FORISE INTERNATIONAL LIMITED
(Company Registration No. 200804077W)
(Incorporated in Singapore)

PROPOSED ACQUISITION OF 40.0% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF SHINMAX PRODUCTS SDN BHD

1. INTRODUCTION

1.1. The Board of Directors (the "**Board**") of Forise International Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Company's earlier announcement dated 27 June 2024 (the "**Earlier Announcement**") in relation to the Company's entry into a non-binding term sheet with Mr. Lum Chee Seng ("**Mr. Lum**") and Mr. Toh Wee Kiong ("**Mr. Toh"**) (collectively, the "**Vendors**", and together with the Company, the "**Parties**") for the proposed acquisition of shares in Shinmax Products Sdn Bhd (Malaysian company registration number: 201401016988 (1093074-D)) (the "**Target**").

Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Earlier Announcement.

1.2. The Board wishes to announce that following subsequent discussions between the Parties, the Company now proposes to acquire 456,000 issued and paid-up ordinary shares (the "**Sale Shares**") in the Target, representing approximately 40.0% of the issued and paid-up share capital in the Target (the "**Proposed Acquisition**").

1.3. The Parties have on 8 November 2024 executed the binding sale and purchase agreement (the "**Agreement**") for the Proposed Acquisition.

1.4. The aggregate Consideration for the purchase of the Sale Shares is S$2,287,323.00, to be satisfied by the Company partly in cash for an amount of S$914,930.00 and partly by the issuance and allotment of 13,723,930 Consideration Shares to the Vendors at an issue price of S$0.10 per Consideration Share (the "**Issue Price**") for an aggregate amount of S$1,372,393. The Issue Price represents a discount of approximately 29.97% to the volume weighted average price ("**VWAP**") of S$0.1428 for trades done on the SGX-ST for the shares of the Company on 7 November 2024, being the full market day on which the shares were traded immediately preceding the date of the Agreement. In addition, the Company will be providing a corporate guarantee in respect of banking facilities granted to the Target for an amount of RM7,500,000 or approximately S$2,112,676.

1.5. As the relative figures in respect of the Proposed Acquisition computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST exceed 20% but do not exceed 100%, the Proposed Acquisition is classified as a "major transaction" under Rule 1014 of the Listing Manual, and is subject to the approval of the Shareholders of the Company. Please refer to section 6 of this announcement below for further details on the relative figures in respect of the Proposed Acquisition computed on the bases set out in Rule 1006 of the Listing Manual.

1.6. The Board will therefore prepare and despatch to Shareholders a circular seeking approval for the Proposed Acquisition in due course, including for the allotment and issuance of the Consideration Shares, and for the diversification of the business of the Group to include the business of the Target. An additional listing application will also be made to the SGX-ST in due course for the listing and quotation of the Consideration Shares on the Main Board of the SGX-ST.

1.7. For the purposes of the Agreement and this announcement, an exchange rate of S$1 : RM3.55

is used.

2. BACKGROUND TO THE PROPOSED ACQUISITION

2.1. Information on the Target and Vendors

Please refer to section 2 of the Earlier Announcement for information on the Target and the Vendors.

As at the date of the Agreement, other than by way of the Proposed Acquisition, none of the Target, its directors, the Vendors nor their associates are interested in any shares in the Company, directly or indirectly. However, for the purpose of full disclosure, a former director of the Target, who does not have any direct or indirect shareholding in the Target, has an indirect non-substantial interest in the shares of the Company. Save for his non-substantial shareholding in the Company, he does not have any other interests, direct or indirect, in the Proposed Acquisition.

For avoidance of doubt, no introducer fee or commission was paid or payable by the Company in relation to the Proposed Acquisition.

2.2. Rationale of the Proposed Acquisition

Please refer to section 3 of the Earlier Announcement for the Company's rationale for entering into the Proposed Acquisition, as well as the benefits which are expected to accrue to the Company as a result of the Proposed Acquisition.

