Forise International Limited
Company Registration No. 200804077W
(Incorporated in the Republic of Singapore)

ENTRY INTO OF SALE AND PURCHASE AGREEMENT IN RELATION TO THE PROPOSED DISPOSAL OF THE COMPANY'S INTEREST IN THE EQUITY AND SHARE CAPITAL OF THE SALE ENTITIES ("THE PROPOSED DISPOSAL")

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1. Introduction

1.1 The Board of Directors ("**Board**") of Forise International Limited (the "**Company**" and together with its subsidiaries the "**Group**") wishes to announce that the Company has on 6 April 2016 entered into a sale and purchase agreement ("**Agreement**") with Weng Wenwei (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 therefrom as from Completion (as defined below):

(a) Grandus Pte Ltd ("**Grandus**");
(b) Fujian Great Fashion Industry Co Ltd ("**Fujian Great**");
(c) Quanzhou Great Garments Co., Ltd ("**Quanzhou Great**");
(d) Great (Hong Kong) Limited ("**Great Hong Kong**");
(e) Grixpro Trading (Xiamen) Co. Limited ("**Grixpro**");
(f) Great (Fujian) Textile Technology Co Ltd ("**Great Fujian Textile**");
(g) Great Worldwide (Trading) Limited ("**Great Worldwide**");
(h) 3W Life Investment Pte Ltd ("**3W Life**");
(i) Fashvacation Pte Ltd ("**Fashvacation**");
(j) 183Art Media Pte. Ltd. ("**183Art Media**"); and
(k) 183Art Media (Xiamen) Co., Ltd ("**183Art Media Xiamen**")

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

2. Rationale of the Proposed Disposal

2.1 The Group's existing businesses consist principally of its garment manufacturing business, which comprises mainly of the design, manufacture, distribution and sale of men's and women's undergarments, children's and infants' apparel. Alongside its manufacturing business, the Group is also engaged in the trading of garments, e-commerce and internet sales.

2.2 As announced in the Company's financial results for the year ended 31 December 2015, the Board, after undertaking a strategic and special review of the businesses of the Company, is of the opinion that it is difficult for the manufacturing component of its garment business (excluding the trading business) to turn around in the near term. The Company has since ceased the manufacturing operations in the quarter ended 31 December 2015 disposed of all the machineries of its production facilities held under its two main manufacturing subsidiaries to various third parties, retrenched all production workers and leased out its factory premises.

2.3 Following the cessation of its manufacturing operations, the Company intends to dispose of the excess fixed assets related to the manufacturing segment of the Group's business. This would be by way of divestment of the Sale Entities engaged in the manufacturing and production of garments. The Group will retain and focus on its business in the trading of

garments, which will be carried out by the remaining companies of the Group, and principally through Great Holdings Limited.

2.4 The Company estimates that for the financial year ended 31 December 2015, the trading business comprised approximately 10% of the Group's total revenue, amounting to approximately RMB 32 million. As at March 2016, the Group's revenue from its trading business is estimated at approximately RMB 12.5 million. This is supported by inventory of approximately RMB 9.5 million as at the date of this announcement. The revenue for the trading business is expected to grow, and the Company intends to continue and grow the trading business further.

2.5 At the same time, and as announced by the Company on 12 January 2016 in respect of its business plans, the Company is also considering, subject to the approval of its shareholders at a meeting to be convened, diversifying the business of the Group into the provision of corporate advisory and management consulting services to corporation.

2.6 The Purchaser was the founder of the Group. The Purchaser has indicated his willingness to acquire the Sale Entities and assume any liabilities and further losses arising from the Sale Entities. Consequently, the Board has decided to sell the Sale Entities to the Purchaser at a nominal Consideration of S$1.00.

2.7 Following completion of the Proposed Disposal ("**Completion**"), the Purchaser may either utilize the Sale Entities for purposes unrelated to that of the Company, liquidate or dispose of certain of the Sale Entities. Subject to there having been Completion, for a period of two (2) calendar years from Completion, in the event that the Purchaser disposes of any or all of the shares of Grandus, Fujian Great or Quanzhou Great ("**Specified Entities**") at a consideration higher than that of S$1.00, the Agreement provides that after deducting such costs incurred by the Purchaser from such sale, the Purchaser shall pay to the Company an amount constituting 50% of the remaining proceeds ("**Company Sale Proceeds**").

3. Information on the Purchaser

The Purchaser, Mr. Weng Wenwei, is the founder of the Group, a substantial shareholder and a former Director of the Company. The Purchaser has been a Director of the Company since 29 February 2008, and has resigned as Director of the Company on 16 March 2016. The Purchaser is currently interested (directly and deemed) in a total of 161,500,000 ordinary shares ("**Shares**") of the Company, representing 7.58% of the issued share capital of the Company.

4. Consideration of the Proposed Disposal

4.1 The consideration ("**Consideration**") for the Sale Shares shall the aggregate amount of S$1.00, payable by the Purchaser upon Completion, in cash and in Singapore dollars.

