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# Vmoto Limited

ABN 36 098 455 460

## Entitlement Offer Prospectus

For a pro-rata non-renounceable entitlement issue to Eligible Shareholders of up to 72,560,072 new Shares at an issue price of \$0.15 per new Share (**New Share**) on the basis of one (1) New Share for every four (4) Shares held on the Record Date to raise up to approximately \$10.8 million (before expenses) (**Entitlement Offer**).

The Entitlement Offer also includes a Top Up Facility which entitles Eligible Shareholders who have applied for their full Entitlement to apply for any number of Additional New Shares, subject to scale back.

Any Entitlements not taken up under the Entitlement Offer (including the Top Up Facility) will form the Shortfall. The offer to issue Shortfall at an issue price of \$0.15 per New Share to investors is a separate offer under the Prospectus (**Shortfall Offer**).

The Offers are not underwritten.

**The Entitlement Offer closes at 5:00pm AWST on Monday, 13 November 2023. Valid acceptances must be received before that date.**

### IMPORTANT NOTICE

This document is important and requires your immediate attention. It should be read in its entirety. Applicants should consult their stockbroker, accountant or professional adviser if they have any questions before deciding to participate in the Offers.

The New Shares offered by this Prospectus should be considered as speculative.

This document may not be released to US wire services or distributed in the United States.

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## Important Notes

### ***Prospectus***

This Prospectus is dated 13 October 2023 and was lodged with ASIC on that date. Neither ASIC nor ASX, nor any of their respective officers, take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No New Shares will be issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus. New Shares issued pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

The Company will apply to ASX for Official Quotation of the New Shares offered pursuant to this Prospectus.

Eligible Shareholders should read this Prospectus in its entirety and seek professional advice where necessary. The New Shares the subject of this Prospectus should be considered as speculative.

An application for New Shares under the Offers will only be accepted by following the instructions on the Application Form accompanying this Prospectus as described in sections 1.2 and 1.8 of this Prospectus. No person is authorised to give any information or to make any representation in connection with the Offers described in this Prospectus. Any information or representation which is not contained in this Prospectus or disclosed by the Company pursuant to its continuous disclosure obligations may not be relied upon as having been authorised by the Company in connection with the issue of this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In preparing this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers to whom investors may consult.

### ***International Offer Restrictions***

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer

or invitation in any jurisdiction where, or to any person to whom, it would not be lawful to make such an offer or invitation.

In particular, this Prospectus may not be distributed in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or any applicable US state securities laws. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. The Offers will not be made, directly or indirectly, to any person in the United States.

Refer to sections 1.15 and 1.17 for the international offer restrictions.

### ***Privacy***

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the application and, if the application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third-party service providers (including mailing houses), the ASX, ASIC and other regulatory authorities.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

If an Applicant becomes a security holder of the Company, the Corporations Act requires the Company to include information about the security holder (including name, address and details of the securities held) in its public Register. This information must remain in the Register even if that person ceases to be a security holder of the Company. Information contained in the Company's Registers is also used to facilitate corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements. If you do not provide the information required on the Application Form, the Company may not be able to accept

or process your application. An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered offices.

#### ***References to “you” and “your Entitlement”***

In this Prospectus, references to “you” are references to Eligible Shareholders and references to “your Entitlement” or “your Entitlements” (or “your Entitlement and Acceptance Form”) are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Shareholders.

#### ***Cooling-Off Rights***

Cooling off rights do not apply to an investment in New Shares pursuant to the Offers. This means that, in most circumstances, an Applicant cannot withdraw their application once it has been accepted by the Company.

#### ***Withdrawal of the Offers***

The Company reserves the right to withdraw all or part of the Offers and this Prospectus at any time, subject to applicable laws, in which case the Company will refund application monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest. To the fullest extent permitted by law, an Applicant agrees that any application monies paid by them to the Company will not entitle them to receive any interest and that any interest earned in respect of application monies will belong to the Company.

#### ***Governing Law***

This Prospectus, the Offers and the contracts formed on acceptance of the Application Forms are governed by the

laws applicable in Western Australia. Each Applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Western Australia.

#### ***Definitions***

Throughout this Prospectus, for ease of reading, various words and phrases have been defined rather than used in full on each occasion. Please refer to section 6 of this Prospectus for a list of defined terms.

#### ***Risk factors***

For a summary of the key risks associated with the Offers and an investment in the Company, please refer to the Investment Overview. A more detailed description of the key risks is set out in section 3.

#### ***Rounding***

Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in figures or tables contained in this Prospectus are due to rounding.

#### ***Enquiries***

If an Applicant has any questions in relation to the Offers, they should contact their stockbroker, accountant, solicitor or other professional advisor. If an Applicant has any questions in relation to completing an Application Form, they should contact the Share Registry by phone on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8:30am and 5:00pm (Sydney time) Monday to Friday during the Entitlement Offer period.

## Corporate Directory

<b>Directors</b>	Mr Yiting (Charles) Chen (Managing Director) Mr Yin How (Ivan) Teo (Finance Director, CFO) Ms Shannon Coates (Non-Executive Director) Mr Blair Sergeant (Non-Executive Director) Mr Erchuan (Martin) Zhou (Non-Executive Director)	<b>Share Registry*</b>	Computershare Investor Services Pty Limited Level 17, 221 St Georges Terrace, Perth WA 6000
<b>Company Secretary</b>	Ms Joan Dabon	<b>ASX Code</b>	VMT
<b>Registered and principal office</b>	C/- Source Services, Level 48 152-158 St Georges Terrace Perth WA 6000 Telephone: +61 8 6311 9160 Email: <a href="mailto:info@vmoto.com">info@vmoto.com</a> Website: <a href="http://www.vmoto.com">www.vmoto.com</a>		

*\*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.*

## Important Dates\*

Event	Date*
Prospectus lodged with ASIC and ASX	Friday, 13 October 2023
Announcement of Offers and Appendix 3B	Friday, 13 October 2023
"Ex" Date (date Shares are quoted ex-rights)	Tuesday, 17 October 2023
Record Date to determine Entitlements	5:00pm (AWST) Wednesday, 18 October 2023
Prospectus / Entitlement and Acceptance Form despatched	Monday, 23 October 2023
Offers Opening Date	Monday, 23 October 2023
Last day to extend Entitlement Offer Closing Date	Wednesday, 8 November 2023
Entitlement Offer Closing Date <sup>1</sup>	Monday, 13 November 2023
Securities quoted on a deferred settlement basis	Tuesday, 14 November 2023
Announce results of the Entitlement Offer and notification to ASX of Shortfall	Monday, 20 November 2023
Settlement of New Shares and Additional New Shares issued under the Entitlement Offer (including under the Top Up Facility)	Monday, 20 November 2023
Issue of New Shares and Additional New Shares issued under the Entitlement Offer (including under the Top Up Facility) and lodgement of Appendix 2A	Monday, 20 November 2023
Despatch of holding statements for New Shares and Additional New Shares issued under the Entitlement Offer (including under the Top Up Facility)	Tuesday, 21 November 2023
Expected quotation of New Shares and Additional New Shares issued under the Entitlement Offer (including under the Top Up Facility) <sup>1</sup>	Tuesday, 21 November 2023
Shortfall Offer Closing Date <sup>2</sup>	Friday, 5 January 2024

\* These dates are indicative only. The Directors reserve the right to vary the key dates without prior notice, subject to the Listing Rules.

1 The Directors may extend the Entitlement Offer Closing Date by giving at least three Business Days' notice to ASX prior to the Entitlement Offer Closing Date. As such, the date the New Shares are expected to commence trading on ASX may vary. The Official Quotation of New Shares are subject to ASX approval. The fact that Official Quotation for the New Shares may be granted by ASX is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered.

2 The Shortfall Offer may close at such earlier date as the Directors, in their absolute discretion, determine.

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## Investment Overview

This section provides a summary of information that is key to a decision to invest in New Shares. This is a summary only. Potential investors should read this entire Prospectus carefully.

If you are unclear in relation to any aspect of the Offers or if you are uncertain whether New Shares are a suitable investment for you, you should consult your financial or other professional adviser.

Question	Response	Where to find more information
What is the Entitlement Offer?	<p>The Company is offering to issue New Shares to Eligible Shareholders by a pro-rata non-renounceable Entitlement issue under the Entitlement Offer.</p> <p>Under the Entitlement Offer, Eligible Shareholders may subscribe for one (1) New Share for every four (4) Shares held on the Record Date, at a price of \$0.15 per New Share.</p> <p>The Entitlement Offer also includes a Top Up Facility which entitles Eligible Shareholders who have applied for their full Entitlement to apply for any number of Additional New Shares, subject to scale back.</p>	Section 1.1
What is the Shortfall Offer?	<p>Any Entitlements not taken up under the Entitlement Offer (including the Top Up Facility) will form the Shortfall. The offer to issue Shortfall to investors is a separate offer under the Prospectus (<b>Shortfall Offer</b>). The Shortfall Offer will be on the same terms and conditions as the Entitlement Offer, except as set out in this Prospectus. The issue price for each New Share to be issued under the Shortfall Offer will be the same issue price as under the Entitlement Offer.</p> <p>The Shortfall Offer is not open to the general public. Investors will be invited by the Directors to participate and will be provided with a copy of this Prospectus and an Application Form. Shortfall Shares may only be offered and sold outside Australia to Institutional Investors in Permitted Jurisdictions for the Shortfall Offer.</p>	Section 1.2
How many new securities will be issued?	The maximum number of New Shares that will be issued under the Offers (if the Offers are fully subscribed) is 72,560,072.	Section 2.3
What is the amount that will be raised under the Offers and what is the purpose of the Offers?	<p>If the Offers are fully subscribed, the Company will raise up to approximately \$10.8 million through the issue of New Shares (before expenses of the Offers). The purpose of the Offers is to raise funds for:</p> <ul style="list-style-type: none"><li>(a) the building of manufacturing facilities in Nanjing China to increase the Company's production capacity;</li><li>(b) planning to jointly invest with a Thailand partner for a locally based company to build a manufacturing facility in Thailand to assemble and distribute electric motorcycle/moped products in country to reduce import costs and increase revenue and profits;</li></ul>	Section 1.3

Question	Response	Where to find more information
	<p>(c) undertaking acquisitions of interests in distributors for direct sales; and</p> <p>(d) general working capital of the Company and the costs of the Offers.</p> <p>The above proposed use of funds is subject to ongoing review and evaluation by the Company. As with any budget, the actual use of funds raised under the Offers may change depending on the outcome of the activities as they proceed. To the extent the full amount is not raised under the Offers, the Company will adjust the timing and scope of its planned operations until additional funding is available.</p> <p>The Company's current cash resources and additional capital proposed to be raised by the Offers are sufficient to meet the Company's current stated activities over the next 12 months.</p>	
Who is eligible to participate in the Offers?	<p>The Entitlement Offer is made to Eligible Shareholders only. An Eligible Shareholder under the Entitlement Offer is a Shareholder with a registered address in Australia, New Zealand, China, Italy and Hong Kong who is eligible under all applicable securities laws to receive an offer under the Entitlement Offer on the Record Date.</p> <p>If you are not an Eligible Shareholder, you are an Ineligible Shareholder and are not able to participate in the Entitlement Offer.</p>	Important Notes and Section 1.15
How will Ineligible Shareholders be dealt with under the Entitlement Offer?	<p>The Company has not appointed a nominee in respect of the Entitlements of Ineligible Shareholders pursuant to section 615 of the Corporations Act.</p> <p>The Offer of New Shares will not be made to Ineligible Shareholders.</p>	Section 1.15
What are the alternatives for Eligible Shareholders under the Entitlement Offer?	<p>The Offer is non-renounceable, so you cannot trade your Entitlements. As an Eligible Shareholder, you may:</p> <p>(a) take up all of your Entitlements in full;</p> <p>(b) take up all of your Entitlements in full and apply for Additional New Shares above your Entitlement under the Top Up Facility;</p> <p>(c) take up part of your Entitlements, and allow the balance of your Entitlements to lapse; or</p> <p>(d) allow all of your Entitlements to lapse.</p>	Sections 1.5 and 1.8
Can Eligible Shareholders apply for New Shares in excess of their Entitlement?	<p>Yes. Under the Top Up Facility, Eligible Shareholders who have applied for their full Entitlement may also apply for Additional New Shares, subject to scale back. However, there may be few or no Additional New Shares available for issue depending upon the level of take up of Entitlements by Eligible Shareholders.</p> <p>The Board will exercise its discretion to scale back applications for Additional New Shares in accordance with section 1.10.</p>	Sections 1.1 and 1.8 to 1.10 (inclusive)



