

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme **VDM Group Limited**

ACN/ARSN **ACN 109 829 334**

1. Details of substantial holder (1)

Name • H&H Holdings Australia Pty Ltd ACN 162 108 143 and its associates H&H Holdings Group Limited (a company incorporated in the British Virgin Islands with registration number 1754156) and Dr Dongyi Hua.

ACN/ARSN (if applicable) **As above**

The holder became a substantial holder on 28/08/2013

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary shares	185,110,976	185,110,976	17.24%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
H&H Holdings Australia Pty Ltd	Registered holder or entitled to be the registered holder (s. 608(1)(a))	185,110,976 ordinary shares
H&H Holdings Group Limited	Relevant interest under section 608(3)(b) by having power or control over H&H Holdings Australia Pty Ltd	185,110,976 ordinary shares
Dr Dongyi Hua	Relevant interest under section 608(3)(a) by having voting power of above 20% in H&H Holdings Australia Pty Ltd	185,110,976 ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
H&H Holdings Australia Pty Ltd, H&H Holdings Group Limited and Dr Dongyi Hua	H&H Holdings Australia Pty Ltd	H&H Holdings Australia Pty Ltd	185,110,976 ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
H&H Holdings Australia Pty Ltd, H&H Holdings Group Limited and Dr Dongyi Hua	See Annexure A	Cash – See Annexure A		45,030,015 ordinary shares
H&H Holdings Australia Pty Ltd, H&H Holdings Group Limited and Dr Dongyi Hua	19/08/2013	\$1,400,809.61		140,080,961 ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
H&H Holdings Australia Pty Ltd (ACN162 108 143) H&H Holdings Group Limited	Associates of Dr Dongyi Hua and each other by reason of section 12(2)(a) of the <i>Corporations Act 2001</i> (Cth).
Dr Dongyi Hua	Associate of H&H Holdings Australia Pty Ltd and H&H Holdings Group Limited by reason of section 12(2)(c) of the <i>Corporations Act 2001</i> (Cth).

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
H&H Holdings Australia Pty Ltd	Unit 3, 150 Stirling Street, Perth, WA, 6000
H&H Holdings Group Limited	6/F, Ing Tower 308 Des Voeux Road Central, Hong Kong
Dr Dongyi Hua	88, 42 Terrace Road, East Perth, WA, 6004

Signature

print name Adam Handley

capacity Solicitor

sign here

date 30 August 2013

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the *Corporations Act 2001*.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the *Corporations Act 2001*.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
- any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of "relevant agreement" in section 9 of the *Corporations Act 2001*.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure A

This is Annexure A of 2 pages referred to in Form 603 – Notice of initial substantial holder – completed on behalf of H&H Holdings Australia Pty Ltd ACN 162 108 143.



Adam Handley

Date: 30 August 2013

Date of acquisition	Consideration (\$)	Number of ordinary shares
08/03/2013	\$23,589.53	1,806,631
11/03/2013	\$11,176.02	806,697
12/03/2013	\$30,393.14	2,090,000
13/03/2013	\$33,964.12	2,415,382
14/03/2013	\$4,731.61	348,397
15/03/2013	\$2,415.58	185,000
18/03/2013	\$15,510.96	1,111,000
19/03/2013	\$53,227.12	3,646,381
25/03/2013	\$18,832.50	1,250,000
27/03/2013	\$8,859.08	588,018
28/03/2013	\$26,602.65	1,765,740
02/04/2013	\$8,120.02	564,303
03/04/2013	\$50,553.96	3,355,500
04/04/2013	\$4,194.67	261,019
05/04/2013	\$14,986.66	932,563
08/04/2013	\$21,850.34	1,360,914
09/04/2013	\$1,582.13	98,450
10/04/2013	\$61,073.20	3,805,710
12/04/2013	\$147,978.20	7,773,540

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15/04/2013	\$22,490.82	1,178,542
16/04/2013	\$67,723.10	3,717,878
17/04/2013	\$18,789.59	1,153,580
18/04/2013	\$16,873.92	1,050,000
19/04/2013	\$14,011.38	900,000
22/04/2013	\$13,810.50	900,000
23/04/2013	\$10,546.20	700,000
24/04/2013	\$10,546.20	700,000
26/04/2013	\$9,065.26	564,770
Total Shares Purchased		45,030,015