4.2 The nominal Consideration of S$1.00 is arrived at on a willing buyer willing seller basis after arm's length negotiations, and taking into account the aggregate negative net tangible asset ("**NTA**") value of the Sale Entities of RMB 113.4 million and the aggregate amount of losses attributable the Sale Entities of RMB 173.3 million as at 31 December 2015. The Group has been loss making for the past four (4) financial years.

4.3 It has also been agreed in the Agreement that, subject to there having been Completion, for a period of two (2) calendar years from Completion, in the event that the Purchaser sells any or all of the shares of the Specified Entities to a third party for a consideration exceeding S$1.00, the Purchaser shall, after deducting costs incurred by the Purchaser from such sale, pay to the Company the Company Sale Proceeds, such Company Sale Proceeds to be paid to the Company within seven (7) days from the sale. The Purchaser had further agreed that any such sale shall be carried out at a price that is not less than a valuation of the Sale Shares and/or Sale Entities subject to the sale, such valuation to be carried out by a valuer acceptable to the Company, and such valuation report to be dated no earlier than six (6) months from the date of the agreement for such sale.

5. Conditions precedent attached to the Proposed Disposal

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

(a) the Sale Entities having, as at and since 31 December 2015 to Completion, a consolidated net liability position based on Singapore Financial Reporting Standards, as determined by the Company;

(b) the approval of the shareholders of the Company being obtained at an extraordinary shareholders meeting of the shareholders of the Company (or any adjournment thereof) in respect of the transactions contemplated in this Agreement;

(c) upon Completion, the Singapore Exchange Securities Trading Limited ("**SGX-ST**") not ruling the Company as a cash company where its assets consist wholly or substantially of cash or short-dated securities pursuant to Rule 1303(2) of the Listing Manual of the SGX-ST ("**Listing Manual**");

(d) the execution of any necessary deeds of waiver and release, in form and on terms and by such persons as notified by the Company to the Purchaser, relating to the waiver and discharge of the debts, liabilities and obligations owing or owed by the Company and such subsidiaries of the Company as at Completion to the Sale Entities;

(e) all necessary approvals of any third party in the view of the Company necessary or desirable in connection with the transactions contemplated in this Agreement;

(f) the Purchaser providing the charge over his Shares and such other collateral and security as may be required by the Company to secure all the Purchaser's obligation under the Agreement; and

(g) the Purchaser having performed all of the covenants and undertakings required to

be performed by it under the Agreement on or before the Completion (other than those required to be performed at Completion).

5.2 If the Conditions Precedent are not fulfilled by 31 December 2016 (unless waived by the Company), the Agreement 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 Agreement.

6. Completion of Proposed Disposal

6.1 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**").

6.2 The Parties had agreed in the Agreement that all risks and rewards of and associated with the Sale Shares shall be deemed to have passed to and accrue to and for the Purchaser as from 1 January 2016.

6.3 Upon Completion, the Purchaser shall procure that each of the Sale Entities irrevocably waives and terminates all debts, liabilities and obligations owing or owed by the Company and each of the subsidiaries of the Company as at Completion to the Sale Entities.

6.4 The Purchaser had also in the Agreement undertaken that:

(a) the Purchaser shall bear any and all taxes imposed on the Company in connection with any of the Sale Entities, whether in Singapore, PRC or elsewhere, and whether arising in relation to activities occurred prior to the sale, during the sale, and after the sale, of such Sale Entities, including without limitation to the foregoing, taxes arising from the transactions contemplated under the Agreement and the purchase by the Company whether directly or through its subsidiary at such time, of any of the Sale Entities, and will comply with all applicable laws and regulations relating to such taxation, and the Purchaser shall, on demand by the Company, pay to the Company the amount of such taxes;

(b) the Purchaser shall charge his Shares to a party nominated by the Company, for such period and on such terms to be agreed between the Parties, or provide to the Company such other collateral or security as may be determined by the Company in its sole discretion, to secure all the obligations of the Purchaser under the Agreement;

(c) commencing from the date of the Agreement and continuing after the Completion Date, grant to the Company and its auditors reasonable access to the accounting records and other business records of the Sale Entities made for the period until Completion Date, to make copies thereof, to disclose such records, as well as to arrange for the audit of such accounting records, to allow the Company to verify the figures in the accounting records of the Sale Entities and to comply with its obligations under the Companies Act (Cap 50) of Singapore, the relevant accounting standards, the disclosure obligations under the Listing Manual as well as for the purposes of the Agreement; and

(d) commencing from the date of the Agreement 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.

7. Use of Proceeds

Considering that the Consideration is nominal, there will be no net proceeds arising from the Proposed Disposal. However, in the event that the Purchaser sells any or all of the Specified Entities and the Company is entitled to the Company Sale Proceeds, the Company intends to utilise such sale proceeds for general working capital purposes.

8. Financial Effects of the Proposed Disposal

The financial effects of the Proposed Disposal on the Group set out below are purely for illustrative purposes only and do not reflect the future financial position of the Company or the Group after the completion of the Proposed Disposal.

