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

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**") refers to the earlier 3Q 2018 Results Announcement dated 13 November 2018 (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 2019 as follows:

SGX-ST's Query 1

In the consolidated statement of comprehensive income, Revenue amounted to RMB3.51 million. Please provide details of this revenue: -

i) What are the projects/agreements that resulted in the revenue earning; and

ii) Please elaborate on the nature of these advisory provided.

Company's Response

i) The revenue of RMB3.51 million was mainly derived from corporate advisory contracts. They comprise 4 agreements each with a separate customer, involving the provision of corporate advisory services for investment consulting in the M&A fund in the educational sector, post investment, regulatory compliance advisory services and financing plan, industrial analysis and research of potential clients.

Client	Nature of advisory services	Revenue (RMB' million)
A - an investment management company in Beijing	Corporate advisory service for investment consulting for M&A fund in educational sector	1.78
B - an asset management company in Beijing	Corporate advisory services for post investment and regulatory compliance advisory)	1.14
C - an investment company in Wuhan	Corporate advisory services for post investment and regulatory compliance advisory)	0.45
Le Rong Financial Factoring Company Limited	Corporate advisory services for financing plan and industrial analysis and research of potential clients	0.14
		3.51

ii) Please see our responses above.

SGX-ST's Query 2

In the consolidated statement of comprehensive income, it was disclosed that the increase in interest income "was attributable to interest income from loans to associated company amounting to RMB0.65million for 9M2018 and RM0.40 million for 3Q2018". Please:-

i) Provide details and terms on these loans to the associated company;

ii) Disclose who this associated company is;

iii) Provide reasons for the loan and disclose the use of proceeds;

iv) Disclose when the loan will be repaid; and

v) Disclose details on the ability of the associated company to repay the loans as and when it falls due.

Company's Response

i) The details and terms of these loans to the associated company are as follow:

Loans to Associated Company (Le Rong Financial Factoring Company Limited)

No	Commencement date	Repayment date	Amount (RMB' million)	Interest	Interest receivable (RMB' million)	Repayment term	Remark
1)	30 Nov 2017	30 Nov 2018	2.1	8%	0.14	Full repayment upon due date	**Note A**
2)	1 Mar 2018	1 Mar 2019	0.2	8%	0.01	Full repayment upon due date	
3)	3 Apr 2018	30 Nov 2018	6.0	8%	0.24	Full repayment upon due date	**Note A**
4)	28 May 2018	28 May 2019	6.5	9%	0.20	Full repayment upon due date	
5)	5 Jul 2018	5 Jul 2019	5.0	9%	0.11	Full repayment upon due date	
			19.8		0.70		

Note A:

Tianjin WFOE had renewed these loans to Le Rong for another year and the repayment date is no later than 30 Nov 2019. On 28 November 2018, Le Rong had made a lump sum repayment of principal amounted to RMB0.7 million.

ii) The associated company refers to Le Rong Financial Factoring Company Limited ("**Le Rong**"), a company incorporated in the Republic of China. Our indirect subsidiary, Tianjin Forise Corporation Management Consultancy Limited ("**Tianjin WFOE**") holds 40% equity interests in Le Rong.

iii) The loans were provided to Le Rong for its use of business operation of commercial factoring. The proceeds of loans were used in its commercial factoring businesses.

iv) Please refer to our response to query 2 i) above for the repayment dates.

v) Based on the November 2018 management accounts of Le Rong, Le Rong has a net assets and net current assets positions. The Board expects that the associated company would be able to repay the loans as and when it falls due.

Below are the key financial highlights of Le Rong:

	Financial period ended		
	31/12/2017 RMB'000		30-Nov-18 RMB'000
(Loss)/ profit	(64)		221
	As at		
	31/12/2017 RMB'000		30-Nov-18 RMB'000
Net assets and net current assets	1,936		2,221

SGX-ST's Query 3

On page 11, it was disclosed that "Other receivables" amount to RMB20.51 million. Please: -

i) Provide the identities of the shareholders who owns the associated company, the directors and the key management personnel of the associated company;

ii) Provide the aging schedule of these receivables;

iii) Disclose when these receivables are due for repayment;

iv) Disclose the reasons for these loans; and

v) Disclose whether the debtors have been paying the interests on the loans.

Company's Response

i) Identities of the shareholders who owns the associated company, the director and the key management personnel of the associated company are as follows:

Shareholders of Le Rong:	
	Equity interest
i) Tianjin Forise Corporation Management Limited ("Tianjin WFOE")	40%
ii) Li Ying	60%
Director of Le Rong:	
i) Li Ying	
Key Management Personnel of Le Rong:	
i) Li Ying	
ii) Zhang XianTing	

The other shareholders are not related, directly or indirectly, to the controlling shareholders and directors of the Company.

ii) The ageing schedule of other receivables is as follow:

Other receivables	0 - 3 months	4 - 6 months	7 - 9 months	10 - 12 months	Total
	RMB' million	RMB' million	RMB' million	RMB' million	RMB' million
Le Rong Financial Factoring Company Limited	5.11	12.94	0.21	2.24	20.50
Other	0.01				0.01
Total	5.12	12.94	0.21	2.24	**20.51**

iii) Repayment due dates are disclosed in our response to query 2 i) above.

iv) The reasons for the loans are explained in our response to query 2 iii) above.

v) The interests on loans will be repaid upon maturity. On 28 November 2018, Le Rong had made a lump sum repayment of principal amounted to RMB0.7 million.

BY ORDER OF THE BOARD

Peng Weile
Executive Director
4 January 2019