

RESPONSE TO FURTHER QUERIES FROM THE SINGAPORE STOCK EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") ON EARLIER ANNOUNCEMENTS

The Board of Directors of Forise International Limited (the "**Company**"), and together with its subsidiaries, the "**Group**") refer to the earlier announcement dated 28 December 2017 in relation to the re-designation of Mr. Peng Fei from Executive Director to Non-Executive Director (the "**Earlier Announcement**").

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

The Board would like to respond to the further queries raised by the SGX-ST on 2 January 2018 as follows:

SGX-ST's Query

The Company announced on 28 December 2017 that Mr Peng Fei has been re-designated from Executive Director to Non-Executive Director of the Company. The Company had recently diversified into the consultancy business and Mr Peng Fei has the relevant experience for this new area of business.

- i) In view that Mr Peng Fei is no longer an Executive Director of the Company, please disclose how the Company will still be able to provide the consultancy services to the extent set out in the Company's diversification circular;
- ii) Please also provide updates on the resources, the curriculum vitae of the remaining Board/management and their track record/experience in consultancy business and the strategic direction of the Company as a result of this re-designation;
- iii) Please provide the reasons why Mr Peng Fei can no longer be the Executive Director of the Company;
- iv) Please provide the Board's views and basis on why this re-designation is in the best interest of the Company in view that Mr Peng Fei will no longer be able to devote his employment with the Company; and
- v) Please disclose the new duties of Mr Peng Fei after his re-designation.

Company's Response

- i) Notwithstanding that Mr. Peng Fei is no longer an Executive Director of the Company, the Board is of the view that the Company will be able to continue to provide the consultancy services because of the following reasons:
 - The other Executive Directors of the Company, namely Mr. Wang Xin and Mr. Peng Weile possess the relevant experience;
 - The Company has since developed and continues to build on a stable clientele for the business of consultancy services; and
 - A strong and effective team has been formed in China to support the provision of consultancy services.

As such, the re-designation of Mr. Peng Fei has no foreseeable impact on the continuity of the Company's consultancy services business.

- ii) Please refer to the Circular to shareholders in relation to the proposed diversification of the business scope of the Group to include the new business of providing strategic planning, corporate advisory,

financial restructuring advisory and management consulting services dated 8 June 2016 (the “**Circular**”) for the curriculum vitae of Mr. Wang Xin and Mr. Peng Weile and their respective experience in consultancy business.

As set out in paragraph 2.4.9 of the Circular, 3 out of 5 potential candidates (namely Mr. Yuan Hui, Ms. Su Yu Jie and Ms. Li Sha Sha) were recruited and they are currently still in employment with Tianjin WFOE.

In addition, Tianjin WFOE has also recruited the following managerial personnel for the operation of the corporate advisory services:

Ms. Lui Qing – Managing Director

Ms Lui Qing has more than 21 years of working experiences in corporate advisory services and real estate. Her work experiences include real estate exposure in various established real estate companies such as DTZ, AECOM, Savills etc. where she worked as a project leader, mainly engaged in overseas listing of Chinese enterprises, acquisition of real estate projects, financing and other commercial properties assessment and investment analysis. Prior to joining Tianjin WFOE, she worked as the head of the investment management center with Fu Hua Investment Co., Ltd, she was mainly responsible for the fixed income, securities investment and asset management businesses and sets up an asset management platform to optimize the integration of the Group's assets.

Mr. Xing Yue Sheng, Edison – Senior Investment Manager

Edison has more than 7 years of working experiences in corporate advisory services. His work experience include acquisition, restructuring, fund investment management, corporate investment, acquisition of HK listed companies etc. He is responsible for equity investment projects which he leads the project team from the project analysis stage till completion of equity and investment reports.

Mr. Peng Fei's re-designation has no foreseeable impact on the strategic direction of the Company which remains focused on the provision of corporate advisory services, asset and wealth management services and also financial factoring business.

- iii) As Mr. Peng Fei would like to focus on the new property-related business of SMJ International Holdings Limited, he has decided to discharge his role as Executive Director of the Company and to take on the appointment of CEO and Executive Director of SMJ International Holdings Limited.
- iv) The Board is of the view that the re-designation of of Mr Peng Fei will have no foreseeable adverse impact on the Company for 2 main reasons. First, the strength and experience of the remaining executive directors and management team in corporate advisory and consultancy business remain strong. Second, Mr Peng Fei remains as a non-executive member of the Board, allowing the Group to continue to tap on his expertise and contacts. In his non-executive role and particularly with the benefit of his insight and expertise in investment management and corporate advisory and consultancy business, Mr Peng Fei has committed to continuing to assist the Group in developing proposals on strategy, reviewing the performance of Management in ensuring agreed goals and objectives are met and achieved and overall monitoring of the performance and risk management of the Group.
- v) The new roles of Mr. Peng Fei as Non-Executive Director would include those elaborated above and those under the Code of Corporate Governance in respect of non-executive directors. He also remains as the Group's nominee on the board of TNT Global Capital Pte. Ltd. to provide advice, guidance and oversight to this joint venture company.

BY ORDER OF THE BOARD

Peng Weile
Executive Director
10 January 2018