



ASX ANNOUNCEMENT

24 June 2014

LETTER OF INTENT FOR JOINT VENTURE WITH SANY HEAVY MACHINERY

VDM Group Ltd (VDM) is pleased to announce that SANY Heavy Machinery and VDM have signed a Letter of Intent (LOI) to establish an Australian joint venture company (JV) for purpose of lease, sales and service of construction heavy equipment.

The LOI outlines the basic terms for the proposed JV and includes the following.

- VDM will have a 49% interest in the JV and SANY will have 51%.
- The business scope will include lease, sales, parts sales, and after-sales maintenance service in Australia.
- The product range will include SANY equipment other than SANY mining and port equipment.

VDM and SANY have been working together for several months in the construction machinery market in Western Australia and the VDM board is delighted with this opportunity to formalize its partnership with SANY, stating: "SANY and VDM are completely aligned in their commitment to offering competitively-priced quality and innovative products and delivering excellence in customer service. We are confident SANY will become a significant player in the Australian construction equipment market."

SANY Heavy Machinery is part of the SANY Group, one of the world's largest construction machinery manufacturers with 2012 revenue circa US\$7.5 billion. SANY operates in 150 countries and has five industrial parks in China as well as four R&D and manufacturing centres in the United States, Germany, India, and Brazil.

For further information please contact:

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Mr Velko (Vic) Jakovich
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