,559,203**	**1,394,952**	**(45,842,953)**	**(74,064)**	**46,037,138**
Balance as at 1 January 2022	**90,559,203**	**1,394,952**	**(45,842,953)**	**(74,064)**	**46,037,138**
Profit for the year	-	-	10,268,775	(50,819)	10,217,956
Other comprehensive income for the year	-	54,224	-	-	54,224
Total comprehensive income for the year	**-**	**54,224**	**10,268,775**	**(50,819)**	**10,272,180**
Issue of ordinary shares	1,042,709	-	-	-	1,042,709
Issue of service and performance rights	-	1,184,176	-	-	1,184,176
Transfer vested service rights reserve to issued capital	306,000	(306,000)	-	-	-
Balance as at 31 December 2022	**91,907,912**	**2,327,352**	**(35,574,178)**	**(124,883)**	**58,536,203**

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Vmoto Limited ("Vmoto" or "the Company") is a limited company incorporated in Australia. The consolidated financial report of the Company as at and for the year ended 31 December 2022 comprises the Company and its subsidiaries (together referred to as the "Group").

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements, and have been applied consistently by all entities in the Group.

a. Basis of preparation

i. Statement of compliance

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial report of the Group complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

The financial statements were approved by the Board of Directors on 30th March 2023.

ii. Basis of measurement

The consolidated financial statements of the Group are prepared on an accruals basis and are based on historical costs except where otherwise stated.

iii. Functional and presentation currency

The consolidated financial statements of the Group are presented in Australian dollars, which is different from its functional currency, determined to be Renminbi. A different presentation currency has been adopted as the Board of Directors believe that financial statements presented in Australian dollar (which is the functional currency of parent company) are more useful to the users and shareholders of the Company who are predominantly in Australia.

iv. Standards and interpretations affecting amounts reported in current period (and/or prior periods)

Accounting Standards that are mandatorily effective for the current reporting year

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2020. New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

- AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities
- AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities
- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures
- AASB 2020-9 Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments – December 2020
- AASB 2021-1 Amendments to Australian Accounting Standards – Transition to Simplified Disclosures for Not-for-Profit Entities – March 2021

- AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021
- AASB 2021-7a Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [general editorials]
- AASB 2022-2 Amendments to Australian Accounting Standards – Extending Transition Relief under AASB 1
- AASB 2022-4 Amendments to Australian Accounting Standards – Disclosures in Special Purpose Financial Statements of Certain For-Profit Private Sector Entities

The Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Group has not applied the new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective. Based on a preliminary review of the standards and amendments, the Directors do not anticipate a material change to the Group's accounting policies, however further analysis will be performed when the relevant standards are effective.

v. Going concern basis

The Group has recorded a profit after tax for the year ended 31 December 2022 of $10,217,956 (31 December 2021: $8,034,030). At 31 December 2022, the Group had a working capital surplus of $46,641,764 (31 December 2021: $32,838,446).

At the date of this Annual Report and having considered the above factors, the Directors are confident that the Group and the Company will be able to continue operations into the foreseeable future.

b. Principles of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Non-controlling interests in equity and results of the entities that are controlled by the Company are shown as a separate item in the consolidated financial statements.

Investments in subsidiaries are carried at cost and recoverable amount. Refer to Note 1(o).

Transactions eliminated on consolidation

Unrealised gains and losses and inter-entity balances resulting from transactions with or between subsidiaries are eliminated in full on consolidation.

c. Foreign currency translation

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

All differences in the consolidated financial report are taken to the profit & loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in the profit & loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

As at the reporting date the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of Vmoto at the rate of exchange ruling at the reporting date and the income statements are translated at the weighted average exchange rates for the period where this rate approximates the rate at the date of the transaction.

The exchange differences arising on the retranslation are taken directly to a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the profit & loss.

d. Revenue recognition

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST or equivalent) payable to the taxation authority.

Sale of goods

Revenue is measured when or as the control of the goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time.

If control of the goods and services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise (and in most instances), revenue is recognised at a point in time when the customer obtains control of the goods and services.

Contracts with customers may include multiple performance obligations. For such arrangements, the Company allocates revenue to each performance obligation based on its relative standalone selling price which are generally based on the prices charged to customers. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

If a customer pays consideration before the Company transfers the goods to the customer, the Company presents the contract liability (referred to as advance and deposits from customers) when the payment is made. A contract liability is the Company's obligation to transfer goods or services to a customer for which the Company has received consideration.

Interest income

Interest income is recognised using the effective interest method.

e. Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

f. Acquisition of assets

All assets acquired including plant and equipment and intangibles other than goodwill are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

When equity instruments are issued as consideration, their market price at the date of acquisition is used as fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity subject to the extent of proceeds received, otherwise expensed.

g. Business Combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquire and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 112 'Income Taxes' and AASB 119 'Employee Benefits' respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquire are measured in accordance with AASB 2 'Share-based Payment' at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations' are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Standard.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB 139, or AASB 137 'Provisions, Contingent Liabilities and Contingent Assets', as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquire is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

h. Investment in Associates and Joint Ventures

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries.

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. A joint arrangement in which the Group has direct rights to underlying assets and obligations for underlying liabilities is classified as a joint operation.

Investments in associates and joint ventures are accounted for using the equity method. Interests in joint operations are accounted for by recognising the Group's assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

Any goodwill or fair value adjustment attributable to the Group's share in the associate or joint venture is not recognised separately and is included in the amount recognised as investment.

The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

i. Property, Plant and Equipment

- ***Recognition and measurement***

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of assets may include the cost of materials and direct labour, and any other costs directly attributable to bringing the assets to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in profit or loss.

- ***Subsequent costs***

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit & loss as incurred.

- ***Depreciation***

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated. Assets will be depreciated once the asset is in the condition necessary for it to be capable of operating in the manner intended by management.

The estimated useful lives for the current and comparative periods are as follows:

Plant and equipment: 3 – 10 years

Motor vehicles: 4 years

Office furniture & equipment: 5 years

Building: 20 years

Leasehold improvements: 5 years

Moulds: 5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

- **Impairment**

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

j. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

k. Payables

Payables, including goods received and services incurred but not yet invoiced, are recognised at the nominal amount when the Group becomes obliged to make future payments as a result of a purchase of assets or receipt of services.

l. Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the tax office is included as a current asset or liability in the statement of financial position.


SUPER
SOCO
SUPER
SOCO
SUPER
SOCO
SUPER
SOCO

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the tax office are classified as operating cash flows.

m. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

n. Leases

In the current year, the Group has applied AASB 16 Leases that are effective for an annual period that begins on or after 1 January 2019.

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e., a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as operating expenses on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The financial impact from the adoption of this standard is disclosed in note 13.

The Group as lessor

Upon entering into each contract as a lessor, the Group assesses if the lease is a finance or operating lease.

A contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (for example, legal cost, costs to set up equipment) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases are recognised as receivables at the amount of the Group's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Group applies AASB 15 to allocate the consideration under the contract to each component.

o. Recoverable amount of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

p. Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in the profit & loss when the liabilities are derecognised as well as through the amortisation process.

q. Share-based payment transactions

The Group provides benefits to employees (including Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares, options or rights over shares ('equity-settled transactions').

The Company operates an incentive scheme to provide these benefits, known as the Vmoto Limited Employee Long Term Incentive Plan (the "Plan").

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a Black Scholes Option Valuation model or Monte Carlo Valuation model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Vmoto Limited ("market conditions").

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date").

