

RESPONSE TO SGX QUERIES ON ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

The Board of Directors of **VGO Corporation Limited** (the “Company”) wishes to announce its response to the queries raised by the Singapore Exchange Securities Trading Limited (“SGX”) on the 2015 Annual Report:

SGX Query 1

Pages 10 and 39, Guideline 2.4 of the Code of Corporate Governance 2012 (the “Code”): We note that Mr Foo Jong Han, Rey, was appointed to the Board on 16 January 2006. Given that he would have served on the Board for more than 9 years as of the close of the financial year on 31 March 2015, has his independence been subject to particularly rigorous review as well? Please clarify this point in an announcement on SGXNET.

Company’s response

Mr Wong King Kheng, Mr Anthony Clifford Brown and Mr Foo Jong Han, Rey have each served as Independent Directors for more than 9 years. The Board has carried out a rigorous review of their independence status. The Board’s view is that Mr Wong King Kheng, Mr Anthony Clifford Brown and Mr Foo Jong Han, Rey continue to demonstrate the ability to exercise strong independent judgment in their deliberations and to act in the best interests of the Company, and that their length of service has not affected their independence from management. Mr Wong King Kheng, Mr Anthony Clifford Brown and Mr Foo Jong Han, Rey continues to express views, debate issues and objectively and actively scrutinize and challenge management. After taking into account all these factors and having weighted the need for Board refreshment against tenure for relative benefit, the Nominating Committee and the Board has reviewed and determined that Mr Wong King Kheng, Mr Anthony Clifford Brown and Mr Foo Jong Han, Rey continue as Independent Directors, notwithstanding that their service has been for more than nine years.

SGX Query 2

Guideline 11.3 of the Code: The guideline requires that the board should comment on whether it has received assurance from the CEO and the CFO: (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Issuer’s operations and finances; and (b) regarding the effectiveness of the Issuer’s risk management and internal control systems. Please clarify whether this has been disclosed in the annual report, otherwise, please disclose this in an announcement on SGXNET.

Company's response

The Board has received assurance from the CEO and the Finance Manager, as the Company does not have a CFO:

- a) that the financial records of the Group have been properly maintained and the financial statements for the year ended 31 March 2015 give a true and fair view of the Group's operations and finances; and
- b) regarding the effectiveness of the Group's risk management systems and internal control systems.

SGX Query 3

Pages 44 and 73: We note that the Company has disclosed that there have been no non-audit services provided by the Company's auditors. It is stated on page 73 that S\$12,000 worth of non-audit fees were paid to the auditors. In this regard, please clarify whether the non-audit fees were for services rendered in the financial year ended 31 March 2015.

Company's response:

There were non-audit fees of S\$12,000/- paid to the Company's auditors during the financial year ended 31 March 2015. The Company wishes to apologize for the discrepancy in disclosure.

SGX Query 4

Page 45, Guideline 11.3 of the Code: The Code requires that "the Board should comment on the adequacy **and effectiveness** of the internal controls, including financial, operational, compliance **and information technology controls, and risk management systems.**" Please clarify whether this has been disclosed in the annual report. Otherwise, please disclose this in an SGXNET announcement.

Company's response

In addition to the disclosure on page 45 of the Company's Annual Report, under the heading "Internal Controls", the Board wishes to provide the following disclosure:-

"Based on the existing risk governance practices and evaluation of the adequacy and effectiveness of internal control, the work performed by external auditors and in-house reviews conducted by Management, the Board is of the opinion that the Company's internal controls over financial, operational, compliance and information technology controls, and the risk management systems are adequate and effective as at 31 March 2015."

SGX Query 5

On page 43 of the annual report, we note that the Company has not disclosed "exact details of the remuneration of its key management personnel...". The Code recommends that the remuneration of its key management personnel should be disclosed in bands of S\$250k, rather than "exact details" as mentioned in the annual report. Hence, please also clarify in an SGXNET announcement the reason(s) for which the Company has not disclosed the remuneration of its key management in bands of S\$250k.

Company's response

The Company has not disclosed the remuneration of its key management in bands of S\$250k as it is not in the best interest of the Company and the employees to disclose such details due to sensitive nature of such information.

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua
Company Secretary
29 July 2015