



MARKET UPDATE

ANNOUNCEMENT

4 MAY 2017

Vmoto Limited (ASX: VMT), the global scooter manufacturing and distribution group specialising in "green" electric powered two-wheel vehicles, provides the following update on its activities for the quarter ended 31 March 2017 (1Q17) and FY2017 outlook.

Highlights

- **17,168 units sold in 1Q17 (1Q16: 18,752)**
- **1,678 units sold in international markets in 1Q17, up 2% on 1Q16**
- **Existing and new international market sales opportunities progressing**
- **Cash at end of quarter of A\$4.4m**
- **Cash flow neutral in 1Q17**

1Q17 Sales Performance

Unit sales for 1Q17 totalled 17,168 units (1Q16: 18,752), comprising:

Chinese customers and distributors (JV 100%)	15,490
International customers and distributors	1,678
Total	17,168

China

15,490 units were sold to Chinese customers and distributors during 1Q17, down 24% on 4Q16, largely due to the Chinese New Year festival taking place in January/February 2017, and down 9% on 1Q16, largely as a result of general volatility in the Chinese retail market, as previously reported. This is in line with management's expectations.

In addition, production and sales of the 3/4 wheel company (Vmoto interest 15%) have been in line with management's expectations.

International

1,678 units were sold to international customers and distributors during 1Q17, up 2% on 1Q16. In 1Q17, the Company received orders and delivered samples to new customers in Denmark, France, Greece, Nepal, Netherlands, Spain, Sweden, Switzerland, United Kingdom and Uruguay. Progress with these customers have been positive to date and bode well for future sales.



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The Managing Directors' and senior management's primary focus is to increase international sales in the remainder of FY2017 through more trials, discussions, exhibitions and collaborations. The interest in the Company's electric products remains strong, it is now management's focus to convert this interest into sales.

In February 2017, Vmoto's Mexican distributor exhibited Vmoto's electric two wheel vehicle products at the Comex Expo held in Mexico over 18-22 February 2017, and attracted many visitors from all over Mexico.

Any material international orders or collaborations will be announced as and when appropriate.

Financial

As at 31 March 2017, the Group had cash of A\$4.4 million and was cash flow neutral in 1Q17.

As at 31 March 2017, the total operating facility drawn down was RMB5 million (approximately A\$948k) and the total available undrawn operating facility was RMB20 million (approximately A\$3.8 million).

Corporate

11,764,706 fully paid ordinary shares ("Shares") were issued at a deemed issue price of \$0.085 per Share to nominees of PowerEagle on 31 January 2017, as tranche two consideration, as announced 23 December 2015.

1,000,000 Class J Incentive Performance Rights lapsed during the quarter.

The Company is well advanced in its search for a suitable Chairman and expects to update the market prior to the Annual General Meeting, scheduled for 31 May 2017.

Outlook

Vmoto is committed to executing its strategy of selling high value, high performance electric two-wheel vehicles to the international B2B sector, including delivery, sharing and rental customers. The Company continues to nurture and win high quality international customers and expectations are that this, combined with increasing demand from existing distributors and customers, will see international sales growth continue in FY2017.

For further information, please contact:

Vmoto

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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.



Photo: Potential European customer visiting Vmoto's Nanjing manufacturing facilities



Photo: Vmoto electric delivery scooters in trial with Pizza Hut in Cyprus



Photo: Vmoto customer, LOOPShare Ltd, launched trial of fleet of Vmoto electric scooters in Okinawa, Japan



Photo: Vmoto's electric two wheel vehicle products exhibited in a shopping centre in Europe