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding weighted average number of options as at the reporting date is considered not material and accordingly the basic loss per share is the same as the diluted loss per share.

r. Employee benefits

Liabilities for employee benefits for wages, salaries and annual leave represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration, wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

s. Income tax

Income tax expense recognised in the statement of profit or loss and other comprehensive income relates to current tax and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences:

i. the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

ii. differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Company and its subsidiaries have unused tax losses as at the reporting date. However, no deferred tax balances have been recognised, as it is considered that asset recognition criteria have not been met at this time.

t. Intangibles

Trademarks, licenses and production rights

Trademarks, licenses and production rights are recognised at cost of acquisition. Licenses and production rights have an indefinite life and are carried at cost less any accumulated impairment losses. Trademark is estimated to have a useful life of five years and is amortised over a five-year period. The carrying values of trademark are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Patents

Patents acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their costs). Subsequent to initial recognition, patents acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as patents that are acquired separately.

Customer contracts

Customer contracts acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their costs). Subsequent to initial recognition, customer contracts acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as patents that are acquired separately.

u. Development Costs

Development costs are capitalised only when technical feasibility studies identify that the project is expected to deliver future economic benefits and these benefits can be measured reliably. Capitalised development costs have a finite useful life and are amortised on a systematic basis based on the future economic benefits over the useful life of the project.

v. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

w. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks and other short-term highly liquid investments with maturities of 3 months or less.

x. Comparative figures

This Annual Report relates to the year ended 31 December 2022. Comparatives are for the year ended 31 December 2021.

y. Fair value of assets and liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability, The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

i. if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or

ii. if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

z. Critical judgements in applying accounting policies and key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Contingent liabilities

The Company is currently a defendant in one proceeding brought against it by a former employee in relation to the employee's past employment. Having considered legal advice, the Directors believe that the claims can be successfully defended, without any losses (including for costs) being incurred by the Company.

The carrying amount of goodwill at 31 December 2021 was nil (31 December 2020: nil).

Useful lives of property, plant and equipment and trademarks

The Group reviews the estimated useful lives of property, plant and equipment and patents at the end of each reporting period. During the current year, the directors determined that the useful lives of property, plant and equipment and trademarks are deemed to be no change.

Fair value measurements and valuation processes in relation to business combination acquisition

As part of business combination, assets and liabilities are measured at fair value for reporting purposes. The Directors have determined the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of plant and equipment, the Group uses Level 3 inputs to perform the valuation.

In estimating the fair value of customer base, the Group uses Level 3 inputs to perform the valuation.

	Year ended 31 December 2022 $	Year ended 31 December 2021 $
2. REVENUES AND EXPENSES		
(a) Other income		
Interest income	433,345	189,705
Contributions from customers	1,494,600	960,686
Government subsidies	605,651	314,434
Net foreign exchange gain	773,908	-
Rent income	511,972	812,566
Other income	52,863	16,950
	3,872,339	**2,294,341**
(b) Other expenses		
Net foreign exchange loss	-	491,927
Doubtful debts	4,283,394	
	4,283,394	**491,927**
(c) Employee benefits expense		
Wages and salaries costs	5,141,386	4,549,996
	5,141,386	**4,549,996**
(d) Depreciation and amortisation		
Depreciation of property, plant and equipment	1,309,901	1,643,173
Amortisation of intangibles	-	-
	1,309,901	**1,643,173**
3. AUDITOR'S REMUNERATION		
Audit services:		
Audit of financial reports by Hall Chadwick WA Audit Pty Ltd	87,000	92,946
	87,000	**92,946**
4. INCOME TAX		
(a) Income tax credit / (expense)		
Current tax	(1,181,841)	(715,154)
Deferred tax	-	-
	(1,181,841)	**(715,154)**

	Year ended 31 December 2022 $	Year ended 31 December 2021 $
(b) Numerical reconciliation between tax benefit/(expense) and pre-tax net profit		
Profit before income tax expense	11,399,797	8,749,184
Income tax credit/(expense) calculated at 30%	(3,419,939)	(2,624,755)
Effect on amounts which are not tax deductible:		
Non-deductible items	(557,189)	(488,083)
Effect of different tax rates of subsidiaries operating in other jurisdictions	2,380,658	1,899,293
Deferred tax not brought to account	414,629	498,391
Income tax credit / (expense)	**(1,181,841)**	**(715,154)**
(c) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised (as recovery is currently not probable)		
Potential at 30% (31 December 2021: 27.5%)	7,079,958	7,555,938
All tax losses relate to Australian based entities.		
(d) Unrecognised temporary differences		
Temporary differences for which deferred tax assets have not been recognised:		
Accrued expenses	19,500	19,500
Unrecognised deferred tax assets relating to the above temporary differences	19,500	19,500
(e) Current tax liabilities		
Income tax payable	474,397	9,451
(f) Deferred tax balances		
Deferred tax balances are presented in the consolidated statement of financial position as follows:		
Deferred tax liabilities	-	-
	-	-
(g) Tax Rates		
The potential tax benefit at 31 December 2022 in respect of tax losses not brought into account has been calculated at 30% for Australian entities. The tax rate applied for the year ended 31 December 2021 was 30%. The tax benefit and expense at 31 December 2022 in respect of tax effect brought into account in relation to China operations has been calculated at 15% for China entities. The tax benefit and expense at 31 December 2022 in respect of tax effect brought into account in relation to Europe operations has been calculated at 25% for the Netherlands entities and 24% for Italy entities.		

	Year ended 31 December 2022 $	Year ended 31 December 2021 $
5. CASH AND CASH EQUIVALENTS		
Cash and bank balances	28,025,897	18,633,879
6. TRADE AND OTHER RECEIVABLES		
Current		
Trade receivables	13,408,456	7,595,767
Less: Provision for impairment loss	(4,524,469)	-
	8,883,987	7,595,767
Other receivables	8,585,733	7,217,204
Less: Provision for impairment loss	-	-
	17,469,720	14,812,971

Impaired trade receivables – Expected credit losses

Trade receivables are non-interest bearing and are generally on 30-60 days terms. A provision for expected credit losses is by reference to past default experience and an analysis of the ageing and known financial position of the debtor. The Company writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Movements in the provision for impairment of trade and other receivables were as follows:

	Year ended 31 December 2022 $	Year ended 31 December 2021 $
At beginning of the period	-	291,333
Provision for impairment during the period	4,524,469	-
Write off	-	(291,333)
At end of the period	4,524,469	-
At 31 December 2021, the ageing analysis of trade and other receivables is as follows:		
0 – 30 Days	4,882,858	5,736,203
31 – 60 Days	1,551,842	948,505
61 – 90 Days past due not impaired	2,639,916	677,478
+90 Days past due not impaired	8,395,104	7,450,785
+90 Days considered impaired	4,524,469	-
Provision for impairment	(4,524,469)	-
	17,469,720	14,812,971

As of 31 December 2022, trade and other receivables of $11,035,020 (31 December 2021: $8,690,567) were past due but not impaired.

$4,828,095 of the $11,035,020 past due relates to deferred payment arrangement with a B2C customer. The customer has been making payments on time in full.

$5,515,369 of the $11,035,020 past due relates to a short-term advance to Nanjing Vmoto Soco Intelligent Technology Co, Ltd (Vmoto Soco Manufacturing), which is the Company's jointly owned Chinese registered manufacturing company. The short-term advance will only be due for repayments in August 2023 and it has no history of default.

7. INVENTORIES

Raw materials	4,556,477	2,925,039
Semi-finished goods	485,366	7,621
Finished goods	8,466,050	9,594,796
	13,507,893	12,527,456

8. OTHER ASSETS

Prepayments	9,923,366	3,847,521

The prepayments are payments in advance to suppliers for the supply of electric motorcycle/moped inventories for the Group's electric two-wheel vehicle operations.

