



BOARD CHANGES AND COMPANY UPDATE

ANNOUNCEMENT

26 NOVEMBER 2010

Vmoto Limited today announces the resignation of Patrick Davin, the Company's Managing Director.

Patrick, who has resided in China for the last 8 months, will return to his family and other business pursuits in Australia.

Mr Davin and executive director Charles Chen co-founded Vmoto and transitioned the business plan from a concept into a global scooter brand with its own manufacturing facilities in Nanjing, China.

The Board and management thanks Patrick for his hard work and dedication and wishes him well in his future endeavours. Patrick has indicated that he will remain a significant shareholder in Vmoto.

Charles Chen will continue as Managing Director - Chinese Operations. Charles will remain domiciled in China, presiding over the Company's manufacturing operations and supervising the completion of Stage Two of the Nanjing manufacturing facility (which is scheduled for commissioning in February 2011).

Operational review

The Board is undertaking a detailed review of all aspects of the Company's operations, its trading position and financial position (including working capital requirements). The review will include an in depth assessment of Company's performance to date this financial year, its cost structures, product orders and outlook. The Company will update the market in the near term on completion of the review.

In order to manage and facilitate the Board changes, non executive director Russell Goodman, has today accepted the position as Executive Chairman of Vmoto Limited.

Debt facility

The Company's new \$5 million debt facility (refer ASX announcement dated 15 October 2010), procured for the purposes of substantially increasing manufacturing capacity and capability, has not to date been made available for drawdown by the Company. The Company has been in continued communication with the lender and the lender has today



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notified Vmoto that the facility will be available for drawdown by no later than Tuesday 30 November 2010.

Trading Performance

The Board has reviewed the year to date management accounts and performance and is now of the opinion that the Company will not be profitable in the second quarter of 2011 (as had previously been anticipated and advised to the market).

Based on results to date, and expectations for the remainder of the financial year, the Company presently anticipates a loss from core operations in the half year ended 30 December 2010 of approximately \$2.24 million.

The Company will continue to inform the market of any updates as per ASX Listing rules.

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