



Incorporated in the Republic of Singapore

(Company Registration No. 199301388D)

PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID UP SHARE CAPITAL OF SKY WIN MANAGEMENT CONSULTANCY PTE LTD

- RESPONSES TO QUERIES FROM SGX-ST

1. INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of VGO Corporation Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its announcement on 6 June 2016 (the “**Previous Announcement**”) in relation to the proposed acquisition of the entire issued and paid up share capital of Sky Win Management Consultancy Pte Ltd.

Unless otherwise defined herein, all capitalised terms and references used in this announcement shall bear the same meanings ascribed to them in the Previous Announcement.

The Company has on 8 June 2016 received queries from the SGX-ST in relation to the Proposed Acquisition and set out its responses (underlined below) to such queries below.

2. QUERIES FROM SGX-ST

- 2.1. Is the SPA entered into by the Company a binding agreement? If so, please clarify how both the Company and the Vendors will be bound when material terms (such as purchase consideration and issue price of the consideration shares) have not been determined.

The SPA entered into by the Company is a binding agreement. While parties are not bound by any formulas in determining the Purchase Consideration, parties have agreed to determine the Purchase Consideration taking into account (a) the property valuation report to be produced in connection with the Proposed Acquisition valuing the properties of the Target Group by an independent property valuer (acceptable by the financial adviser of the Company) to be appointed by the Target; (b) the RNAV; and (c) the equity value as set out in the business valuation report to be produced in connection with the Proposed Acquisition valuing the business of the Target Group by an independent business valuer (acceptable by the financial adviser of the Company) to be appointed by the Company.

The issue price of the Consideration Shares will be determined by parties after the Purchase Consideration has been determined.

- 2.2. Please provide details of the following:

- (a) Background of the (i) Vendors and (ii) owners of the Target Group companies;

The Vendors are the legal and/or beneficial owners of the Target Group companies.

Tan June Teng, Colin is one of the founders of the Hatten Group, a conglomerate with interests in real estate, property development, asset investment and property management. Since 2006, Colin has been the Group Managing Director and is primarily in charge of property development, finance and brand management.

Tan Ping Huang, Edwin has been with the Hatten Group since 2006 and currently serves as the Group Deputy Managing Director. He has over 10 years of experience in property investment, hospitality and retail management. Edwin is responsible for growing Hatten Group's burgeoning segments of Property Management, Hospitality and Leasing of Properties.

- (b) A write-up of the business and operating track record of each of the Target Group companies; and

- (i) Hatten International Pte Ltd;

Hatten International Pte Ltd is a marketing concept and planning consultant. It provides marketing action plans to developers during the initial development stage and up to completion. As part of the process, it also fine tunes marketing programs and advises on any necessary changes. Hatten International Pte Ltd operates from its Singapore office.

- (ii) Fuyuu Group Sdn Bhd;

Fuyuu Group Sdn Bhd is the developer of a vibrant new freehold retail mall, Vedro by the River. Located along the banks of the Melaka River, Vedro will have 519 units and is at the heart of Bunga Raya, a major business precinct. Vedro is accessible by means of a stunning riverside walkway or via a scenic ride on the famous Melaka River Cruise. With its eclectic mix of tenants, Vedro will feature fashion houses, novelty gadgets and neo-chic accessories and will breathe new life into the heritage streets of Melaka.

- (iii) Fuyuu Resources Sdn Bhd;

Fuyuu Resources Sdn Bhd is the developer of Hatten City. Measuring approximately six (6) acres, at 45-storeys high, Hatten City is located fronting the Melaka Straits along Jalan Syed Abdul Aziz, Bandar Hilir, Melaka, Malaysia. The mixed development integrates four (4) distinct projects namely Elements Mall, SilverScape Residence, Hatten Suites and a tower block which has been taken up by DoubleTree by Hilton.

Hatten City has, to date, won 20 international property awards such as the Best Retail Development Malaysia (Elements Mall) from Asia Pacific International Property Awards 2012-2013 and Best Residential High-Rise Architecture Malaysia (Silverscape Residence) from Asia Pacific Property Awards 2014-2015.

- (iv) Fuyuu Venture Sdn Bhd; and

Fuyuu Venture Sdn Bhd is the developer of Imperio Mall and Residence. Measuring approximately four (4) acres and at 33 storeys, Imperio Mall and Residence is located

fronting the Melaka Straits and is connected to Hatten City via an air-conditioned link bridge. A mixed development, Imperio is renowned for its iconic 'cascading steps' design which forms an outdoor jogging path with 360° views of the coastal city. Marketed for the luxury market, the development features state-of-the-art facilities as well as 10 exclusive Cabana Villa units each across 3 storeys with two private car parks, lift and lap pool.