	Plant & equipment	Motor vehicles	Land	Building	Total
9. PROPERTY, PLANT & EQUIPMENT					
Year ended 31 December 2021					
At 1 January 2021, net of accumulated depreciation	795,420	85,784	1,011,426	4,603,927	6,496,557
Additions	67,645	321,177	-	114,381	503,203
Depreciation for the period	(465,271)	(23,889)	-	(1,045,421)	(1,534,581)
Exchange differences	26,052	3,568	88,524	404,751	522,895
At 31 December 2021, net of accumulated depreciation	423,846	386,640	1,099,950	4,077,638	5,988,074
At 31 December 2021					
Cost	2,039,440	431,278	1,099,950	7,725,968	11,296,636
Accumulated depreciation	(1,615,594)	(44,638)	-	(3,648,330)	(5,308,562)
Net carrying amount	423,846	386,640	1,099,950	4,077,638	5,988,074
Year ended 31 December 2022					
At 1 January 2022, net of accumulated depreciation	423,846	386,640	1,099,950	4,077,638	5,988,074
Additions	1,102,608	-	-	48,106	1,150,714
Reclassification to rights of use assets	-	-	(1,099,950)	-	(1,099,950)
Depreciation for the period	(281,429)	(99,464)	-	(498,176)	(879,069)
Exchange differences	75,405	(6,351)	-	(72,684)	(3,630)
At 31 December 2022, net of accumulated depreciation	1,320,430	280,825	-	3,554,884	5,156,139
At 31 December 2022					
Cost	2,929,464	424,348	-	7,316,214	10,670,026
Accumulated depreciation	(1,609,034)	(143,523)	-	(3,761,330)	(5,513,887)
Net carrying amount	1,320,430	280,825	-	3,554,884	5,156,139

	Goodwill	Licences, trademarks and production rights	Development Costs	Total
10. INTANGIBLES				
Year ended 31 December 2021 **Balance at 1 January 2021**				
Amortisation for the period	-	-	-	-
Balance at 31 December 2021	-	-	-	-
	-	-	-	-
At 31 December 2021				
Cost	3,971,428	2,015,687	4,836,105	10,823,220
Accumulated amortisation	-	(797,102)	(565,657)	(1,362,759)
Accumulated impairment	(3,971,428)	(1,218,585)	(4,270,448)	(9,460,461)
Net carrying amount	-	-	-	-
Year ended 31 December 2022 **Balance at 1 January 2022**				
Amortisation for the period	-	-	-	-
Balance at 31 December 2022	-	-	-	-
	-	-	-	-
At 31 December 2022				
Cost	3,971,428	2,015,687	4,836,105	10,823,220
Accumulated amortisation	-	(797,102)	(565,657)	(1,362,759)
Accumulated impairment	(3,971,428)	(1,218,585)	(4,270,448)	(9,460,461)
Net carrying amount	-	-	-	-

11. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Vmoto Soco Manufacturing

On 24 February 2020, Vmoto entered into a joint investment agreement with Super Soco Intelligent Technology (Shanghai) Co, Ltd to establish a new jointly owned Chinese registered manufacturing company, Nanjing Vmoto Soco Intelligent Technology Co Ltd (Vmoto Soco Manufacturing). Under the terms of the agreement, Vmoto was required to contribute RMB 30 million (~A$5.9 million) in cash and/or assets by end of June 2020, which served as the initial working capital for Vmoto Soco Manufacturing. Vmoto has fulfilled this commitment. Super Soco will also contribute RMB 30 million (~A$5.9 million) in cash and/or assets progressively by no later than June 2025, based on the commercial requirements of the joint venture company. This may include contributions of Super Soco's intangible assets, including patents and molds.

Vmoto has a 50% equity interest in Vmoto Soco Manufacturing, and it is the sole and exclusive manufacturer for both Vmoto's and Super Soco's electric scooter and motorcycle products.

The Group's interest in Vmoto Soco Manufacturing is accounted for using equity method in the consolidated financial statements as the Group does not control or have joint control over Vmoto Soco Manufacturing. Summarised financial information of the Group's share in Vmoto Soco Manufacturing is as follows:

	31 December 2022 $	31 December 2021 $
Current assets	33,885,301	31,320,307
Non-current assets	7,444,180	6,970,398
Current liabilities	(29,958,799)	(24,024,949)
Non-current liabilities	-	-
Net assets (100%)	11,370,682	14,265,756
Group's share of net assets (50%)	5,685,341	7,132,878
Carrying amount of interest in equity accounted investments	**5,685,341**	**7,132,878**

	Year ended 31 December 2022 $	Year ended 31 December 2021 $
Revenue	66,181,788	54,018,270
Cost of sales	(63,125,071)	(43,716,551)
Administrative expenses	(5,702,871)	(9,021,377)
Profit/(Loss) for the period from continuing operations (100%)	(2,646,154)	1,280,342
Other comprehensive income	-	-
Total comprehensive income for the period from continuing operations (100%)	(2,646,154)	1,280,342
Group's share of losses for the period (50%)	**(1,323,077)**	**640,171**

During the FY2022, the Group purchased $65,016,410 of goods from Vmoto Soco Manufacturing. Vmoto Soco Manufacturing had no contingent liabilities or capital commitments as at 31 December 2022.

Charged Asia

On 6 December 2022, Vmoto entered into a strategic technology and investment agreement with Charged Asia Pte Ltd (Charged Asia), which owns 100% of PT Industri Charged Mobilitas and PT Charged Tech Indonesia ("Charged Indonesia"), a scale up electric motorcycle technology company in Indonesia focused on providing sustainable mobility options and Electric Vehicle as-a-service to Indonesian customers.

Vmoto has agreed to invest up to USD3 million (approximately A$4.5 million) (Subscription Price) by way of credit offsets on batteries and electric vehicles supplied from Vmoto to Charged Asia or its subsidiaries over a 3-year period (Credit Period). In return, Vmoto will receive equity of 8% in Charged Asia, which currently has an investment valuation of USD38 million. Regardless of whether the available credit offsets are fully utilised during the Credit Period, upon the expiry of the Credit Period, the Subscription Price shall be deemed to have been satisfied in full by Vmoto.

As at 31 December 2022, Vmoto has provided credit offsets of $216,236.

	Year ended 31 December 2022 $	Year ended 31 December 2021 $
12. TRADE AND OTHER PAYABLES		
Current – unsecured		
Trade creditors	7,386,071	4,058,010
Advance and deposits from customers	9,700,853	10,686,808
Other creditors and accruals	4,613,525	2,118,617
	21,700,449	16,863,435

13. LEASES

The Group leases warehouse and office facilities in Netherlands and Italy for its electric two-wheel vehicle distribution and after sales operations. The leases typically run for a period between 5 and 6 years, with an option to renew the lease after that date. Lease payments are adjusted based on changes in local price indices. The Group is restricted from entering into any sub-lease arrangements.

With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected in the consolidated statement of financial position as a right-of-use assets and lease liabilities. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Right-of-use assets			
Year ended 31 December 2022			
Gross carrying amount	-	602,375	602,375
Balance at 1 January 2022	-	-	-
Additions	1,099,950	-	1,099,950
Disposals	-	-	-
Exchange difference	(20,790)	(16,272)	(37,062)
Balance at 31 December 2022	1,079,160	586,103	1,665,263
Depreciation and impairment			
Balance at 1 January 2022	-	(241,866)	(241,866)
Depreciation	(323,748)	(98,061)	(421,809)
Balance at 31 December 2022	(323,748)	(339,927)	(663,675)
Net carrying amount at 31 December 2022	**755,412**	**246,176**	**1,001,588**

	Land $	Buildings $	Total $
13. LEASES (CONTINUED)			
Gross carrying amount			
Balance at 1 January 2021	-	617,497	617,497
Additions	-	-	-
Disposals	-	-	-
Exchange difference	-	(15,122)	(15,122)
Balance at 31 December 2021	-	602,375	602,375
Depreciation and impairment			
Balance at 1 January 2021	-	(138,892)	(138,892)
Depreciation	-	(102,974)	(102,974)
Balance at 31 December 2021	-	(241,866)	(241,866)
Net carrying amount at 31 December 2021	**-**	**360,509**	**360,509**

	31 Dec 2022 $	31 Dec 2021 $
Lease liabilities		
Current	110,266	110,494
Non-current	164,865	282,768
	275,131	**393,262**

Total cash outflow for leases for the year ended 31 December 2022 was $156,056 (FY2021: $146,584).