2.3. Valuation and Use of Proceeds

The Company had engaged an independent valuer, AVA Associates Ltd (the "**Independent Valuer**"), to conduct an independent valuation on the Target. The valuation of the equity interest of the Target was carried out using the income approach due to the availability of relevant data, specifically the historical financial and operating records of the Target. Based on this information, the discounted cashflow ("**DCF**") methodology was utilized to estimate the cash that is available, either to invest in new or existing business or to distribute, to both equity or debt holders of the Target. The value of the equity interest of the Target was derived based on the following formula:

Market Value of the Equity Interest = Enterprise Value – Debt + Cash + Non-Operating Assets/(Liabilities)

Based on the valuation report dated 29 October 2024 issued by the Independent Valuer (the "**Valuation Report**"), the Target is valued at approximately RM24,100,000 or S$6,788,732 as at 30 June 2024. Therefore, the value attributable to the Sale Shares is approximately RM9,640,000 or S$2,715,493.

Based on the latest audited financial statements of the Target for the financial year ended 31 December 2023, the net tangible asset and net book value of the Target are approximately RM8,614,138 or S$2,426,518, and hence, the net tangible asset and net book value attributable to the Sale Shares are approximately RM3,445,655 or S$970,607. The net loss after taxation of the Target is approximately RM1,901,521 or S$535,640, and accordingly, the net loss attributable to the Sale Shares is approximately RM760,608 or S$214,256.

3. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

3.1. Sale and Purchase of the Sale Shares

Pursuant to the terms of the Agreement, the Vendors shall sell and the Company shall purchase

the Sale Shares, free and clear from all encumbrances and together with all rights, benefits, advantages and entitlements attaching to them, from the Vendors in the following proportions:

(a) From Mr. Lum, 262,200 Sale Shares; and

(b) From Mr. Toh, 193,800 Sale Shares.

Under the Agreement, subject to Completion, all benefits, rewards and risks in and to the Sale Shares shall pass to the Company on the date of the Agreement, notwithstanding that the registration of the Sale Shares under the Company's name shall only take place at Completion.

It is intended that following the Proposed Acquisition, the shareholding proportion in the Target shall be:

	Before the Proposed Acquisition		After the Proposed Acquisition	
	Number of Shares in the Target	**Shareholding Percentage in the Target**	**Number of Shares in the Target**	**Shareholding Percentage in the Target**
Mr. Lum	684,000	60.00%	421,800	37.00%
Mr. Toh	456,000	40.00%	262,200	23.00%
The Company	0	0.00%	456,000	40.00%
Total	1,140,000	100.00%	1,140,000	100.00%

3.2. **Consideration**

The Consideration for the sale and purchase of the Sale Shares is S$2,287,323.00, which will be satisfied through a combination of:

(a) in respect of 60% of the Consideration, the issuance of 13,723,930 Consideration Shares to the Vendors at an Issue Price of S$0.10 per Consideration Share, amounting to S$1,372,390.00; and

(b) in respect of 40% of the Consideration, cash of S$914,930.00,

to be paid in three tranches, subject to adjustment for any shortfall in achieving certain EBITDA targets as disclosed in the Earlier Announcement. In addition, the Company will be providing a corporate guarantee in respect of banking facilities granted to the Target for an amount of RM7,500,000 or approximately S$2,112,676.

Further details of the three tranches are as follows:

First Tranche

As disclosed in section 4.3 of the Earlier Announcement, it is intended that the Company shall be registered as the holder of the Sale Shares in the Target on Completion, upon which the First Tranche Consideration – being approximately 45% of the Consideration, now intended to amount to S$1,029,295.00 – shall be paid in a combination of cash and Consideration Shares to the Vendors, as follows:

Vendor	Number of First Tranche Consideration Shares	First Tranche Cash Consideration (S$)	Total First Tranche Consideration (S$ Equivalent)
Mr. Lum	3,508,620	104,366.00	455,228.00
Mr. Toh	5,640,670	10,000.00	574,067.00
Total	9,149,290	114,366.00	1,029,295.00

