



VMOTO RAISES \$7 MILLION TO ACCELERATE GROWTH OF ITS CHINA MANUFACTURING AND DISTRIBUTION BUSINESS

ANNOUNCEMENT

3 JUNE 2008

- **Vmoto has raised \$7 million in a placement of 77,777,778 new ordinary shares at an issue price of 9 cents per share.**
- **Directors and management have subscribed for \$1.35 million in the Placement.**
- **New Australian and UK institutional shareholders attracted to investor base.**
- **New funds place the Company in a position to rapidly grow the business.**

Vmoto Limited ("Vmoto" or "the Company"), the ASX listed globally branded scooter manufacturing and distribution group with production and assembly facilities in China, is pleased to announce that it has received commitments for \$7 million (before expenses) by way of a placement of 77,777,778 new ordinary shares ("Shares") at an issue price of 9 cents per Share ("Placement") to clients of Inteq Limited (lead manager), Transocean Securities and Maiden Capital.

The Placement is subject to shareholder approval and a Notice of General Meeting seeking such approval will be provided in due course.

The net proceeds of the Placement will be used as follows:

- to complete the acquisition of CSR Motorcycles in Spain (as announced on 29 May 2008) and other potential acquisitions;
- to finalise payment for Stage 1 of the Company's manufacturing facility in Nanjing, China, a 10,200 square metre factory;
- to repay the Company's outstanding bank overdraft and related loans leaving it debt free going forward; and
- to satisfy the Company's world wide working capital requirements and other initiatives.

As part of the Placement, directors and management in the Company have subscribed for a total of \$1.35 million. Of this, the commitments of Patrick Davin, Managing Director (\$1 million), Lee Verios, Chairman (\$50,000) and Non Executive Director Trevor Beazley



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(\$50,000), will be subject to separate shareholder approval at the upcoming shareholder meeting.

Managing Director Patrick Davin said,

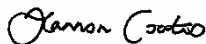
"It is very pleasing to us to raise the full \$7 million we were seeking at this time, and the support of a number of new Australian and UK institutions and professional investors coming on board, as well as our existing shareholders, is also highly encouraging for us. I think this support is also a true testament to the strategy and milestones that Vmoto has adopted and the very exciting goals we have set ourselves in the short to medium term.

The funds raised will really allow us to put our plans into place and accelerate our growth with our own factory being completed in Nanjing, China and the potential to expand into Europe following our recent CSR acquisition. We are also not planning to raise any additional funds for our organic growth meaning we can focus on our business.

I would also like to thank our team working on the Placement including my senior management and our Lead Managers, Inteq from their offices in Perth, Sydney and Melbourne, for the hard work and support in achieving this result."

A copy of the Company's presentation will follow and can be found at www.vmoto.com

AUTHORISED BY:



Shannon Coates
Company Secretary

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About Vmoto

www.vmoto.com
www.vmotoltd.com

Australian based Vmoto Limited is a global integrated scooter manufacturing and distribution group listed on the Australian Securities Exchange. Vmoto specialises in high quality motor scooters and All Terrain Vehicles (ATVs) using state-of-the-art production facilities situated in China. Vmoto also operates an international scooter and ATV trading and distribution Company based in Shanghai, with sales in over 100 countries.