Operating leases

The Group leases out partial of its Nanjing manufacturing facilities and these leases have been classified as operating leases because they do not transfer substantially the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the Group during the year ended 31 December 2022 was $511,972 (FY2021: $812,566).

	31 December 2022 $	31 December 2021 $
14. ISSUED CAPITAL AND RESERVES		
Issued capital		
283,524,201 (31 December 2021: 279,360,084) fully paid ordinary shares	91,907,912	90,559,203

The following movements in issued capital occurred during the period:

		Number of Shares 31 Dec 2022	Number of Shares 31 Dec 2021	Year ended 31 Dec 2021 $	Year ended 31 Dec 2020 $
Balance at beginning of period		277,347,515	277,347,515	90,559,203	89,823,509
Issue of Shares at nil consideration	a)	-	970,000	-	-
Issue of Shares at 44.5 cents each	b)	-	89,888	-	40,000
Issue of Shares at 36.5 cents each	c)	-	102,681	-	37,500
Issue of Shares at nil consideration	d)	-	850,000	-	306,000
Issue of Shares at nil consideration	e)	1,720,000	-	167,700	-
Issue of Shares at 35.275 cents each	f)	1,500,000	-	529,125	-
Issue of Shares at 43 cents each	g)	94,117	-	40,000	-
Issue of Shares at nil consideration	h)	850,000		306,000	-
Vesting of share-based expenses		-	-	305,884	352,194
Share issue costs		-	-	-	-
Balance at end of period		**283,524,201**	**279,360,084**	**91,907,912**	**90,559,203**

a. 8 February 2021 – Issue 970,000 shares at nil consideration to employees of the Company in recognition of their efforts and contribution to the Company. These share-based expenses will be recognised over a three-year vesting period.

b. 13 May 2021 – Issue 89,888 shares at 44.5 cents each to a director in lieu of unpaid Director fees.

c. 13 May 2021 – Issue 102,681 shares at 36.5 cents each to a director in lieu of unpaid Director fees.

d. 20 December 2021 – Issue 850,000 shares to directors as a result of vest of 850,000 service rights.

e. 4 April 2022 – Issue 1,720,000 shares at nil consideration to employees of the Company in recognition of their efforts and contribution to the Company. These share-based expenses will be recognised over a three-year vesting period.

f. 11 April 2022 – Issue 1,500,000 shares to investors pursuant to strategic partnership and investment agreements signed.

g. 13 May 2022 – Issue 94,117 shares at 43 cents each to a director in lieu of unpaid Director fees.

h. 19 December 2022 – Issue 850,000 shares to directors as a result of vest of 850,000 service rights.

Options

There are no movements of options over unissued ordinary shares of the Company for the year ended 31 December 2021.

On 11 April 2022, the Company issued 21 million options with exercise between $0.45 and $0.65 to Giovanni Castiglioni and issued 2.1 million options with exercise between $0.45 and $0.65 to Graziano Milone pursuant to the strategic partnership and investment agreements signed in April 2022.

On 21 June 2022, the Company issued 1 million options to an advisor for investor relation services provided.

Class	Grant date	Expiry date	Number of options	Options at 1 Jan 2022	Options granted	Options exercised	Options expired	Options at 31 Dec 2022
Options exercisable at 45c	11 Apr 2022	11 Apr 2026	6,600,000	-	6,600,000	-	-	6,600,000
Options exercisable at 55c	11 Apr 2022	11 Apr 2027	7,700,000	-	7,700,000	-	-	7,700,000
Options exercisable at 65c	11 Apr 2022	11 Apr 2027	8,800,000	-	8,800,000	-	-	8,800,000
Options exercisable at 55c	19 May 2022	20 Jun 2027	1,000,000	-	1,000,000	-	-	1,000,000

Valuation of the options exercisable at 55 cents issued on 19 May 2022 was undertaken using Binomial valuation methodology with the following factors and assumptions being used in determining the fair value of each right on the grant date.

Class	Grant date	Period (years)	Share price at grant date	Risk free rate	Volatility	Valuation per option
2022 options	19 May 2022	3	$0.38	2.57%	78.4%	$0.1662

Options exercisable at 45 cents, 55 cents and 65 cents granted on 11 April 2022 were issued for nil consideration as free attaching options to the shares issued on 11 April 2022. As a result, there was no value attributable to these options at grant date.

Service and performance rights

The Company has the following service and performance rights issued to directors in existence during the current reporting period.

Class	Grant date	Expiry date	Number of rights	Vested during the year	Rights exercised	Rights expired	Rights vested at 31 Dec 2022	Rights unvested at 31 Dec 2022
2020 service rights	16 Dec 2020	18 Dec 2022	850,000	-	-	-	850,000	-
2020 service rights	16 Dec 2020	31 Dec 2022	4,037,117	-	-	-	-	4,037,117
2021 performance rights	13 May 2021	31 Dec 2023	1,870,172	-	-	-	-	1,870,172
2022 performance rights	13 May 2022	31 Dec 2024	2,024,858	-	-	-	-	2,024,858

Valuation of the service rights was undertaken using Black-Scholes valuation methodology with the following factors and assumptions being used in determining the fair value of each right on the grant date.

Class	Grant date	Period (years)	Share price at grant date	Risk free rate (%)	Volatility (%)	Valuation per right
2020 performance rights	16 Dec 2020	2	$0.36	0.1051%	99.6%	$0.3369
2021 performance rights	13 May 2021	3	$0.425	0.0800%	70%	$0.1938
2022 performance rights	13 May 2022	3	$0.375	2.825%	70%	$0.2246

Valuation of the performance rights was undertaken using Monte Carlo valuation methodology with the following factors and assumptions being used in determining the fair value of each right on the grant date.

Vesting of the service rights issued in the period is subject to continuing employment, with no other performance conditions.

The performance rights vest subject to:

- Continuing employment
- Minimum performance hurdle of a minimum share price compound annual growth rate (CAGR) increases of 5% over the performance period
- No performance rights will vest if CAGR is less than 5% over the respective period
- 50% of the performance rights will vest if CAGR of 10% is achieved, up to maximum of 100% of the performance rights will vest if CAGR of 15% is achieved and pro rata of the performance rights will vest if CAGR is >5%&<10% and >10%&<15%.

Grant date	Expiry date	Class	Total valuation	Expense recorded to 31 Dec 2021	Expense recorded to 31 Dec 2020
16 Dec 2020	18 Dec 2022	2020 service rights	$306,000	$146,625	$153,000
16 Dec 2020	31 Dec 2022	2020 performance rights	$1,360,105	$666,174	$666,174
13 May 2021	31 Dec 2023	2021 performance rights	$362,347	$120,782	$120,782
13 May 2022	31 Dec 2024	2022 performance rights	$454,783	$151,594	-

	31 December 2022 $	31 December 2021 $
Reserves		
Reserves at the beginning of the period	1,394,952	(2,711,667)
Transfer expired options reserve to accumulated losses	-	-
Issue of service and performance rights	1,184,176	1,233,206
Transfer vested service rights to issued capital	(306,000)	(306,000)
Movements in foreign currency translation reserve	54,224	3,179,413
Reserves at the end of the period	2,327,352	1,394,952
Comprises of:		
Share-based payment reserve	1,852,265	974,088
Foreign currency translation reserve	475,087	420,864
Reserves at the end of the period	2,327,352	1,394,952

The share-based payments reserve is used to recognise the fair value of options issued but not exercised and to recognise the fair value of service and performance rights issued but not yet vested.

