

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1 (a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

		Group		
		S\$'000		%
		6 months ended 30.9		Increase / (Decrease)
		2016	2015	
Revenue	Note 8a	22,074	29,032	(24.0)
Cost of sales		(9,327)	(13,642)	(31.6)
Gross Profit	8b	12,747	15,390	(17.2)
Other income	8c	609	511	19.2
Gain on liquidation of subsidiary company		500	-	NM
Distribution costs	8d	(11,834)	(16,141)	(26.7)
Administrative and general expenses	8e	(1,977)	(2,510)	(21.2)
Finance costs	8f	(289)	(333)	(13.2)
Losses before tax		(244)	(3,083)	(92.1)
Income tax expense		-	30	NM
Losses after tax		(244)	(3,053)	(92.0)
Other comprehensive income :				
Foreign currency translation		(43)	(318)	
Transfer from capital reserve on liquidation of subsidiary		(500)	-	
Other comprehensive income for the financial period, net of tax		(543)	(318)	
Total comprehensive income for the financial period		(787)	(3,371)	
Loss attributable to :				
Owners of the Company		(787)	(3,371)	
Non-controlling interests		-	-	
Total comprehensive income attributable to :		(787)	(3,371)	
Owners of the Company		(787)	(3,371)	
Non-controlling interests		-	-	
Total comprehensive income attributable to :		(787)	(3,371)	
Loss before tax is stated after charging and (crediting):				
Depreciation and amortisation		490	1,018	nm
Foreign exchange loss/(gain), net		(125)	231	nm
Bad debts written off		8	-	nm
Loss on disposal of property, plant and equipment		4	-	nm
Property, plant and equipment written off		-	79	nm
Provision for stock obsolescence and stock loss		-	87	nm
Write-back provision for stock obsolescence		(1,064)	-	nm

nm: not meaningful

UNAUDITED HALF YEAR FINANCIAL STATEMENT FOR PERIOD ENDED 30 SEPTEMBER 2016
1 (b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Note	Group		Company	
		30.9.2016	31.03.2016	30.9.2016	31.03.2016
		S\$'000		S\$'000	
ASSETS					
Non-current assets					
Property, plant and equipment	8g	2,347	2,775	552	794
Investment in subsidiary companies		-	-	782	782
Deferred tax assets		-	-	-	-
		2,347	2,775	1,334	1,576
Current assets					
Inventories	8h	15,791	16,814	10,273	10,497
Trade receivables	8i	2,334	2,312	1,323	1,307
Prepayments	8i	194	95	1,324	66
Other receivables	8j	2,213	2,100	313	1,279
Deferred tax assets		-	-	612	740
Amounts due from subsidiary companies		476	429	472	426
Amounts due from related parties		81	-	-	-
Tax recoverable		1,070	1,752	593	1,211
Cash and bank balance		22,159	23,502	14,910	15,526
LIABILITIES					
Current liabilities					
Bank overdrafts		1,726	1,187	300	300
Trade payables	8k	3,908	3,596	3,132	2,446
Deferred revenue		178	163	178	163
Other payables	8l	5,638	5,581	4,654	4,130
Amounts due to subsidiary companies		-	-	71	162
Amounts due to related parties	8m	4,163	4,285	3,162	3,115
Amounts due to directors	8n	2,217	1,974	2,217	1,974
Bills payable and bank borrowings	8o	5,235	7,098	3,218	4,452
Obligations under finance leases	8p	376	427	-	-
		23,441	24,311	16,932	16,742
Net current assets		(1,282)	(809)	(2,022)	(1,216)
Non-current liabilities					
Obligations under finance leases	8p	270	367	-	-
Bank borrowings		359	376	-	-
Deferred tax liability		28	28	28	28
Net assets		408	1,195	(716)	332
Equity attributable to equity holders of the parent					
Share capital		27,885	27,885	27,885	27,885
Total reserves		(27,477)	(26,690)	(28,601)	(27,553)
Total shareholders' equity		408	1,195	(716)	332
Total equity		408	1,195	(716)	332

1 b (ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand *

Amount repayable after one year *

* net of transaction costs

As at 30.9.2016		As at 31.03.2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
7,037	300	427	6,809
629	-	377	367

1 (c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated cash flow statement

CASH FLOWS FROM OPERATING ACTIVITIES

Losses before tax from continuing operations

Adjustments for:

Depreciation of property, plant and equipment
Gain on liquidation of a subsidiary company
Property, plant and equipment written off
Gain on disposal of property, plant and equipment
Allowance for stock obsolescence and stock loss
Write-back of stock obsolescence
Write back of allowance for doubtful debts
Finance costs
Interest income
Unrealised exchange loss

Operating (losses)/profit before working capital changes

Change in operating assets and liabilities:
Decrease in inventories
(Increase)/decrease in trade and other receivables
Decrease/(increase) in trade and other payables
(Increase)/decrease in balances with related parties (net)

