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

PROPOSED DISPOSAL OF THE COMPANY'S ENTIRE INTEREST IN EQUITY AND SHARE CAPITAL OF DIRECTLY AND INDIRECTLY OWNED SUBSIDIARIES

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1. INTRODUCTION

1.1. The Board of Directors ("**the Board**") of Forise International Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 1 February 2019 entered into a Sale and Purchase Agreement (the "**SPA**") with All Garments Co. Limited (the "**Purchaser**"), pursuant to which the Company has agreed to sell, and the Purchaser has agreed to purchase, all of the Company's interest in the equity and share capital (the "**Sale Shares**") in the following directly and indirectly owned subsidiaries of the Company (the "**Proposed Disposal**"), free from all encumbrances and together with all rights, dividends, benefits and entitlements attaching thereto as from Completion (as defined below):

(a) Great Holdings Limited ("**Great Holding**");

(b) Great Fashion Trading (Shanghai) Limited ("**Great Shanghai**"); and

(c) Great Brand Management Limited ("**Great Brand**").

(collectively, the "**Sale Entities**")

1.2 Great Brand and Great Shanghai are both wholly-owned by Great Holding and Great Holding is in turn wholly-owned by the Company.

2. RATIONALE OF THE PROPOSED DISPOSAL

2.1 As announced in the Company's Annual Report for the financial year ended 31 December 2017, the Company has been focusing on the development and expansion of its corporate advisory business and the Group's revenue for the year arose solely from the business of providing corporate advisory services. In addition, it was announced in the Company's Annual Report for FY2017 that the Company had during FY2017 ceased its garment trading business due to, among others, increased trade protectionism and weakening demand in both the PRC and global markets. In the Company's latest unaudited financial statements for the third quarter ended 30 September 2018, it was announced that the Group recorded a net loss of RMB 0.25 million from discontinued operations in 9M2018 arising from these garment trading entities.

2.2 The Board, after undertaking a strategic review of the businesses of the Company, has taken the view that it is unlikely for the Sale Entities which have discontinued operations of the garment trading business to make a profit for the Company in the foreseeable future, and are a drain on working capital and represent potential non-core risks.

2.3 As the garment trading business has discontinued operations, the Company intends to dispose the Sale Entities. Upon completion of the Proposed Disposal, the Group would have divested the Sale Entities engaged in the garment trading business and the Group will henceforth focus on growth and expansion of its corporate advisory and asset management business.

2.4 The Proposed Disposal would allow the Company to dispose loss-making assets and allow for a more efficient allocation of available resources to grow its present corporate advisory business, ultimately being for the benefit of and in the best interests of the Company and the Company's shareholders.

3. INFORMATION ON THE SALE ENTITIES AND THE PURCHASER

3.1 The Sale Entities used to be in the business of designing, manufacturing distribution and selling fashion and apparel with specific focus in: (i) trading of clothes and import/export activities; (ii) fashion branding; and (iii) brand management and operation. The Sale Entities have ceased business or trading activities since 1 July 2017.

3.2 As at 30 September 2018, the net tangible asset value ("**NTA**") and losses attributable to each of the Sale Entities are as follows:

Sale Entity	**NTA (RMB)**	**Losses attributable (RMB)**
Great Holdings Limited	-	(244,504)
Great Fashion Trading (Shanghai) Limited	(6,438)	(1,534)
Great Brand Management Limited	-	-

3.3 The Purchaser is a private company incorporated in the British Virgin Islands on 18 September 2018 and is in the business of sale and distribution of garments, apparel products and other garment related products. The Purchaser has indicated his willingness to acquire the Sale Entities on an "as is where is" basis and assume any liabilities and further losses arising from the Sale Entities at a nominal value.

3.4 The Purchaser is an independent third party and not an "interested person" as defined under Chapter 9 of the Listing Manual or acting as a nominee of an "interested person".

4. CONSIDERATION

4.1 The aggregate consideration for the Sale Shares shall be the aggregate amount of S$1 ("**Consideration**"), payable by the Purchaser upon Completion, in cash and in Singapore dollars.

