

## MOU signed with Ni Hsin EV for assembly, market and distribution of EV motorcycles in Malaysia

### Highlights

- Vmoto has signed an MOU with Ni Hsin EV, for the assembly, market and distribution of Vmoto's F01, CPX Pro, and TC Max electric motorcycle models in Malaysia.
- The Malaysian two-wheeler electric vehicle ("EV") market is predicted to grow at 15.4% CAGR for 2021-2027 and the growth is primarily driven by government initiatives.
- Malaysia is the 12<sup>th</sup> largest internal combustion engine ("ICE") two-wheeler market in the world, having sold approximately 4 million units between 2014 and 2022, and two-wheeler EVs only account for 1.7% of the registered motorcycles in Malaysia, which represents a huge opportunity for EV Motorcycles.
- Current Malaysian government policies support the transition of ICE two-wheelers to EVs, including providing tax incentives, installation of charging infrastructure, and targeting net-zero greenhouse gas by 2050.

Global electric vehicle company **Vmoto Limited** (ASX: VMT) ("**Vmoto**", or the "**Company**") is pleased to advise that it has signed a non-binding Memorandum of Understanding ("**MOU**") with Ni Hsin EV Tech Sdn. Bhd. ("**Ni Hsin EV**"), a wholly-owned subsidiary of Malaysia main market-listed **Ni Hsin Group Berhad** (Bursa: NIHSIN, 7215) ("**Ni Hsin**") in relation to the intention to form a strategic alliance to assemble, market and distribute Vmoto products F01, CPX Pro and TC Max electric motorcycle models ("**VMT EV's**") in Malaysia.

Under the MOU, Vmoto and Ni Hsin EV have agreed to exercise their best efforts to form a strategic alliance, which will include executing a distribution agreement and entering into a JV structure, subject to reaching certain sales milestones, to assemble the VMT EV's in Malaysia, and to market and distribute VMT EV's through Business-to-Consumer ("**B2C**"), Business-to-Business ("**B2B**"), and Business-to-Government ("**B2G**") distribution channels in Malaysia (the "**Proposal**").

Other key terms of the MOU are set out below:

- Upon entering the MOU, Vmoto and Ni Hsin EV (together, the "**Parties**") agreed to commence discussions and negotiations, in good faith, and in the best common interests of the Parties, with a view to reach and finalise definitive agreements for formalising the intentions and mutual agreement of both Parties in relation to the Proposal as soon as practicable.
- Execution of formal agreement for Ni Hsin EV to distribute VMT EV's in Malaysia is anticipated to occur within three (3) months from the date of this announcement.
- The formation of the JV structure is subject to reaching sales milestones that have yet to be formally defined.
- The MOU will be in effect until 31 December 2025.

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Official  
Electric Scooter  
Supplier



- Any Party, at any time, may provide written notice 30 days in advance to terminate this MOU without cause. Written notice by email is acceptable.
- As the material terms are subject to execution of formal agreements, and as there is no certainty that any binding transaction will be entered into, the impact on the Company's financials cannot be readily quantified.

## About Ni Hsin EV

Ni Hsin EV is in the business of manufacturing, assembling, promoting and marketing of all kinds of electric vehicles and accessories, together with development of concepts, facilities and fittings using EV battery systems for the delivery industry in Malaysia. The focus of Ni Hsin EV is in smart e-mobility and its applications with safer and more efficient charging in a sustainable and environmentally friendly model.

Vmoto's Managing Director, Mr. Charles Chen commented: *"We are delighted to have signed an MOU with Ni Hsin EV, which represents the first stage of our cooperation. We identified Ni Hsin EV as an ideal partner for Vmoto within the Malaysian market, due to their experience and dedication to Malaysia's fast growing EV sector."*

*"We have been in discussions with Ni Hsin EV for quite some time and are confident this MOU represents the first step in establishing a long-term successful business relationship. Malaysia is a market we have been researching and we believe our expansion into this market will be a great success, with a number of milestones to be achieved in the coming months to secure sales growth and market share over the coming years."*

Ni Hsin EV's Managing Director, Mr. Khoo Chee Kong commented: *"We are delighted to work with Vmoto as they have the right fit of products for the B2B and B2G market segments in this region. This strategic collaboration enables both parties to expand their market share of the two-wheel EV market. The VMT EV's are just what the market needs especially in the B2B and B2G segments. The high-performance electric motorcycles manufactured by Vmoto are well suited for the security enforcement functions of organisations, be it business or governmental. Our business model covers B2B and B2G segments and our target customers include the Police Force, Armed Forces, Road and Transport Department, Customs Department, Ports, Security Companies and the like."*

## Malaysia's Two-Wheeler Market

Malaysia is the 12<sup>th</sup> largest ICE two-wheeler market in the world, having sold approximately 4 million units between 2014 and 2022<sup>1</sup>, and two-wheeler EVs only account for 1.7% of the registered motorcycles in Malaysia, which represents huge opportunity for the VMT EV's.