Cash generated from operations

Interest received
Finance costs
Income tax paid

Net cash inflow from operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

Additions to property, plant and equipment
Proceeds from disposal of property, plant and equipment

Net cash outflow used in investing activities

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of obligations under finance leases
Increase in amounts due to directors
Repayment of bill payables and bank borrowings

Net cash outflow used in financing activities

Net (decrease) in cash and cash equivalents

Cash and cash equivalents at the beginning of the period
Cash and cash equivalents at the end of the period

S\$'000	
6 months ended 30.9	
2016	2015
(244)	(3,083)
490	1,018
(500)	-
-	79
4	-
-	87
(1,064)	-
9	-
126	274
-	(5)
1	231
(1,178)	(1,399)
1,853	3,503
(320)	763
479	(374)
(152)	595
682	3,089
-	5
(126)	(274)
(26)	(103)
530	2,717
(128)	(387)
30	-
(98)	(387)
(141)	(172)
335	1,374
(1,847)	(4,287)
(1,653)	(3,085)
(1,221)	(755)
565	338
(656)	(417)

UNAUDITED HALF YEAR FINANCIAL STATEMENT FOR PERIOD ENDED 30 SEPTEMBER 2016

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the Balance Sheet date:

	Group S\$'000 6 months ended 30.9	
	2016	2015
Cash and cash equivalent comprise:		
- cash and cash bank balances	729	1,118
Fixed deposits	341	329
Bank overdrafts (secured)	(1,726)	(1,864)
Cash and cash equivalents	(656)	(417)

1 (d).e.A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

	Share capital	Accumulated losses	Attributable to the equity holders of the parent				Total equity
			Capital reserves	Translation reserve	Other reserves	Total	
2016							
Balance at 1 April 2016	27,885	(26,353)	500	(837)	(337)	1,195	1,195
Loss for the period		(244)		-		(244)	(244)
<u>Other comprehensive income</u>							
Foreign currency translation				(43)	(43)	(43)	(43)
Translation and other reserve taken to profit or loss on liquidation of subsidiary company			(500)		(500)	(500)	(500)
Total comprehensive income for the financial period	-	(244)	(500)	(43)	(543)	(787)	(787)
Balance at 30 September 2016	27,885	(26,597)	-	(880)	(880)	408	408
2015							
Balance at 1 April 2015	27,885	(16,923)	500	(512)	(12)	10,950	10,950
Loss for the period		(3,053)		-		(3,053)	(3,053)
<u>Other comprehensive income</u>							
Foreign currency translation				(318)		(318)	(318)
Total comprehensive income for the financial period	-	(3,053)	-	(318)	(318)	(3,371)	(3,371)
Balance at 30 September 2015	27,885	(19,976)	500	(830)	(330)	7,579	7,579

Company

	Company			
	Share Capital	Accumulated losses	Other reserves	Total equity
Balance at 1 April 2016	27,885	(27,553)	-	332
Total comprehensive loss for the financial period	-	(1,048)	-	(1,048)
Balance at 30 September 2016	27,885	(28,601)	-	(716)
Balance at 1 April 2015	27,885	(20,244)	-	7,641
Total comprehensive loss for the financial period	-	(2,608)	-	(2,608)
Balance at 30 September 2015	27,885	(22,852)	-	5,033

1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Issued Ordinary shares

Movements in the Company's issued and fully paid-up capital during the financial period were as follows:-

Balance at 1 April 2016
Balance at 30 September 2016

Number of Shares ('000)	
As at 30.9	
2016	2015
92,388	92,388
92,388	92,388

(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at end of the immediately preceding year.

Number of issued shares excluding treasury shares

'000	
As at 30.9.2016	As at 30.9.2015
92,388	92,388

(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation in the financial statements for the financial period ended 30 September 2016 are consistent with those applied in the audited financial statement for the year ended 31 March 2016.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Losses net of tax attributable to ordinary equity holders of the Company (S\$'000)
Weighted average number of ordinary shares in issue for basic and diluted earnings/(loss) per share ('000)
(Losses)/Earning per share - basic and diluted (in cents)

Group	
30.9.2016	30.9.2015
(244)	(3,053)
92,388	92,388
(0.26)	(3.30)

UNAUDITED HALF YEAR FINANCIAL STATEMENT FOR PERIOD ENDED 30 SEPTEMBER 2016

- 7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

Group		Company	
30.9.2016 cents	31.03.2016 cents	30.9.2016 cents	31.03.2016 cents
0.4	1.3	(0.8)	0.4

Net asset value per ordinary share at the end of the financial period

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Performance

a Revenue

The Group's revenue decreased by 24.0% from S\$29 million for YTD 30 September 2015 to S\$22.0 million for YTD September 2016. The decrease was mainly due to closure of outlets both in Singapore and Malaysia.