4.2 The Consideration was arrived at based on commercial negotiations between the Company and the Purchaser on a "willing-buyer, willing-seller" basis, after taking into consideration the aggregate NTA of the Sale Entities of negative RMB 6,438 and the aggregate amount of losses attributable to the Sale Entities of RMB 246,038 as at 30 September 2018.

5. PRINCIPAL TERMS OF THE PROPOSED DISPOSAL

A summary of the principal terms of the Proposed Disposal as set out in the SPA is provided below.

5.1 Conditions Precedent

(a) Completion of the Proposed Disposal ("**Completion**") is subject to the following conditions precedent (the "**Conditions Precedent**"):

(i) The Sale Entities having, as at and since 30 September 2018 to Completion, a consolidated net liability position based on Singapore Financial Reporting standards, as determined by the Company;

(ii) The execution of any necessary deeds of waiver and release in the appropriate forms and terms relating to the waiver and discharge of the debts, liabilities, and obligations referred to in the SPA;

(iii) The Company obtaining all necessary or desirable approvals as determined by it on terms satisfactory to it in connection with the transactions contemplated in the SPA; and

(iv) The Purchaser having performed all of the undertakings required to be performed by it under the SPA on or before the Completion, other than those required to be performed at Completion.

(b) If the Conditions Precedent have not been fulfilled (or waived in writing by the Company) by 30 June 2019, then the SPA shall terminate and neither party shall have any claim against the other for costs, damages, compensation or otherwise save in respect of any antecedent breach of the SPA.

5.2 Completion of Proposed Disposal

(a) Completion of the Proposed Disposal shall take place on such date falling five (5) business days after the date on which all the Conditions Precedent have been fulfilled or otherwise waived in writing ("**Completion Date**").

(b) Under the SPA, all risks and rewards of and associated with the Sale Shares shall be deemed to have been passed to and accrue to and for the Purchaser as from Completion Date or 30 June 2019 (whichever is earlier).

5.3 Other salient terms of the SPA

(a) The Purchaser undertakes to the Company that it shall procure the Sale Entities to irrevocably waive and terminate all debts, liabilities and obligations owning or owed by the Company and its subsidiaries (if any) as at Completion, to the Sale Entities, save for a sum of RMB1,050,000 (the "**Receivable**") presently due from Forise Management Limited ("**Forise Management**") to Great Holdings, which will continue outstanding, not carry interest, and be repayable by Forise Management only in and up to the amount of any taxes assessed by the Hong Kong tax authorities to be payable by Great Holdings in respect of the period up to Completion.

(b) Where such tax liability is less than the Receivable, any excess of Receivable over the tax liability shall, upon discharge of such tax liability, be irrevocably and unconditionally waived by Great Holdings and the Purchaser.

(c) Where such tax liability is higher than the Receivable, Forise Management and the Company shall not be liable for any amount of the assessed and payable tax liability in excess of the Receivable.

(d) All amounts due from the Company and its subsidiaries shall be set off against all amounts due from the Sale Entities to the Company and its subsidiaries (including payment by the Company of the aforesaid tax of Great Holdings), and any balance due from the Company and its subsidiaries shall be fully and unconditionally written off and waived and the Purchaser shall procure that no claim shall be brought by the Sale Entities against the Company for any balance sum.

5.4 The Purchaser had also in the SPA undertaken, *inter alia,* that:

(a) commencing from the date of the SPA until the Completion Date, to provide the management accounts of the Sale Entities for each quarterly period ending 31 March, 30 June, 30 September and 31 December, prepared in accordance with the Singapore Financial Reporting Standards, within 30 days of each quarterly period;

(b) it shall bear any and all taxes imposed on the Company in connection with the Sale Entities, whether in Singapore, PRC or elsewhere, and whether arising relation to activities occurring prior to the sale, during the sale, and after the sale, of such Sale Entities (including the transfer of the Sale Shares); and

(c) for a period of two (2) years from the Completion Date, whether on its own or together with any other person, firm or company in any capacity, directly or indirectly:

(i) not to be engaged, interested or concerned in any business which is in the sole opinion of the Company similar to or competitive or in conflict with the current business of the Group;

(ii) not to employ, seek to employ any person who is at that time or has at any time in the previous two (2) years been employed by the Group or otherwise directly or indirectly induce to seek any such person to leave his or her employment; and

(iii) not to solicit customers or former customers of the Group's current business nor divert or seek to divert any custom from the Group.

