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**PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE IN THE CAPITAL OF THE COMPANY**

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**1. INTRODUCTION**

The Board of Directors (the “**Board**” or “**Directors**”) of Forise International Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company is proposing a renounceable non-underwritten rights issue (the “**Proposed Rights Issue**”) of up to 1,065,000,000 new ordinary shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.023 for each Rights Share (the “**Issue Price**”) on the basis of one (1) Rights Share for every two (2) existing ordinary shares in the capital of the Company (the “**Shares**”) held by the shareholders of the Company (the “**Shareholders**”) as at a date and time to be determined by the Directors of the Company for the purpose of determining the Shareholders’ entitlements under the Proposed Rights Issue (the “**Books Closure Date**”), fractional entitlements to be disregarded.

**2. AUTHORITY FOR THE PROPOSED RIGHTS ISSUE**

As at the date of this Announcement, the Company has an issued and paid-up share capital comprising 2,130,000,000 Shares (the “**Existing Share Capital**”).

The issue of the Rights Shares will be made pursuant to the authority granted by the Shareholders under the share issue mandate (“**Share Issue Mandate**”) at the Annual General Meeting of the Company held on 29 April 2016. Accordingly, the Company will not be seeking specific approval from the Shareholders for the Rights Issue as the basis of the same falls within the limit of the Share Issue Mandate.

**3. THE PROPOSED RIGHTS ISSUE**

**3.1 Principal terms of the Proposed Rights Issue**

**Basis of provisional allotment** : One (1) Rights Share for every two (2) existing Shares held by Entitled Shareholders (as defined herein) as at the Books Closure Date, fractional entitlements to be disregarded.

**Number of Rights Shares to be issued** : Up to 1,065,000,000 Rights Shares to be allotted and issued.

Under the Maximum Scenario (as defined herein), up to 1,065,000,000 Rights Shares will be issued pursuant to the Proposed Rights Issue.

**Status of the Rights Shares** : The Rights Shares are payable in full on acceptance and/or application and upon allotment and issue, will rank *pari passu* in all respects with the then existing Shares and with each other, save for any dividends, rights, allotments or other

distributions, the record date for which falls before the date of issue of the Rights Shares.

**Issue Price** : S\$0.023 for each Rights Share, payable in full on acceptance and/or application.

The Issue Price represents a premium of approximately:

- (a) 15% to the closing price of S\$0.020 per Share on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 29 December 2016 being the last trading day of the Shares on the SGX-ST preceding this Announcement; and
- (b) 9.5% to the theoretical ex-rights price<sup>1</sup> of S\$0.021 per Share.

**Entitled Shareholders’ Rights**

All Entitled Shareholders (as defined herein) will be at liberty to accept, decline, renounce in part or in whole or trade (during the provisional allotment trading period prescribed by the SGX-ST) their provisional allotments of Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue (the “**Excess Rights Shares**”).

In the allotment of Excess Rights Shares, preference will be given to Entitled Shareholders in satisfaction of their application for Excess Rights Shares, if any, provided that where there are insufficient Excess Rights Shares to allot to each application, the Company shall allot the Excess Rights Shares to Entitled Shareholders such that preference will be given to the rounding of odd lots, and Directors and substantial Shareholders who have control or influence over the Company in connection with its day-to-day affairs or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.

For the purpose of this Announcement, “**Entitled Shareholders**” means the Entitled Depositors and the Entitled Scripholders. “**Entitled Depositors**” refer to Shareholders with Shares entered against their own names in the depository register maintained with

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<sup>1</sup> The theoretical ex-rights price per Share is equal to (A) the sum of (i) the Company’s market capitalisation based on the closing price of S\$0.020 per Share on the SGX-ST on 29 December 2016; and (ii) the gross proceeds of the Proposed Rights Issue under the Maximum Scenario, divided by (B) the enlarged total number of Shares in issue following the completion of the Proposed Rights Issue.

Central Depository (Pte) Limited (“**CDP**”) as at the Books Closure Date, and whose registered addresses with CDP are in Singapore as at the Books Closure Date, or who have, at least three (3) days Market Days (as defined herein) prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents. A “**Market Day**” means a day on which the SGX-ST is open for trading in securities. “**Entitled Scripholders**” refer to Shareholders whose share certificates are not deposited with CDP and who have tendered to the Company’s share registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Company are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents.

The terms and conditions of the Proposed Rights Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Proposed Rights Issue will be set out in the offer information statement (and all its accompanying application forms) (“**OIS**”) to be despatched by the Company to the Entitled Shareholders in due course.

### **3.2 No Shareholders’ Undertakings**

No shareholder has given any undertaking to subscribe for their entitlements.

