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

RESPONSE TO THE QUERIES FROM THE SINGAPORE STOCK EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") ON THE ANNUAL REPORT 2015

The Board of Directors of Forise International Limited (the "Company" and together with its subsidiaries the "Group") would like to respond to the following queries raised by SGX-ST on 25 April 2016 in relation to its Annual Report 2015, dated 14 April 2016, as follows :

SGX-ST's Query

1. It was disclosed in the Annual Report that "FY2015, the Board also received assurance from the Management (the Company does not have a CEO and a chief financial officer) that the financial records were properly maintained, the financial statements gave a true and fair view of the Company and the Group's operations and finances, and regarding the effectiveness of the company's risk management and internal controls system".

   Please disclose who performs the duties to oversee the Company's operations and Company's accounting functions. Have these persons provided the above assurance to the Board?

Company's Response

The Company's former Executive Chairman and Chief Executive Officer, Mr Weng Wenwei, together with his operational and finance team in the PRC, oversaw the operations of the Group for most part of FY2015.

Mr Weng Wenwei has relinquished his executive role on 19 August 2015, and ceased being involved in any executive role at the Board level. Management of the Group was assumed by the new executive directors of the Company in August 2015. His role was further reduced upon the cessation of the contract manufacturing actives of the Group during the 4th quarter ended 31 December 2015 ("**4Q2015**"). Mr Weng resigned as director of the Company on 16 March 2016. The continuing trading business of the Group is managed by Chen Limei.

Commencing from the date of change of controlling interest following the completion of the Rights Issue, the current management team, comprising the executive directors, has been overseeing and managing the operational and accounting functions with the support from the PRC team. The executive directors, Wang Xin and Peng Weile, have given the requisite assurance to the Board pursuant to Guideline 11.3 of the Code. Mr Weng Wenwei, who had overseen the operations of the Group for most part of FY2015, had also given to the Board a similar assurance.

SGX-ST's Query

2. It was disclosed that "(f)ollowing the resignation of Mr. Weng Wenwei as Director of the Company, there is no employee of the Group who is an immediate family of a Director or the CEO whose remuneration exceeded S$50,000 for FY2015"

   Please disclose if there are any employee of the Group who is an immediate family member of a Director or the CEO whose remuneration exceeded S$50,000 for FY2015 before Mr Weng Wenwei's resignation.

Company's Response

The Group confirms there was no employee in the Group who is an immediate family member of a Director or the CEO whose remuneration exceeded S$50,000 for FY2015 before Mr Weng Wenwei's resignation.

SGX-ST's Query

3. In the disclosure on the status on the use of proceeds raised from Rights Issue, it was disclosed that S$0.6 million has been used for general working capital purposes, Please provide a breakdown to the S$0.6 million utilized.

Company's Response

List of Breakdown of proceeds utilization

Operating Expenses	**S$'000**
Salaries	179
Rental	122
Travelling	24
Office Expenses	15
Office Renovation	50
Professional Fee	212
Listing Expenses	17
Total	**619**

SGX-ST's Query

4. We note that Nexia TS Public Accounting Corporation, the Independent Auditor, had included an Emphasis of matter that there are conditions that "indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and discharge its liabilities in the ordinary course of business". For the purpose of determining if Rule 1303(3)(c) should apply, please provide the following information:-

   (a) the Board's opinion if the Company will be able to operate as a going concern and basis of the Board's view; and

   (b) the Board's confirmation that all material disclosures have been provided for trading of the Company's shares to continue.

Company's Response

(a) The Board wishes to clarify that at a Company level, the Company is able to operate as a going concern, as the Company does not provide any corporate guarantees for, and will thus not be liable for, the liabilities of its subsidiaries, save for losing the capital that has already been invested into these subsidiaries.

Further, the Board and the management had in 4Q2015 decided to cease the contract manufacturing operations of the Group, which is responsible for majority of the Group's losses in FY2015, and to continue the trading businesses to focus on better margin performance products.

In January 2016, the Company had also announced its intention to dispose some of the Group's dormant subsidiaries with little business or assets in excess to the needs of the Group to (i) streamline the operations of the Group; (ii) improve cost control and administrative efficiency to reduce administration costs arising from the maintenance of these dormant subsidiaries; and (iii) withdraw working capital funding and extinguish risk antecedent to these non-core business activities. Please refer to the Company's announcement on 12 January 2016 for more information.

This was followed by an announcement on 6 April 2016 that a Sale and Purchase Agreement was entered into between the Company and Mr Weng Wenwei for the disposal of the subsidiaries engaged in the manufacturing and production of garments to Mr Weng Wenwei. The completion of this disposal will effect the transfer of all the rights and ownership of assets and discharge all obligations of liabilities of the sale entities (including all short term bank borrowings, bills payable and trade financing amounting to RMB233,049,000) to Mr Weng Wenwei. The Company would like to clarify that it is continuing its garment trading business which focuses on garment products related to daily necessity needs and believes that this garments trading business will be able to grow and generate positive cash flows from its operations for the next twelve months.

In the same announcement made on 12 January 2016, the Group further announced its intention to diversify its business into the provision of corporate advisory and management consulting services to corporations, which is subject to the approval of the shareholders. To ensure that the diversification of the business into the corporate advisory business is successful and meaningful, the Company may undertake some test projects on a limited scale subject to these test projects not materially changing the risk profile of the Company. The Board believes that the proposed new business will introduce a new revenue stream for the Group, and contribute to the ability of the Group to continue as a going concern.

In conjunction with the above, the Group is also sourcing for other potential opportunities, which may include joint ventures or acquisitions, to further improve the performance of the Group.

(b) The Board confirms that all material disclosures have been provided for trading of the Company's shares to continue.