The foreign currency translation reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations.

	Year ended 31 December 2022 $	Year ended 31 December 2021 $
15. NON-CONTROLLING INTERESTS		
Balance at the beginning of the period	(74,064)	(25,629)
Share of loss for the year	(50,819)	(48,435)
Non-controlling interests arising on incorporation of subsidiary	-	-
Balance at the end of the period	(124,883)	(74,064)

16. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure its ability to continue as a going concern and to achieve returns to the shareholders and benefits for other stakeholders through the optimisation of debt and equity balance. The capital structure of the Group is adjusted to achieve its goals whilst ensuring the lowest cost of the capital.

Management monitors capital on the basis of the gearing ratio (debt/total capital). During the year ended 31 December 2022, the Group's strategy is to utilise lowest cost of the capital from the capital markets and continuously negotiating lower interest cost with provider of its operating facility to achieve its expansion program. The gearing ratios at 31 December 2022 and 31 December 2021 were as follows:

	Year ended 31 December 2022 $	Year ended 31 December 2021 $
Total borrowings	275,131	393,262
Total equity	58,536,204	46,037,138
Total capital	**58,811,335**	**46,430,400**
Gearing ratio	0.5%	0.8%

The gearing ratio of the Company has decreased from 0.8% to 0.5% during the year ended 31 December 2022.

17. ACCUMULATED LOSSES

	Year ended 31 December 2022 $	Year ended 31 December 2021 $
Accumulated losses at the beginning of the period	(45,842,953)	(53,925,418)
Profit for the period	10,268,775	8,082,465
Transfer from share-based payment reserve	-	-

18. SEGMENT REPORTING

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

The continuing operations of the Group are predominantly in the electric two-wheel vehicles manufacture and distribution industry.

Reported segments were based on the geographical segments of the Group, being Australia, China, Europe and Singapore. The management accounts and forecasts submitted to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance are split into these components.

The electric two-wheel vehicles segment is managed on a worldwide basis, but operates in four principal geographical areas: Australia, China, Europe and Singapore. In China, manufacturing facilities are operated in Nanjing. In Europe, the warehouse and distribution centre are operated in Netherlands and Italy. The following table presents revenue and profit or loss in relation to geographical segments for the twelve-month period ended 31 December 2022 and 31 December 2021:

	Australia $A		Nanjing, China $A		Europe $A	
	Year ended 31/12/22	Year ended 31/12/21	Year ended 31/12/22	Year ended 31/12/21	Year ended 31/12/22	Year ended 31/12/21
Revenue Segment revenue	2,099,806	2,495,265	111,144,009	80,816,097	8,487,239	6,695,497
Result Segment profit/(loss)	(275,694)	136,317	10,544,436	7,677,849	(218,793)	146,191
Assets Segment assets	1,934,198	2,653,678	106,589,854	86,742,638	7,154,439	6,304,838
Liabilities Segment liabilities	(148,080)	(157,175)	(52,744,069)	(44,996,395)	(4,836,099)	(4,709,114)
Depreciation of fixed assets	(1,336)	(649)	(906,646)	(1,515,349)	(401,919)	(127,175)
Amortisation of intangible assets	-	-	-	-	-	-

	Singapore $A		Intersegment elimination $A		Consolidated $A	
	Year ended 31/12/22	Year ended 31/12/21	Year ended 31/12/22	Year ended 31/12/21	Year ended 31/12/22	Year ended 31/12/21
Revenue Segment revenue	924,182	888,592	(2,110,159)	(2,433,891)	120,545,077	88,461,560
Result Segment profit/(loss)	168,007	73,673	-	-	10,217,956	8,034,030
Assets Segment assets	623,828	256,696	(35,316,139)	(32,654,563)	80,986,180	63,303,287
Liabilities Segment liabilities	(37,868)	(58,028)	35,316,139	32,654,563	(22,449,977)	(17,266,149)
Depreciation of fixed assets	-	-	-	-	(1,309,901)	(1,643,173)
Amortisation of intangible assets	-	-	-	-	-	-

The principal activity of the continuing Group is the design, manufacture, marketing and distribution of electric two-wheel vehicles.

Information about major customers:

The Group has generated revenue from sales to its largest customer at approximatelyapproximately $19.9 million (2021: $26.4 million). No other single customers contributed 15% or more of the Group's revenue for the year.

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's principal financial instruments comprise bank and other loans, cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations.

The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

It is, and has been throughout the period under review, the Group's policy that no trading in derivative instruments shall be undertaken.

Fair values

The Directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

The following table details the fair value of financial assets and liabilities of the Group:

	31 December 2022		31 December 2021	
	Carrying amount $	Fair Value $	Carrying amount $	Fair Value $
Financial assets				
Cash and cash equivalents	28,025,897	28,025,897	18,633,879	18,633,879
Trade and other receivables	17,469,720	17,469,720	14,812,971	14,812,971
Total financial assets	**45,495,617**	**45,495,617**	**33,446,850**	**33,446,850**
Financial liabilities				
Trade and other payables	21,700,449	21,700,449	16,863,435	16,863,435
Borrowings	-	-	-	-
Lease liabilities	275,131	275,131	393,262	393,262
Total financial liabilities	**21,975,580**	**21,975,580**	**17,256,697**	**17,256,697**
Net financial assets / (liabilities)	**23,520,037**	**23,520,037**	**16,190,153**	**16,190,153**

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Sensitivity analysis

In managing interest rate and currency risks, the Company endeavours to reduce the impact of short-term fluctuations on the Company's earnings. Over the longer term, however, permanent changes in foreign exchange and interest rates will have an impact on consolidated earnings, although the extent of that impact will depend on the level of cash resources held by the Group. A general increase of one percentage point in interest rates would not be expected to materially impact earnings.

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT'D)

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's short-term debt obligations.

Cash includes funds held in term deposits and cheque accounts during the year, which earned interest at rates ranging between 0% and 3.3%, depending on account balances.

The Group current do not have credit facilities.

All other financial assets and liabilities are non-interest bearing.

At balance date, the Group had the following mix of financial assets and liabilities exposed to variable interest rate risk that are not designated in cash flow hedges:

	31 December 2022 $	31 December 2021 $
Financial assets		
Cash and cash equivalents	28,025,897	18,633,879
Financial liabilities		
Bank operating facility	-	-
Net exposure	**28,025,897**	**18,633,879**

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. At 31 December, if interest rates had moved, as illustrated in the table below, with all other variables held constant, pre-tax profit and equity would have been affected as follows:

Judgements of reasonable possible movements:	31 December 2022 $	31 December 2021 $
+1% (100 basis points)		
Pre-tax profit increase/(decrease)	280,259	186,339
Equity increase/(decrease)	280,259	186,339
-1% (100 basis points)		
Pre-tax profit increase/(decrease)	(280,259)	(186,339)
Equity increase/(decrease)	(280,259)	(186,339)

Foreign currency risk

The Group is exposed to foreign currency on sales, purchases and borrowings that are denominated in a currency other than Australian Dollars. The currency giving rise to this risk is primarily US dollars, Chinese RMB and Europe Euro.