As at the date of this announcement, the Company has 42,599,999 existing issued and paid-up ordinary shares (the Company does not have any treasury shares or subsidiary holdings). Assuming that the First Tranche Consideration is paid in full in the amounts indicated above, the number of Consideration Shares to be allotted and issued will represent:

(A) approximately 21.48% of the existing issued and paid-up share capital of the Company as at the date of this announcement; and

(B) approximately 17.68% of the enlarged share capital of the Company following the completion of the payment of the First Tranche Consideration, comprising Mr. Lum's shareholding of 6.78% of such enlarged share capital and Mr. Toh's shareholding of 10.90% of such enlarged share capital,

assuming there are no changes to the number of issued and paid-up ordinary shares of the Company before the completion of the payment of the First Tranche Consideration.

Second Tranche

As disclosed in section 4.3 of the Earlier Announcement, it is intended that the Second Tranche Consideration – being approximately 27.5% of the Consideration, now intended to amount to S$629,014.00 – shall be paid in cash only, upon the Target achieving the FY24 EBITDA Target, as follows:

Vendor	Number of Second Tranche Consideration Shares	Second Tranche Cash Consideration (S$)	Total Second Tranche Consideration (S$ Equivalent)
Mr. Lum	0	498,300.00	498,300.00
Mr. Toh	0	130,714.00	130,714.00
Total	0	629,014.00	629,014.00

There is no change to the FY24 EBITDA Target nor the shortfall adjustment mechanism as previously disclosed in section 4.3 of the Earlier Announcement.

As no Consideration Shares will be issued or allotted as part of the Second Tranche Consideration, the payment of the Second Tranche Consideration will not result in any change in the shareholding structure of the Company.

Third Tranche

As disclosed in section 4.3 of the Earlier Announcement, it is intended that the Third Tranche Consideration – being approximately the remaining 27.5% of the Consideration, now intended to amount to S$629,014.00 – shall be paid in a combination of cash and Consideration Shares, upon the Target achieving the FY25 EBITDA Target, as follows:

Vendor	Number of Third Tranche Consideration Shares	Third Tranche Cash Consideration (S$)	Total Third Tranche Consideration (S$ Equivalent)
Mr. Lum	3,085,520	53,131.00	361,683.00
Mr. Toh	1,489,120	118,419.00	267,331.00
Total	4,574,640	171,550.00	629,014.00

There is no change to the FY25 EBITDA Target nor the shortfall adjustment mechanism as previously disclosed in section 4.3 of the Earlier Announcement.

Assuming that the Third Tranche Consideration is paid in full in the amounts indicated above with no reduction made, the number of Third Tranche Consideration Shares to be allotted and issued will represent:

(A) approximately 10.74% of the existing issued and paid-up share capital of the Company as at the date of this announcement;

(B) approximately 8.84% of the then issued and paid-up share capital of the Company, assuming the First Tranche Consideration was paid in full; and

(C) approximately 8.12% of the enlarged share capital of the Company following the completion of the payment of the Third Tranche Consideration,

assuming there are no changes to the issued and paid-up ordinary shares of the Company before the completion of the payment of the Third Tranche Consideration, other than pursuant to the payment of the First Tranche Consideration.

Overall, it is envisaged that following each of the allotment and issue of Consideration Shares, the Vendors' shareholding in the Company will be as follows:

	Before the Proposed Acquisition		After the First Tranche		After the Third Tranche	
	Number of Shares in the Company	Shareholding Percentage in the Company	Number of Shares in the Company	Shareholding Percentage in the Company[(1)]	Cumulative Number of Shares in the Company	Cumulative Shareholding Percentage in the Company[(2)]
Mr. Lum	0	0.00%	3,508,620	6.78%	6,594,140	11.71%
Mr. Toh	0	0.00%	5,640,670	10.90%	7,129,790	12.66%
Total	0	0.00%	9,149,290	17.68%	13,723,930	24.37%

Notes:

(1) Based on a then enlarged share capital of the Company of 51,749,289 issued and paid-up ordinary shares, assuming there are no other changes to the number of shares.