- (v) Gold Mart Sdn Bhd,

Gold Mart Sdn Bhd is the developer of Harbour City. Measuring approximately six (6) acres, Harbour City is located on Pulau Melaka and fronts the Melaka Straits.

Harbour City is a mixed development and will house a six-storey aquatic themed shopping mall – Harbour City Mall – with interiors that are designed to reflect the six (6) major oceanic levels. Five (5) floors above the Harbour City Mall will be dedicated to Malaysia's first indoor and outdoor water theme park, Ocean Kingdom. Completing the development are three hotel blocks and guests will be able to choose to stay at the luxury cruise-ship themed hotel, an international hotel chain or to pamper themselves at the Harbour City Resort Suites.

- (c) Tabulate key financial information on the Target Group for each of the past three financial years.

A summary of the financial performance of each of the Target Group companies for their respective latest three (3) financial years are set out in the Appendix to this announcement. Shareholders should note that the financial information provided is based on the respective financial years of each of the Target Group companies and is provided for illustration purposes only.

- 2.3. It is stated that the Proposed Disposal of the Company's existing business is one of the conditions precedent in the SPA. Please provide details of the potential purchaser, if any, and whether any agreement/terms in relation to the Proposed Disposal have been entered into/agreed upon.

No potential purchaser has been identified as at the date of this announcement. The Company is currently in discussion talks in relation to the Proposed Disposal and will enter into a legally binding agreement for the Proposed Disposal within two (2) months from the date of the SPA or such other date as parties may agree in writing. The Company will make such further announcements as and when required and/or when material developments arise in respect of the Proposed Disposal.

- 2.4. Please clarify the reasons for signing an SPA when the Company is not able to provide much of the information required to be announced under Rules 1010 to 1013 and Rule 1015 of the Listing Manual. Such information include (but is not limited to):

- (a) Purchase consideration;
- (b) Financial effects of the transaction;
- (c) Relative figures computed on the bases set out in Rule 1006 of the Listing Manual;

- (d) The latest three years of proforma financial information of the assets to be acquired; and
- (e) Financial information to show how the incoming business and the enlarged group meets the admission criteria under Chapter 2 of the Listing Manual.

The binding obligations on parties upon the signing of the SPA include those relating to exclusivity, undertakings to maintain existing businesses and the conditions precedent to the Proposed Acquisition. Parties have also agreed to set out the bases to be taken into account in determining the Purchase Consideration.

The Company was unable to provide information required as stated above due to the Purchase Consideration not yet being determined by the parties. Additionally, financial information relating to the Target Group are being reviewed and finalised by the Target Group's auditors and the Company will make such follow-on announcements in due course.

- 2.5. As the purchase consideration for the SPA has not been determined, how does the Board determine that the acquisition will likely result in an RTO?

The Company is in the midst of discussion talks with the Vendors in relation to the Purchase Consideration. The Board is of the view that the Proposed Acquisition may result in an RTO based on its preliminary assessment on the estimated valuation of Target Group taking into account the expected valuation of four (4) property development projects and financial information of the Target Group which are subject to review and finalisation by independent valuer and auditors respectively.

- 2.6. The Board's view and basis on whether there is sufficient information for investors to trade based on the announcement made where certain material information have not been disclosed.

The Board is of the view that there is sufficient information for investors to trade. This is because while terms such as the Purchase Consideration have not yet been determined by the parties, the Company has sought to include all information relating to the Proposed Acquisition and will make such further announcements as and when there are material developments to the Proposed Acquisition.

3. FURTHER INFORMATION

The Company will make the necessary follow-up announcements as and when required and/or as and when material developments arise in respect of the Proposed Acquisition.

4. TRADING CAUTION

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company as the Proposed Acquisition is subject to certain conditions and there is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed.

