



VMOTO SECURES OEM SUPPLY AGREEMENT WITH VECTRIX

ANNOUNCEMENT

28 JUNE 2010

HIGHLIGHTS

- **Vmoto enters USA electric scooter market with an initial OEM order placed by Vectrix.**

Vmoto Limited ("Vmoto" or "the Company") is pleased to announce it has today signed an agreement to OEM Manufacture for Vectrix, LLC its VX2 model electric scooter ("Vectrix"), North America's largest and most reputable electric scooter manufacturer and distributor with over 100 dealers in place and sub distribution agreements with multinational retail selling points.

Pursuant to the agreement, Vmoto's wholly owned electric scooter manufacturing division, Emax, will manufacture and supply an initial shipment of 144 units of the VX2 scooter, which has been exclusively designed in partnership with Vectrix. The scooter will be powered by Silica Ion batteries and meet the stringent DOT import approvals required for personal transport vehicles in the USA. Under the terms of the agreement, Vmoto's Emax will be the exclusive OEM Manufacturer and Vectrix will have the global exclusive sales and marketing rights for the VX2 scooter.

Vectrix has been a market leader in electric scooters in recent years following the release of its premium maxiscooter line, the VX1. It now plans to expand its product offering by introducing its versatile all electric scooter class, the VX2 series. Vectrix being a premium brand leader with the highest level of quality products, is happy to offer this leading edge all electric scooter with its iconic design features and its multifunctional patented regenerative throttle technology that make it uniquely a Vectrix.



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Vectrix conducted extensive market research in relation to the USA market, such research indicating a potential market in the USA of 7000 units per annum. The **minimum** number estimated to be required by Vectrix over the next 18 months is approximately 2000 units.

Vmoto's Managing Director, Patrick Davin, commented: "It's great for Vmoto to now have a presence in the USA market via this new OEM agreement with Vectrix. Vectrix is one of the pioneers of the electric scooter industry and are just the sort of company that Vmoto, through its acquisition of Emax, likes to associate itself with. Their experience in the electric scooter industry will also hopefully lead to a further mutual cooperation in relation to future developments by both companies. The USA has very big potential as the demand for environmentally friendly types of transport increases and we see this agreement as very significant step forward for our electric division. The initial order of 144 units is seen as an important stepping stone to bigger things.

"We are looking forward to making this first shipment in August this year and I am sure it is the beginning of a very important relationship for both Vmoto and Vectrix."

In addition to the recent Vectrix deal, the electric division of Vmoto has also recently made container shipments to the MSA Group in Germany and is preparing shipments later this month for Spain and Australia. A number of trial shipments to other customers worldwide have also taken place.

The recent acquisition of Emax and the transfer of its manufacturing to the Vmoto Nanjing manufacturing facility have now put Vmoto Emax in an excellent position to meet customer demand with no further restrictions applicable to its manufacturing capacity.

Vmoto Emax also has a number of other distribution agreements being negotiated for the products produced in Nanjing and will advise the market as these new agreements are completed.

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