



Vmoto Limited
ABN 36 098 455 460

NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY STATEMENT
PROXY FORM

Date of Meeting

31 May 2017

Time of Meeting

10.00am (WST)

Place of Meeting

The Park Business Centre, 45 Ventnor Avenue
WEST PERTH WA 6005

YOUR ANNUAL REPORT IS AVAILABLE ONLINE, SIMPLY VISIT:

<http://www.vmoto.com/investors/governance.aspx?ID=19>

Please read this Notice of Annual General Meeting and Explanatory Statement carefully.

If you are unable to attend the Annual General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Shareholders of Vmoto Limited ABN 36 098 455 460 (**Company**) is to be held on Wednesday 31 May 2017 at The Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia, commencing at 10.00am (WST) for the purpose of transacting the following business referred to in this Notice of Annual General Meeting (**Notice**).

Terms and abbreviations used in this Notice and accompanying Explanatory Statement are defined in the glossary to the Explanatory Statement.

The Explanatory Statement that accompanies and forms part of this Notice describes the matters to be considered at this Meeting.

ORDINARY BUSINESS

Annual Financial Statements – Financial Year ended 31 December 2016

To receive and consider the consolidated Annual Financial Statements of the Company for the year ended 31 December 2016 including the Directors' Declaration and Report and the Auditor's Report as set out in the Company's Annual Report.

Resolution 1 – Non-Binding Resolution to adopt Remuneration Report

To consider and, if thought fit, to pass the following Resolution as a **non-binding resolution**:

"That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report as set out in the Annual Report for the year ended 31 December 2016."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Statement for further details on the consequences of voting on this Resolution.

Voting Exclusion

The Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) it is not cast on behalf of a Restricted Voter¹.

Further, a Restricted Voter who is appointed as a proxy must not vote on Resolution 1 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 1 and it is not cast on behalf of a Restricted Voter; or
- (b) the proxy is the Chair of the Meeting voting an undirected proxy and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

¹ "Restricted Voter" means Key Management Personnel and their Closely Related Parties as defined in the glossary.

Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1. Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

Resolution 2 – Re-Election of Director – Mr Oliver Cairns

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

“That, Mr Oliver Cairns, who retires in accordance with Listing Rule 14.4 and clause 12.3 of the Company’s Constitution and, being eligible for re-election, be re-elected as a Director of the Company.”

Resolution 3 – Ratification of issue of 2,300,000 Shares

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.4 and all other purposes, Shareholders ratify the issue of 2,300,000 Shares on 2 December 2016 to employees and consultants of the Company, on the terms and conditions set out in the Explanatory Statement that forms part of this Notice.”

Voting Exclusion

The Company will disregard any votes cast on Resolution 3 by any of the persons who participated in the issue the subject of Resolution 3 and any Associate of those persons. However, the Company need not disregard a vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 4 – Ratification of issue of 11,764,706 Shares

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.4 and all other purposes, Shareholders ratify the issue of 11,764,706 Shares on 31 January 2017 at a deemed issue price of \$0.085 and on the terms and conditions set out in the Explanatory Statement that forms part of this Notice.”

Voting Exclusion

The Company will disregard any votes cast on Resolution 4 by any of the persons who participated in the issue the subject of Resolution 4 and any Associate of those persons. However, the Company need not disregard a vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5 – Issue of Shares to Director – Mr Kaijian Chen

To consider and, if thought fit to pass with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of section 208 of the Corporations Act and Listing Rule 10.11 and all other purposes, the Directors be and are hereby authorised to issue up to 571,428 Shares to Mr Kaijian Chen

and/or his nominee(s) in lieu of fees and otherwise on the terms and conditions set out in the Explanatory Statement that forms part of this Notice.”

