



## VMOTO'S ELECTRIC THREE AND FOUR-WHEEL JOINT VENTURE NOW OPERATIONAL

ANNOUNCEMENT

18 MARCH 2015

Vmoto Limited (ASX/AIM: VMT) is pleased to announce that its electric three and four-wheel joint venture (JV) has received all government regulatory and operating approvals, and has been incorporated. In addition, the JV is now operational, with:

- General Manager and key management personnel appointed and in place;
- market research and product planning commenced; and
- manufacturing equipment being procured.

Vmoto's JV partners are highly experienced players in the EV industry with significant resources from supply chain to distribution networks. Combining their strengths with Vmoto's advanced EV technologies and manufacturing capabilities, the JV has a strong foundation for rapid growth and development.

Commenting on the substantial progress made by the JV in a relatively short space of time, Vmoto's Managing Director, Mr Charles Chen said:

"Vmoto has successfully built a leading electric two-wheel business with IP protected technologies and attractive growth opportunities in China and globally. The opportunity arose late last year for Vmoto to combine with some leading Chinese companies to target the fast growing electric three and four-wheel vehicle markets. We are very excited by the substantial growth opportunities these markets present in China and globally, and the ability for Vmoto to strategically complement its existing growing electric two-wheel business.

"China has been successfully transforming its economy and industry, and is one of the strongest growing economies globally. Our electric three-wheel and four-wheel vehicle JV is well placed to leverage this growth as demand for small environmentally friendly vehicles grows not just in China but also around the world.

"This JV represents another important growth milestone for Vmoto, and we are very supportive of the JV's growth strategy. We have also acquired EV controller technology, which is a key component in an electric driving system, and entered into a JV in relation to



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our handle-bar technologies. We believe everything we have been doing over the past 12 months has set the foundations for Vmoto to become a significant company in the two, three and four-wheel EV markets.”

As announced on 17 December 2014, Vmoto entered into a JV with a small number of very experienced partners in China’s electric vehicle (EV) market to focus on designing, manufacturing and distributing three-wheel and four-wheel EVs for markets in China and globally. The JV will create a new brand in these markets with a product range that builds on the key attributes of each of the JV partners.

The JV is basing its manufacturing operations at Vmoto’s Nanjing manufacturing facility. The floor space capacity at this facility will support the new JV, while not impacting the Company’s existing manufacturing operations. Locating both together will also create significant scale synergies and facilitate broader business opportunities and knowledge sharing between Vmoto and the JV, expected to benefit both organisations in each of their respective product markets.

The EV industry has entered a stage of rapid development globally. While Vmoto has focused, and continues to focus on manufacturing and distributing high quality two-wheel EVs, the skills and technologies developed by Vmoto have provided the Company with the opportunity to enter the JV to co-operate with very experienced partners in the three-wheel and four-wheel EV market focused on small vehicles.

Like many economies globally, China has a significantly ageing population, with over 200 million people over the age of 60, increasing at an annual rate of 8 million people. This ageing population is driving greater demand for EVs that address the need for short-trip and city means of transport for the elderly. The JV plans to quickly develop and launch a number of three and four-wheel EVs that address these specific market needs. Based on the JV’s current business plan, the JV is forecast to be profitable in its first year of operation, producing and selling at least 25,000 three-wheel EVs in 2015.

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**About Vmoto**

Vmoto Limited (ASX/AIM: VMT) is a global scooter manufacturing and distribution group. The Company specialises in high quality “green” electric powered two wheel vehicles and manufactures a range of western designed electric scooters from its low cost manufacturing facilities in Nanjing, China. Vmoto combines low cost Chinese manufacturing capabilities with European design. The group operates through two primary brands: Vmoto (aimed at the value market in Asia) and E-Max (targeting the Western markets, with a premium end product). As well as operating under its own brands, the Company also sells to a number of customers on an original equipment manufacturer (“OEM”) basis.