<sup>1</sup> Statista. (2022). Motorcycles - Malaysia. <https://www.statista.com/outlook/mmo/motorcycles/malaysia>

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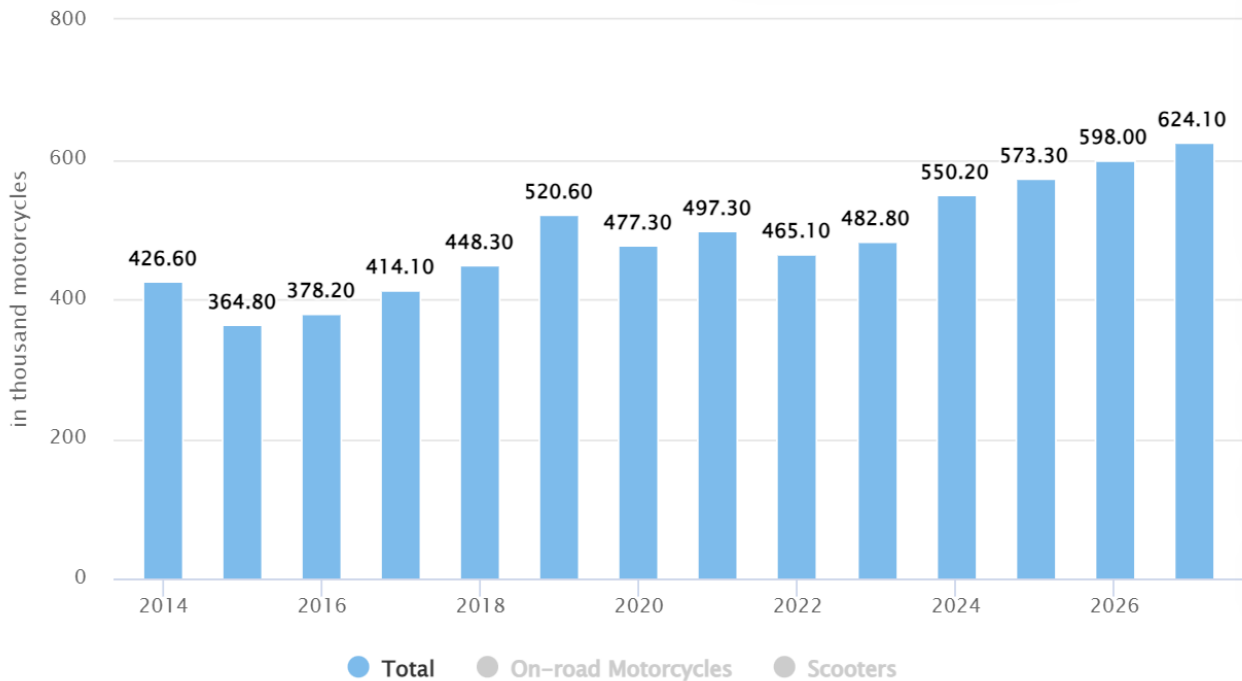
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## Motorcycles - Unit Sales

Malaysia (thousand motorcycles)



**Figure 1.** Historical and Forecast Two-wheeler Sales in Malaysia between 2014 and 2027<sup>1</sup>

The Malaysian government policies increasingly supporting the adoption of two-wheel EVs and the Malaysian two-wheeler EV market is predicted to grow at 15.4% CAGR for 2021-2027<sup>2</sup>, with predicted growth primarily driven by various Malaysian government initiatives.

Current Malaysian government policies and targets support the transition of the ICE two-wheeler to EVs, including the provision of various tax incentives, installation of charging infrastructure, and targeting net-zero greenhouse gas emissions by 2050, forecast to result in an increase of Malaysia Ringgit 100 billion (US\$32 billion) in GDP within the green technology sector, generating 230,000 job opportunities. It is anticipated that the Malaysian government will introduce and implement more initiatives to speed up the transition from traditional ICE vehicles to EV's.

With Vmoto's products and experience in the EV industry, together with Ni Shin EV's local market knowledge and dedications, both parties expect to create valuable synergies and enjoy significant benefits and increasing market share in the growing two-wheel EV market in Malaysia.

<sup>2</sup> VynZ Research. (2021). *Malaysia Electric Two-Wheeler Market – Analysis and Forecast (2021-2027)*. <https://www.vynzresearch.com/automotive-transportation/malaysia-electric-two-wheeler-market>

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The announcement was approved for release by the Board of Vmoto Limited.

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**Vmoto's Social Media**

Vmoto is committed to communicating with the investment community through all available channels including social media. Whilst ASX remains the primary channel for all material announcements and news, all Vmoto shareholders, investors and other interested parties are encouraged to follow Vmoto on website ([www.vmoto.com](http://www.vmoto.com)), Facebook ([www.facebook.com/vmotosoco](http://www.facebook.com/vmotosoco)), Instagram ([www.instagram.com/vmotosoco](http://www.instagram.com/vmotosoco)) and YouTube ([www.youtube.com/vmotosoco](http://www.youtube.com/vmotosoco)).

**Forward Looking Statements**

Forward looking statements are based on current expectations and are not guarantees of future performance, involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company. Actual results, performance or achievements may vary materially from any forward-looking statements. Although the Company believes that assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect in hindsight and, therefore, there can be no assurance that matters contemplated in the forward-looking statements will be realised. Accordingly, readers are cautioned not to place undue reliance on forward looking statements, which are current only as at the date of this announcement.

**Shareholders Communications**

Vmoto is committed to communicating with its shareholders regularly and efficiently and encourage shareholders to adopt electronic form of communication channels. Shareholders can update its communications methods by going to [www.computershare.com.au/easyupdate/VMT](http://www.computershare.com.au/easyupdate/VMT).

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