Question	Response	Where to find more information
	<p>As such, there is no guarantee that you will receive any or all of the Additional New Shares you apply for.</p> <p>Further, the Company will not allocate or issue New Shares under the Top Up Facility where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant regulation or law. Eligible Shareholders wishing to apply for Additional New Shares under the Top Up Facility must consider whether the issue of the Additional New Shares applied for would breach the Corporations Act, the Listing Rules or any other relevant regulation or law having regard to their own circumstances.</p>	
Are the Offers underwritten?	The Offers are not underwritten.	Section 1.7
Is there a minimum subscription?	There is no minimum subscription amount.	Section 1.4
Will any substantial shareholders participate in the Offer?	As at the date of this Prospectus, it is not known if any substantial shareholders will take up their Entitlement in full, in part or at all under the Entitlement Offer, other than Mr Charles Chen who is a Director and substantial shareholder of the Company and intends to take up his full Entitlement under the Entitlement Offer,	Section 2.4
How will Shortfall be allocated?	The Shortfall will be allocated by the Directors. Subject to certain exceptions under the Listing Rules, Directors and certain related parties cannot be issued New Shares under the Shortfall Offer without prior Shareholder approval. Any Shortfall will be issued such that it is quoted within three months from the Entitlement Offer Closing Date. Any issue of Shortfall will be at the issue price of \$0.15. The Shortfall Offer will close at 5:00pm (AWST) on or before Friday, 5 January 2024, or such earlier date as the Directors, in their absolute discretion, determine. Accordingly, Applicants are encouraged to submit their Applications under the Shortfall Offer as soon as possible. The Company will not allocate or issue New Shares under the Shortfall Offer where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant regulation or law.	Section 1.2
How will the Offers impact existing securities?	Current holders of Options and Performance Rights should note that the allotment of the New Shares under the Offers (assuming the Offers are fully subscribed) will have no impact on the existing Options or Performance Rights, except that the exercise price of each existing Option shall be adjusted in accordance with the provisions of the Listing Rules.	N/A
What has the Company achieved lately?	Refer to the Company's 3Q23 market update, released on Monday, 9 October 2023.	N/A

Question	Response	Where to find more information
<p>What are the key risks of further investment in the Company?</p>	<p>Potential investors should be aware that subscribing for New Shares in the Company involves a number of risks. Some of the more significant risks which affect an investment in the Company are summarised below. Please refer to section 3 for further details of both the risks set out below and other risks that are relevant to a decision to apply for New Shares.</p> <p><b>Expansion risk</b></p> <p>The Company's ability to successfully develop its business and effectively implement its business plan within the timeframe that it is aiming to achieve, will depend in part on its ability to raise the funds for its expansion. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p> <p>Existing funds (including the funds raised under the Offers) will not be sufficient for expenditure required for certain aspects of the Company's business plan, including the development of manufacturing facilities in Nanjing, China and investment in additional manufacturing facilities.</p> <p>Any additional equity financing may dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. There is no guarantee that the Company will be able to secure any additional funding or will be able to secure funding on terms favourable to the Company.</p> <p><b>Construction risk</b></p> <p>As announced on 6 September 2023, the Company has entered into a construction agreement to construct manufacturing facilities on the recently acquired industrial land in the Lishui Economic Development Zone in Nanjing, China. The manufacturing facilities will be funded progressively via cash and debt, including funds raised from the Offer (refer to Section 1.3 for further details), with completion scheduled for September 2024. There is an inherent risk that the Company might not be able to achieve this in the expected timeframe or in a cost effective manner.</p> <p>The construction of any new manufacturing facilities in Nanjing, China or elsewhere is dependent on a number of contingencies, some of which are beyond the Company's control. These contingencies include but are not limited to: obtaining all necessary licences and permits; accessing additional labour; accessing and securing plant and equipment; and securing the delivery of production</p>	<p>Section 3</p>

	<p>machinery from third party manufacturers of the scale required in a cost and time effective manner.</p> <p>There is a risk that significant unanticipated costs or delays could arise due to errors or omissions, unforeseen technical issues (such as major equipment failures), increases in plant and equipment costs, inadequate contractual arrangements, labour difficulties or unusually adverse weather conditions. Should significant unanticipated costs or delays arise, this could have a material adverse impact on the Company's business, financial performance and operations.</p> <p>The Company's expansion of manufacturing facilities may also place increased demands on the Company's management, operating systems, internal controls and physical resources. If not managed effectively, these increased demands may adversely affect the Company's financial position and ability to meet customer demands. In addition, the Company's personnel, systems, procedures and controls may be inadequate to support future operations. In order to manage this expansion effectively, the Company may be required to increase expenditures to increase its physical resources, expand, train or manage its employee base and improve management, financial and information systems and controls.</p> <p>The Company's operations, financial condition and growth objectives are likely to be materially adversely affected if it is not able to manage effectively the budgeting, contraction, forecasting or other process control issues presented by constructing a new manufacturing facility and scaling up its operations.</p> <p><b><i>New technology</i></b></p> <p>Given the Company operates in an industry involving electric vehicle technology, any technological obsolescence could have an impact on our financial results. The Company seeks to mitigate 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. If the Company's technology is superseded, it could have an adverse impact on the Company's financial results.</p> <p><b><i>Protection and ownership of intellectual property</i></b></p> <p>The Company's financial performance may depend on its ability to safeguard and commercial exploit its intellectual property. The Company relies on patents to protect its proprietary intellectual property. A substantial part of the Company's commercial success will depend on its ability to maintain, establish and protect its intellectual property without infringing on the proprietary rights of third parties. No assurance can be given that any pending patent</p>	
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Question	Response	Where to find more information
	<p>applications or any future patent applications will result in granted patents, that any patents will be granted on a timely basis, that the scope of any copyright or patent protection will exclude competitors or provide competitive advantages to the Company, that any of the Company's patents will be held valid if challenged, or that third parties will not claim rights in or ownership of the copyright, patents and other proprietary rights held by the Company.</p> <p>Any claims made against the Company's patents or other intellectual property rights, even without merit, could be time consuming and expensive to defend and could have a materially adverse effect on the Company's resources. A third party asserting infringement claims against the Company could require the Company to cease the infringing activity and/or require the Company to enter into licensing and royalty arrangements. The third party could also take legal action which could be costly. The Company may also be required to develop alternative non-infringing solutions that may require significant time and substantial unanticipated resources. There can be no assurance that such claims will not have a material adverse effect on the Company's business, financial condition or results.</p> <p><b>Research and development risk</b></p> <p>The Company is engaged in designing, developing and manufacturing electric vehicles. There is no guarantee that the Company will be successful in its future research and product development. The Company may not be able to develop new technologies sufficiently to enable it to develop commercial and marketable products. The ability of the Company to develop new technology relies partly on the recruitment of appropriately qualified staff and engagement of third parties. The Company may be unable to find a sufficient number of appropriately highly trained individuals to satisfy its growth rate which could affect its ability to develop new technologies as planned. In addition, new products may face potential regulatory barriers which, by their nature, will vary, for example, by application, geography, or volume of business and are difficult to anticipate at present.</p> <p><b>Key business relationships</b></p> <p>In February 2020, the Company entered into a joint investment agreement with Super Soco to establish a jointly owned Chinese registered manufacturing company, Nanjing Vmoto Soco Intelligent Technology Co, Ltd (<b>Vmoto Soco Manufacturing</b>). Pursuant to the joint venture agreement, the Company and Super Soco each own 50% of the issued capital of Vmoto Soco Manufacturing. Any changes in the business cooperation</p>	

	<p>and relationship with Super Soco could adversely impact upon the Company, its business, development, financial condition, operating results or prospects.</p> <p>In addition, the Company also relies significantly on maintaining good relationships with other entities (including with its customers, suppliers, distributors, sub-distributors and contract manufacturers) and also on maintaining good relationships with the Chinese regulatory and government (including regional government) departments. There can be no assurance that the Company's existing relationships will continue or that new ones will be successfully formed and the Company could be adversely affected by changes to such relationships or difficulties in forming new ones. Any circumstance which causes the early termination or non-renewal of one of these key business relationships could adversely impact upon the Company, its business, development, financial condition, operating results or prospects.</p> <p><b><i>Dependence on third party suppliers</i></b></p> <p>The Company relies on a number of third party suppliers for the manufacture of its products. If a supplier fails to provide services or products on time or to the required standard, and particularly where an alternative source of service or supply is not readily available, this could have a material adverse effect on the Company's business.</p> <p><b><i>Operations in People's Republic of China (PRC)</i></b></p> <p>The Company's operations are mainly located in PRC and are exposed to various levels of political, regulatory, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, economic, social or political instability or change; currency exchange rates; high rates of inflation; labour unrest; working conditions; labour relations; renegotiation or nullification of existing concessions, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange; changing political conditions; currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.</p> <p>Changes, if any, in policies or shifts in political attitude in PRC may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by governmental regulations with respect to, but not limited to: restrictions on manufacturing; price controls; export controls; currency remittance; income taxes and foreign investment. Failure to comply strictly with applicable laws, regulations and local practices relating to manufacturing, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors adds uncertainties that cannot be accurately predicted and could</p>	
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Question	Response	Where to find more information
	<p>have an adverse effect on the Company's operations or profitability.</p> <p><b><i>Reliance on key personnel</i></b></p> <p>The Company's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. The loss of the services of one or more of such key management personnel could have an adverse effect on the Company. The Company's ability to manage its activities, and hence its success, will depend in large part on the efforts of these individuals. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.</p>	
What is the effect on control of the Company?	<p>New Shares issued under the Offers will comprise approximately 20% of the Shares on issue after completion of the Offers (on an undiluted basis and assuming the Offers are fully subscribed).</p> <p>The Offers are not expected to have any significant impact on the control of the Company.</p> <p>For further information regarding the effect of the Offers on control of the Company, see section 2.4</p>	Section 2.4

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## Brief Instructions

Your Entitlement is shown in the Entitlement and Acceptance Form. An Applicant may participate in the Offers as follows:

**If you wish to accept your Entitlement in full** – pay the amount indicated on your Entitlement and Acceptance Form via BPAY® or EFT in accordance with the instructions on the Entitlement and Acceptance Form so that the funds are received before 5:00pm (AWST) on the Entitlement Offer Closing Date.

Please refer to section 1.8 of this Prospectus for further details on applying for New Shares.

**If you only wish to accept part of your Entitlement** – pay a lesser amount than indicated on your Entitlement and Acceptance Form via BPAY® or EFT in accordance with the instructions on the Entitlement and Acceptance Form so that the funds are received before 5:00pm (AWST) on the Entitlement Offer Closing Date.

Please refer to section 1.8 of this Prospectus for further details on applying for New Shares.

**If you wish to accept your Entitlement in full and apply for Additional New Shares under the Top Up Facility**, please refer to section 1.9 of this Prospectus for further details.

**If you do not wish to accept all or part of your Entitlement**, you are not obliged to do anything. If Eligible Shareholders do not take up their Entitlement, their existing interest in the Company will be diluted. Please refer to section 2.4 of this Prospectus.

**The Shortfall Offer is not open to the general public.** Investors (which may include Eligible Shareholders) will be invited by the Directors to participate in the Shortfall Offer and will be provided with a copy of this Prospectus and an Application Form. Please refer to section 1.2 of this Prospectus for further details.

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## 1 Details of the Offers

### 1.1 Entitlement Offer

This Prospectus invites Eligible Shareholders to participate in a pro-rata non-renounceable Entitlement issue of up to 72,560,072 New Shares on the basis of one (1) New Share for every four (4) Shares held at 5:00pm (AWST) on the Record Date at an issue price of \$0.15 per New Share, for the purpose of raising up to approximately \$10.8 million (less expenses of the Offers).

The Entitlement Offer is made to Eligible Shareholders only. An Eligible Shareholder under the Entitlement Offer is a Shareholder with a registered address in Australia, New Zealand, China (but only to Institutional Investors), Italy and Hong Kong who is eligible under all applicable securities laws to receive an offer under the Entitlement Offer on the Record Date (being 5:00pm (AWST) on Wednesday, 18 October 2023).

