

Forise International Limited (formerly known as Great Group Holdings Limited)

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

QUARTERLY UPDATE PURSUANT TO RULE 1313 (2) OF THE SGX-ST LISTING MANUAL

BACKGROUND

Forise International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) was placed on the watch-list pursuant to Rule 1311 of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual (the “**Listing Manual**”) with effect from 4 March 2015.

Pursuant to Rule 1313 (2) of the SGX-ST Listing Manual, the Board of Directors (the “**Board**”) of the Company wishes to provide an update on the Group’s financial position for the first quarter ended 31 March 2016 (“1Q 2016”).

UPDATE ON UNAUDITED FINANCIAL POSITION

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 ceased the manufacturing operations in the fourth quarter 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.

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. The Group has, on 6 April 2016 entered into a sale and purchase agreement to sell the subsidiaries related to the manufacturing segment of the Group’s business. Consequently, this group of subsidiaries has been reclassified as asset of disposal group held for sale (“Asset of disposal group”). Similarly, the liabilities associated with this disposal group were also classified as liabilities of disposal group held for sale (“Liabilities of disposal group”) in 1Q2016.

In the first quarter ended 31 March 2016 (“1Q16”), the Group had intensified its trading business and accordingly revenue from trading had increased by RMB12.08 million, from RMB0.59 million in the first quarter ended 31 March 2015 (“1Q15”) to RMB12.68 million in 1Q16.

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. In the Company’s results announcement for the full year ended 31 December 2015, the Company indicated that it may undertake some test projects on a limited scale. A revenue contribution of RMB1.8 million arose from these projects in 1Q2016.

Overall, the Group’s total revenue for 1Q16 increased by RMB13.88 million, from RMB0.59 million in 1Q15 to RMB14.48 million as contributed by both the trading and corporate advisory services businesses.

UPDATE ON FUTURE DIRECTION

The Group is now focused on trading of higher margin products and expects to continue to maintain this strategy for the year. The Group currently does not foresee any significant emerging trend or changing competitive conditions in this industry other than the weakening of the PRC economy that might impact the Group’s trading business.

As part of the Company’s ongoing business strategy to broaden the Group’s revenue stream and pursue business opportunities with good prospects for long-term growth, the Company intends, subject to approval of Shareholders at an EGM to be convened, to diversify the core business of the

Forise International Limited (formerly known as Great Group Holdings Limited)

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

QUARTERLY UPDATE PURSUANT TO RULE 1313 (2) OF THE SGX-ST LISTING MANUAL

Group into the business of providing strategic planning, corporate advisory, financial restructuring advisory and management consulting services ("New Business"). This New Business is in a service based industry and is not expected to require high level of investment. The existing management has sufficient experiences and resources in the New Business and believes that in the PRC environment, relationship, expertise, knowledge as well as service levels and standards play a key role to the success of the business. The management believes that their past contacts will allow them an advantage in building a client base in the New Business, which given its comparatively low costs structure, will contribute towards the performance of the New Business. The Company will be convening an EGM to obtain approval from the shareholders for the diversification into the New Business. As explained above, test projects undertaken on a limited scale in respect of the New Business has contributed revenue of RMB1.8 million for 1Q16.

It is the plan and hope of the Group that the combined contribution from this New Business segment, once approved, together with the trading business in the next 12 months will set the Group on the path towards meeting the requirements for exiting the financial watchlist.

OTHER MATERIAL DEVELOPMENTS

The Company will update shareholders on any other material developments and will make such necessary announcements as and when appropriate.

BY ORDER OF THE BOARD

Leo Peng WeiLe
Executive Director
9 May 2016