(2) *Based on a then enlarged share capital of the Company of 56,323,929 issued and paid-up ordinary shares, assuming there are no other changes to the number of shares.*

Details of the Consideration and Consideration Shares

The Consideration was arrived at after arm's length negotiations and on a willing buyer, willing seller basis, taking into account, *inter alia*, the Valuation Report (as disclosed above), the financial information of the Target (as disclosed above), the market outlook of the Target's business (as disclosed in the Earlier Announcement) and the rationale for and benefits of the Proposed Acquisition which are expected to accrue to the Company (as disclosed in the Earlier Announcement).

The Consideration Shares, when allotted and issued, shall be credited as fully paid-up and shall rank *pari passu* with the then existing issued shares of the Company and that the Vendors shall be entitled to all dividends and distributions the record date of which is after the date of issuance of such Consideration Shares.

The Issue Price represents a discount of approximately 29.97% to the VWAP of S$0.1428 for trades done on the shares of the Company on 7 November 2024, being the full market day on which the shares were traded immediately preceding the date of the Agreement.

The issue and allotment of the First Tranche Consideration Shares and Third Tranche Consideration Shares will not result in either Vendor becoming a controlling shareholder of the Company. The Company has considered that:

(a) as disclosed in section 2.2 of the Earlier Announcement, Mr. Lum is a passive investor in the Target and is not involved in the day-to-day operations or general oversight of the management of the Target, and had only acquired his shares in the Target on or around December 2023 and April 2024. As such, to the best of the Company's knowledge and belief, he is not working closely with Mr. Toh in relation to the Target;

(b) To the best of the Company's knowledge and belief, neither Mr. Lum nor Mr. Toh is or will be under any obligation to, nor accustomed to act in accordance with, each other's instructions in respect of the Consideration Shares; and

(c) Neither Mr. Lum nor Mr. Toh has as at the date of this announcement, or will have consequent to the Completion, the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company.

3.3. **Conditions Precedent**

Completion and payments of each tranche of Consideration under the Agreement is conditional upon certain conditions precedent having been satisfied (or waived by the Company), including but not limited to the following:-

In respect of Completion and payment of the First Tranche Consideration

(a) the results of all legal, financial, tax and technical due diligence and other investigations on the Target, conducted by the Company and its advisors, being satisfactory to the Company in the sole determination of the Company, and all necessary rectification steps in respect of issues identified in the course of due diligence being completed on terms satisfactory to the Company;

(b) the key employees, management personnel and executive directors of the Target having entered into employment and/or service agreements (as applicable) with the Target on terms acceptable to the Company;

(c) a shareholders' agreement having been executed by the Vendors, the Target and the Company (the "**Shareholders' Agreement**"), and the Vendors and the Target not having breached the terms of the Shareholders' Agreement;

(d) the approval of the board of directors of the Company having been obtained, and where necessary or desirable, the approval of shareholders of the Company having been obtained at a general meeting, for the entry into and completion of the transactions contemplated under and in connection with the Agreement, including for the issue and allotment of the Consideration Shares and the diversification of the Company's existing business to include the Target's business;

(e) if necessary, approval being granted by the SGX-ST for the Proposed Acquisition;

(f) approval-in-principle being granted by the SGX-ST for the listing and quotation of the Consideration Shares on the Main Board of the SGX-ST, and the SGX-ST not having made any ruling or directive the effect of which is to restrict or impede the listing of and quotation for the Consideration Shares; and

(g) all of the consents, approvals and waivers necessary or desirable to be obtained having been obtained and remaining in full force and effect, not suspended, cancelled, revoked

or varied before Completion, and where such are subject to restrictions and conditions, such restrictions and conditions being acceptable to the Company in its sole discretion, and if any such condition shall be required to be fulfilled on or before Completion, such condition being fulfilled on or before Completion,

whereupon Completion of the sale and purchase of all the Sale Shares shall occur on a date as notified by the Company to the Vendors (the "**Completion Date**"), and the Company shall pay to the Vendors the First Tranche Consideration.