Voting Exclusion

The Company will disregard any votes cast on Resolution 5 by Mr Kaijian Chen and any Associates of Mr Kaijian Chen. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy, appointed in writing that specifies how the Proxy is to vote on the Resolution, for a person who is entitled to vote, in accordance with the directions on the Proxy Form, and it is not cast on behalf of Mr Kaijian Chen and any associate of Mr Kaijian Chen, or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Restriction on proxy voting by Restricted Voters: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

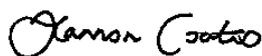
- (a) the proxy is either:
 - (i) a member of the Key Management Personnel or a Director of the Company; or
 - (ii) a Closely Related Party of such a member; and
 - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (c) the proxy is the Chair of the Meeting; and
 - (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Other Business

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

DATED THIS 30TH DAY OF MARCH 2017

BY ORDER OF THE BOARD



Shannon Coates
Company Secretary

How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post or by facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the Meeting.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote an undirected proxy on Resolutions 1 and 5 if the proxy is the Chair of the Meeting and the appointment expressly **authorises the Chair to exercise the undirected proxy even if Resolutions 1 and 5 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel**. The Chair will use any such proxies to vote in favour of the Resolutions.
- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the Meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the Meeting, the Chairman of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice, provided they are entitled to cast votes

as a proxy under the voting exclusion rules which apply to some of the proposed resolutions. These rules are explained in this Notice.

- To be effective, proxies must be lodged by 10.00am (WST) on 29 May 2017. Proxies lodged after this time will be invalid.
- Proxies may be lodged using any of the following methods:
 - online at www.investorvote.com.au;
 - by returning a completed proxy form in person to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001;
 - by mobile by scanning the QR Code on your proxy form and following the prompts; or
 - by faxing a completed proxy form to 1800 783 447 (within Australia) or (+61 3) 9473 2555.

The proxy form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 10.00am (WST) on 29 May 2017. If facsimile transmission is used, the power of attorney must be certified.

Shareholders who are entitled to vote

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5pm (WST) on 29 May 2017.

Voting

Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on the Resolutions.

V M O T O L I M I T E D
ABN 36 098 455 460

E X P L A N A T O R Y S T A T E M E N T

This Explanatory Statement has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Annual General Meeting of Vmoto Limited (**Company**).

The Directors recommend Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

Certain terms and abbreviations used in this Explanatory Statement have defined meanings which are explained in the glossary appearing at the end of this Explanatory Statement.

ANNUAL FINANCIAL STATEMENTS - FINANCIAL YEAR ENDED 31 DECEMBER 2016

The first item of the Notice deals with the consolidated annual financial statements of the Company for the financial year ended 31 December 2016 together with the Directors' declaration and report in relation to that financial year and the auditor's report on those annual financial statements.

Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman will also provide Shareholders a reasonable opportunity to ask the auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the auditor in relation to the conduct of the audit.

Written questions to the Company's auditor relevant to the content of the auditor's Report or the conduct of the audit of the Annual Report may be submitted no later than 24 May 2017.

RESOLUTION 1 - REMUNERATION REPORT

The Directors' report for the year ended 31 December 2016 contains a Remuneration Report which sets out the policy for the remuneration of the Directors and executives of the Company. In accordance with section 250R(2) of the Corporations Act the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's 2016 Annual Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Annual Report and is also available on the Company's website at <http://www.vmoto.com/investors/governance.aspx?ID=19>

If at least 25% of the votes cast are against the adoption of the Remuneration Report at the Annual General Meeting held on 31 May 2017, and then again at the 2018 annual general meeting, the Company will be required to put a resolution to the 2018 annual general meeting, to approve calling an extraordinary general meeting (**spill resolution**). If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene an extraordinary general meeting (**spill meeting**) within 90 days of the 2018 annual general meeting. All of the Directors who are in office when the Directors' report for the 2016 financial year was approved, other than the Managing Director, will (if desired) need to stand for re-election at the spill meeting.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any share based compensation.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

Voting

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice. In particular, the Directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of Resolution 1.

Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on this Resolution.

Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

RESOLUTION 2 - RE-ELECTION OF DIRECTOR - MR OLIVER CAIRNS

Mr Cairns retires by rotation in accordance with Listing Rules 14.4 and 14.5, and clause 12.3 of the Company's Constitution, and, being eligible, offers himself for re-election.

Mr Cairns was appointed as Non-Executive Director of the Company on 1 September 2011. Mr Cairns has over 17 years' experience in the small-mid cap corporate and capital markets space, having joined Blue Oar Securities Plc (now Northland Capital) in July 1999, and was a corporate financier and Nominated Adviser for AIM companies in London for over 8 years. In London, he was responsible for floating and advising several resources and industrial companies before relocating to Perth in June 2007. In May 2009, Mr Cairns set up Pursuit Capital, a corporate advisory and investment house which is now part of the Viridian Group, an integrated corporate advisory, capital markets, securities and funds management firm which is focused on long term corporate, capital and strategic involvement with junior domestic and international companies. He is also a Non-Executive Director of ASX listed Zeta Petroleum Plc.