The financial effects have been prepared on a proforma basis using the latest unaudited consolidated financial statements of the Group for the financial year ended 31 December 2015 ("**FY2015**").

8.1 Effect of Proposed Disposal on NTA per Share

Assuming that the Proposed Disposal had been completed on 31 December 2015 and based on the Group's latest unaudited consolidated financial statements for FY2015, the effects on the NTA per Share of the Group under the following scenarios ("**Scenarios**") are as follows:

(a) Scenario 1 – Assuming that none of the remaining unexercised 118,000,000 warrants issued to SAPO Investments Pte. Ltd. ("**SAPO Warrants**") have been exercised; and

(b) Scenario 2 – Assuming that 118,000,000 new Shares have been issued pursuant to the exercise of all unexercised 118,000,000 SAPO Warrants.

As at 31 December 2015	**Before Completion of the Proposed Disposal**		**After Completion of the Proposed Disposal**	
	Scenario 1	**Scenario 2**	**Scenario 1**	**Scenario 2**
NTA (RMB$'000)	(132,697)	(123,169)	36,626	46,155
Number of issued Shares	2,130,000,000	2,248,000,000	2,130,000,000	2,248,000,000
NTA per share (RMB fen)	(6.23)	(5.48)	1.72	2.05

8.2 Effect of Proposed Disposal on Earning/(Loss) per Share

Assuming that the Proposed Disposal has taken place on 1 January 2015 and based on the Group's latest unaudited consolidated financial statements for FY2015, the Proposed Disposal would have the following effects on the Group's earnings/(loss) per Share under each of the Scenarios, as presented in the following table:

As at 31 December 2015	Before Completion of the Proposed Disposal		After Completion of the Proposed Disposal	
	Scenario 1	Scenario 2	Scenario 1	Scenario 2
Consolidated net loss attributable to shareholders (RMB'000)	(191,308)	(191,308)	(16,389)	(16,389)
Weighted average number of shares	942,493,151	1,060,593,151	942,493,151	1,060,593,151
Earnings/(loss) per Share (RMB fen)	(20.30)	(18.04)	(1.74)	(1.55)

8.3 Effect of Proposed Disposal on Group's Gearing

Assuming that the Proposed Disposal has taken place on 31 December 2015 and based on the Group's latest unaudited consolidated financial statements for FY2015, the Proposed Disposal would have the following effects on the Group's gearing as presented in the following table:

As at 31 December 2015	Before the Proposed Disposal	After the Proposed Disposal
Gearing (times)	Not meaningful	0.12

8.4 Effect of Proposed Disposal on Company's Share Capital

The Proposed Disposal will have no effect on the share capital of the Company.

9. Relative Figures under Rule 1006 of the Listing Manual

9.1 Based on the unaudited consolidated financial statements of the Group for FY2015, the relative figures in respect of the Proposed Disposal, as computed on the bases set out in Rule 1006 of the Listing Manual, are as follows:

	Target Group	Group	Relative Figures (%)
Rule 1006 (a) The net asset value of the assets to be disposed of, compared with the group's net asset value as at 31 December 2015.	RMB (113,442,464)	RMB (132,696,714)	85.5%
Rule 1006 (b) The net profits attributable to the assets disposed of as at 31 December 2015, compared with the Group's net profits as at 31 December 2015.	RMB (173,318,737)	RMB (191,307,581)	90.6%

Rule 1006 (c) Aggregate value of consideration given or received, compared with the market capitalisation of the Company as at 5 April 2016, being the last full market day immediately preceding the execution of the Agreement	S$1.00	S$34,080,000[(1)]	Not meaningful
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.	Not applicable	Not applicable	Not applicable
Rule 1006(e) The aggregate volume or 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

Notes:

(1) The market capitalisation of the Company of approximately S$34,080,000 is determined by multiplying 2,130,000,000 Shares in issue by the volume weighted average price of S$0.016 of such Shares transacted as at 5 April 2016, being the market day preceding the date of the Agreement.

9.2 As the relative figures calculated pursuant to Rules 1006(a) and 1006(b) exceed 20%, the Proposed Disposal will be classified as a "major transaction" within the meaning of Rule 1014 of the Listing Manual, and will be subject to the approval of the shareholders of the Company.

10. Shareholders' Approval and Despatch of Circular

As noted above, the Company will in due course convene an extraordinary general meeting ("**EGM**") to seek approval from its shareholders for the Proposed Disposal. A circular setting out further information and details of the Proposed Disposal, together with

the notice of EGM to be convened, will be despatched by the Company to its shareholders in due course.

11. Interests of Directors and Controlling Shareholders

Save as disclosed, none of the Directors or controlling shareholders of the Company have any direct or indirect interest in the Agreement or the Proposed Disposal, other than through their respective shareholdings in the Company.

No person is proposed to be appointed as a Director of the Company or any of its subsidiaries in connection with the Proposed Disposal.

12. 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

Leo Peng WeiLe
Executive Director
6 April 2016