If any of the Conditions Precedent applicable to Completion and payment of the First Tranche Consideration are not satisfied by the Vendors or not waived in writing by the Company by the Completion Date or 31 March 2025, whichever is earlier, the Company shall have the right to terminate the Agreement with no Party having any claim against any other Party for costs, damages, compensation or otherwise, other than claims arising from any antecedent breach of the Agreement or any provisions expressed to survive termination.

In respect of payment of the Second Tranche Consideration

(h) Completion having occurred;

(i) subject to any adjustment (as disclosed in section 4.3 of the Earlier Announcement), the Target having achieved the FY24 EBITDA Target; and

(j) the Target's audited financial statements for FY2024 having been provided to the Company by no later than 30 April 2025, which shall be prepared in accordance with the Malaysian Private Entities Reporting Standard ("**MPERS**"), and not qualified in any manner nor having any emphasis of matter, and the Company being satisfied with the form and contents thereof, with the audit being conducted by such auditor acceptable to the Company in its sole discretion,

whereupon the Company shall make payment of the Second Tranche Consideration;

In respect of payment of the Third Tranche Consideration

(k) Completion having occurred and the Second Tranche Payment having been made;

(l) subject to any adjustment (as disclosed in section 4.3 of the Earlier Announcement), the Target having achieved the FY25 EBITDA Target; and

(m) the Target's audited financial statements for FY2025 having been provided to the Company by no later than 1 March 2026, which shall be prepared in accordance with MPERS, and not qualified in any manner nor having any emphasis of matter, and the Company being satisfied with the form and contents thereof, with the audit being conducted by such auditor acceptable to the Company in its sole discretion,

whereupon the Company shall make payment of the Third Tranche Consideration.

3.4. **Funding of Target**

The Vendors have each provided an undertaking to contribute, in proportion to his shareholding, to any future funding needs of the Target.

3.5. **Costs Sharing**

Each of the Vendors and the Company will be responsible for its own professional and other costs and expenses incurred in connection with the Agreement.

3.6. **Moratorium**

The Consideration Shares are subject to a moratorium. Under the Agreement, the Vendors have jointly and severally undertaken to the Company that they will observe a moratorium in respect of a period of twelve (12) months from their receipt of each tranche of Consideration Shares, during which they shall not transfer, dispose or otherwise create any encumbrances over their Consideration Shares, unless the Company has given its prior written consent.

3.7. **Governing Law and Jurisdiction**

The Agreement is governed by the laws of Singapore and Parties have agreed to be subject to the non-exclusive jurisdiction of the Singapore courts.

4. ALLOTMENT AND ISSUANCE OF THE CONSIDERATION SHARES

4.1. Rule 805 of the Listing Manual provides that an issuer must obtain prior approval of its shareholders in general meeting for the issue of shares, unless such issue is covered under a general mandate obtained from shareholders of the Company. Rule 806 of the Listing Manual states that any issue of shares, other than on a *pro rata* basis to existing shareholders, made pursuant to a general mandate must be not more than 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings). In addition, Rule 811(1) of the Listing Manual states amongst others that an issue of shares must not be priced at more than 10% discount to the weighted average price for trades done on the SGX-ST on the preceding market day up to the time the relevant agreement is signed, unless specific shareholders' approval is sought and obtained under Rule 811(3) of the Listing Manual.