6. USE OF PROCEEDS

As the Consideration is nominal, there will be no net proceeds arising from the Proposed Disposal.

7. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The financial effects of the Proposed Disposal set out below are purely for illustrative purposes only and do not reflect the actual results or the financial position of the Company after Completion. The financial effects have been prepared on a pro forma basis using the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2017 ("**FY2017**").

(a) NTA

For illustrative purposes and assuming the Proposed Disposal had been completed on 31 December 2017, the pro forma financial effects of the Proposed Disposal on the consolidated NTA of the Group for FY2017 are as follows:

NTA	**Before the Proposed Disposal**	**After the Proposed Disposal**
Consolidated NTA (RMB'000)	44,436	44,442
Number of shares (in million)	2,130	2,130
NTA per share (RMB cents)	2.09	2.09

(b) Earnings per Share

For illustrative purposes and assuming the Proposed Disposal had been completed on 1 January 2017, the pro forma financial effects of the Proposed Disposal on the earnings per share ("**EPS**") of the Group for FY2017 are as follows:

EPS	**Before the Proposed Disposal**	**After the Proposed Disposal**
Net losses attributable to shareholders of the Company (RMB'000)	1,547	2,479
Weighted average number of shares (in million)	2,130	2,130
EPS (RMB cents)	0.07	0.12

The Proposed Disposal would not have an impact on the issued share capital and the number of shares of the Company.

8. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

8.1 Based on the latest announced unaudited consolidated financial statements of the Group for the nine months ended 30 September 2018, the relative figures of the Proposed Disposal as computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

	Sale Entities	**Group**	**Relative Figures (%)**
Rule 1006(a) The net asset value of the assets to be disposed of as at 30 September 2018, compared with the Group's net asset value as at 30 September 2018.	(RMB6,438)	RMB48,204,000	(0.013)%
Rule 1006(b) The net losses attributable to the assets acquired or disposed of as at 30 September 2018, compared with the Group's net profits as at 30 September 2018.	(RMB246,038)	RMB3,768,000	(6.529)%
Rule 1006(c) Aggregate value of consideration given or received, compared with the market capitalization of the Company as at 31 January 2019, being the last full market day immediately preceding the execution of the SPA.	S$1	S$6,390,000 [2,130,000,000 X $0.003]	0.00001%
Rule 1006(d) The number of equity securities by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable	Not applicable	Not applicable
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	Not applicable	Not applicable

Note:

(1) This relative figures under Rule 1006(a) is computed based on the absolute figures of the net asset values of the Sale Entities and the Group respectively.

(2) For the purposes of this transaction, the market capitalization of the 1st full market day on 31 January 2019 is used. The market capitalization of the Company approximately S$6,390,000 is determined by multiplying 2,130,000,000 of the Company's shares in issue by the volume weighted average price of S$0.003 of such shares transacted as at 31 January 2019.

8.2 **Consultation with SGX-ST**. As the relative figures computed under Rule 1006(a) and Rule 1006(b) of the Listing Manual involve negative figures, the Company has consulted SGX-ST in accordance with Rule 1007(1) of the Listing Manual on the treatment of the relative figures for Rule 1006(a) and Rule 1006(b). The SGX-ST has confirmed that it has no objection to the Company's view that the Proposed Disposal is a discloseable transaction under Rule 1010 of the Listing Manual and shareholders' approval will not be required, subject to an announcement via SGXNet to confirm that the Purchaser is not an interested person or acting as a nominee of an interested person pursuant to Rule 904 of the Listing Manual. Please refer to the Company's confirmation at paragraph 3.4 above.

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has an interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholding interests in the Company, if any.

10. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into by the Company in connection with the Proposed Disposal.

11. DOCUMENTS FOR INSPECTION

Shareholders should note that a copy of the Agreement will be available for inspection during normal business hours at the Company's registered office at 80 Raffles Place, #11-20 UOB Plaza 2, Singapore 048624 for three (3) months from the date hereof.

BY ORDER OF THE BOARD

Peng Weile
Executive Director
1 February 2019