If you are not an Eligible Shareholder, you are an Ineligible Shareholder and are not able to participate in the Entitlement Offer.

As at the time this Prospectus was lodged with ASIC and ASX, the Company has 290,240,290 Shares on issue.

Existing Option and Performance Rights holders will not be entitled to participate in the Entitlement Offer. However, they may exercise their Options or vested Performance Rights prior to the Record Date if they wish to participate in the Entitlement Offer.

The Company currently has 23,100,000 unquoted Options and 6,768,402 Performance Rights on issue. In the event that these existing Options are exercised and these existing Performance Rights vest prior to the Record Date, 7,467,100 additional New Shares will be offered pursuant to this Prospectus to raise up to a further \$1,120,065.

All of the New Shares offered under this Prospectus will rank equally with the Shares on issue as at the date of this Prospectus. Please refer to section 4.6 of this Prospectus for further information regarding the rights and liabilities attaching to the New Shares.

#### ***Top Up Facility***

The Entitlement Offer also includes a Top Up Facility, which entitles Eligible Shareholders who have applied for their full Entitlement to apply for any number of Additional New Shares, subject to scale back.

The Board will exercise its discretion to scale back applications for Additional New Shares in accordance with section 1.10. As such, there is no guarantee that you will receive any or all of the Additional New Shares you apply for.

The Company will not allocate or issue Additional New Shares under the Top Up Facility where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant regulation or law. Eligible Shareholders wishing to apply for Additional New Shares under the Top Up Facility must consider whether the issue of the Additional New Shares applied for would breach the Corporations Act, the Listing Rules or any other relevant regulation or law having regard to their own circumstances and should seek professional advice where necessary.

Please refer to section 1.9 for details on how to apply for Additional New Shares under the Top Up Facility.



## 1.2 Shortfall

Any Entitlements not taken up under the Entitlement Offer (including the Top Up Facility) will form the Shortfall and the Directors reserve the right, subject to the requirements of the Listing Rules and the Corporations Act, to issue the Shortfall at their discretion. The offer to issue Shortfall to investors is a separate offer under the Prospectus (**Shortfall Offer**). The Shortfall Offer will be on the same terms and conditions as the Entitlement Offer, except as set out in this Prospectus. The issue price for each New Share to be issued under the Shortfall Offer will be the same issue price as under the Entitlement Offer.

The Shortfall Offer is not open to the general public. Investors (which may include Eligible Shareholders) will be invited by the Directors to participate and will be provided with a copy of this Prospectus and an Application Form. It is possible there may be no Shortfall Shares available for issue. Shortfall Shares may only be offered and sold outside Australia to Institutional Investors in Permitted Jurisdictions for the Shortfall Offer.

The Shortfall will be allocated by the Directors in a manner considered appropriate having regard to the best interests of the Company.

Any Shortfall will be issued such that it is quoted within three months of the Entitlement Offer Closing Date. The Shortfall Offer will close at 5:00pm (AWST) on Friday, 5 January 2024, or such earlier date as the Directors, in their absolute discretion, determine. Accordingly, Applicants are encouraged to submit their Applications under the Shortfall Offer as soon as possible.

The Company will not allocate or issue New Shares under the Shortfall Offer where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant regulation or law. Applicants under the Shortfall Offer must consider whether the issue of the New Shares applied for would breach the Corporations Act, the Listing Rules or any other relevant regulation or law having regard to their own circumstances.

The Directors reserve the right to issue to an Applicant a lesser number of New Shares than the number for which the Applicant applies under the Shortfall Offer, or to reject an Application for Shortfall, or to not proceed with placing the Shortfall. In that event, application monies will be refunded by the Company (without interest) in accordance with the provisions of the Corporations Act.

## 1.3 Purpose of the Offers and use of funds

The purpose of the Offers is to raise up to \$10,884,011 (before expenses). It is anticipated that the funds raised from the Offers will be applied as set out in the below indicative table.

### Use of Funds

Item	Assuming only 50% is raised under the Offers <sup>1</sup>		Assuming the full amount is raised under the Offers	
Building of manufacturing facilities in Nanjing, China to increase the Company's production capacity	\$5,312,005	97.61%	\$7,021,277	64.51%
Planning to jointly invest with a Thailand partner for a locally based company to build a manufacturing facility in Thailand to assemble and distribute electric motorcycle/moped products in country to reduce import costs and increase revenue and profits <sup>2</sup>	-	-	\$2,300,000	21.13%
Undertaking acquisitions of interests in distributors for direct sales	-	-	\$325,000	2.99%

General working capital and costs of the Offers <sup>3</sup>	\$130,000	2.39%	\$1,237,734	11.37%
<b>TOTAL</b>	<b>\$5,442,005</b>	<b>100%</b>	<b>\$10,884,011</b>	<b>100%</b>

Notes:

- 1 In the event the full amount is not raised under the Offers, the Company will use its existing cash resources to satisfy its obligations. In relation to the opportunities in Thailand and the acquisitions of interests in distributors for direct sales, the Company will assess these on a case by case basis, subject to the Company's existing cash resources.
- 2 The Company is currently in discussions with a partner in Thailand to build a manufacturing facility in Thailand. In the event these discussions are unsuccessful, the funds will be re-allocated to the building of manufacturing facilities in Nanjing, China to increase the Company's production capacity.
- 3 For further information on the costs of the Offers alone, please refer to Section 4.11.

The above table is a statement of current intentions as of the date of this Prospectus. It is anticipated that these funds will be applied over the next 12 months.

The above proposed use of funds is subject to ongoing review and evaluation by the Company. As with any budget, the actual use of funds raised under the Offers may change depending on the outcome of the activities as they proceed. To the extent the full amount is not raised under the Offers, the funds raised will be applied to the costs of the Offers as a priority, with the remaining funds apportioned pro rata. To the extent the full amount is not raised under the Offers, the Company will adjust the timing and scope of its planned operations, and if required, use its existing cash reserves to satisfy its obligations until additional funding is available. The Board reserves the rights to alter the way in which funds are applied on this basis.

Any additional funds raised from the participation of Eligible Shareholders in the Offers following the exercise of their Options or vested Performance Rights prior to the Record Date will be applied towards the Company's general working capital and administration expenses.

The Company's current cash resources and additional capital proposed to be raised by the Offers are sufficient to meet the Company's current stated activities over the next 12 months.

#### **1.4 Minimum subscription**

There is no minimum subscription in respect of the Offers.

#### **1.5 No trading of Entitlements**

Entitlements to New Shares pursuant to the Entitlement Offer are non-renounceable and accordingly Eligible Shareholders may not dispose of or trade any part of their Entitlement.

#### **1.6 Opening and Closing Dates**

The Entitlement Offer and Shortfall Offer will open for receipt of acceptances on Monday, 23 October 2023.

The Entitlement Offer will close at 5:00pm (AWST) on Monday, 13 November 2023, or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine and provided that the Company gives ASX notice of the change at least 3 Business Days prior to the Entitlement Offer Closing Date.

The Shortfall Offer will close at 5:00pm (AWST) on or before Friday, 5 January 2024, or such earlier date as the Directors, in their absolute discretion, determine. Accordingly, Applicants are encouraged to submit their Applications under the Shortfall Offer as soon as possible.

#### **1.7 Underwriting**

The Offers are not underwritten.

## 1.8 Entitlements and Acceptance of the Entitlement Offer

Your Entitlement is shown in the Entitlement and Acceptance Form.

Fractions of New Shares will not be issued. In determining Entitlements or Additional New Shares, any fractional Entitlement or Additional New Shares will be rounded down to the nearest whole number.

Payments via EFT is available for overseas Eligible Shareholders only.

For overseas Eligible Shareholders only, who are unable to pay by BPAY®, you can obtain your personalised Entitlement and Acceptance Form at [www.investorcentre.com/au](http://www.investorcentre.com/au) (log in via 'Single Holding' button and follow the prompts) and access your personalised Electronic Funds Transfer form (EFT form) which contains instructions on how to pay via EFT using the relevant SWIFT Code, for your Entitlement and the amount of any Additional New Shares for which you are applying. You must quote your reference number noted on your EFT form when making payment or we may not be able to match your funds to your Entitlement and your application monies may need to be refunded to you.

You may participate in the Entitlement Offer as follows:

- (a) **If you wish to accept your Entitlement in full** – pay the amount indicated on your Entitlement and Acceptance Form via BPAY® or EFT in accordance with the instructions on the Entitlement and Acceptance Form so that the funds are received before 5:00pm (AWST) on the Entitlement Offer Closing Date. Payments must be made by BPAY® or EFT and may not be made by cheque or money order. **You do not need to return your form if you have made payment via BPAY® or EFT.**
- (b) **If you wish to accept your Entitlement in full and apply for Additional New Shares under the Top Up Facility, please refer to section 1.9.**
- (c) **If you only wish to accept part of your Entitlement:** pay a lesser amount than indicated on your Entitlement and Acceptance Form via BPAY® or EFT in accordance with the instructions on the Entitlement and Acceptance Form so that the funds are received before 5:00pm (AWST) on the Entitlement Offer Closing Date. Payments must be made by BPAY® or by EFT and may not be made by cheque or money order. **You do not need to return your form if you have made payment via BPAY® or EFT.**
- (d) **If you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.**

Payments must be made by BPAY® or by EFT – cheque or money orders will not be accepted. You are not required to submit your Entitlement and Acceptance Form. Your payment will not be accepted after 5:00pm (AWST) on the Entitlement Offer Closing Date and no New Shares will be issued to you in respect of that application.

If you have multiple holdings and choose to pay via:

- (a) BPAY® - you will have multiple BPAY® Customer Reference Numbers. To ensure you receive your New Shares in respect of that holding, you must use the specific biller code and the customer reference number shown on each personalised Application Form when paying for any New Shares that you wish to apply for in respect of that holding; or
- (b) EFT - you will have multiple unique payment references. To ensure you receive your New Shares in respect of that holding, you must use the unique payment reference shown on each personalised Application Form as your payment reference/description when processing your EFT payment for any New Shares that you wish to apply for in respect of that holding.

**PLEASE NOTE THAT IF YOU INADVERTENTLY USE THE SAME CUSTOMER REFERENCE NUMBER FOR MORE THAN ONE OF YOUR APPLICATIONS, YOU WILL BE DEEMED TO HAVE APPLIED ONLY FOR THE ENTITLEMENT TO WHICH THAT CUSTOMER REFERENCE NUMBER APPLIES.**

Applicants under the Offers should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY® or EFT. It is your responsibility to check that the amount you wish to pay via BPAY® or EFT does not exceed your limit. The Company shall not be responsible for any delay in the receipt of BPAY® or EFT payments. The Entitlement Offer to Shareholders is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

### ***Non-acceptance of Entitlement***

If you do not wish to take up any part of your Entitlement under the Entitlement Offer, you are not required to take any action. If you decide not to accept all or part of your Entitlement, the New Shares not accepted will be dealt with in accordance with sections 1.2 and 1.9 of this Prospectus.

If Eligible Shareholders do not take up their Entitlement, their existing interest in the Company will be diluted. Please refer to section 2.4 of this Prospectus for further details.

### ***Taxation Implications***

Shareholders should obtain independent advice on the taxation implications arising out of their participation in the Entitlement Offer.

### ***Further queries***

If you have any queries regarding your Entitlement, please contact the Share Registry by phone on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8:30am and 5:00pm (Sydney time) Monday to Friday during the Entitlement Offer period or contact your stockbroker or professional adviser.

**PLEASE NOTE IF YOU DO NOT ACCEPT YOUR ENTITLEMENT IN FULL IN ACCORDANCE WITH THE INSTRUCTIONS SET OUT ABOVE, ANY PART OF AN ENTITLEMENT NOT ACCEPTED IN FULL WILL FORM PART OF THE SHORTFALL.**

## **1.9 Applying for Additional New Shares under the Top Up Facility**

Eligible Shareholders who have applied for their full Entitlement may apply for any number of Additional New Shares, subject to scale back.

Applications for Additional New Shares under the Top Up Facility may be made by completing the relevant section of their Entitlement and Acceptance Form in accordance with the instructions set out on that form. Payment for any Additional New Shares must be made in the same manner as described in section 1.8(a) of this Prospectus (at \$0.15 per New Share).