4.2. The Company will be seeking approval from Shareholders for the allotment and issuance of the Consideration Shares to the Vendors at the EGM pursuant to Section 161 of the Companies Act 1967 of Singapore and the aforementioned rules of the Listing Manual, as the allotment and issuance of the Consideration Shares to the Vendors for the Proposed Acquisition will not be in reliance of the general mandate obtained from Shareholders at the annual general meeting of the Company on 26 April 2024, as they amount to approximately 32.22% of the total number of issued and paid-up ordinary shares of the Company at the time the general mandate was obtained (being 42,599,999 shares; the Company does not have treasury shares and subsidiary holdings) and are intended to be priced at more than a 10% discount to the VWAP for trades done on the SGX-ST for the shares of the Company on the relevant market day.

4.3. Further, an additional listing application will also be made to the SGX-ST for the listing and quotation of the Consideration Shares on the Main Board of the SGX-ST in due course, and the Company will make the necessary announcements if the SGX-ST grants an in-principal approval for such listing and quotation of the Consideration Shares.

5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

5.1. The financial effects of the Proposed Acquisition on the Group set out below are purely for illustrative purposes only, and do not reflect the future financial position of the Group after Completion.

5.2. The financial effects have been prepared on a pro forma basis using the latest audited consolidated financial statements of the Group for FY2023 and based on the following assumptions:

(a) The number of shares is based on 42,599,999 issued and paid-up ordinary shares in the share capital of the Company as at 1 January 2023 and 31 December 2023, and 56,323,929 issued and paid-up ordinary shares following the allotment and issue of

13,723,930 Consideration Shares to the Vendors as consideration for the Proposed Acquisition;

(b) The Proposed Acquisition had been completed on 31 December 2023 for the purposes of computing the pro forma financial effects on the NTA of the Group;

(c) The Proposed Acquisition had been completed on 1 January 2023 for the purposes of computing the pro forma financial effects on the loss per share ("**LPS**") of the Group; and

(d) The costs and expenses incurred in connection with the Proposed Acquisition were disregarded.

5.3. **NTA**

The effects of the Proposed Acquisition on the net tangible asset ("**NTA**") per share of the Company for FY2023, assuming that the Proposed Acquisition had been effected at the end of FY2023, are as follows:

	Before the Proposed Acquisition	**After the Proposed Acquisition**
NTA of the Group attributable to Shareholders of the Company (S$)	1,205,000	1,260,677
Number of issued shares	42,599,999	56,323,929
NTA per share (S$)	0.03	0.02

5.4. **Loss per share**

The effects of the Proposed Acquisition on the LPS of the Group, assuming that the Proposed Acquisition had been completed at the beginning of FY2023, the effect of the Proposed Acquisition on the EPS for FY2023, will be as follows:

	Before the Proposed acquisition	**After the Proposed acquisition**
Loss attributable to shareholders (S$)	(217,000)	(431,256)
Number of issued shares	42,599,999	56,323,929
LPS (S$)	(0.01)	(0.01)

6. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

6.1. Based on the latest announced consolidated financial statements of the Group for the financial period ended 30 June 2024, the relative figures of the Proposed Acquisition as computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

	Relative Figure (%)
Rule 1006(a) The net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable

	Relative Figure (%)
Rule 1006(b) The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	(2.67%) (1)
Rule 1006(c) The aggregate value of consideration given or received, compared with the market capitalisation of the Company based on the total number of issued shares excluding treasury shares.	81.99% (2)
Rule 1006(d) The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	32.22% (3)
Rule 1006(e) The aggregate volume of amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves. This basis is only applicable to a disposal of mineral, oil and gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable

Notes:

(1) The net loss of the Group and the net profits attributable to the Sale Shares of the financial period ended 30 June 2024 were approximately S$(483,000) and S$12,886 respectively.

(2) Pursuant to Listing Rule 1003(3), where the consideration is in the form of shares, the value of the consideration shall be determined by reference either to the market value of such shares or the net asset value represented by such shares, whichever is the higher. In this instance, the (i) market value of the 13,723,930 Consideration Shares is S$1,959,777, based on the VWAP of S$0.1428 on 7 November 2024, being the last traded full market day immediately preceding the signing of the Agreement on 8 November 2024; and (ii) based on the latest announced financial statements of the Company, the NAV per Share represented by such Shares as at 30 June 2024 is approximately S$0.017. Pursuant to Listing Rule 1003(4), for the purposes of calculating the relative figure under Rule 1006(c), the reference to consideration given includes the value of the corporate guarantee to be given by the Company in respect of banking facilities granted to the Target.

