



COMPANY UPDATE

ANNOUNCEMENT

23 MAY 2014

HIGHLIGHTS

- **Continued profitability:** NPAT for 1 January 2014 to 30 April 2014: ~A\$314,000 (unaudited); April 2014 NPAT: ~A\$83,000 (unaudited). Company trading in line with expectations.
- OEM electric scooter production on track to achieve 64,800 units in FY14 with 14,002 units sold YTD to end of April 2014.
- Two more retail stores opened in China, increasing Vmoto's retail store network to 16, with 4,294 Vmoto motorcycles sold through Company owned retail stores YTD to end of April 2014.
- 22,408 motorcycles sold YTD to end of April 2014.
- Interim Australian resident non-executive Director appointed.

Vmoto Limited (ASX/AIM: VMT) provides the following update.

Vmoto continues to deliver on its growth strategy

In relation to current trading, the Company continues to grow earnings, with net profit after tax generated for the month of April 2014 of approximately A\$83,000 (unaudited). The total net profit after tax year to date to the end of April 2014 was approximately A\$314,000 (unaudited).

The Company's growing profits compared to the prior year is a clear demonstration of the increasing traction Vmoto brands are achieving in key markets in China and Asia generally. The Company is becoming increasingly recognised for its premium electric scooter products and is growing strongly and delivering on its strategy off the back of this reputation.

The breakdown of unit sales (unaudited) to the end of April 2014 is set out below:

Unit sales	Jan - Mar 2014	Apr 2014	Jan - Apr 2014
OEM	8,133	5,869	14,002
China retail stores	3,071	1,223	4,294

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Other Chinese distributors	1,015	662	1,677
International and others	2,038	397	2,435
	14,257		8,151
	14,257		22,408

China

Production of OEM electric scooters is on track to achieve 64,800 units over FY14 under the Strategic Cooperation Agreement. 14,002 units had been sold between 1 January 2014 and 30 April 2014.

Vmoto has opened two new retail stores in Changzhou and Nanjing so far this month, taking the Company's total retail store footprint to 16, with additional locations being assessed.

The Company continues to receive significant interest from other electric vehicle distributors and parties for potential collaboration or joint venture opportunities.

Vietnam

As announced on 23 April 2014, the Company signed an exclusive distribution agreement with Euro Ebike Company Limited ("Euro Ebike") to distribute, stock and market the Company's Vmoto and E-Max range of electric scooter products in Vietnam. The initial contract is for a minimum of 1,200 units to be ordered by 31 August 2015.

Vmoto has now shipped the first container of its electric scooter products to Vietnam under this distribution agreement, with a further container scheduled to be delivered in June 2014.

Euro Ebike opened its first flagship retail store in Hanoi city, the capital of Vietnam and Vietnam's second largest city with an estimated population of 6.5 million. Euro Ebike held a grand opening event for its flagship retail store and the launch of electric scooter products, with the event well attended by TV stations, journalists, businessmen and celebrities.

The Vietnamese market provides an exciting growth opportunity for Vmoto given the substantial penetration of motorbikes. The Vietnamese motorbike market is the fourth-largest in the world after China, India and Indonesia. Motorbikes are the most common means of transport in Vietnam, which has a population of approximately 90 million people. Around 37 million motorbikes are registered in the country, while the number of cars is only approximately 2 million (Source: Viet Nam News).

Appointment of Interim Non-Executive Director

Following the resignation this week of non-executive Chairman Mr Simon Farrell, Vmoto Limited is commencing a process to identify non-executive Directors with the appropriate qualifications and experience to further strengthen the Board and support the Company through its next phase of growth.

With only one current director being an Australian resident, Vmoto did not meet section 201A(2) of the Corporations Act 2011 (Cth) that requires the Company to have at least two Australian resident directors. Consequently, the ASX requested that the Company place its securities in a trading halt on 21 May 2014 until such time as a second Australian resident Director was able to be appointed.

As the process to identify a suitable Australian resident director for Vmoto's stage of growth will take time, the Company has today appointed its Company Secretary, Ms Shannon Coates, as an interim non-executive Director during this transition period. Ms Coates will act as a non-executive Director until the end of August 2014, or sooner upon the appointment of a suitable candidate.

Ms Coates was appointed Vmoto's Company Secretary on 10 May 2007. She is a qualified lawyer and has over 18 years' in-house experience in corporate law and compliance for public companies. She is a graduate of the Australian Institute of Company Directors and a Chartered Secretary. Ms Coates currently acts as a corporate advisor and company secretary to a number of ASX and AIM listed and un-listed companies, and is non-executive director of ASX listed Artemis Resources Limited.

Charles Chen, Vmoto's Managing Director, commented: "We welcome Shannon to the Board as an interim measure as we set about a process of bringing on new Western directors who can add value to the Company during its next phase of growth.

"Operationally, the Company remains in a strong position, with sales increasing. As we head into the busy period of Chinese and Northern Hemisphere summer months, we are excited about the opportunities Vmoto has and we expect volumes to gradually increase into the second half of 2014."

An Appendix 3X "Director's Initial Interest Notice" will follow.

The following information is disclosed pursuant to Schedule Two, paragraph (g) of the AIM Rules for Companies:

Ms Shannon Louise Coates (aged 42) has been a director or partner of the following companies during the five years preceding the date of this announcement:

Current Directorships	Previous Directorships
Artemis Resources Limited	Mining Group Limited
Evolution Capital Partners Pty Ltd	Vmoto Limited

There is no further information to be disclosed pursuant to Schedule Two, paragraph (g) of the AIM Rules for Companies.

Flagship Retail Store of Vmoto's Vietnamese Distributor, Euro Ebike, in Hanoi



Vmoto's Electric Scooter Products Displays at Euro Ebike's Flagship Retail Store



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About Vmoto

Vmoto Limited (ASX: VMT) is a global scooter manufacturing and distribution group. The Company specialises in high quality “green” electric powered scooters 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 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.