The Company will make the necessary announcements when there are further developments on the Proposed Acquisition. Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. In the event of any doubt, Shareholders and potential

investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

Lotus Isabella Lim Mei Hua
Company Secretary
10 June 2016

APPENDIX

KEY FINANCIAL INFORMATION ON THE TARGET GROUP FOR EACH OF THE PAST THREE FINANCIAL YEARS

FY2013

INCOME STATEMENT (RM' 000)

	Gold Mart Sdn Bhd (FY ended 30 Jun 2013) ²	Fuyuu Resources Sdn Bhd (FY ended 30 Apr 2013) ²	Fuyuu Group Sdn Bhd (FY ended 30 Jun 2013) ²	Fuyuu Ventures Sdn Bhd for FY ended 30 Jun 2013 ²	Hatten International Pte Ltd (FY ended 31 Dec 2013) ^{1 & 4}	Sky Win Management Consultancy Pte Ltd ³	Total
REVENUE	0	102,194	0	8,786	3,610	0	114,590
GROSS PROFIT	0	53,242	0	5,780	3,610	0	62,632
OPERATING PROFIT/(LOSS)	(5)	24,877	(7)	212	94	0	25,171
PROFIT/(LOSS) BEFORE TAX	(5)	24,818	(7)	201	94	0	25,101
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE SHAREHOLDERS	(5)	16,869	(7)	105	91	0	17,053

Notes:

- (1) Exchange Rate as at 31 December 2013 - S\$1 = RM2.597326
- (2) Based on available audited financial statements
- (3) Sky Win commenced business on 19 March 2013 and the first unaudited compilation report is 30 June 2014
- (4) Based on available unaudited compilation report

BALANCE SHEET (RM '000)

	Gold Mart Sdn Bhd (FY ended 30 Jun 2013) ²	Fuyuu Resources Sdn Bhd (FY ended 30 Apr 2013) ²	Fuyuu Group Sdn Bhd (FY ended 30 Jun 2013) ²	Fuyuu Ventures Sdn Bhd for FY ended 30 Jun 2013 ²	Hatten International Pte Ltd (FY ended 31 Dec 2013) ^{1 & 4}	Sky Win Management Consultancy Pte Ltd ³	Total
NON-CURRENT ASSETS		3,086	35	15,969			19,090
CURRENT ASSETS	17,513	342,444	50	142,075	18,070		520,152
TOTAL ASSETS	17,513	345,530	85	158,044	18,070	0	539,242
CURRENT LIABILITIES	17,533	320,653	103	152,373	16,768	0	507,430
NON-CURRENT LIABILITIES	0	896	0	566	0	0	1,462
TOTAL LIABILITIES	17,533	321,549	103	152,939	16,768	0	508,892
NET ASSETS/(LIABILITIES)	(20)	23,981	(18)	5,105	1,302	0	30,350
FINANCED BY							
SHAREHOLDERS' EQUITY	(20)	23,981	(18)	5,105	1,302	0	30,350

Notes:

- (1) Exchange rate as at 31 December 2013 - S\$1 = RM2.597326
- (2) Based on available audited financial statements
- (3) Sky Win commenced business on 19 March 2013 and the first unaudited compilation report is 30 June 2014
- (4) Based on available unaudited compilation report

FY2014**INCOME STATEMENT (RM '000)**

	Gold Mart Sdn Bhd (FY ended 30 Jun 2014) ³	Fuyuu Resources Sdn Bhd (FY ended 30 Apr 2014) ³	Fuyuu Group Sdn Bhd (FY ended 30 Jun 2014) ³	Fuyuu Ventures Sdn Bhd (FY ended 30 Jun 2014) ³	Hatten International Pte Ltd (FY ended 31 Dec 2043) ^{1 & 5}	Sky Win Management Consultancy Pte Ltd ^{2 & 4}	Total
REVENUE	0	160,243	158	27,486	6,675	0	194,562
GROSS PROFIT	0	55,845	55	10,146	6,675	0	72,721
OPERATING PROFIT/(LOSS)	(24)	32,095	(8,507)	(6,931)	624	(10)	17,247
PROFIT/(LOSS) BEFORE TAX	(24)	31,993	(8,585)	(7,073)	624	(10)	16,925
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE SHAREHOLDERS	(24)	20,747	(8,585)	(7,024)	597	(10)	5,701

Notes:

- (1) Exchange Rate as at 31 Dec 2014 - S\$1 = RM2.642336
- (2) Exchange Rate as at 30 Jun 2014 S\$1 = RM2.574843
- (3) Based on available audited financial statements
- (4) Sky Win commenced business on 19 March 2013 and the first unaudited compilation report is 30 June 2014
- (5) Based on available unaudited compilation report

BALANCE SHEET (RM '000)