Board Recommendation

The Board (other than Mr Cairns) recommends Shareholders vote in favour of Resolution 2.

RESOLUTION 3 - RATIFICATION OF ISSUE OF 2,300,000 SHARES

Background

On 2 December 2016, the Company issued 2,300,000 Shares for nil cash consideration under the Company's 15% placement capacity under Listing Rule 7.1, to employees and consultants of the Company in recognition of and to reward their efforts and contribution in recent years.

Listing Rule 7.1 broadly provides that a company may issue equity securities up to 15% of its issued capital in any 12 month period without shareholder approval. Prior shareholder approval is required if the issue or agreement to issue (when aggregated with other issues of equity securities made in the previous 12 months without shareholder approval) exceed the 15% limit.

Listing Rule 7.4 permits the ratification of securities issued without shareholder approval under Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1. The purpose of such ratification is to restore the company's power to issue further securities without shareholder approval within the 15% limit.

Accordingly, Resolution 3 seeks Shareholder ratification of the issue of the Shares under Listing Rule 7.4 to provide flexibility for the Company to issue equity securities in the future under the 15% placement capacity under Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the issue of the Shares the subject of this Resolution:

- (a) 2,300,000 Shares were issued for nil cash consideration;
- (b) the Shares issued are fully paid ordinary shares in the capital of the Company and rank equally with the Company's existing Shares;
- (c) the Shares were issued to employees and consultants of the Company, none of whom are related parties of the Company;
- (d) no funds were raised by the issue of Shares; and
- (e) a voting exclusion statement has been included for the purposes of Resolution 3.

Board recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 3.

RESOLUTION 4 - RATIFICATION OF ISSUE OF 11,764,706 SHARES

Background

As announced on 23 December 2015, the Company entered into a joint venture with PowerEagle. Pursuant to the joint venture agreement, the Company would acquire 100% of the PowerEagle trademark for a consideration of A\$2 million by issuing Shares in two tranches. Tranche 1 Shares were issued in January 2016 at an issue price of \$0.30 per share. Tranche 2 Shares were to be issued prior to the end of 31 January 2017 at an issue price equal to the VWAP of Vmoto shares for the 14 trading days prior the date of the issue of the Shares. The Company subsequently issued nominees of PowerEagle 11,764,706 Shares on 31 January 2017.

Summaries of Listing Rules 7.1 and 7.4 are above.

Accordingly, Resolution 4 seeks Shareholder ratification of the issue of the Shares under Listing Rule 7.4 to provide flexibility for the Company to issue equity securities in the future under the 15% placement capacity under Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the issue of the Shares the subject of this Resolution:

- (a) 11,764,706 Shares were issued at a deemed issue price of \$0.085 per share;
- (b) the Shares issued are fully paid ordinary shares in the capital of the Company and rank equally with the Company’s existing Shares;
- (c) the Shares were issued to nominees of PowerEagle, none of whom are related parties of the Company;
- (d) no funds were raised by the issue of Shares; and
- (e) a voting exclusion statement has been included for the purposes of Resolution 4.

Board recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 4.

RESOLUTION 5 - ISSUE OF SHARES TO DIRECTOR - MR KAIJIAN CHEN

Resolution 5 seeks Shareholder approval for the purposes of section 208 of the Corporations Act and Listing Rule 10.11 and for all other purposes for the issue of up to 571,428 Shares at a deemed issue price of \$0.07 per Share, to Mr Kaijian Chen (**Relevant Director**), or his nominee(s), in lieu of unpaid directors fees, as set out in the following table:

Director	Amount	Period of unpaid fees	Number of Shares
Kaijian Chen	\$40,000	1 May 2016 to 30 April 2017	571,428

The Shares will be issued for no cash consideration, as they will be issued in lieu of the payment of Directors fees of an amount totalling \$40,000. The Company will issue the Shares to the Relevant Director at a deemed issue price equivalent to the closing Share price of the

Company's quoted Shares on ASX on the day prior to the date of this Notice, namely \$0.07. On this basis, the Shares to be issued to the Relevant Director are valued at \$0.07 each.

Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a *related party* of the public company *unless* either:

- 1. the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- 2. shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, the Relevant Director is considered to be a related party of the Company.

A "financial benefit" is construed widely and in determining whether a financial benefit is being given, Section 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. Section 229 of the Corporations Act includes as an example of a financial benefit, the issuing of securities or the granting of an option to a related party.

Resolution 5 provides for the issue of Shares to the Relevant Director which is a financial benefit which requires shareholder approval.

INFORMATION REQUIREMENTS

For the purposes of Chapter 2E of the Corporations Act the following information is provided.

The related parties to whom the proposed resolutions would permit the financial benefit to be given:

Pursuant to Resolution 5 and subject to Shareholder approval, the following maximum number of Shares are to be issued to the following related parties, or their respective nominees:

Director	Number of Shares
Kaijian Chen, and/or his nominee(s)	571,428

The nature of the financial benefit

The proposed financial benefit to be given is the issue of Shares to the Relevant Director as noted above. The Shares are being issued for no cash consideration as they are being issued in lieu of unpaid Directors fees, otherwise payable in cash by the Company.

The Shares to be issued to the Relevant Director will rank pari passu with all other Shares on issue. The Company will apply for official quotation of the Shares on ASX.

Current holdings of Relevant Director

Set out below are details of the Relevant Director's relevant interest in Shares as at the date of this Notice:

Director	Number of Shares
Kaijian Chen	817,214

Set out below are details of the Relevant Director's relevant interest in Options as at the date of this Notice:

Director	Number of Options
Kaijian Chen	Nil

Set out below are details of the Relevant Director's relevant interest in Performance Rights as at the date of this Notice:

Director	Number of Performance Rights
Kaijian Chen	250,000 Class K ¹

Note:

1. The Class K Performance Rights shall vest and convert to Shares if the VWAP of the Company's shares for 10 consecutive Trading Days on ASX exceeds 85 cents at any time on or before 31 December 2017, and Mr Chen remains an employee or Director of the Company at the time of vesting.

Other information that is reasonably required by shareholders to make a decision and that is known to the Company or any of its Directors.

The proposed ordinary Resolution 5 would have the effect of giving power to the Directors to issue a total of 571,428 Shares to the Relevant Director as otherwise mentioned above. The Shares the subject of Resolution 5 are proposed to be issued to the Relevant Director in substitution of the fees which he was entitled to receive, as set out above.

The Company currently has 172,533,712 quoted Shares and the following unquoted Options and Performance Rights on issue:

Number	Class
500,000	Class E Options exercisable at \$0.40 each on or before 23 May 2018.
500,000	Class F Options exercisable at \$0.80 each on or before 23 May 2018.
100,000	Class G Options exercisable at \$0.50 each on or before 21 May 2019.
100,000	Class H Options exercisable at \$0.75 each on or before 21 May 2019.
200,000	Class I Options exercisable at \$1.00 each on or before 21 May 2019.
719,981	Class J Options exercisable at \$0.75 each on or before 31 December 2017.
2,000,000	Incentive Performance Rights convertible to shares (subject to various performance and time based vesting conditions) as approved by shareholders on 31 July 2012 and 20 May 2014

If all the Shares are issued as proposed, and assuming no existing Options on issue are exercised, and no further conversion of the Performance Rights occurs, the effect would be to dilute the shareholding of existing Shareholders by 0.03%, as reflected below:

Current Shares on Issue	Shares to be issued to Director	Dilution
172,533,712	571,428	0.03%

The Company will issue the Shares to the Relevant Director at a deemed issue price equivalent to the closing Share price of the Company's quoted Shares on ASX on the day prior to the date of this Notice, namely \$0.07. On this basis, the Shares to be issued to the Relevant Director are valued at \$0.07 each. Upon issue of the Shares, outstanding Directors fees to Mr Kaijian Chen of \$40,000 will be discharged.

