

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

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The Board of Directors of Forise International Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's earlier announcement dated 28 February 2025 in relation to the Unaudited Condensed Interim Financial Statements for the Second Half and Full Year Ended 31 December 2024 (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 queries raised by the SGX-ST via RegCo Portal on 07 March 2025 as follows:

**SGX-ST'S QUERIES: -**

**Query 1**

1) We refer to the Company's financial statements for the full year ended 31 December 2024. In its statement of financial position, the Group recorded a "trade and other receivables" balance of \$378k as at 31 December 2024. This represents approximately 90% of the revenue earned by the Group of \$429k in FY2024.

a) Provide the aging table for the trade and other receivables balance of \$378k. Specify the upper limit for each age band.

b) For any long outstanding receivables, provide the Board's assessment of its recoverability to justify why no impairment is required.

**Company's Response**

**1a) Trade receivables**

Trade Receivables	As at 31.12.2024 S\$'000	As at 12.03.2025 S\$'000
<b>Total</b>	<b>360</b>	<b>76</b>
<b>By Aging Category</b>		
Current	360	40
Within 30 days	-	36

As at the date of this announcement, the Group's Trade Receivables stand at S\$76k, related to FY2024 revenue, with S\$36k overdue and S\$40k due by April 2025. The Group is closely following up on collections and anticipates receiving these amounts by April 2025. Management has assessed the collectability of these trade receivables and remains confident in their recoverability.

The Other Receivables of S\$18k relate to VAT recoverable from the Group's subsidiary in China. This amount can be utilized to offset future VAT payable upon incurring eligible expenses with VAT invoices. As it is not a trade receivable, no aging breakdown applies. Under the current VAT system, there is no statutory expiration period, and the balance remains available for offset against future output VAT.

**1b)** The Board has assessed the Group's Trade Receivables of S\$76k and confirms that there are no long-outstanding trade receivables as of the date of this announcement. Given this, the Board does not consider any impairment necessary. The Group also holds Other Receivables of S\$18k related to VAT recoverable from its China subsidiary. As this amount is a tax credit that can be utilized to offset future VAT payable and has no statutory expiration period, the Board considers no impairment necessary.

## **Query 2**

2) We note that the Group's revenue of \$429k in FY2024 is less than the aggregate cost of employee compensation and directors' fee of \$505k.

a) Please provide a breakdown of the employees and directors whose remuneration expenses were incurred by the Group in FY2024.

b) Please provide the board's assessment of whether the Company will be able to continue operating as a going concern, given that it is in a net loss before tax position of \$766k, recorded negative operating cashflow of \$632k, and have uncollected receivables representing approximately 90% of the revenue earned by the Group in FY2024. Please include the basis of the board's assessment with robust justification.

## **Company's Response**

### **2a) Remuneration Expenses FY2024**

Category	No. of Headcount 31.12.2024	Directors' Fee S\$'000	Employee Compensation S\$'000	Total Remuneration S\$'000
Independent Directors	3	99	-	99
Executive Directors <sup>(i)</sup>	1	-	178	178
Key Management Personnel <sup>(ii)</sup>	2	-	166	166
Other Employees	3	-	62	62
<b>Total</b>	<b>9</b>	<b>99</b>	<b>406</b>	<b>505</b>

Note

Employee compensation for FY2024 includes:

(i) Mr Wan Jinn Woei, Executive Director, who resigned with effect from 30 September 2024.

(ii) Ms Yap Yoke Peng, Financial Controller, who resigned with effect from 31 March 2024.

### **2b) Assessment of Going Concern and Cash Flow Position by Management and the Board**

The reported negative cashflows from operating activities and cash outflows of S\$633k were mainly due to the exceptional expenses of S\$391k relating to professional and other fees incurred in connection with the Group's one-off corporate exercises, which the Group does not expect to be recurring once these corporate exercises are complete.

The Group has implemented cost-saving plans since FY2021 and intends to maintain these measures until it is satisfied with improved business performance. Compared to FY2023, where the aggregate cost of employee compensation and directors' fees was \$667k, this has been reduced to \$505k in FY2024.

The Group further notes that the revenue of the Group for FY2024 principally arose in the second half of FY2024, due to the Group's intensive efforts to increase its revenue. The Group also notes its current order book and potential new contracts that it in the course of negotiations or pending customers' approval.

The Group further notes its continuing efforts in collecting accounts receivables, with trade receivables reducing from S\$360k as at 31 December 2024 to S\$76k as of the date of this announcement. This

improvement reflects the Group's close engagement with customers and active cash flow management efforts, strengthening liquidity to support ongoing operations.

As disclosed in the "Subsequent Event" section of the Earlier Announcement, the Company entered into an interest-free, unsecured loan agreement with a controlling shareholder, with no fixed term of repayment, on 17 January 2025 for an amount of S\$500k. This forms part of the Company's broader cash flow management plan to support its operations. For further details, please refer to the Company's announcement dated 17 January 2025.

In view of the above, the Group is of the view that it is able to continue as a going concern.