The right to receive Additional New Shares which are in excess of an Eligible Shareholder's Entitlement will be determined by the Directors at their sole discretion. Eligible Shareholders who apply for Additional New Shares which are in excess of their Entitlement may not be issued any or all of those excess Additional New Shares applied for.

It is possible that there will be few or no Additional New Shares available for issue, depending on the level of take up of Entitlements by Eligible Shareholders. There is also no guarantee that in the event Additional New Shares are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

### **1.10 Scale back of applications and allocation of Additional New Shares under the Top Up Facility**

The Directors propose to allocate the Additional New Shares under the Top Up Facility to Eligible Shareholders having regard to the best interests of the Company. Eligible Shareholders are encouraged to apply for Additional New Shares under the Top Up Facility. In the event that demand for Additional New Shares exceeds the amount the Company is targeting to raise under the Entitlement Offer, the Directors reserve the right to scale back any applications for Additional New Shares at their discretion. The Directors will exercise this discretion in the interests of Shareholders but propose to allocate Additional New Shares to those Eligible Shareholders who hold less than a marketable parcel of Shares as a priority and otherwise, the Directors will endeavour to allocate the Additional New Shares in a manner which is considered fair to those Eligible Shareholders who apply, having regard to their existing shareholding.

It is an express term of the Entitlement Offer that Applicants for Additional New Shares will be bound to accept a lesser number of Additional New Shares allocated to them than applied for if so allocated. If a lesser number of Additional New Shares is allocated to them than applied for, excess application monies will be refunded without interest.

Eligible Shareholders who apply for Additional New Shares should note that the Company will not allocate or issue New Shares under the Top Up Facility where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant regulation or law. Eligible Shareholders wishing to apply for Additional New Shares under the Top Up Facility must consider whether or not the issue of the Additional New Shares applied for would breach the Corporations Act, the Listing Rules or any other relevant regulation or law having regard to their own circumstances and should seek professional advice where necessary.

### **1.11 Representations by Applicants**

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY® or EFT, you will be deemed to have represented to the Company that you are an Eligible Shareholder and:

- (a) acknowledge that you have read and understand this Prospectus and your personalised Entitlement and Acceptance Form in their entirety;
- (b) agree to be bound by the terms of the Entitlement Offer, the provisions of this Prospectus, and the Constitution;
- (c) authorise the Company to register you as the holder(s) of New Shares allotted to you;
- (d) declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- (e) declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- (f) acknowledge that once the Company receives your personalised Entitlement and Acceptance Form or any payment of application monies via BPAY® or EFT, you may not withdraw your Application or funds provided except as allowed by law;
- (g) agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any application monies via BPAY® or EFT, at the issue price per New Share;
- (h) authorise the Company, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of

the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;

- (i) declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (j) acknowledge that the information contained in this Prospectus and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (k) acknowledge that determination of eligibility of Eligible Shareholders for the purposes of Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and acknowledge that each of the Company and the Share Registry and their respective officers, employees and agents disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- (l) acknowledge the “Risk Factors” in section 3 of this Prospectus, and that investments in the Company are subject to risk;
- (m) acknowledge that none of the Company or its respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- (n) agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- (o) authorise the Company to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (p) represent and warrant (for the benefit of the Company and its respective related bodies corporate and affiliates) that you are not an Ineligible Shareholder and are otherwise eligible to participate in the Entitlement Offer;
- (q) represent and warrant (for the benefit of the Company and its respective related bodies corporate and affiliates) that you are in Australia, New Zealand, China (Institutional Investors only), Italy or Hong Kong;
- (r) represent and warrant that the law of any place does not prohibit you from being given this Prospectus and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares or being issued New Shares and that you are otherwise eligible to participate in the Entitlement Offer;
- (s) if you are a Shareholder with a registered address in the People’s Republic of China, represent and warrant that you:
  - (i) are a (i) “qualified domestic institutional investor” as approved by the relevant PRC regulatory authorities to invest in overseas capital markets; (ii) sovereign wealth fund or quasi-government investment fund that has the authorization to make overseas investment; or (iii) other type of qualified investor that has obtained all necessary PRC governmental approvals, registrations and/or filings; or
  - (ii) approached the Company on your own initiative and are not subscribing for the New Shares as a result of any marketing by the Company or any person acting on its behalf in the People’s Republic of China;

- (t) represent and warrant that you are not in the United States and you are not acting for the account or benefit of a person in the United States;
- (u) represent and warrant that the Corporations Act and the Listing Rules do not prohibit you from being given this Prospectus and the personalised Entitlement and Acceptance Form, nor do they prohibit you from making an application for New Shares or being issued New Shares and that no approvals or authorisations are required to permit you to apply for New Shares or be issued New Shares (including any authorisations required by the Foreign Investment Review Board under the *Foreign Acquisitions and Takeovers Act 1975* (Cth));
- (v) acknowledge that the New Shares have not, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions in the United States and accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws;
- (w) have not and will not send this Prospectus, the Entitlement and Acceptance Form or any other materials relating to the Entitlement Offer to any person in the United States or any other country outside Australia except nominees and custodians may send such materials to Shareholders in New Zealand, China (but only to Institutional Investors), Italy and Hong Kong; and
- (x) if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in transactions exempt from, or not subject to, the registration requirements of the US Securities Act; notwithstanding the foregoing, you may sell such New Shares in regular way transactions on the ASX or otherwise where neither you nor any person acting on your behalf know, or has reason to know, that the sale has been pre-arranged with, or that the purchase is, a person in the United States.

#### **1.12 Allotment of New Shares under the Offers**

Until issue and allotment of the relevant New Shares under the Offers pursuant to this Prospectus, the application monies will be held in trust in a separate bank account opened and maintained for that purpose only. Any interest earned on application monies will be for the benefit of the Company and will be retained by it irrespective of whether allotment of the New Shares takes place.

#### **1.13 ASX quotation**

Application for Official Quotation on ASX of the New Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If permission for quotation of New Shares is not granted by ASX within 3 months after the date of this Prospectus, the New Shares will not be allotted, and the Company will repay all application monies for the New Shares will be refunded (without interest) as soon as practicable (where applicable). The fact that ASX may agree to grant Official Quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or its securities.

If ASX does not grant Official Quotation of the New Shares offered pursuant to this Prospectus within three months after the date of this Prospectus (or such period as varied by ASIC), the Company will not allot any New Shares and will repay all application monies for the Shares within the time period prescribed under the Corporations Act, without interest.

A decision by ASX to grant Official Quotation of the New Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the New Shares now offered for subscription.

### **1.14 Withdrawal of the Offers**

The Company reserves the right to withdraw all or part of the Offers and this Prospectus at any time, subject to applicable laws, in which case the Company will refund application monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest.

To the fullest extent permitted by law, an Applicant agrees that any application monies paid by them to the Company will not entitle them to receive any interest and that any interest earned in respect of application monies will belong to the Company.

### **1.15 Ineligible Shareholders and Entitlement Offer for Non-Australian Shareholders**

The Company has determined pursuant to Listing Rule 7.7.1 that it is unreasonable in the circumstances to make the Entitlement Offer under this Prospectus to Shareholders with a registered address outside of Australia, New Zealand, China, Italy or Hong Kong having regard to:

- (a) the number of Shareholders outside of these jurisdictions as at the date of this Prospectus, being approximately 88;
- (b) the number and value of the securities to be offered to Shareholders outside of these jurisdictions; and
- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, the Company is not required to, and will not, make the Entitlement Offer under the Prospectus to Shareholders outside the above jurisdictions unless, in the opinion of the Company, that Shareholder or investor would be eligible under all applicable securities laws to receive an offer of New Shares under the Offers.

The Offers are not available to any person in the United States or any person acting for the account or benefit of a person in the United States. The Company will notify all Ineligible Shareholders of the Entitlement Offer and advise that the Company is not extending the Entitlement Offer to those Shareholders.

The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by an Applicant that all relevant approvals have been obtained and that an Applicant is able to apply for, and be issued, the New Shares under all applicable laws, including foreign investment takeover laws.

This Prospectus does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the New Shares may not be offered or sold in any country outside Australia except to existing Shareholders and to the extent permitted below.

#### ***China***

This Prospectus has not been approved by, nor registered with, any competent regulatory authority of the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). Accordingly, the New Shares may not be offered or sold, nor may any invitation, advertisement or solicitation for New Shares be made from, within the PRC. This Prospectus does not constitute an offer of New Shares within the PRC.

The New Shares may not be offered to legal or natural persons in the PRC other than to: (i) "qualified domestic institutional investors" as approved by a relevant PRC regulatory authority to invest in overseas capital markets; (ii) sovereign wealth funds or quasi-government investment funds that have the authorization to make overseas investments; or (iii) other types of qualified investors that have obtained



all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise).

### ***Hong Kong***

WARNING: This Prospectus may be distributed in Hong Kong only to existing shareholders of the Company. This Prospectus may not be distributed, published, reproduced or disclosed (in whole or in part) to any other person in Hong Kong or used for any purpose in Hong Kong other than in connection with the recipient's consideration of the Offers.

You are advised to exercise caution in relation to the Offers. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

This Prospectus has not been reviewed by any Hong Kong regulatory authority. In particular, this Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of the Laws of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong under Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong.

### ***Italy***

This Prospectus has not been, and will not be, registered with or approved by any securities regulator in Italy or elsewhere in the European Union. Accordingly, this Prospectus may not be made available, nor may the New Shares be offered for sale, in Italy except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4) of the Prospectus Regulation, an offer of New Shares in Italy is limited:

- to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- to fewer than 150 natural or legal persons (other than qualified investors); or
- in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

### ***New Zealand***

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

#### **1.16 Notice to nominees and custodians for the Entitlement Offer**

Nominees and custodians may not distribute this Prospectus and may not permit any beneficial shareholder to participate in the Entitlement Offer, in any country outside Australia and New Zealand except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Entitlement Offer.

### **1.17 Shortfall Offer for Institutional Investors outside Australia**

The New Shares under the Shortfall Offer may not be offered or sold in any country outside Australia except to the extent permitted below.

#### ***China***

This Prospectus has not been approved by, nor registered with, any competent regulatory authority of the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). Accordingly, the New Shares may not be offered or sold, nor may any invitation, advertisement or solicitation for New Shares be made from, within the PRC. This Prospectus does not constitute an offer of New Shares within the PRC.

The New Shares may not be offered to legal or natural persons in the PRC other than to: (i) "qualified domestic institutional investors" as approved by a relevant PRC regulatory authority to invest in overseas capital markets; (ii) sovereign wealth funds or quasi-government investment funds that have the authorization to make overseas investments; or (iii) other types of qualified investors that have obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise).

#### ***Hong Kong***

**WARNING:** This Prospectus may be distributed in Hong Kong only to existing shareholders of the Company. This Prospectus may not be distributed, published, reproduced or disclosed (in whole or in part) to any other person in Hong Kong or used for any purpose in Hong Kong other than in connection with the recipient's consideration of the Offers.

You are advised to exercise caution in relation to the Offers. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

This Prospectus has not been reviewed by any Hong Kong regulatory authority. In particular, this Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of the Laws of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong under Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong.

#### ***Italy***

This Prospectus has not been, and will not be, registered with or approved by any securities regulator in Italy or elsewhere in the European Union. Accordingly, this Prospectus may not be made available, nor may the New Shares be offered for sale, in Italy except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4) of the Prospectus Regulation, an offer of New Shares in Italy is limited:

- to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- to fewer than 150 natural or legal persons (other than qualified investors); or
- in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

#### ***New Zealand***

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand) (the "FMC Act").

The New Shares under the Shortfall Offer are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

### **1.18 Market prices of Shares on ASX**

The highest and lowest closing market sale price of Shares on ASX during the three (3) months immediately preceding the date of this Prospectus and the respective dates of those sales were \$0.24 on 4 September 2023 and \$0.165 on 12 October 2023.

The latest available market sale price of Shares on ASX at the close of trading on the date of this Prospectus was \$0.165 on 12 October 2023.

### **1.19 Forward-looking statements**

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and such other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company and the Directors.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in section 3 of this Prospectus.