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT'D)

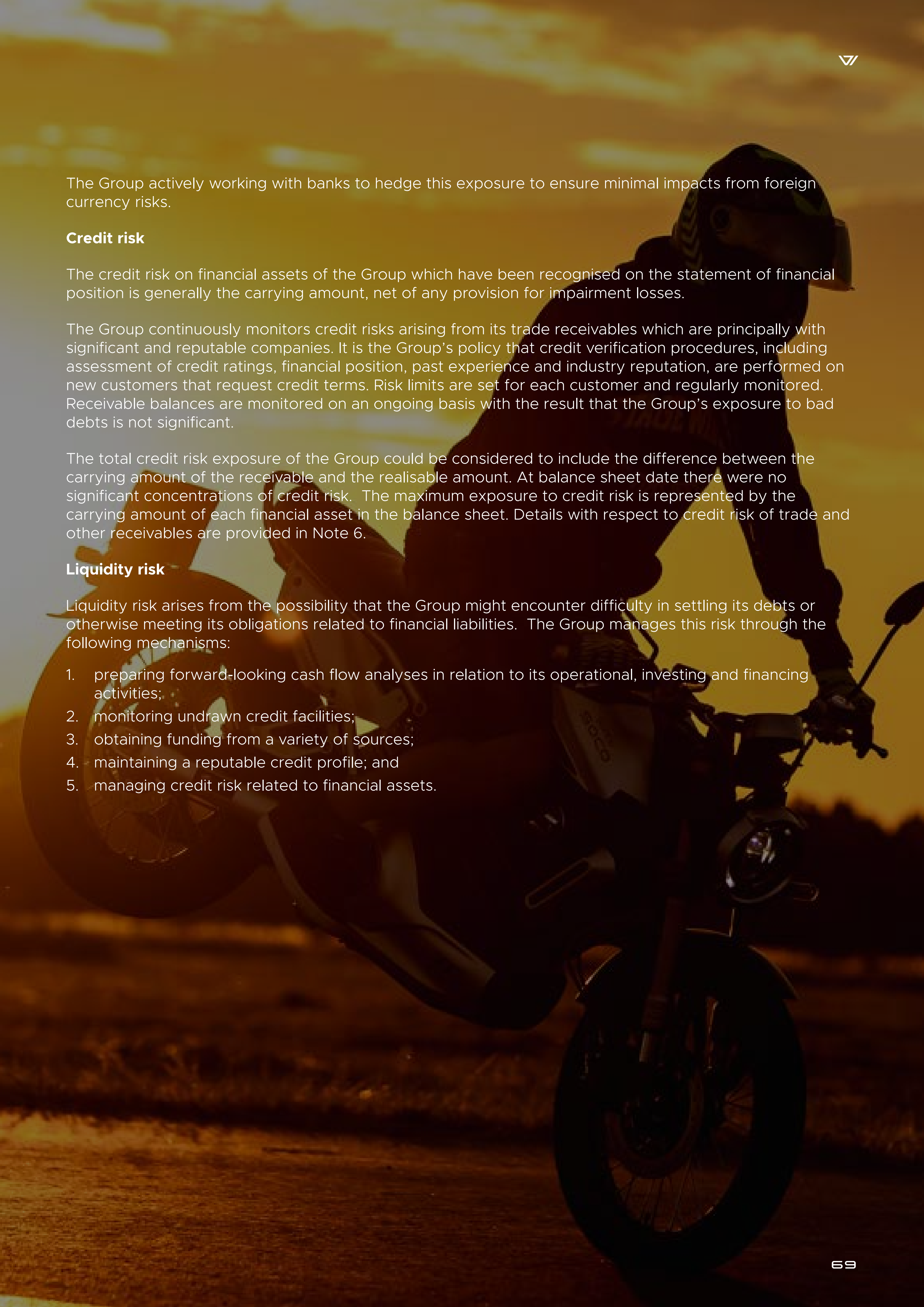
At balance date, the Group had the following exposure to US dollars, Chinese RMB, Europe EUR and Singapore SGD foreign currency that is not designated in cash flow hedges:

	31 December 2022 $	31 December 2021 $
Financial assets		
Cash and cash equivalents (USD)	18,891,165	7,210,313
Cash and cash equivalents (RMB)	4,745,477	785,890
Cash and cash equivalents (EUR)	1,537,477	7,646,960
Cash and cash equivalents (HKD)	22,046	27,088
Cash and cash equivalents (SGD)	16,966	23,576
	25,213,131	**15,693,827**
Trade and other receivables (USD)	8,318,939	6,918,396
Trade and other receivables (RMB)	7,575,574	7,001,212
Trade and other receivables (EUR)	1,570,450	890,344
	17,464,963	**14,809,952**
Financial liabilities		
Trade and other payables (USD)	(6,976,367)	(7,428,296)
Trade and other payables (RMB)	(10,221,257)	(4,968,960)
Trade and other payables (EUR)	(4,598,837)	(4,315,852)
	(21,796,461)	(16,713,108)
Borrowings (RMB)	-	-
Net exposure	**20,881,633**	**13,790,671**

The following sensitivity is based on the foreign currency risk exposures in existence at the reporting date.

At 31 December 2022, had the Australian Dollar moved, as illustrated in the table below, with all other variables held constant, equity would have been affected as follows:

Judgements of reasonable possible movements:	31 December 2022 $	31 December 2021 $
AUD/USD, AUD/RMB and AUD/EUR +20%		
Equity increase/(decrease)	(3,434,417)	(2,232,902)
AUD/USD, AUD/RMB and AUD/EUR -20%		
Equity increase/(decrease)	4,121,300	2,679,482



The Group actively working with banks to hedge this exposure to ensure minimal impacts from foreign currency risks.

Credit risk

The credit risk on financial assets of the Group which have been recognised on the statement of financial position is generally the carrying amount, net of any provision for impairment losses.

The Group continuously monitors credit risks arising from its trade receivables which are principally with significant and reputable companies. It is the Group's policy that credit verification procedures, including assessment of credit ratings, financial position, past experience and industry reputation, are performed on new customers that request credit terms. Risk limits are set for each customer and regularly monitored. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The total credit risk exposure of the Group could be considered to include the difference between the carrying amount of the receivable and the realisable amount. At balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. Details with respect to credit risk of trade and other receivables are provided in Note 6.

Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

1. preparing forward-looking cash flow analyses in relation to its operational, investing and financing activities;
2. monitoring undrawn credit facilities;
3. obtaining funding from a variety of sources;
4. maintaining a reputable credit profile; and
5. managing credit risk related to financial assets.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Consolidated Group	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Financial liabilities due for payment								
Bank operating facility and loans	-	-	-	-	-	-	-	-
Trade and other payables	21,700	16,863	-	-	-	-	21,700	16,863
Lease liabilities	110	110	165	283	-	-	275	393
Current tax liabilities	474	9	-	-	-	-	474	9
Other liabilities	-	-	-	-	-	-	-	-
Total contractual outflows	**22,284**	**16,982**	**165**	**283**	**-**	**-**	**22,449**	**17,265**
Total expected outflows	**22,284**	**16,982**	**165**	**283**	**-**	**-**	**22,449**	**17,265**
Financial assets – cash flows realisable								
Cash and cash equivalents	28,026	18,634	-	-	-	-	28,026	18,634
Trade and other receivables	17,470	14,813	-	-	-	-	17,470	14,813
Total anticipated inflows	**45,496**	**33,447**	**-**	**-**	**-**	**-**	**45,496**	**33,447**
Net (outflow)/ inflow on financial instruments	**23,212**	**16,465**	**(165)**	**(283)**	**-**	**-**	**23,047**	**16,182**

Financial assets pledged as collateral

There are no financial assets that have been pledged as security for debt and their realisation into cash is not restricted.

