



28 November 2016

Elizabeth Harris
ASX Limited
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

By email: Elizabeth.harris@asx.com.au and tradinghaltsperth@asx.com.au

Dear Elizabeth

Vmoto Limited - Response to Letter

We refer to your letter dated 25 November 2016 and respond to the questions raised in your letter as follows:

- 1. Does the Entity consider the information in the Revised Earnings Guidance to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

Vmoto considers that the revised earnings guidance is information that a reasonable person would expect to have a material effect on the price or value of its securities.

- 2. If the answer to question 1 is "no", please advise the basis for that view.**

Not applicable.

- 3. If the answer to question 1 is "yes", when did the Entity first become aware of the information?**

The Company became aware of the information after market close on 23 November 2016, following completion of a management review of the Company's order book to the end of the year.

- 4. If the answer to question 1 is "yes" and the Entity first became aware of the information before 24 November 2016, did the Entity make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting**



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specifically on when you believe the entity was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information was released promptly and without delay.

The Company became aware of the information on 23 November 2016 after the market had closed, following a management review of the Company's order book to the end of the year, and released the information to the market before trading had recommenced 24 November 2016 in accordance with its continuous disclosure obligations under Listing Rules 3.1 and 3.1A.

Historically, the fourth quarter of the financial year (Q4) is the strongest sales quarter for Vmoto.

For the international market, the normal average lead time from customer order to delivery of the products to the customer is 30-45 days. The Company can only include the sales and profit in FY2016 when the products are delivered to customers in FY2016. Prior to the review, the Company expected to receive a number of material orders from B2B customers in Q42016 and significant interest generated at the INTERMOT exhibition in October 2016 was also expected to flow through into orders in Q42016 that would contribute towards FY2016 revenue and profit.

For the domestic China market, the normal average lead time from customer order to delivery of the products to the customer is 15-30 days. The Company can only include the sales and profit in FY2016 when the products are delivered to customers in FY2016.

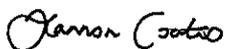
The Company also expected to receive more orders from its distributors in Q42016, which have not materialised and less have been received than expected in Q42016.

Prior to the review, the Company remained confident of the materialisation of these orders. However, as noted in the Company's announcement on 24 November 2016, following a management review of the Company's order book to the end of the year, the Company formed the view that these orders have not and are unlikely to materialise within the timeframes required by the Company to manufacture and deliver the orders to customers for inclusion in FY2016 revenue and profit, and the Revised Earnings Guidance was immediately released on 24 November 2016 to update the market.

- 5. Please confirm that the Entity's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Entity with delegated authority from the board to respond to ASX on disclosure matters.**

Confirmed.

Yours sincerely



Shannon Coates
Company Secretary



25 November 2016

Ms Shannon Coates
Company secretary
Vmoto Limited
Suite 5
62 Ord Street
WEST PERTH WA 6005

By Email

Dear Ms Coates

VMOTO LIMITED (THE “ENTITY” OR “COMPANY”) – ASX AWARE QUERY

ASX Limited (“ASX”) refers to the following:

1. The Entity’s announcement entitled “Market Update” released on the ASX Market Announcements Platform on Wednesday 2 November 2016 at 9:30 am AEDT, which stated as follows:

“International

International sales to existing customers continued with repeat orders filled during the quarter. In addition, a number of existing and new customers visited the factory to undertake trials and discuss future requirements, orders for which are expected to flow through in future quarters. International sales are down on the previous quarter due to reduced international demand for low value, low performance electric two-wheel vehicle products. However, the Company is experiencing increased demand for high value, high performance electric two-wheel vehicle products particularly in the Business to Business (B2B) sectors, validating the Company’s strategy to focus on high value, high performance sales that provide better margins, especially in the delivery and scooter sharing sectors.

During the quarter, Vmoto’s customer, LOOPShare Ltd., www.loopscooters.com, commenced trial operations of a shared fleet of electric scooters in the city of Beirut, Lebanon.....

Vmoto has recently launched a new online sales platform at www.vmotoonline.com that is offering state of the art electric bicycle products in Australia, and has also appointed dealers in Victoria and Western Australia.

Outlook

The encouraging reaction from Intermot has given the Company confidence of the future sales potential in Europe, particularly in relation to B2B customers.”

2. The Entity's announcement entitled "Revised Earnings Guidance" released on the ASX Market Announcements Platform on Thursday 24 August 2016 at 9:01 am AEDT ("Revised Earnings Guidance"), which stated as follows:

"Vmoto Limited advises that, following management review of the Company's order book to the end of the year, it has revised its previous earnings guidance for FY2016 from an underlying net profit of between \$1.8 million and \$2 million to an underlying net loss of between \$1 million and \$1.2 million.

The primary reason for this is that orders from international B2C and B2B customers in 16Q4 have been lower than anticipated and those sales that are due to be booked will not be received in time to be reflected in the 2016 results. Average lead times from order to delivery are 30-45 days and any orders from now until 31 December 2016 will be booked in 2017."

3. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
4. The definition of "aware" in Chapter 19 of the Listing Rules. This definition states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."

Additionally, you should refer to section 4.4 in Guidance Note 8 "When does an entity become aware of information".

5. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 *A reasonable person would not expect the information to be disclosed.*"

5. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Having regard to the above, we ask that you answer the following questions in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Entity consider the information in the Revised Earnings Guidance to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. If the answer to question 1 is "yes", when did the Entity first become aware of the information?
4. If the answer to question 1 is "yes" and the Entity first became aware of the information before 24 November 2016, did the Entity make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the entity was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information was released promptly and without delay.
5. Please confirm that the Entity's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Entity with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by **not later than half an hour before the start of trading** (ie before 6.30 am WST) **on Tuesday 29 November 2016**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at Elizabeth.Harris@asx.com.au and copied to tradinghaltspert@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to

allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that the Entity's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Elizabeth Harris
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