



Incorporated in the Republic of Singapore
(Company Registration No. 199301388D)

RESPONSES TO SGX-ST'S QUERY ON THE ANNOUNCEMENT OF THE FULL YEAR RESULTS ENDED 31 MARCH 2016

The Board of Directors of VGO Corporation Limited (the “**Company**”) wishes to announce the following in response to the query raised by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 7 June 2016 in relation to the announcement of the Full Year Results ended 31 March 2016 made by the Company on 31 May 2016.

SGX-ST's Query 1.

Appendix 7.2, Paragraph 15, Rule 702(1) of the Listing Manual states that:

“Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).”

Please provide the required disclosure in relation to the Company's full year result ended 31 March 2016 financial announcement.

Company's Reply

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

SGX-ST's Query 2

We note that the Group is in a negative working capital position as at 31 March 2016. Please explain whether the Group is able to meet its short-term obligations as and when they fall due, and to provide reasons for your views.

Company's Reply

The Group believes that it is able to meet its short term obligations based on the following :-

- 1) The Group is taking step to improve the operating result that includes closing the unprofitable stores and negotiate for rental reduction. Going forward, the Group expects to generate sufficient cashflow from operations to meet its obligations as and when they are due.
- 2) Management of the Group will also put in place strict working capital policy such as close monitoring of inventory purchase.
- 3) Management has obtained verbal assurances from the banks providing banking facilities to the Group that they will not withdraw their support to the Group.

Management is currently working to procure written confirmation of the same from the banks.

- 4) As at 31 March 2016, The Executive Directors of the Group has loaned to the Group amounting to S\$1.82 million. The Executive Directors have agreed not to recall these amounts until the Group has sufficient funds to repay them. The Executive Directors who are also the controlling shareholders will also provide an undertaking to give additional financial support to the Group to fund its operations if and when necessary.

By Order of the Board

Lotus Isabella Lim Mei Hua
Company Secretary

Date: 10 June 2016