Based on Management's assessment of the Sales and Marketing Activities for the business strategic planning advisory / management consulting segment and the Potential Order Book to date, Management is of the view that the Group has a resilient sales pipeline and remains well-positioned to secure new engagements. The Group will continue to pursue business opportunities and strengthen its market position to drive future growth.

**Sales and Marketing Activities for the business strategic planning advisory / management consulting services – Potential Order Book as of 12 March 2025:**

No.	Potential customer business nature	Product name/ Solution name/ Industry name	Estimated sales price range S\$'000	Status
1.	Manufacturing Company	To advise on a glass primer application robot similar to customer's Japanese plant design	< 50	Awarded in September 2024 <sup>(1)</sup>
2.	Manufacturing Company	To advise on a robotic metal hoop polishing solution for music instruments components	< 100	KIV to FY2025
3.	Manufacturing Company	To advise on a fully automatic jumbo roll transfer process utilizing high payload robotics and autonomous mobile robot	< 100	Under Negotiations – declined by customer due to budget constraints
4.	Manufacturing Company	To advise on a fully automatic primer dispensing and spraying robot	< 50	Awaiting final approval – Pending PO
5.	Manufacturing Company	To advise on logistic transfer solution utilizing AMR for rubber coated plates transfer	< 150	Proposal submitted – cancelled by customer due to not obtaining the grant.
6.	Manufacturing Company	To advise on a software solution to digitalize the OEE (Overall equipment effectiveness) process with Internet Of Things (IOT), Data analytics , and Industry 4.0 implementation	< 50	Awarded in August 2024 <sup>(1)</sup>
7.	Manufacturing Company	To advise on a semi-automatic sachet packing machine for health supplements	< 50	Under Negotiations – finalization of design scope of work
8.	Trading Company	To advise on a semi-automatic solution for dishwashing liquid bottle labelling process	< 50	Under Negotiations – Pending PO

No.	Potential customer business nature	Product name/ Solution name/ Industry name	Estimated sales price range S\$'000	Status
9.	Manufacturing Company	To provide R&D as a service for developing a fully automatic silicone rubber dispensing robot	< 50	Awaiting final approval – declined by customer
10.	Manufacturing Company	To advise on a torch flaming robotic solution for the surface treatment of vehicle front and back bumpers	< 50	Proposal submitted – cancelled by customer
11.	Manufacturing Company	To advise on a fully automatic feeding solution for latex products printing machine	< 50	Awarded in October 2024 <sup>(2)</sup>
12A.	Cleaning Services Provider	To provide "One-Stop" cleaning solution market research advisory	< 50	Awarded in August 2024 <sup>(1)</sup>
12B.	Cleaning Services Provider	To provide "One-Stop" online platform digitalization advisory	< 50	Awarded in October 2024 <sup>(1)</sup>
13.	Government Linked Research Institute	To advise on an automatic inventory scanning process to allow for early error detection, and improve efficiency for outbound distribution	< 100	The potential customer did not proceed with the proposal
14.	Government Linked Research Institute	To advise on an enquiry management system to assess and segment customers to support sales decision-making, improve customer retention, and streamline internal operations	< 100	The potential customer did not proceed with the proposal
15.	Trading company	To advise on an AI inspection solution for the palm oil kernel and shell segregation	<100	Awarded in August 2024 <sup>(1)</sup>
16.	Trading company	To provide advisory services for palm oil industry on Smart Agricultural Technology	< 100	Awarded in December 2024 <sup>(1)</sup>
17.	Manufacturing Company	Retaining Contract from existing customer – To advise on robotic solution for new production model	< 50	Awarded in September 2024 <sup>(1)</sup>
18.	Manufacturing Company	To provide a market research report for manufacturing workflow with system integration	< 100	Under Negotiations
19.	Manufacturing Company	To provide a market research report for business expansion	< 50	Awaiting final approval
20.	Manufacturing Company	Retaining Contract from existing customer – To advise on laundry operation expansion	< 50	The customer did not proceed with the proposal
21.	Trading Company	To provide advisory services for aging care business expansion	< 50	Awarded in September 2024 <sup>(2)</sup>
22.	Trading Company	To advise on AI automation technology solutions in the component parts and machinery industry	< 100	Awarded in September 2024 <sup>(1)</sup>
23.	Manufacturing Company	To advise on motor stack assembly robotic solutions	< 400	Proposal submitted
24.	Manufacturing Company	To advise on sealant application robotic solutions on automotive windshield	< 100	Under Negotiations

No.	Potential customer business nature	Product name/ Solution name/ Industry name	Estimated sales price range S\$'000	Status
25.	Manufacturing Company	To advise on semiconductor reel assembly machine and automation solutions	< 100	Under Negotiations
26.	Manufacturing Company	To advise on automotive parts painting robotic solutions	< 50	Proposal in preparation

Notes:

(1) Trade Receivables have been fully collected

(2) Trade Receivables as of 12 March 2025

#### BY ORDER OF THE BOARD

Tan Wai Hong  
Executive Director  
14 March 2025