### **3.3 Size of the Proposed Rights Issue**

As at the date of this Announcement, the Existing Share Capital of the Company comprises 2,130,000,000 Shares.

For illustrative purpose only, based on the Existing Share Capital of the Company, and assuming that the Proposed Rights Issue is fully subscribed (including the Renounced Rights Shares), up to 1,065,000,000 Rights Shares will be issued pursuant to the Proposed Rights Issue (the “**Maximum Scenario**”).

### **3.4 Manager / Underwriter**

The Company has appointed Tata Capital Markets Pte. Ltd. as the Manager for the Proposed Rights Issue. There is no underwriter to the Proposed Rights Issue.

## **4. PURPOSE OF THE PROPOSED RIGHTS ISSUE AND THE USE OF PROCEEDS**

### **4.1 Rationale and Use of Proceeds**

The Group had been reporting net loss for each of the financial years ended 31 December 2012, 2013, 2014 and 2015. The Group had, pursuant to Rule 1312 of the Listing Manual, given notice on 24 February 2015 that:

- (a) it has recorded pre-tax losses for the three (3) most recently completed consecutive financial years (based on the latest announced full year consolidated accounts, excluding exceptional or non-recurrent income and extraordinary items); and

- (b) its market capitalisation as at 24 February 2015, being the last market day on which trading was not suspended or halted, was S\$7.7 million.

Accordingly, pursuant to Rule 1311 of the Listing Manual, the SGX-ST has placed the Company on the Financial Watch-list on 4 March 2015.

The Proposed Rights Issue has been proposed to (a) strengthen the capital base of the Company and (b) better position the Company to take advantage of opportunities for business growth and development. Pending such deployment, the proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, and/or used for any other purposes on a short-term basis, as the Directors may in their absolute discretion deem fit. In addition, the Proposed Rights Issue will also provide Shareholders with an opportunity to maintain their equity participation in the Company, and increase the Company's capital base.

Under the Maximum Scenario, the estimated net proceeds from the Proposed Rights Issue, after deducting estimated expenses of approximately S\$0.5 million, is expected to be approximately S\$24.0 million (the “**Net Proceeds**”).

#### **4.2 Non-underwritten**

Based on the reasonable opinion of the Directors, there is no minimum amount to be raised from the Proposed Rights Issue. In view of this and the savings enjoyed for not having to bear underwriting fees, the Company has decided to proceed with the Proposed Rights Issue on a non-underwritten basis.

#### **4.3 Announcements on Utilisation of Proceeds**

The Company will make periodic announcements on the utilisation of the proceeds of the Proposed Rights Issue, as and when the funds from the Proposed Rights Issue are materially disbursed or utilised. Where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds, its results announcement and the annual report.

### **5. ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE PROPOSED RIGHTS ISSUE**

#### **5.1 Entitled Shareholders**

The Company proposes to provisionally allot the Rights Shares under the Proposed Rights Issue at the Issue Price on the basis of their shareholdings as at the Books Closure Date to all Entitled Shareholders.

Entitled Shareholders will be entitled to participate in the Proposed Rights Issue and to receive the OIS together with the relevant application forms and accompanying documents. They are at liberty to accept, decline, renounce or in the case of Entitled Depositors only, trade on the SGX-ST (during the provisional allotment trading period prescribed by the SGX-ST) their provisional allotment of Rights Shares, and are eligible to apply for additional Rights Shares in excess of their provisional allotments under the Proposed Rights Issue.

Shareholders who hold Shares under the CPF Investment Scheme (“**CPF Investment Scheme Members**”) or the Supplementary Retirement Scheme (“**SRS**”) or through a finance company or Depository Agent can only accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares through their respective approved CPF agent banks (in the case of CPF Investment Scheme Members), their relevant approved banks with which they hold their SRS accounts, or the respective finance companies or Depository Agents through which such Shareholders hold Shares. For CPF Investment Scheme Members, acceptances of Rights Shares and (if applicable) applications for Excess Rights Shares, can only be made using CPF funds. In the case of insufficient CPF funds or stock limit, CPF Investment Scheme Members could top-up cash into their CPF Investment Accounts before instructing their respective approved CPF agent banks to accept the Rights Shares and (if applicable) apply for Excess Rights Shares. Any application made by the above-mentioned Shareholders directly to CDP or through automated teller machines will be rejected. Such Shareholders should refer to the OIS for the details relating to the offer procedure in connection with the Proposed Rights Issue.

