

## 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 aftersales 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:

Dr Dongyi Hua Executive Chairman & Interim CEO VDM Group Limited (08) 9265 1100 Padraig O'Donoghue CFO & Company Secretary VDM Group Limited (08) 9265 1100

### **BOARD & MANAGEMENT**

Dr Dongyi Hua EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr Michael Delany Perrott AM NON EXECUTIVE DEPUTY CHAIRMAN

Mr Michael Fry NON-EXECUTIVE DIRECTOR

Mr Velko (Vic) Jakovich NON-EXECUTIVE DIRECTOR

Mr Luk Hiuming NON-EXECUTIVE DIRECTOR

Mr Padraig O'Donoghue CHIEF FINANCIAL OFFICER COMPANY SECRETARY

REGISTERED OFFICE Level 1 Fortescue Centre 30 Terrace Road East Perth, WA 6004

POSTAL ADDRESS Locked Bag 8 East Perth, WA 6892

**CONTACT DETAILS** Tel: (08) 9265 1100

WEBSITE vdmgroup.com.au

#### SHARE REGISTRY

Computershare Investor Services Pty Limited GPO Box 2975 Melbourne, VIC 2975 Tel: 1300 850 505

ASX CODE VMG