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## 2 Effect of the Offers on the Company

### 2.1 Effect of the Offers

The principal effects of the Offers on the Company are as follows, assuming all Entitlements are accepted, and no Options are exercised and no Performance Rights vest prior to the Record Date:

- (a) the Company will issue up to 72,560,072 New Shares and the total number of Shares on issue will increase to 362,800,362 Shares;
- (b) the cash reserves of the Company will increase by up to \$10.8 million (less the expenses of the Offers) immediately after completion of the Offers; and
- (c) the equity of Eligible Shareholders who do not participate in the Offers will be diluted as is evidenced from the figures set out above.

### 2.2 Consolidated Balance Sheet

Set out as follows is the reviewed consolidated balance sheet of the Company at 30 June 2023.

The unaudited pro-forma balance sheet has been prepared to provide investors with information on the anticipated impact of the Offers on the assets and liabilities of the Company. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

The unaudited consolidated pro forma balance sheet at 30 June 2023 has been adjusted assuming maximum subscription is received under the Offers of up to 72,560,072 New Shares pursuant to this Prospectus to raise up to \$10,884,011 with the estimated expenses of the Offers of approximately \$130,000:

	Reviewed	Assuming the full amount is raised under the Offers		Unaudited Pro Forma
	30/06/2023	Offer	Costs	30/06/2023
<b>CURRENT ASSETS</b>				
Cash and cash equivalents				
	28,192,370	10,884,011	(130,000)	39,076,380
Trade and other receivables	17,867,716			17,867,716
Inventories	14,033,269			14,033,269
Other assets	6,755,842			6,755,842
Total Current Assets	66,849,197	10,884,011	(130,000)	77,733,208
<b>NON CURRENT ASSETS</b>				
Property, plant and equipment	5,855,000			5,855,000
Right-of-use assets	939,549			939,549
Intangible assets	304			304
Investments in associates	5,087,559			5,087,559

Total Non Current Assets	11,882,412	-	-	11,882,412
<b>TOTAL ASSETS</b>	<b>78,731,609</b>	<b>10,884,011</b>	<b>(130,000)</b>	<b>89,615,620</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	7,835,670			7,835,670
Unearned revenue	7,059,515			7,059,515
Interest bearing loans	0			0
Current tax liabilities	-			-
Lease liabilities	125,315			125,315
Total Current Liabilities	15,020,500	-	-	15,020,500
<b>NON CURRENT LIABILITIES</b>				
Lease liabilities	111,603			111,603
Total Non Current Liabilities	111,603	-	-	111,603
<b>TOTAL LIABILITIES</b>	<b>15,132,103</b>			<b>15,132,103</b>
<b>NET ASSETS</b>	<b>63,599,506</b>	<b>10,884,011</b>	<b>(130,000)</b>	<b>74,483,517</b>
<b>EQUITY</b>				
Issued capital	93,817,917	10,884,011		104,701,929
Reserves	278,654			278,654
Accumulated losses	(30,525,605)		(130,000)	(30,525,605)
Non-controlling interest	28,540			28,540
<b>TOTAL EQUITY</b>	<b>63,599,506</b>	<b>10,884,011</b>	<b>(130,000)</b>	<b>74,483,517</b>

***Notes to the pro-forma Consolidated Balance Sheet***

The unaudited pro-forma consolidated balance sheet:

- (a) includes net proceeds raised pursuant to the Offers (assuming the Offers are fully subscribed and less estimated costs for the Offers – refer to section 4.11);

- (b) assumes that no existing Options are exercised and no Performance Rights vest prior to the Record Date; and
- (c) does not take into account any transactions between 1 July 2023 and the date of this Prospectus.

### **Material events since 30 June 2023**

Other than:

- (a) the non-binding memorandum of understanding signed with Ni Hsin EV Tech Sdn. Bhd. in relation to the intention to form a strategic alliance to assemble, market and distribute the Company's products in Asia (as announced on 24 July 2023), followed by the execution of the exclusive assembly, marketing and distribution agreement (as announced on 19 September 2023);
- (b) the payment of the remaining CNY6.7 million in July 2023 under the strategic agreement to acquire industrial land in Nanjing, China (as announced on 2 May 2023);
- (c) the execution of a construction agreement to build new manufacturing facilities in Nanjing, China at an estimated cost of \$14,000,000 (as announced on 6 September 2023);
- (d) the agreement to acquire the business and certain assets of French distributor, Mujoo France, for cash consideration of approximately \$325,000 (as announced on 12 September 2023); and
- (e) the acquisition of certain patents from Super Soco for cash consideration of approximately \$2,900,000 (as announced on 21 September 2023),

there have been no further material subsequent events since 30 June 2023.

### **2.3 Effect on capital structure**

The anticipated effect of the Offers on the capital structure of the Company, assuming all Entitlements are accepted, and no Options are exercised and no Performance Rights vest prior to the Record Date, is set out below.

	Maximum effect of the Offers
Shares currently on issue	290,240,290
Options currently on issue <sup>2</sup>	23,100,000
Performance Rights currently on issue	6,768,402
New Shares expected to be issued under the Offers	72,560,072
<b>Shares on issue after completion of the Offers<sup>3</sup></b>	<b>362,800,362</b>
<b>Options on issue after completion of the Offers</b>	<b>23,100,000</b>
<b>Performance Rights on issue after completion of the Offers</b>	<b>6,768,402</b>

**Notes:**

- 1 Comprises 6,600,000 Options each with an exercise price of \$0.45 and expiring on 11 April 2026, 7,700,000 Options each with an exercise price of \$0.55 and expiring on 11 April 2027 and 8,800,000 Options each with an exercise price of \$0.65 and expiring on 11 April 2027.
- 2 If all Options are exercised and all Performance Rights vest prior to the Record Date, a further 7,467,100 New Shares will be offered pursuant to this Prospectus.

The following Shares are subject to voluntary escrow:

Number of Shares	Expiry of Escrow
970,000	8 February 2024
1,720,000	4 April 2025
810,000	22 February 2026

No Options or Performance Rights on issue are subject to escrow restrictions, either voluntary or ASX imposed.

## 2.4 Potential impact of the Offers control of the Company

The Offers are not expected to have any significant impact on the control of the Company. The table below shows the impact of the Offers on the Company's substantial Shareholders (based on publicly available information).

Shareholder	Shares as date of Prospectus	% as at date of Prospectus	Shares on completion of the Offers	% on completion of the Offers
Mr Charles Chen	36,806,328	12.68%	46,007,910 <sup>1</sup>	12.68% <sup>1</sup>
Mr Yuming Zhou	21,375,530	7.36%	21,375,530	5.89% <sup>2</sup>
Mr Raymond Edward Munro + Mrs Susan Roberta Munro <Munro Family Super Fund A/C>	21,274,000	7.31%	21,274,000	5.86% <sup>2</sup>
Ms Malaky Kazem	17,388,824	5.99%	17,388,824	4.79% <sup>2</sup>

### Notes:

1 Assumes full Entitlement is taken up under the Entitlement Offer.

2 Assumes that these shareholders do not take up their Entitlements under the Entitlement Offer.

The above table assumes that the substantial Shareholders, other than Mr Charles Chen who intends to take up his full Entitlement under the Entitlement Offer, do not take up their Entitlements under the Entitlement Offer. As at the date of this Prospectus, it is not known if any substantial Shareholders, other than Mr Charles Chen, will take up their Entitlement in full, in part or at all under the Entitlement Offer.

Assuming no existing Options are exercised and no Performance Rights vest prior to the Record Date, the maximum number of New Shares which will be issued pursuant to the Offers is 72,560,072. This equates to approximately 20% of all the issued Shares in the Company immediately following completion of the Offers.

Given that no Shareholder's interest is expected to go above 20% in contravention of section 606 of the Corporations Act, the Company has not appointed a nominee for foreign holders of the Company's Shares in accordance with section 615 of the Corporations Act as it does not expect to rely on the "rights issue" exception set out in item 10 of section 611 of the Corporations Act to the general prohibition on acquisition of shares set out in section 606 of the Corporations Act.

Shareholders should note that if they do not participate in the Offers, their holdings will be diluted by up to approximately 20% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus and assuming that no existing Options are exercised and no Performance Rights vest immediately following completion of the Offers). Examples of how the dilution from the Entitlement Offer may impact Shareholders is set out below.

Shareholder	Shareholding as at Prospectus date	% shareholding as at Prospectus date	% shareholding post Offers
1	5,000,000	1.72	1.38
2	1,000,000	0.34	0.28
3	500,000	0.17	0.17
4	100,000	0.03	0.03
5	50,000	0.02	0.02

**Notes:**

- 1 The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements that are not accepted are placed to other Eligible Shareholders or third parties under the Top Up Facility or Shortfall Offer. If all Entitlements are not accepted and some or the entire resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.



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## 3 Risk Factors

### 3.1 Introduction

This section identifies the areas that the Directors regard as the major risks associated with an investment in the Company. Investors should be aware that an investment in the Company involves many risks, which may be higher than the risks associated with an investment in other companies. Intending investors should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to apply for Shares.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's business. These risk factors are largely beyond the control of the Company and its Directors because of the nature of the business of the Company. The following summary, which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of.

### 3.2 Risks specific to the Offers

#### *Potential for dilution*

Upon completion of the Offers, assuming all Entitlements are accepted, and no Options are exercised and no Performance Rights vest prior to the Record Date, the number of Shares in the Company will increase from 290,240,290 to 362,800,362. This equates to approximately 20% of all the issued Shares in the Company immediately following completion of the Offers (assuming that no existing Options are exercised and no existing Performance Rights vest prior to that date).

This means that each Share will represent a lower proportion of the ownership of the Company. It is not possible to predict what the value of the Company or a New Share will be following the completion of the Offers and the Directors do not make any representation to such matters.

The last trading price of Shares on ASX prior to the Prospectus being lodged is not a reliable indicator as to the potential trading price of New Shares following completion of the Offers.

### 3.3 Risks specific to the Company

#### *Expansion risk*

The Company's ability to successfully develop its business and effectively implement its business plan within the timeframe that it is aiming to achieve, will depend in part on its ability to raise the funds for its expansion. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

Existing funds (including the funds raised under the Offers) will not be sufficient for expenditure required for certain aspects of the Company's business plan, including the development of manufacturing facilities in Nanjing, China and investment in additional manufacturing facilities.

Any additional equity financing may dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. There is no guarantee that the Company will be able to secure any additional funding or will be able to secure funding on terms favourable to the Company.

#### *Construction risk*

As announced on 6 September 2023, the Company has entered into a construction agreement to construct manufacturing facilities on the recently acquired industrial land in the Lishui Economic

Development Zone in Nanjing, China. The manufacturing facilities will be funded progressively via cash and debt, including funds raised from the Offer (refer to Section 1.3 for further details), with completion scheduled for September 2024. There is an inherent risk that the Company might not be able to achieve this in the expected timeframe or in a cost effective manner.

The construction of any new manufacturing facilities in Nanjing, China or elsewhere is dependent on a number of contingencies, some of which are beyond the Company's control. These contingencies include but are not limited to: obtaining all necessary licences and permits; accessing additional labour; accessing and securing plant and equipment; and securing the delivery of production machinery from third party manufacturers of the scale required in a cost and time effective manner.

There is a risk that significant unanticipated costs or delays could arise due to errors or omissions, unforeseen technical issues (such as major equipment failures), increases in plant and equipment costs, inadequate contractual arrangements, labour difficulties or unusually adverse weather conditions. Should significant unanticipated costs or delays arise, this could have a material adverse impact on the Company's business, financial performance and operations.

The Company's expansion of manufacturing facilities may also place increased demands on the Company's management, operating systems, internal controls and physical resources. If not managed effectively, these increased demands may adversely affect the Company's financial position and ability to meet customer demands. In addition, the Company's personnel, systems, procedures and controls may be inadequate to support future operations. In order to manage this expansion effectively, the Company may be required to increase expenditures to increase its physical resources, expand, train or manage its employee base and improve management, financial and information systems and controls.

The Company's operations, financial condition and growth objectives are likely to be materially adversely affected if it is not able to manage effectively the budgeting, contraction, forecasting or other process control issues presented by constructing a new manufacturing facility and scaling up its operations.

### ***New technology***

Given the Company operates in an industry involving electric vehicle technology, any technological obsolescence could have an impact on our financial results. The Company seeks to mitigate 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. If the Company's technology is superseded, it could have an adverse impact on the Company's financial results.