(3) Based on a total of 13,723,930 Consideration Shares as compared to 42,599,999 ordinary shares in issue as at the date of the Agreement.

Based on the above figures, the Proposed Acquisition is a "major transaction" under Chapter 10 of the Listing Manual and is subject to the approval of the shareholders at an EGM to be convened.

7. SHAREHOLDERS' AGREEMENT

7.1. In connection with the Proposed Acquisition, the Parties have also executed the Shareholders' Agreement on 8 November 2024 to govern their respective rights and obligations in relation to the shares they hold in the Target.

7.2. The Shareholders' Agreement contains *inter alia* customary provisions relating to the management and governance of the Target. Pursuant to the Shareholders' Agreement:

(a) The Company shall be entitled to nominate and appoint the majority of directors to the board of the Target upon the execution of the Shareholders' Agreement, but such directors shall resign or be removed if the Agreement is terminated prior to Completion;

(b) All resolutions of the board of the Target shall, in order to be passed, require amongst others the affirmative votes of the directors appointed by the Company to the board of the Target;

(c) The other shareholders of the Target from time to time (being, as at the date of the Shareholders' Agreement, the Vendors) shall exercise, from time to time, their voting rights in the manner as directed by the Company;

(d) The Company is granted a right of first refusal and tag-along rights in the event of any attempt by other shareholders of the Target to transfer or sell their shares; and

(e) The Shareholders' Agreement is governed by the laws of Singapore and Parties have agreed to be subject to the non-exclusive jurisdiction of the Singapore courts.

8. OTHER MATTERS IN RELATION TO THE PROPOSED ACQUISITION

8.1. Service Contracts with Directors

No person is proposed to be appointed as a Director of the Company or any of its subsidiaries in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

8.2. Interests of Directors and Controlling Shareholders

Other than through their respective shareholdings in the Company, none of the Directors and/or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition.

9. EXTRAORDINARY GENERAL MEETING

9.1. The Company will be seeking Shareholders' approval at an EGM for, *inter alia*, the Proposed Acquisition as a "major transaction", diversification of the business of the Group to include the business of the Target, and the allotment and issuance of the Consideration Shares.

9.2. A Circular containing, *inter alia*, the notice of EGM and further details of the aforementioned Proposed Acquisition will be despatched to Shareholders in due course.

10. DOCUMENTS AVAILABLE FOR INSPECTION

10.1. Copies of the following documents are available for inspection during normal business hours at 4 Shenton Way #17-01, SGX Centre 2, Singapore 068807, for a period of three (3) months from the date of this announcement:

(a) a copy of the Constitution of the Company;

(b) a copy of the Agreement;

(c) a copy of the Shareholders' Agreement;

(d) a copy of the Valuation Report; and

(e) the annual report of the Company for FY2023.

Shareholders who wish to inspect these documents are required to send a written request via email to the Company at admin@forise-international.com prior to making any visits, to arrange for a suitable time slot for the inspection.

11. DIRECTORS' RESPONSIBILITY STATEMENT

11.1. The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in its proper form and context.

12. FURTHER ANNOUNCEMENTS

12.1. The Company will make further announcements in compliance with the requirements of the Listing Manual as and when there are material developments in respect of the Proposed Acquisition.

13. CAUTION IN TRADING

13.1. Shareholders are advised to exercise caution in trading their shares as there is no certainty or assurance that the Proposed Acquisition will be completed. The Company will make the necessary announcements as and when there are further developments on the Proposed Acquisition.

13.2. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, accountants, solicitors or other professional advisers if they have any doubt about the actions that they should take.

BY ORDER OF THE BOARD

Tan Wai Hong
8 November 2024