b Gross profit

There was an increase in gross profit margin from 53.0% in YTD September 2015 to 57.7% in YTD September 2016 despite a drop in sales revenue. The gross profit margin has increased slightly compared to the corresponding last financial period mainly due to the write-back of provision for stock obsolescences of \$1.06 million in 1HFY2017.

c Other income

Other income increased by 19.2% in 1HFY 2017, mainly due to foreign exchange gain of \$125k in 1HFY 2017 compared to a foreign exchange loss of \$231k in 1HFY 2016.

d Distribution costs

Distribution costs decreased by 26.7% or S\$4.3 million as compared to last corresponding period mainly due to a decrease in rental expenses and overhead costs from closure of outlets in current period. The decrease was also contributed by lower sales revenue from closure of outlets and reduction in advertising and promotion expenses and staff cost to support the Group's operations.

e Administrative and general expenses

Administrative and general expenses decreased by 21.2% as compared to last corresponding period mainly due to lower staff costs from reduction in headcount in headquarter and office divisions.

f Finance costs

Finance cost decreased by 13.2% in 1HFY2017, mainly due to decrease in bills payable and bank borrowings as compared to the last financial period ended 30 September 2015 reflecting better control on planning for purchases and maintaining minimum stock level and at the same time ensuring sufficient stocks to meet customers' demand.

Balance Sheet

g The Group's property, plant and equipment decreased by S\$0.4 million mainly due to depreciation costs incurred during the current period.

h The Group's inventory has decreased by 6% mainly due to reduction in stock purchase which is partially offset by the write-back of provision for obsolete stock of \$1.06 million on goods sold during the current period.

i The Group's trade receivables increased slightly by 0.95%, mainly due to economic downturn affecting the revenue and collections and consumers focus on savings and less spending on discretionary goods.

j The Group's other receivables increased by S\$0.1 million from S\$2.1 million in YTD 31 March 2016 to S\$2.2 million in current period ended 30 September 2016, mainly due to reduction in rental deposit resulting from closure of outlets and lesser advance payment to suppliers.

k The Group's trade payables increased by S\$0.3 million from S\$3.6 million in YTD March 2016 to S\$3.9 million in current period ended 30 September 2016, mainly due to delay in repayment of trade payables.

l The Group's other payables increased slightly by S\$0.01 million compared to the last financial period.

m The Group's amounts due to related parties decreased by S\$0.1 million from S\$4.2 million in YTD March 2016 to S\$4.1 million in current period ended 30 September 2016, mainly due to increase in amounts owing by Holding Company for rental payable to a related party offset by repayments made during the current period and also the discounts given by a related party to the Subsidiary company.

n Amounts due to directors increased by S\$0.2 million due to additional loans from directors.

o The Group's bills payable and bank borrowings decreased by S\$1.9 million or 25.2% mainly due to repayment to the banks during the current period.

p Obligations under finance leases decreased by S\$0.1 million or 18.67% from S\$0.8 million to S\$0.6 million, mainly due to repayment of hire purchase instalments during the current period.

Statement of Cash Flows

Net cash from operating activities decreased by 80.5% from S\$2.7 million in 1HFY2016 to S\$0.5 million in 1HFY2017 was mainly due to decrease in inventories purchased and clearance of inventories to repay bills payables and bank borrowings.

Net cash outflow used in investing activities decreased by 74.7% from S\$0.4 million in 1HFY2016 to S\$0.1 million in 1HFY2017 due to lesser costs incurred for reinstatement of closed outlets for Malaysia subsidiary.

Net cash inflow used in financing activities decreased by 46.4% from S\$3.01 million in 1HFY2016 to S\$1.7 million mainly due to reduction in repayment of finance leases, bill payables and bank borrowings.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The current results are in line with the Company's commentary in Paragraph 10 of the results announced dated 31 May 2016.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The retail industry remains competitive and challenging. Nevertheless, the Group will continue to focus on its core business, improving operational efficiency and cost management measures in order to stay competitive in the market.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?
None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended for the period ended 30 September 2016

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	Group		Group	
	30.09.2016 \$'000	30.09.2015 \$'000	30.09.2016 \$'000	30.09.2015 \$'000
Ossia International Limited				
- Purchases	-	-	-	7
Ossia (HK) Company Limited				
- Purchases	-	-	-	19
Ossia World of Golf (M) Sdn Bhd				
- Purchases discounts	137	-	-	-

VGO Corporation Limited (the "Company")

Confirmation by the Board

We refer the requirement under Rule 705(4) of the Listing Manual.

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing of a material aspect has come to the attention of the Board of Directors of the Company which may render the first half results of the Company for the six months ended 30 September 2016 to be false or misleading.

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.

On behalf of the Board of Directors

Goh Ching Huat
Director

Wong King Kheng
Audit Committee Chairman

By Order of the Board
Lotus Isabella Lim Mei Hua
Company Secretary
3-Nov-16