### ***Protection and ownership of intellectual property***

The Company's financial performance may depend on its ability to safeguard and commercial exploit its intellectual property. The Company relies on patents to protect its proprietary intellectual property. A substantial part of the Company's commercial success will depend on its ability to maintain, establish and protect its intellectual property without infringing on the proprietary rights of third parties. No assurance can be given that any pending patent applications or any future patent applications will result in granted patents, that any patents will be granted on a timely basis, that the scope of any copyright or patent protection will exclude competitors or provide competitive advantages to the Company, that any of the Company's patents will be held valid if challenged, or that third parties will not claim rights in or ownership of the copyright, patents and other proprietary rights held by the Company.

Any claims made against the Company's patents or other intellectual property rights, even without merit, could be time consuming and expensive to defend and could have a materially adverse effect on the Company's resources. A third party asserting infringement claims against the Company could require the Company to cease the infringing activity and/or require the Company to enter into licensing and royalty arrangements. The third party could also take legal action which could be costly. The Company may also be required to develop alternative non-infringing solutions that may require significant time and

substantial unanticipated resources. There can be no assurance that such claims will not have a material adverse effect on the Company's business, financial condition or results.

### ***Research and development risk***

The Company is engaged in designing, developing and manufacturing electric vehicles. There is no guarantee that the Company will be successful in its future research and product development. The Company may not be able to develop new technologies sufficiently to enable it to develop commercial and marketable products. The ability of the Company to develop new technology relies partly on the recruitment of appropriately qualified staff and engagement of third parties. The Company may be unable to find a sufficient number of appropriately highly trained individuals to satisfy its growth rate which could affect its ability to develop new technologies as planned. In addition, new products may face potential regulatory barriers which, by their nature, will vary, for example, by application, geography, or volume of business and are difficult to anticipate at present.

### ***Key business relationships***

In February 2020, the Company entered into a joint investment agreement with Super Soco to establish a jointly owned Chinese registered manufacturing company, Nanjing Vmoto Soco Intelligent Technology Co, Ltd (**Vmoto Soco Manufacturing**). Pursuant to the joint venture agreement, the Company and Super Soco each own 50% of the issued capital of Vmoto Soco Manufacturing. Any changes in the business cooperation and relationship with Super Soco could adversely impact upon the Company, its business, development, financial condition, operating results or prospects.

In addition, the Company also relies significantly on maintaining good relationships with other entities (including with its customers, suppliers, distributors, sub-distributors and contract manufacturers) and also on maintaining good relationships with the Chinese regulatory and government (including regional government) departments. There can be no assurance that the Company's existing relationships will continue or that new ones will be successfully formed and the Company could be adversely affected by changes to such relationships or difficulties in forming new ones. Any circumstance which causes the early termination or non-renewal of one of these key business relationships could adversely impact upon the Company, its business, development, financial condition, operating results or prospects.

### ***Dependence on third party suppliers***

The Company relies on a number of third party suppliers for the manufacture of its products. If a supplier fails to provide services or products on time or to the required standard, and particularly where an alternative source of service or supply is not readily available, this could have a material adverse effect on the Company's business.

### ***Operations in People's Republic of China (PRC)***

The Company's operations are mainly located in PRC and are exposed to various levels of political, regulatory, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, economic, social or political instability or change; currency exchange rates; high rates of inflation; labour unrest; working conditions; labour relations; renegotiation or nullification of existing concessions, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange; changing political conditions; currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in policies or shifts in political attitude in PRC may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by governmental regulations with respect to, but not limited to: restrictions on manufacturing; price controls; export controls; currency remittance; income taxes and foreign investment. Failure to comply strictly with applicable laws, regulations and local practices relating to manufacturing, could result in loss, reduction or expropriation

of entitlements. The occurrence of these various factors adds uncertainties that cannot be accurately predicted and could have an adverse effect on the Company's operations or profitability.

### ***Reliance on key personnel***

The Company's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. The loss of the services of one or more of such key management personnel could have an adverse effect on the Company. The Company's ability to manage its activities, and hence its success, will depend in large part on the efforts of these individuals. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.

### ***Employee recruitment and retention***

The successful operation of the Company relies on its ability to attract and retain a critical number of employees to fulfil its product orders and maintain manufacturing efficiency. If the Company is unable to attract and retain employees, including by failing to offer more attractive terms of employment to the local working population in Nanjing, it may:

- negatively impact the Company's sales which are highly dependent on the ability of employees to sell its products through the application of their product knowledge, understanding of the electric vehicle and ability to take advantage of established customer relationships; and
- have an adverse effect on the Group's operations and expansion plans and result in a material increase in employment costs.

### ***Growth Strategy – Expansion***

An aspect of the Company's strategy includes growing by acquisition of businesses or land (including into additional geographical territories) and organic growth of the existing businesses. The acquisition process involves dealing with third parties, regulatory bodies and other aggregators of suitable businesses. Obtaining those businesses is therefore subject to the actions of third parties outside of the Company's control, including any constraints imposed by local regulatory regimes. There is no guarantee that the Company will be able to obtain such businesses on conditions acceptable to the Company, or obtain them in a timely manner. Any delay or failure to secure such businesses will limit the Company's ability to increase its revenues and adversely affect its future financial performance.

### ***Competition***

The Company operates in the electric two-wheel vehicle industry and expects additional competitors to enter this market that may have greater financial, research and development, marketing, distribution and other resources. The Directors believe that the Company can compete in this market due to its first mover advantage, having operated in the electric two-wheel vehicle markets since 2009. The Company 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. However, entry of new competitors, a change in the industry's competitive dynamics or a general increase in the level of competition may adversely impact the Company's revenue, profitability and growth prospects.

### ***Regulatory risk***

The Company operates in a highly regulated industry, and is subject to various licencing requirements, regulatory clearances, regulations, tax laws and workplace health and safety laws, in connection with its operations. Any change or failure to comply with these laws or regulations could impact the economic environment, general market conditions, or specifically impact the Company's current business model, its compliance costs, or capital expenditure requirements. Further, it could result in the imposition of criminal or civil liability or restrictions on the Company's operations that could have a material adverse

effect on the Company's business, results of operations or financial position.

Changes in legislation, regulatory policies or the discovery of regulatory problems with the Company's operations, products or their manufacture may result in the imposition of restrictions on the Company's products or manufacturing operations which may have an adverse impact on the Company's business.

### ***People's Republic of China (PRC) legal system***

Due to uncertainties in the PRC political and legal environment, the Company may be exposed to political and legal risks which may adversely affect the viability of its operations in PRC. Similarly, the Company may be exposed to risks around contractual enforcement in PRC.

Although the legal system in PRC is well-established, it may be less certain than legal systems in other countries. This uncertainty could lead to the following risks:

- difficulties in obtaining effective legal redress for breaches of laws or regulations or in respect of confidentiality protections or intellectual property rights;
- inconsistencies between and within laws, regulations, decrees, orders and resolutions, or uncertainty in the application of these laws and regulations;
- difficulties in enforcing foreign judgments and arbitral awards, particularly against state bodies; and
- lack of jurisprudence and administrative guidance on the application of laws and regulations, particularly with respect to taxation and proprietary rights.

Therefore, the Company may have difficulty in obtaining effective legal redress in circumstances where the Company or its subsidiaries are adversely affected by a breach of law or regulation.

### ***Health, safety and industrial accidents***

Due to the nature of its operations and services, the Company's employees are exposed to varying degrees of risk in the workplace. These risks may include exposure to dangerous situations or materials and have the potential to result in personal injury or death. The Company is responsible for the safety and security of its employees and of third-party personnel and, accordingly, must implement adequate health and safety procedures. Health and safety incidents can result in losses and liability and serious health issues, which could have a material effect on the Company's results of operations and overall financial condition. Furthermore, such incidents can result in violations of various health and safety laws and regulations to which the Company is subject that could have a material adverse effect on the Company's business, reputation, results of operations and financial performance.

### ***Maintenance of reputation***

The success of the Company is reliant on its reputation. Reputational damage could arise due to a number of circumstances, including inadequate service, poor quality products or failure to comply with legislation or regulation applicable to the Company's business. Reputational damage may impact the Company's ability to maintain relationships with existing and new customers and result in a fall in sales. If this were to occur, the Company's financial performance may be negatively impacted.

### ***Product defects and/or failure***

Product failures, defects or recalls could materially affect the Company's reputation, earnings and revenue. If any claim or issue arising from a product defect or failure is determined adversely to the

Company, and the Company's existing insurance arrangements do not cover the liability, this could have a materially adverse effect on the operating and financial performance of the Company.

#### ***Warranty risk***

The Company may provide warranties covering parts and/or services provided. The provision of warranties exposes the Company to risks which would not otherwise be exposed as a retailer. For example, the provision of warranties exposes the Company to risks associated with the performance of its electric vehicles and parts to which the warranty relates. Any increase in the number of claims under these warranties for which the Company has made provision for may have an adverse effect on the Company's expenses and may negatively impact on the Company's financial performance.

#### ***Foreign exchange risk***

The Company's operating and capital expenditures are typically incurred in currencies other than Australian dollars (including Renminbi and United States dollars) and revenue from the sale of electric vehicles is also in currencies other than Australian dollars. Any fluctuations in the exchange rates between these currencies and the Australian dollar could have a material adverse effect on the Company's business, financial position and operating results.

#### ***Insurance risk***

The Company seeks to maintain appropriate insurances for its business given its industry and operations. Insurances need to be renewed on an annual basis and those renewals may result in insurance premiums increasing with an adverse effect on the financial performance of the Company. Alternatively, insurances may not be available on terms which are economic in light of the risks they protect against, resulting in the Company self-insuring against those risks. If those risks ultimately arise, they may have an adverse effect on the financial position and performance of the Company.

#### ***Litigation risk***

The Company may in the ordinary course of business be involved in litigation and disputes. Any litigation or dispute could be costly and damaging to the Company's reputation and business relationships, which could have an adverse effect on its financial performance and industry standing.

### **3.4 General Risks**

#### ***Economic Risks***

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities and to receive future dividends.

Further, security market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Security market conditions are affected by many factors such as general economic outlook; interest rates and inflation rates; currency fluctuations; changes in investor sentiment toward particular market sectors; the demand for, and supply of, capital; and terrorism or other hostilities.

#### ***Unforeseen expenses***

The Company may be subject to significant unforeseen expenses or actions. This may include unplanned operating expenses, future legal actions or expenses in relation to future unforeseen events. The Directors expect that the Company will have adequate working capital to carry out its stated

objectives however there is the risk that additional funds may be required to fund the Company's future objectives.

### ***Taxation risk***

The acquisition and disposal of Shares (including New Shares) will have tax consequences which will differ for each Shareholder depending on their individual financial circumstances. All Shareholders in the Company are urged to obtain independent financial advice regarding the tax and other consequences of acquiring Shares. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to any tax consequences of applying for New Shares under this Prospectus.

### ***Accounting standards***

Changes to any applicable accounting standards or to any assumptions, estimates or judgments applied by management in connection with accounting matters may adversely impact the Company's financial position, results or condition.

### ***Securities market risk***

The market price of the Company's Shares could fluctuate significantly. The market price of the Company's Shares may fluctuate based on a number of factors including the Company's operating performance and the performance of competitors and other similar companies, the public's reaction to the Company's press releases, other public announcements and the Company's filings with the various securities regulatory authorities, changes in earnings estimates or recommendations by research analysts who track the Company's Shares or the shares of other companies in the resource sector, changes in general economic conditions, the number of the Company's Shares publicly traded and the arrival or departure of key personnel, acquisitions, strategic alliances or joint ventures involving the Company or its competitors.

In addition, the market price of the Company's Shares are affected by many variables not directly related to the Company's success and are therefore not within the Company's control, including other developments that affect the market for all resource sector shares, the breadth of the public market for the Company's Shares, and the attractiveness of alternative investments.

### ***Speculative nature of investment***

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of Shares.

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## 4 Additional Information

### 4.1 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) and is subject to the regime of continuous disclosure and periodic reporting requirements. Specifically, as a listed company, the Company is subject to the Listing Rules which require continuous disclosure to the market of any information possessed by the Company which a reasonable person would expect to have a material effect on the price or value of its Shares.