	Gold Mart Sdn Bhd (FY ended 30 Jun 2014) ³	Fuyuu Resources Sdn Bhd (FY ended 30 Apr 2014) ³	Fuyuu Group Sdn Bhd (FY ended 30 Jun 2014) ³	Fuyuu Ventures Sdn Bhd (FY ended 30 Jun 2014) ³	Hatten International Pte Ltd (FY ended 31 Dec 2043) ^{1 & 5}	Sky Win Management Consultancy Pte Ltd ^{2 & 4}	Total
NON-CURRENT ASSETS		6,429	2,478	23,492	486		32,885
CURRENT ASSETS	19,243	424,953	5,968	157,220	24,806		632,190
TOTAL ASSETS	19,243	431,382	8,446	180,712	25,292	0	665,075
CURRENT LIABILITIES	19,287	384,446	13,431	179,342	23,688	7	620,201
NON-CURRENT LIABILITIES		2,208	1,618	3,289			7,115
TOTAL LIABILITIES	19,287	386,654	15,049	182,631	23,688	7	627,316
NET ASSETS/(LIABILITIES)	(44)	44,728	(6,603)	(1,919)	1,604	(7)	37,759
FINANCED BY							
SHAREHOLDERS' EQUITY	(44)	44,728	(6,603)	(1,919)	1,604	(7)	37,759

Notes:

- (1) Exchange Rate as at 31 Dec 2014 - S\$1 = RM2.642336
- (2) Exchange Rate as at 30 Jun 2014 S\$1 = RM2.574843
- (3) Based on available audited financial statements
- (4) Sky Win commenced business on 19 March 2013 and the first unaudited compilation report is 30 June 2014
- (5) Based on available unaudited compilation report

FY2015**INCOME STATEMENT (RM '000)**

	Gold Mart Sdn Bhd (FY ended 30 Jun 2015) ²	Fuyuu Resources Sdn Bhd (FY ended 30 Apr 2015) ²	Fuyuu Group Sdn Bhd (FY ended 30 Jun 2015) ²	Fuyuu Ventures Sdn Bhd (FY ended 30 Jun 2015) ²	Hatten International Pte Ltd (FY ended 31 Dec 2015) ^{1 & 3}	Sky Win Management Consultancy Pte Ltd (FY ended 30 Jun 2015) ^{1 & 4}	Total
REVENUE	0	264,654	42,623	62,785	5,444	0	375,506
GROSS PROFIT	0	77,520	12,698	17,740	5,444	0	113,402
OPERATING PROFIT/(LOSS)	(5,510)	52,231	2,535	(5,956)	1,299	(6)	44,593
PROFIT/(LOSS) BEFORE TAX	(5,544)	52,032	2,367	(6,175)	1,299	(6)	43,973
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE SHAREHOLDERS	(5,544)	36,614	2,367	(6,175)	1,170	(6)	28,426

Notes:

- (1) Exchange Rate as at 30 Jun 2015 - S\$1 = RM2.793370
- (2) Based on available audited financial statements
- (3) Based on management accounts
- (4) Based on available unaudited compilation report on 30 June 2015

BALANCE SHEET (RM '000)

	Gold Mart Sdn Bhd (FY ended 30 Jun 2015) ²	Fuyuu Resources Sdn Bhd (FY ended 30 Apr 2015) ²	Fuyuu Group Sdn Bhd (FY ended 30 Jun 2015) ²	Fuyuu Ventures Sdn Bhd (FY ended 30 Jun 2015) ²	Hatten International Pte Ltd (FY ended 31 Dec 2015) ^{1 & 3}	Sky Win Management Consultancy Pte Ltd (FY ended 30 Jun 2015) ^{1 & 4}	Total
NON-CURRENT ASSETS	2,593	9,457	10,067	18,385	765		41,267
CURRENT ASSETS	41,774	565,815	49,830	204,157	17,037		878,613
TOTAL ASSETS	44,367	575,272	59,897	222,542	17,802	0	919,880
CURRENT LIABILITIES	46,956	489,427	35,354	179,370	14,938	14	766,059
NON-CURRENT LIABILITIES	1,999	4,502	25,779	30,266			62,546
TOTAL LIABILITIES	48,955	493,929	61,133	209,636	14,938	14	828,605
NET ASSETS/(LIABILITIES)	(4,588)	81,343	(1,236)	12,906	2,864	(14)	91,275
FINANCED BY							
SHAREHOLDERS' EQUITY	(4,588)	81,343	(1,236)	12,906	2,864	(15)	91,275

Notes:

- (1) Exchange Rate as at 30 Jun 2015 - S\$1 = RM2.793370
- (2) Based on available audited financial statements
- (3) Based on management accounts
- (4) Based on available unaudited compilation report on 30 June 2015