## **5.2 Foreign Shareholders**

The OIS and its accompanying documents have not been and will not be lodged, registered or filed in any jurisdiction other than Singapore. For practical reasons and in order to avoid any violation of the securities legislations applicable in countries other than in Singapore where Shareholders may have their registered addresses, the Proposed Rights Issue is only made in Singapore, and the OIS and its accompanying documents will not be despatched to Shareholders with registered addresses outside Singapore as at the Books Closure Date, and who have not, at least three (3) Market Days prior to the Books Closure Date, provided to CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents (“**Foreign Shareholders**”) or to any jurisdictions outside Singapore. No provisional allotment of the Rights Shares will be made to Foreign Shareholders and no purported acceptance of Rights Shares or application for Excess Rights Shares by Foreign Shareholders will be valid.

## **5.3 Foreign Purchasers**

The OIS and its accompanying documents will also not be despatched to persons purchasing the provisional allotments of the Rights Shares through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore (“**Foreign Purchasers**”). **Foreign Purchasers who wish to accept the provisional allotments of the Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.** The Company reserves the right to reject any acceptances of Rights Shares and/or applications for Excess Rights Shares where it believes, or has reason to believe, that such acceptances and/or applications may violate the applicable laws, rules and regulations of any jurisdiction.

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotment of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Shares commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto. The net proceeds from all such sales, after

deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date, provided that where the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit, and no Foreign Shareholder shall have any claim whatsoever against the Company, the Manager, CDP and/or the Company's share registrar in connection therewith.

## **6. APPROVALS AND CONDITIONS TO THE PROPOSED RIGHTS ISSUE**

### **6.1 Approvals**

The Proposed Rights Issue is subject to, *inter alia*, the following:

- (a) the approval in-principle for the dealing in, listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST ("**Listing Approval**") having been obtained from the SGX-ST and such approval not having been withdrawn or revoked on or prior to completion of the Proposed Rights Issue, and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company;
- (b) the lodgement of the OIS together with all other accompanying documents with MAS;
- (c) any necessary registration, approval and/or consent of the PRC State Administration of Foreign Exchange or any other necessary approvals and/or consents from all applicable governmental and regulatory authorities or agencies as may be required in connection with the payment of the subscription consideration by Mr Wang Xin, the Executive Chairman and controlling shareholder of the Company and his controlled entities, Forise Capital Group Limited and Forise Global Holdings Limited for the Rights Shares to the Company's wholly owned subsidiary in China, Tianjin Forise Corporation Management Consultancy Limited; and
- (d) all other necessary consents, approval and waivers from any person, financial institution or regulatory body or authority under any and all agreements applicable to the Company and/or applicable laws for the Proposed Rights Issue and to give effect to the Proposed Rights Issue being obtained and not having been revoked or amended before the completion of the Proposed Rights Issue.

### **6.2 OIS and Announcements**

The Company will be making an application to the SGX-ST for the permission to deal in and for the listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST.

The OIS will also be lodged with the MAS and despatched to Entitled Shareholders after, *inter alia*, obtaining the approval in-principle of the SGX-ST for the listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST.

Appropriate announcements in relation to the above application, lodgement and despatch will be made in due course.

**7. INDICATIVE TIMETABLE**

An indicative timetable for the Proposed Rights Issue will be provided to Shareholders in due course.

**8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or Substantial Shareholders of the Company has any direct or indirect interest in the Proposed Rights Issue, other than through their respective shareholdings in the Company.

**9. DIRECTORS' RESPONSIBILITY STATEMENT**

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 Rights Issue, 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 the Announcement in its proper form and context.

**10. CAUTION IN TRADING**

**SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION IN THE TRADING OF THE COMPANY'S SHARES. THE PROPOSED RIGHTS ISSUE IS SUBJECT TO, *INTER ALIA*, THE FULFILMENT OF THE CONDITIONS OF THE PROPOSED RIGHTS ISSUE AS SET OUT IN SECTION 6 OF THIS ANNOUNCEMENT. THERE IS NO CERTAINTY AND ASSURANCE THAT PROPOSED RIGHTS ISSUE WILL MATERIALISE.**

**THE COMPANY WILL MAKE THE NECESSARY ANNOUNCEMENTS WHEN THERE ARE FURTHER DEVELOPMENTS ON THE PROPOSED RIGHTS ISSUE AND OTHER MATTERS CONTEMPLATED BY THIS ANNOUNCEMENT. SHAREHOLDERS AND POTENTIAL INVESTORS SHOULD CONSULT THEIR STOCK BROKERS, BANK MANAGERS, SOLICITORS OR OTHER PROFESSIONAL ADVISORS IF THEY HAVE ANY DOUBT ABOUT THE ACTIONS THEY SHOULD TAKE.**

- 11.** For the purpose of this Announcement, the terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

**BY ORDER OF THE BOARD**

Ong Wei Jin  
Company Secretary  
29 December 2016