The Board has adopted a policy on compliance with the Listing Rules which sets out the obligations of the Directors, officers and employees to ensure the Company satisfies the continuous disclosure obligations imposed by the Listing Rules and the Corporations Act. The policy provides information as to what a person should do when they become aware of information which could have a material effect on the Company's securities and the consequences of non-compliance.

### 4.2 Legal framework of this Prospectus

As a "disclosing entity", the Company has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer of securities which are quoted enhanced disclosure (ED) securities and the securities are in a class of securities that were quoted ED securities at all times in the 3 months before the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus". In general terms, a transaction specific prospectus is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the requirements of ASX as applicable to disclosing entities from time to time, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 3 months before the issue of this Prospectus.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

### 4.3 Information available to Shareholders

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX in Perth during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any regional office of ASIC. The Company will provide a copy of each of the following documents, free of charge, to any investor who so requests during the application period under this Prospectus:

- (a) the Annual Financial Report for the Company for the year ending 31 December 2022;
- (b) the Interim Financial Report of the Company for the half-year ending 30 June 2023; and



- (c) the following documents used to notify ASX of information relating to the Company during the period after lodgement of the Annual Financial Report of the Company for the year ending 31 December 2022 and before the issue of this Prospectus:

Date	Announcement
03/01/2023	Application for quotation of securities - VMT
03/01/2023	Change of Director's Interest Notice x 2
03/02/2023	Vmoto's 4Q22 Market Update
09/02/2023	Update on Vmoto's Netherlands B2B Customer
23/02/2023	Application for quotation of securities - VMT
23/02/2023	Secondary Trading Notice
28/02/2023	Preliminary Final Report
07/03/2023	Vmoto Acquires the Business and Assets of its UK Distributor
07/03/2023	Release from Escrow
23/03/2023	Application for quotation of securities - VMT
23/03/2023	Secondary Trading Notice
29/03/2023	Annual General Meeting Information
31/03/2023	Annual Report to Shareholders
31/03/2023	Corporate Governance Statement
31/03/2023	Appendix 4G
01/05/2023	Notice of Annual General Meeting/Proxy Form
02/05/2023	Vmoto acquires industrial land in Nanjing, China
08/05/2023	Vmoto's 1Q23 Market Update
29/05/2023	Proposed issue of securities - VMT
30/05/2023	2023 AGM Presentation
30/05/2023	Results of Meeting
01/06/2023	Application for quotation of securities - VMT
01/06/2023	Application for quotation of securities - VMT
01/06/2023	Secondary Trading Notice
01/06/2023	Notification regarding unquoted securities - VMT

Date	Announcement
01/06/2023	Change of Director's Interest Notice x3
01/06/2023	Notification of cessation of securities - VMT
04/06/2023	Change of Director's Interest Notice
20/06/2023	Change of Director's Interest Notice
24/07/2023	Vmoto to form Strategic Alliance with Ni Hsin EV Malaysia
27/07/2023	Vmoto's 2Q23 Market Update
07/08/2023	Clarification
30/08/2023	Half Yearly Report and Accounts
31/08/2023	Appointment of Company Secretary
06/09/2023	Vmoto to Expand Manufacturing Capacity with New Facilities
12/09/2023	Vmoto Acquires the Business and Assets of French Distributor
18/09/2023	Change of Registry Address Notification
19/09/2023	Vmoto signs EDA with Ni Hsin EV Tech
21/09/2023	Vmoto Acquires Strategic Soco Shanghai Patents
02/10/2023	Recall Campaign for CPX and VS1 Models in Europe
09/10/2023	Vmoto's 3Q23 Market Update

#### 4.4 Corporate Governance

To the extent that they are applicable to the Company, the Board has adopted the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has disclosed the reasons for the departure in its Corporate Governance Statement for the financial year ended 31 December 2022. This can be found in the Company's Appendix 4G dated 31 March 2023.

A summary of the Company's corporate governance policies and procedures is available on the Company's website at [www.vmoto.com](http://www.vmoto.com).

#### 4.5 Agreements with Directors and related parties

- (a) The Company's policy in respect of related party arrangements is:
  - (i) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and

- (ii) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.
- (b) The Company does not intend to issue any securities to Directors or other related parties at this time, other than up to the extent of their Entitlement under the Entitlement Offer. If Directors or related parties apply for Additional New Shares under the Top Up Facility or Shortfall under the Shortfall Offer, the Company will be required to obtain Shareholder approval.

#### **4.6 Rights and Liabilities Attaching to New Shares**

The New Shares to be issued pursuant to this Prospectus will rank equally in all respects with existing Shares in the Company.

Full details of the rights and liabilities attaching to the Company's Shares are set out in its Constitution, a copy of which can be inspected at the Company's registered office.

The following is a summary of the principal rights and liabilities which attach to the Company's Shares:

##### **(a) Voting**

Every holder of Shares present in person or by proxy, attorney or representative at a meeting of Shareholders has one vote on a vote taken by a show of hands, and, on a poll every holder of Shares who is present in person or by proxy, attorney or representative has one vote for every fully paid Share held by him or her, and a proportionate vote for every partly paid Share, registered in such Shareholder's name on the Company's Register.

At any general meeting a resolution put to the vote of the meeting must be decided on a show of hands unless a poll is effectively demanded and the demand is not withdrawn.

##### **(b) Dividends**

Subject to the Corporations Act, the Listing Rules, this Constitution and the rights of any person entitled to shares with special rights to dividend, the Directors may determine that a dividend is payable, fix the amount and the time for payment and authorise the payment or crediting by the Company to, or at the direction of, each Shareholder entitled to that dividend.

##### **(c) Transfer of Shares**

A Shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by the Listing Rules or the Corporations Act for the purpose of facilitating transfers in Shares or by any other method of transfer which is required or permitted by the Corporations Act and the Listing Rules.

If permitted by the Listing Rules, the Directors of the Company may: (a) request any applicable CS Facility Operator to apply a holding lock to prevent a transfer of shares in the Company from being registered on the CS Facility's sub-register; or (b) refuse to register a transfer of shares in the Company to which paragraph (a) does not apply.

##### **(d) Meetings and Notice**

Each Shareholder is entitled to receive notice of and to attend general meetings for the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution of the Company, the Corporations Act or the Listing Rules.

(e) **Liquidation Rights**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in specie or in kind the whole or any part of the property of the Company, and may for that purpose set such value as it considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(f) **Shareholder Liability**

As the Shares under the Prospectus are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(g) **Alteration to the Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders entitled to vote on the resolution. At least 28 days' written notice, specifying the intention to propose the resolution as a special resolution must be given.

(h) **ASX Listing Rules**

The Company is admitted to the Official List, therefore despite anything in the Constitution of the Company, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

#### 4.7 **Litigation**

As at the date of this Prospectus, the Company is not involved in any legal proceedings. Other than as set out in this Prospectus, the Directors are not aware of any legal proceedings pending or threatened against the Company.

#### 4.8 **Interests of Directors**

(a) **Directors' holdings**

At the date of this Prospectus the relevant interest of each of the Directors in the securities of the Company are as follows:

Director	Number of Shares		Number of Options		Number of Performance Rights	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
Mr Yiting (Charles) Chen	36,806,328	-	-	-	4,596,663	-
Mr Yin (Ivan) How Teo	3,260,000	-	-	-	2,171,739	-
Ms Shannon Louise Coates	-	497,929 <sup>1</sup>	-	-	-	-
Mr Blair Edward Sergeant	-	240,000 <sup>2</sup>	-	-	-	-
Mr Erchuan (Martin) Zhou	12,271,954	-	-	-	-	-

Notes:

- 437,929 Shares held by Simon Kimberley Coates <The Kooyong A/C>. Simon Coates is Shannon Coates spouse. Ms Coates is a beneficiary of The Kooyong Trust. 60,000 Shares held by Simon Kimberley Coates and Shannon Louise Coates <The Sunnyside Super Fund A/C>. Ms Coates is a beneficiary of The Sunnyside Super Fund.
- Shares held by Rio Super Pty Ltd <Rio Grande Do Norte SF A/C>. Mr Sergeant is a director of Rio Super Pty Ltd and a beneficiary of the Rio Grande Do Norte Superannuation Fund.

As at the date of this Prospectus, each Director has indicated their intention to subscribe for their full Entitlement under the Entitlement Offer. Assuming each Director subscribes for their full Entitlement, the relevant interest of each of the Directors in the securities of the Company on completion of the Offers is as follows:

Director	Number of Shares		Number of Options		Number of Performance Rights	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
Mr Yiting (Charles) Chen	46,007,910	-	-	-	4,596,663	-
Mr Yin (Ivan) How Teo	4,075,000	-	-	-	2,171,739	-
Ms Shannon Louise Coates	-	622,411 <sup>1</sup>	-	-	-	-
Mr Blair Edward Sergeant	-	300,000 <sup>2</sup>	-	-	-	-
Mr Erchuan (Martin) Zhou	15,339,942	-	-	-	-	-

**Notes:**

- 547,411 Shares to be held by Simon Kimberley Coates <The Kooyong A/C>. Simon Coates is Shannon Coates spouse. Ms Coates is a beneficiary of The Kooyong Trust. 75,000 Shares to be held by Simon Kimberley Coates and Shannon Louise Coates <The Sunnyside Super Fund A/C>. Ms Coates is a beneficiary of The Sunnyside Super Fund.
- Shares held by Rio Super Pty Ltd <Rio Grande Do Norte SF A/C>. Mr Sergeant is a director of Rio Super Pty Ltd and a beneficiary of the Rio Grande Do Norte Superannuation Fund.

**(b) Remuneration of Directors**

The Constitution of the Company provides that the non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in general meeting (which is currently \$300,000 per annum).

A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out-of-pocket expenses incurred as a result of their directorship or any special duties.

Details of remuneration provided to Directors and their associated entities during the past two financial years is as follows:

**Financial Year Ended 31 December 2022**

Directors	Salary & fees \$	STI cash bonus \$	Super-annuation benefits \$	Shares \$	Total \$
Mr Yiting (Charles) Chen	420,000 <sup>4</sup>	-	-	789,488	<b>1,209,488</b>
Mr Yin (Ivan) How Teo	212,500 <sup>5</sup>	-	-	348,812	<b>561,312</b>
Mr Blair Sergeant	100,000	-	-	-	<b>100,000</b>
Ms Shannon Coates <sup>1</sup>	76,256	-	7,244	-	<b>83,500</b>
Mr Erchuan (Martin) Zhou <sup>2</sup>	-	-	-	17,500 <sup>6</sup>	<b>17,500</b>
Mr Kaijian (Jacky) Chen <sup>3</sup>	-	-	-	28,333	<b>28,333</b>

**Notes:**

1. 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.
2. Appointed 16 September 2022.
3. Resigned 16 September 2022.
4. Mr Chen's Director fees for the year ended 31 December 2022 were USD \$336,000.
5. Mr Teo's Director fees for the year ended 31 December 2022 were USD \$170,000.
6. Mr Martin Zhou was appointed as Non-Executive Director on 16 September 2022. Mr Zhou agreed to receive his director fees in shares and the Company obtained shareholders' approval for this issue at the 2023 Annual General Meeting.

**Financial Year ended 31 December 2021**

Directors	Salary & fees \$	STI cash bonus \$	Super-annuation benefits \$	Shares \$	Total \$
Mr Yiting (Charles) Chen	390,833 <sup>1</sup>	-	-	870,745	1,261,578
Mr Yin (Ivan) How Teo	185,521 <sup>2</sup>	-	-	362,461	547,982
Mr Blair Sergeant	120,000	-	-	-	120,000
Ms Shannon Coates <sup>3</sup>	54,795	-	5,205	-	60,000
Mr Kaijian (Jacky) Chen	-	-	-	42,603	42,603

**Notes:**

1. Mr Chen's Director fees for the year ended 31 December 2021 were USD \$312,667.
2. Mr Teo's Director fees for the year ended 31 December 2021 were USD \$148,417.
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.