20. EARNINGS PER SHARE

	Year ended 31 Dec 2022 Cents per share	Year ended 31 Dec 2021 Cents per share
Basic earnings per share		
From continuing operations	3.64	2.89
Total earnings per share	3.64	2.89
Diluted earnings per share		
From continuing operations	3.43	2.82
Total earnings per share	3.43	2.82

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	Year ended 31 December 2022 $	Year ended 31 December 2021 $
Profit for the year attributable to owners of the Group	**10,268,775**	**8,082,465**
Earnings used in the calculation of basic and diluted earnings/loss per share from continuing operations	**10,268,775**	**8,082,465**
Weighted average number of ordinary shares for the purposes of basic earnings per share	281,821,233	278,363,181
Weighted average number of ordinary shares for the purposes of diluted earnings/loss per share	299,093,698	285,245,693

	Country of Incorporation	Entity interest 31 December 2022	Entity interest 31 December 2021
21. CONTROLLED ENTITIES			
Parent entity			
Vmoto Limited	Australia		
Controlled entities			
Vmoto Australia Pty Ltd	Australia	100%	100%
Vmoto Soco International Limited	Hong Kong	100%	100%
Nanjing Vmoto Co, Ltd	China	100%	100%
Nanjing Vmoto Manufacturing Co, Ltd	China	100%	100%
Vmoto Europe B.V	Netherlands	100%	100%
Vmoto Soco Italy srl	Italy	50%	50%
Vmoto Soco International Pte Ltd	Singapore	100%	100%
Nanjing Vmoto Intelligent Technology Co, Ltd	China	100%	-
Hainan Vmoto Intelligent Technology Investments Co, Ltd	China	100%	-
Associate			
Nanjing Vmoto Soco Intelligent Technology Co, Ltd	China	50%	50%

22. KEY MANAGEMENT PERSONNEL DISCLOSURES

Details of Key Management Personnel

(i) Directors

Mr Charles Chen	Managing Director (Executive) – appointed Executive Director 5 January 2007 and Managing Director 1 September 2011
Mr Ivan Teo	Finance Director (Executive) – appointed Chief Financial Officer 17 June 2009 and Finance Director 29 January 2013
Mr Blair Sergeant	Director (Non-Executive) – appointed 4 November 2020
Ms Shannon Coates	Director (Non-Executive) – appointed 23 May 2014
Mr Martin Zhou	Director (Non-Executive) – appointed 16 September 2022

(ii) Executives

Mr Graziano Milone	Chief Marketing Officer and President of Strategic Business Development - appointed 1 March 2022
Mr Adam Cui	Sales Manager - appointed 17 February 2020
Mr Maik Spaan	Europe After Sales & Service Manager - appointed 1 June 2020
Mr Gaetan Orselli	Sales Manager - appointed 1 July 2020
Mr Yaze Liu	Research & Development Manager - appointed 1 July 2022

23. KEY MANAGEMENT PERSONNEL DISCLOSURES

The total remuneration paid to Key Management Personnel of the Company and the Group during the period ended 31 December 2022 was as follows:

	Year ended 31 December 2022 $	Year ended 31 December 2021 $
Short-term employee benefits	1,379,225	1,260,767
Post employment benefits	7,244	-
Share-based payments	1,353,804	1,345,947
Total KMP compensation	**2,740,273**	**2,606,714**

Refer to the remuneration report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's Key Management Personnel for the year ended 31 December 2022.

	Year ended 31 December 2022 $	Year ended 31 December 2021 $
24. RECONCILIATION OF CASH FLOWS USED IN OPERATING ACTIVITIES		
Cash flows from operating activities		
Profit for the year	**10,217,956**	**8,034,030**
Adjustments for:		
Depreciation and amortisation	1,309,901	1,643,173
Share based payment expenses	1,657,717	1,662,910
	2,967,618	**3,306,083**
(Increase)/decrease in receivables	(2,656,749)	(6,088,095)
(Increase)/decrease in inventories	(980,437)	(8,039,733)
(Increase)/decrease in other assets	(6,075,846)	(3,409,811)
(Decrease)/ increase in payables	5,877,719	9,992,401
Net cash generated by operating activities	**9,350,261**	**3,794,875**

25. NON-DIRECTOR RELATED PARTIES

Non-director related parties are the Company's controlled entities. Details of the Company's interest in controlled entities are set out in Note 21. Details of dealings with these entities are set out below.

Transactions - The loans to controlled entities are unsecured, interest-free and of no fixed term. The loans are provided primarily for capital purchases and working capital purposes.

Receivables - Aggregate amounts receivable from non-director related parties:

	Year ended 31 December 2022 $	Year ended 31 December 2021 $
Non-current		
Unsecured loans to controlled entities	35,316,139	32,654,563
Provision for non-recovery	(35,316,139)	(32,654,563)
	-	-

26. SUBSEQUENT EVENTS

ISSUE OF SHARES TO DIRECTORS AND EMPLOYEES

On 3 January 2023, 2,850,995 shares were issued to Managing Director Mr Charles Chen and 1,186,122 shares were issued to Finance Director Mr Ivan Teo, following vesting of performance rights issued under the Company's employee securities incentive plan, approved by shareholders on 16 December 2020.

On 23 February 2023, the Company issued a total of 2,238,139 shares to employees in recognition of their efforts and contribution to the Company.

VMOTO'S NETHERLANDS B2B CUSTOMERS

In February 2023, the Company became aware that one of its strategic B2B customer, GreenMo Services BV (Greenmo Services) had filed for bankruptcy in the Netherlands. GreenMo Services and GreenMo Rent have been strategic B2B customers in the Netherlands for over seven years with no history of default. Under current business arrangements, there are outstanding accounts receivables of approximately USD2.7 million due to Vmoto from GreenMo Services and GreenMo Rent.

ACQUISITION OF VMOTO UK DISTRIBUTOR

On 7 March 2023, the Company announced it had acquired the business and certain assets of its UK Distributor for approximately $1 million. Other than the above, there were no other significant events subsequent to the year ended 31 December 2022 and prior to the date of this report that have not been dealt with elsewhere in this report.

	31 December 2022 $	31 December 2021 $
27. PARENT ENTITY DISCLOSURES		
Financial position		
Assets		
Current assets	1,710,486	2,640,395
Non-current assets	26,723,368	23,846,893
Total assets	28,433,854	26,487,288
Liabilities		
Current liabilities	148,080	155,504
Non-current liabilities	-	-
Total Liabilities	148,080	155,504
Net assets	**28,285,774**	**26,331,784**
Equity		
Issued capital	91,907,912	90,559,203
Accumulated losses	(63,622,138)	(64,227,419)
Reserves		
Share based payment premium reserve	-	-
Total equity	28,285,774	26,331,784

	31 December 2022 $	31 December 2021 $
Financial performance		
Profit/(Loss) for the period	(272,895)	137,780
Other comprehensive income	-	-
Total comprehensive income	(272,895)	137,780

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity has not entered into any guarantees in relation to the debts of its subsidiaries during the year ended 31 December 2022.

Commitments for the acquisition of property, plant and equipment by the parent entity

The parent entity has no commitments for any acquisition of property, plant and equipment.

28. FAIR VALUE MEASUREMENT

In accordance with AASB 13, Fair Value Measurement, the group is required to disclose for each class of assets and liabilities measured at fair value, the level of the fair value hierarchy within which the fair value method is categorised. The group view that no assets or liabilities are measured at fair value, other than cash, trade and other receivables, trade and other payables and borrowings with carrying amounts assumed to approximate their fair value.

DIRECTORS' DECLARATION

IN THE OPINION OF THE DIRECTORS OF VMOTO LIMITED:

a. the financial statements and notes, set out on pages 32 to 76, are in accordance with the Corporations Act 2001, including:

   i. giving a true and fair view of the financial position of the Group as at 31 December 2022 and its performance, as represented by the results of its operations and cash flows, for the year ended on that date; and

   ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

b. the attached financial statements also comply with International Financial Reporting Standards, as stated in Note 1 to the financial statements; and

c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Managing Director and the Finance Director for the year ended 31 December 2022.

