



VMOTO SIGNS EXCLUSIVE DISTRIBUTION AGREEMENT WITH AUTOMOTIVE HOLDINGS GROUP

ANNOUNCEMENT

9 JULY 2007

Vmoto Limited is pleased to announce that it has today executed a distribution agreement with Automotive Holdings Group Limited ("AHG") (ASX CODE: AHE), whereby AHG has been granted the exclusive Australian distribution rights for Vmoto branded scooters, ATVs (excluding WA) and related merchandise.

The Board believes that AHG's significant track record and expertise in motor vehicle retailing and motorcycle distribution will ensure continued market dominance and superior service of the Vmoto scooter brand in Australia.

Significantly, the appointment of AHG as exclusive Australian distributor allows the management team of Vmoto Limited to focus on the rapid international rollout of the Vmoto brand and concentrate efforts towards the development of the Company's recently acquired scooter assembly plant and engine manufacturing capability based in China. The agreement has been granted to AHG's newly created wholly owned subsidiary VMS Pty Ltd, for a 5 year term with an option to extend for a further 5 years.

Vmoto Limited Managing Director, Patrick Davin said the distribution agreement with AHG for the Vmoto scooter and ATV range in Australia provided the board with absolute confidence that the brand will continue to grow from strength-to-strength. Knowing that Australia's largest automotive retailing group believes in the future of the Vmoto brand with a potential 10 year agreement is testament to the strength of the brand and indicative of the future of the Company."

AHG Chief Executive Officer Bronte Howson said the Vmoto agreement was an exciting development for AHG and was expected to be a good contributor to the logistics division's earnings in the years ahead.

"We look forward to bringing AHG's logistics systems and experience to the Vmoto distribution business and helping build this exciting brand in the Australian market," said Mr Howson.

The appointment of AHG as exclusive Australian distributor is effective 1 July 2007 and includes the acquisition by AHG of current stock for approximately \$800,000



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About Vmoto Limited:

Vmoto Limited is a motorcycle and scooter manufacturing and distribution group listed on the Australian Stock Exchange. The Company currently owns the Vmoto motorcycle brand globally and 100% of Freedomotor Company Limited (“FMC”), a specialist motorcycle trading company based in Shanghai, China.

Vmoto specialises in hi tech motor scooters and ATV’s using state of the art production facilities situated in China where the scooters come off the production lines of some of the world's largest motor cycle assembly operations. (“FMC”) is an international motorcycle trading and distribution company with established distribution in over 50 countries. Vmoto also has a 67% interest in an engine assembly plant, producing sophisticated 50cc and 125cc scooter engines predominantly for export and a scooter assembly plant, also based in China.

About AHG

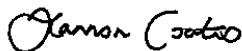
Automotive Holdings Group Limited (ASX: AHE) is a diversified automotive retailing and logistics group with operations in every Australian mainland state and in New Zealand.

The Company is Australia's largest automotive retailer, with its major operations in Western Australia and New South Wales, where the 2006 acquisition of the Sydney based McGrath Lander Group has provided the first beach head for growth along the eastern seaboard. It also operates the Prestige Hino truck dealership in Dandenong, Victoria – one of the largest in the country.

AHG operates logistics businesses throughout Australia through subsidiaries Rand Transport (refrigerated transport and storage), AMCAP (motor parts and industrial supplies distribution) and KTM Sportmotorcycles (motorcycle importation & distribution in Australia and New Zealand).

For the 6 months to 31 December 2006, AHG reported net profit of \$11.9 million on group revenue of \$936.5 million.

AUTHORISED BY:



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