The following table gives details of the highest, lowest and latest closing prices of the Company's Shares trading on ASX over the past 12 months ending on 30 March 2017:

Highest Price (cents) / Date	Lowest Price (cents) / Date	Latest Price / Date
\$0.26 - 29 March 2016	\$0.065 - 13 December 2016	\$0.07 - 30 March 2017

Other Information

Under the Australian equivalent of IFRS, the Company is required to expense the value of the Shares in its statement of financial performance for the current financial year. Other than as disclosed in this Explanatory Statement, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in issuing the Shares pursuant to Resolution 5.

Neither the Directors nor the Company are aware of other information that would be reasonably required by shareholders to make a decision in relation to the financial benefits contemplated by the proposed Resolution 5.

Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval by ordinary resolution to any issue by a listed company of securities to a related party. Accordingly, Listing Rule 10.11 requires Shareholders to approve the issue of Shares to the Relevant Director.

Additional Information

For the purposes of Listing Rule 10.13, the following information is provided:

- (a) the Shares will be issued to the Relevant Director, and/or his nominees, as noted above;
- (b) the maximum number of Shares to be issued is 571,428;
- (c) the Shares will be allotted and issued on one date which will be no later than 1 month after the date of this Meeting, or such later date as approved by ASX;
- (d) the deemed issue price of the Shares is \$0.07 per Share;
- (e) no funds will be raised from the issue of the Shares;
- (f) the Shares will be fully paid shares in the capital of the Company and will rank equally in all respects with the existing Shares issued in the capital of the Company; and
- (g) a voting exclusion statement has been included for the purposes of Resolution 5.

If approval is given for the issue of the Shares under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Directors' recommendation

The Directors (other than Mr Kaijian Chen) recommend that Shareholders vote in favour of Resolution 5. Mr Kaijian Chen declines to make a recommendation about Resolution 5 as he

has a material personal interest in the outcome of that particular Resolution as it relates to the proposed issue of Shares to him or his nominee(s).

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

"**Annual General Meeting**" or "**Meeting**" means the annual general meeting the subject of the Notice;

"**Annual Report**" means the annual report of the Company for the financial year ended 31 December 2016;

"**Associate**" has the meaning set out in the Corporations Act except that a reference to "Associate" in relation to a Listing Rule has the meaning given to it in the note to Listing Rule 14.11.

"**ASX**" means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"**Board**" means the board of Directors of the Company;

"**Chair**" means the chair of the Annual General Meeting;

"**Closely Related Party**" has the meaning given to that term in the Corporations Act;

"**Company**" means Vmoto Limited ABN 36 098 455 460;

"**Constitution**" means the constitution of the Company;

"**Corporations Act**" means the Corporations Act 2001 (Cth);

"**Director**" means a director of the Company;

"**Explanatory Statement**" means this Explanatory Statement accompanying this Notice;

"**IFRS**" means the International Financial Reporting Standards;

"**Key Management Personnel**" has the meaning given in the Corporations Act;

"**Listing Rules**" means the Listing Rules of the ASX;

"**Notice**" or "**Notice of Meeting**" means this notice of annual general meeting;

"**Option**" means an option to acquire a Share;

"**PowerEagle**" means Shanghai PowerEagle International Co. Ltd;

"**Remuneration Report**" means the remuneration report set out in the Director's report section of the Company's Annual Report.

"**Resolution**" means a resolution the subject of the Notice;

"**Restricted Voter**" means Key Management Personnel and their Closely Related Parties;

"**Share**" means an ordinary fully paid share in the issued capital of the Company;

"**Shareholder**" means a shareholder of the Company;

"**Trading Day**" means a day determined by ASX to be a trading day in accordance with the Listing Rules;

"**VWAP**" volume weighted average price; and

"**WST**" means Australian Western Standard Time.



Vmoto Limited
ABN 36 098 455 460

Lodge your vote:

  **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

XX



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 189370

SRN/HIN:

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



 **For your vote to be effective it must be received by 10:00am (WST) Monday, 29 May 2017**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Vmoto Limited hereby appoint

the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Vmoto Limited to be held at The Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia on Wednesday, 31 May 2017 at 10:00am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 5 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 5 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Non Binding Resolution to adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-Election of Director – Mr Oliver Cairns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of issue of 2,300,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of issue of 11,764,706 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Shares to Director – Mr Kaijian Chen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date / / _____