Since 1 January 2023 and to the date of this Prospectus, the Directors have accrued the following remuneration:

Directors	Salary & fees \$	STI cash bonus \$	Super-annuation benefits \$	Shares \$	Total \$
Mr Yiting (Charles) Chen	315,000	-	-	281,732	596,732
Mr Yin (Ivan) How Teo	159,375	-	-	169,779	329,154
Mr Blair Sergeant	45,000	-	-	-	45,000
Ms Shannon Coates	41,096	-	3,904	-	45,000
Mr Erchuan (Martin) Zhou	-	-	-	45,000	45,000

**(c) Directors' interests**

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the 2-year period ending on the date of this Prospectus, any interest in:

- (i) the formation or promotion of the Company;
- (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
- (iii) the Offers.

Each Director has indicated their intention to subscribe for their full Entitlement under the Entitlement Offer. All Directors may or may not purchase additional Shares prior to the Record Date.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce that Director to become, or to qualify as, a Director, or otherwise for services rendered by that Director or their company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Offers.

The Company has paid insurance premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings while acting in the capacity of a Director.

#### **4.9 Interests of Named Persons**

Except as disclosed in this Prospectus, no promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus, holds, or during the last two years has held, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
- (c) the Offers,

and no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to a promoter or any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus for services rendered by that person in connection with the formation or promotion of the Company, the Offers.

Gilbert + Tobin has acted as legal adviser to the Company in relation to the Offers. The Company has paid, or agreed to pay, approximately \$50,000 (excluding GST and disbursements for these services. Further amounts may be paid to Gilbert + Tobin for other work in accordance with its normal time-based charges.

#### **4.10 Consents**

Each of the other parties referred to in this section 4.10:

- (a) has not authorised or caused the issue of this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based other than as specified in this section; and
- (c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Gilbert + Tobin has consented to being named in the Prospectus in its capacity as legal adviser to the Company in relation to the Offers and has not withdrawn such consent prior to the lodgement of this Prospectus with ASIC.

There are a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of the Prospectus.

#### 4.11 Expenses of the Offers

The estimated expenses of the Offers are as follows:

Expense	Cost (ex. GST) \$
ASX fees	25,370
ASIC fees	3,206
Legal fees	60,000
Share Registry fees, printing and distribution	26,424
Project management and miscellaneous costs	15,000
<b>Total</b>	<b>130,000</b>



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## 5 Directors' Authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC.

Dated: 13 October 2023



**Mr Charles Chen**  
**For and on behalf of**  
**Vmoto Limited**

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## 6 Defined Terms

<b>\$</b>	Australian dollars, unless otherwise stated.
<b>Additional New Shares</b>	New Shares applied for by Eligible Shareholders in excess of their Entitlement under the Top Up Facility.
<b>Annual Financial Report</b>	The Company's annual financial report for the financial year ended 31 December 2022.
<b>Applicant</b>	A person who applies for New Shares under the Offers.
<b>Application Form</b>	An application form (including the Entitlement and Acceptance Form) attached to or accompanying this Prospectus in relation to the Offers.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ABN 98 008 624 691) or the financial market operated by it, as the context requires.
<b>ASX Settlement</b>	ASX Settlement Pty Ltd (ABN 49 008 504 532).
<b>ASX Settlement Operating Rules</b>	The operating rules of the settlement facility provided by ASX Settlement as amended from time to time.
<b>AWST</b>	Australian Western Standard Time.
<b>Board</b>	The board of Directors.
<b>Business Day</b>	Every day other than a Saturday, Sunday, public holiday or any other date that ASX declares is not a business day.
<b>Company or Vmoto</b>	Vmoto Limited (ABN 36 098 455 460).
<b>Constitution</b>	The constitution of the Company as at the date of this Prospectus.
<b>Corporations Act</b>	The <i>Corporations Act 2001</i> (Cth).
<b>CS Facility</b>	Has the same meaning given to that term in the Corporations Act.
<b>CS Facility Operator</b>	Means the operator of a CS Facility.
<b>Directors</b>	The directors of the Company as at the date of this Prospectus.
<b>EFT</b>	Electronic Funds Transfer.
<b>Eligible Shareholder</b>	In relation to the Entitlement Offer, means a Shareholder whose details appear on the Register as at the Record Date with a registered address in Australia, New Zealand, China (Institutional Investors only), Italy or Hong Kong who is eligible under all applicable securities laws to receive an offer under the Entitlement Offer.
<b>Entitlement</b>	The entitlement of an Eligible Shareholder to apply for New Shares pursuant to the Entitlement Offer.
<b>Entitlement and Acceptance Form</b>	The entitlement and acceptance form either attached to or accompanying this Prospectus in relation to the Entitlement Offer.
<b>Entitlement Offer</b>	The non-renounceable Entitlement issue to Eligible Shareholders of up to approximately 72,560,072 New Shares at an issue price of \$0.15 per New Share on the basis of one (1) New Share for every four (4) Shares held on the Record Date to raise up to approximately \$10,884,011 (before expenses).
<b>Entitlement Offer Closing Date</b>	5:00pm (AWST) on Monday, 13 November 2023 (unless extended).
<b>Ineligible Shareholder</b>	A Shareholder who is not an Eligible Shareholder.
<b>Institutional Investor</b>	An investor who: <ul style="list-style-type: none"><li>• if in New Zealand, (i) is an investment business within the meaning of clause 37 of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand) (the "FMC Act"), (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act, (iii) is</li></ul>

large within the meaning of clause 39 of Schedule 1 of the FMC Act, (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act or (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act (and, if an eligible investor, have provided the necessary certification);

- if in China, is (i) “qualified domestic institutional investor” as approved by a relevant People’s Republic of China (PRC) regulatory authority to invest in overseas capital markets; (ii) a sovereign wealth fund or quasi-government investment fund that has the authorization to make overseas investments; or (iii) another type of qualified investor that has obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise);
- if in Italy, is a “qualified investor” (as defined in Article 2(e) of the Prospectus Regulation); or
- if in Hong Kong, is a “professional investor” (as defined in the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong).

<b>Listing Rules</b>	The Listing Rules of ASX.
<b>New Share</b>	A Share offered under the Offers.
<b>Offers</b>	The offers of New Shares under the Entitlement Offer and the Shortfall Offer.
<b>Official List</b>	The Official List of the ASX.
<b>Official Quotation</b>	Quotation on the Official List.
<b>Option</b>	An option to acquire a Share.
<b>Performance Right</b>	A right to be issued a Share upon the satisfaction of specified performance criteria.
<b>Permitted Jurisdictions</b>	Australia, New Zealand, China, Italy and Hong Kong.
<b>PRC</b>	People’s Republic of China
<b>Prospectus</b>	This prospectus dated Friday, 13 October 2023.
<b>Record Date</b>	5:00pm (AWST) on Wednesday, 18 October 2023.
<b>Register</b>	The register of Shareholders.
<b>Share</b>	An ordinary fully paid share in the capital of the Company.
<b>Shareholder</b>	The registered holder of a Share.
<b>Share Registry or Computershare</b>	The Company’s share registry, Computershare Investor Services Pty Limited.
<b>Shortfall or Shortfall Shares</b>	The New Shares under the Entitlement Offer not validly applied for by Eligible Shareholders under their Entitlement or the Top Up Facility before the Closing Date.
<b>Shortfall Offer</b>	Has the meaning given in section 1.2.
<b>Super Soco</b>	Super Soco Intelligent Technology (Shanghai) Co, Ltd.
<b>Top Up Facility</b>	The top up offer under which Eligible Shareholders may apply for Additional New Shares in excess of their Entitlement.
<b>Vmoto Soco Manufacturing</b>	Has the meaning given in section 3.3.



Vmoto Limited  
ABN 36 098 455 460

## For all enquiries:

 **Phone:**  
(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

VMT

MR SAM SAMPLE  
123 SAMPLE STREET  
SAMPLETOWN NEW ZEALAND

## Make your payment:



See overleaf for details of the Entitlement Offer and how to make your payment

# Non-Renounceable Entitlement Offer – Entitlement and Acceptance Form

 **Your payment must be received by 5:00pm (AWST) on Monday, 13 November 2023**

On 13 October 2023, Vmoto Limited (the Issuer) announced its intention to raise approximately \$10.8 million (before expenses), by way of a pro rata non-renounceable Entitlement Offer of new fully paid ordinary shares. Under the Entitlement Offer, Eligible Shareholders may subscribe for one (1) New Share for every four (4) Shares held at 5:00pm (AWST) on Wednesday, 18 October 2023 (Record Date) at a price of \$0.15 per New Share.

The Entitlement Offer also includes a Top Up Facility, which entitles Eligible Shareholders who have applied for their full Entitlement to apply for any number of Additional New Shares, subject to scale back.

The Prospectus contains information about the Entitlement Offer and you should carefully read the Prospectus before applying for New Shares. This Form should be read in conjunction with the Prospectus. It can only be used in relation to the shareholding represented by the details printed on this Form. If you do not understand the information provided in the Prospectus or you are in doubt as to how you should deal with it, you should seek professional advice.

Other than as defined in this Form, capitalised terms have the same meaning as defined in the Prospectus.

## Step 1: Registration Name & Entitlement Offer Details

Details of your shareholding and entitlements for this Entitlement Offer are shown overleaf.

Please check the details provided and update your address via [www.investorcentre.com](http://www.investorcentre.com) if any of the details are incorrect. If you have a CHESSE sponsored holding, please contact your controlling participant to notify a change of address.

## Step 2: Make Your Payment

If you wish to accept your full Entitlement, make payment by BPAY® for your full Entitlement by following the instructions on this Form. If you only wish to accept part of your Entitlement, calculate the payment amount for the portion of your Entitlement that you wish to take up and make payment by BPAY for that portion of your Entitlement by following the instructions on this Form.

You can apply to accept either all or part of your Entitlement. If you accept your full Entitlement, you can also apply for Additional New Shares under the Top Up Facility, subject to scale back, by making payment by BPAY of the total payment amount for your full Entitlement and your Additional New Shares applied for by following the instructions on this Form. Your application for Additional New Shares may not be successful (wholly or partially). The decision in relation to the number of Additional New Shares in excess of your Entitlement to be allocated to you will be final. No interest will be paid on any application monies received and returned.

By making your payment you confirm that you agree to all of the terms of the Entitlement Offer as detailed in the Prospectus dated 13 October 2023.

You do not need to return this Form when making a BPAY payment.

**Turn over for details of the Entitlement Offer →**

Non-Renounceable Entitlement Offer – Entitlement and Acceptance Form

STEP 1 Registration Name & Entitlement Offer Details

C9999999997

Registration Name: MR SAM SAMPLE  
123 SAMPLE STREET  
SAMPLETOWN NEW ZEALAND

For your security keep your SRN/HIN confidential

Entitlement No: 12345678

Entitlement Offer Details: Existing Shares entitled to participate as at 5:00pm (AWST) on Wednesday, 18 October 2023:

4,000

Entitlement to New Shares on a one (1) New Share for every four (4) Shares held:

1

Amount payable on full acceptance of Entitlement at \$0.15 per New Share:

\$0.01

STEP 2 Make your BPAY® payment by 5:00pm (AWST) on Monday, 13 November 2023

Make your payment via BPAY either online or by phone with your bank using the payment details below.

BPAY



Billers Code: 999999  
Ref No: 1234 5678 9123 4567 89

Entitlement taken up:

Grid for Entitlement taken up: 8 empty boxes

Additional New Shares applied for:

Grid for Additional New Shares applied for: 8 empty boxes

Contact your financial institution to make your payment from your cheque or savings account.

Amount paid at \$0.15 per New Share:

A\$ Grid for Amount paid: 10 empty boxes

Neither Computershare Investor Services Pty Limited (Computershare) nor the Issuer accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by the close of the Entitlement Offer. Applicants should be aware of their financial institution's cut-off time and associated fees with processing a funds transfer. Eligible Shareholders should use the reference number shown on this Form when making a BPAY payment. It is your responsibility to ensure the reference number is quoted. If you fail to quote your reference number, Computershare may be unable to allocate or refund your payment. If you need assistance, please contact Computershare.

If you have any queries regarding your Entitlement or how to complete this Form or you are unable to pay via BPAY, please call the Share Registry by phone on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8:30am and 5:00pm (AEDT) Monday to Friday during the Entitlement Offer period to obtain alternative payment instructions.

Privacy Notice

The personal information you provide on this Form is collected by Computershare, as registrar for the Issuer, for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the Issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting Computershare using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the Issuer for whom we maintain securities registers or to third parties upon direction by the Issuer where related to the Issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at www.computershare.com/au/privacy-policies.