Signed in accordance with a resolution of the Directors:

YITING (CHARLES) CHEN

MANAGING DIRECTOR

Dated at Western Australia, this 30th day of March 2023.

AUDITOR'S INDEPENDENCE DECLARATION

HALL CHADWICK

To the Board of Directors,

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Director for the audit of the financial statements of Vmoto Limited for the financial year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully

Hall Chadwick

Mark Delaurentis

HALL CHADWICK WA AUDIT PTY LTD

MARK DELAURENTIS CA
Director

Dated Perth, Western Australia this 30th day of March 2023

INDEPENDENT AUDITOR'S REPORT

HALL CHADWICK

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF VMOTO LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Vmoto Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

HALL CHADWICK

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Existence and valuation of inventory	
The Consolidated Entity had an inventory balance of $13,507,893 at year end, an increase of $980,437 from 2021. Existence and valuation of inventory were considered key audit matters due to: • The quantum and increase of inventory on hand • The location of the inventory • Risk of stock obsolescence from changing technology • The importance of inventory in relation to generating positive operating cash flows.	Our procedures amongst others included: • Attending stock takes conducted by affiliated firms at year end and performing sample counts; • During site visits we observed to consider damaged or obsolete stock on hand; • Reviewing gross margins on sales during the year on a monthly basis; • For a sample of items we tested unit costs of inventory items and related sales to supporting documentation to assess whether the inventory is held at the lower of cost and net realisable value • Reviewing margins and inventory turnover via analytical procedures; and • Assessing the adequacy of the disclosures included in Note 7 to the financial statements
Revenue Recognition	
During the year ended 31 December 2022, the Consolidated Entity generated sales revenue of $116,672,738 (2021: $86,167,219). The accounting principles and disclosures concerning revenues are disclosed in Note 1(d). Revenue recognition is considered as a key audit matter because revenues are a key financial performance measure which could create an incentive for revenues to be recognised prematurely. Relevant areas from the revenue recognition perspective are accuracy of the recognised amounts and timing of revenue recognition.	Our audit procedures included, among others, inquiries with management regarding significant new contracts and relevant changes in existing contracts. In addition to the above our procedures amongst others included: • Walkthroughs being performed to gain an understanding of processes and internal controls, including management reviews, with respect to revenue recognition. • Analytical procedures over revenue throughout the financial year to identify potential abnormalities. • On a sample basis an analysis of current sales

HALL CHADWICK

Key Audit Matter	How our audit addressed the Key Audit Matter
	contracts and evaluation of appropriateness of recognised revenue and its timing. • A specific emphasis was set on verifying that revenue transactions at the end of the financial year and at the beginning of the new financial year have been recognised in the proper accounting period. • Furthermore, we assessed the Consolidated Entity's disclosures relating to revenue recognition.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 31 December 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1(a), the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

HALL CHADWICK

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

HALL CHADWICK

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2022. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Vmoto Limited, for the year ended 31 December 2022, complies with section 300A of the Corporations Act 2001.

Hall Chadwick

Mark Delaurentis

HALL CHADWICK WA AUDIT PTY LTD

MARK DELAURENTIS CA
Director

Dated in Perth, Western Australia this 30th day of March 2023

ADDITIONAL SHAREHOLDER INFORMATION

The following information is current as at 23 March 2023:

Voting Rights

The voting rights attaching to ordinary shares are that on a show of hands every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Performance and service rights do not carry any voting rights.

Substantial Shareholders

The number of shares and options held by substantial shareholders and their associates who have provided the Company with substantial shareholder notices are set out below:

Name of Substantial Shareholder	Number of Shares
Yiting (Charles) Chen	33,204,784[1]
Raymond and Susan Munro ATF Munro Family Super Fund	15,000,000[2]
Malaky Kazem	13,952,883[3]
Xiaona Zhao	110,606,948[4]
Xiaorui Ding	8,823,529[5]

1. As lodged with ASX on 20 October 2022.
2. As lodged with ASX on 24 July 2019.
3. As lodged with ASX on 1 July 2021.
4. As lodged with ASX on 29 June 2017.
5. As lodged with ASX on 29 June 2017.

On-Market Buy Back

There is no current on-market buy back.

Distribution Schedules

Distribution schedules for each class of security as at 23 March 2023 are set out below.

FULLY PAID ORDINARY SHARES

Range		Holders	Units	%
1	1,000	441	240,432	0.09
1,001	5,000	1,875	5,122,999	1.77
5,001	10,000	803	6,416,501	2.21
10,001	100,000	1,316	43,118,437	14.88
100,001	Over	274	234,901,088	81.06
Total		**4,709**	**289,799,457**	**100.00**

DIRECTOR PERFORMANCE RIGHTS

Range		Holders	Units	%
1	1,000	-	-	-
1,001	5,000	-	-	-
5,001	10,000	-	-	-
10,001	100,000	-	-	-
100,001	Over	2	3,895,030	100
Total		**2**	**3,895,030**	**100**

Securities subject to Voluntary Escrow

970,000 fully paid ordinary shares are currently subject to voluntary escrow until 8 February 2024.

1,720,000 fully paid ordinary shares are currently subject to voluntary escrow until 4 April 2025.

810,000 fully paid ordinary shares are currently subject to voluntary escrow until 22 February 2026.

Unmarketable Parcels

Holdings of less than a marketable parcel of ordinary shares (being 1,429 Shares as at 23 March 2023):

Holders	Units
727	594,369

Top holders

The 20 largest registered holders of quoted securities as at 1 March 2023 were:

Rank	Name	Units	% Units
1	MR YITING CHEN	36,655,779	12.65
2	MR RAYMOND EDWARD MUNRO + MRS SUSAN ROBERTA MUNRO <MUNRO FAMILY SUPER FUND A/C>	20,611,000	7.11
3	MR YUMING ZHOU	17,740,327	6.12
4	MS MALAKY KAZEM	17,037,824	5.88
5	MR ERCHUAN ZHOU	12,164,812	4.20
6	CITICORP NOMINEES PTY LIMITED	10,106,857	3.49
7	MR YI CHEN	4,981,204	1.72
8	MR TAO YU	4,241,393	1.46
9	OUTRIGHT INTERNATIONAL BUSINESS GROUP LIMITED	4,060,000	1.40
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,399,156	1.17
11	MR BRENDAN DAVID GORE <GORE FAMILY NO 2 A/C>	3,245,000	1.12
12	MR KAIJIAN CHEN	3,096,544	1.07
13	MR YIN HOW TEO	3,086,122	1.06
14	MR LIANG CHEN	3,047,787	1.05
15	BNP PARIBAS NOMS PTY LTD <DRP>	2,342,992	0.81
16	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,284,979	0.79
17	EDLINS PROSPERITY PLUS PTY LTD <EDLINS PROSPERITY PLUS A/C>	2,119,352	0.73
18	MR JOSEPH WILLIAM RE	2,050,000	0.71
19	MR WAYNE HAROLD FINDLAY	1,600,000	0.55
20	PROF ALAN JONATHAN BERRICK	1,415,000	0.49
Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		**155,286,128**	**52.12**

Unquoted Equity Security Holders

DIRECTOR PERFORMANCE RIGHTS

Rank	Name	Units	% Units
1	MR YITING CHEN	2,693,054	69.14
2	MR YIN HOW TEO	1,201,976	30.86
Total		**3,895,030**	**100.00**

Securities Exchange Quotation

The Company's ordinary shares are listed on the Australian Securities Exchange (Code: VMT). The Home Exchange is Perth.

Corporate Governance

The Company's Corporate Governance Statement for the 2022 financial year can be accessed at: **http://www.vmoto.com/Download/Index?typeId=16**

VMOTO

[redacted]