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

RESPONSE TO 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 Company's earlier announcement dated 22 May 2023 in relation to the cessation of an Independent Director – Mr Siow Chee Keong (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 25 May 2023 as follows:

SGX-ST'S QUERIES:-

Query 1

We note the Company's announcements on the cessation as director of Mr Siow Chee Keong and the appointment of Mr Peter Heng Chee Song as an independent director on 22 May 2023. Please explain the basis of the Nominating Committee's view that Mr Heng has the necessary experience, expertise, and qualifications to take on the role as a director of the Company given that he does not have any prior track record as a director of a listed company and his past experience in a technical role in marine companies are not directly related to the business activities of the Company.

Company's Response

Mr Heng Chee Song Peter ("**Mr Heng**") had been appointed to the Board on 27 April 2023 at the Company's Annual General Meeting and as announced in the results of the meeting thereafter. The Company had then subsequently redesignated him to be the chairman of the Nominating Committee after the cessation of Mr Siow Chee Keong ("**Mr Siow**") on 22 May 2023.

Mr Heng had gathered experience in automation and technology during his prior work experience, which may provide insights and be useful for the Company in taking up business opportunities involving Artificial Intelligence ("**AI**"), such as advisory consultancy and management consultancy involving automation and AI.

Although Mr Heng has no prior experience as a director of a listed company in Singapore, the Company will, pursuant to Rule 210(5)(a) of the Listing Manual, within one year from his date of appointment, arrange for Mr Heng to undergo training in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST and organised by the Singapore Institute of Directors. The Company also encourages newly appointed Directors like Mr Heng to attend other courses by various training institutions which cover areas such as management, accounting, legal, compliance and industry-specific knowledge, where appropriate, in connection with his duties.

Query 2

Please disclose the working experience of Mr Peter Heng Chee Song between November 2019 and October 2020 and from October 2021 onwards.

Company's Response

Mr Heng was not employed between November 2019 to October 2020 due to there being no appropriate offer during this COVID-19 period. Mr Heng retired from corporate work after October 2021.

Query 3

To disclose the process when and how the search for a new director was conducted, the person who introduced Mr Peter Heng Chee Song to the Company and on what basis was his appointment deemed as suitable experience to the Company by the Nominating Committee as an independent director and whether he was previously known to any of the current or former directors or key management of the Company.

Company's Response

Mr Heng was introduced by Ms Goh Kui Lian ("**Ms Goh**"), the controlling shareholder of the Company. Mr Heng is not a nominee director of Ms Goh, nor does he represent Ms Goh on the Board. Mr Heng is not accustomed or under any obligation, formal or informal, to act in accordance with the directions, instructions or wishes of Ms Goh. He is not an immediate family member or relative of Ms Goh. Prior to this introduction, Mr Heng was not previously known to any of the current or former directors or key management of the Company.

The Executive Director then interviewed Mr Heng to identify whether he was a suitable candidate for the current Board vacancy based on his work experience and knowledge, and in particular whether such experience and knowledge aligned with the future plan for the Group's business, before proposing the appointment to the Nominating Committee for its independent review, together with the new Director's resume. Internal discussions among the Directors were conducted before the Nominating Committee scheduled to arrange an interview with the suitable candidate. The Nominating Committee then had full independence and powers of decision-making in assessing the candidate, determining whether or not such candidate has the requisite qualifications and whether or not he/she is independent, and ultimately deciding whether or not to recommend the candidate to the Board for appointment.

Having interviewed Mr Heng and considered, among others, his resume and declaration of independence having regard to the provisions of the Listing Manual, for the reasons as explained in the Company's Response to Query 1 above, the Nominating Committee considered Mr Heng to be independent and possess the requisite experience and capabilities to assume the duties and responsibilities as an Independent Non-Executive Director of the Company.

Query 4

Please provide the list of training that Mr Peter Heng Chee Song has attended and enrolled in since his appointment to the Board on 27 April 2023 pursuant to Listing Rule 210(5)(a) read with Listing Rule 720(1).

Company's Response

While Mr Heng has not yet attended any training courses prescribed by SGX on roles and responsibilities of a director of a listed company in Singapore, he had already registered for them and will complete the courses by the end of July 2023.

Query 5

We note the Company's disclosure in relation to Mr Arthur Lee Ah Too's appointment as Lead Independent director that "Mr Lee has been an Independent Non-executive Director of the Company since 1 December 2022 and has completed attending the necessary training courses prescribed by SGX on the listing requirement on roles and responsibilities of a director of a listed company in Singapore in March 2023." Please provide the list of training that Mr Lee has attended and enrolled in since his appointment to the Board on 1 December 2022 pursuant to Listing Rule 210(5)(a) read with Listing Rule 720(1).

Company's Response

The list of the training courses which were organised by the Singapore Institute of Director, that Mr Lee has attended and enrolled in since his appointment to the Board, is as follows:

Module	Module title
LED 1	Listed Entity Essentials
LED 2	Board Dynamics
LED 3	Board Performance

Module	Module title
LED 4	Stakeholder Engagement
LED 5	Audit Committee Essentials
LED 6	Board Risk Committee Essentials
LED 7	Nominating Committee Essentials
LED 8	Renumeration Committee Essentials
LED 9	Environment, Social & Governance Essentials

Query 6

We note that the Audit Committee, the Nominating Committee, and the Remuneration Committee have only two members each. Please provide whether the Nominating Committee and the Board will be identifying a qualified, independent director with the relevant skills and experience to serve on the Board and Board Committees and if so, when.

Company's Response

The Board is currently in the process of identifying and appointing a suitable third member to each of the Audit Committee, the Nominating Committee, and the Remuneration Committee. The Company will endeavor to fill the vacancy in the Board Committees within 2 months, and in any case, no later than 3 months, in compliance with Rule 210(5)(c) of the Listing Manual.

Query 7

In its announcement dated 24 April 2023, the Company stated that it had "engaged legal advisors to send out letters of demand [to Prisma AI] in February 2023 and March 2023 to demand for outstanding balances of approximately S$1.044 million and is still persistently following up with Prisma AI". Please provide an update on the status of the letters of demand and disclose the "persistent" steps that the Board has taken since 24 April 2023 to recover this outstanding payment and how much has been recovered since then. To provide details of the repayment including the date, the amounts, whether the payments have been made in cash and the use of proceeds of the repayment, where applicable.

Company's Response

After the Second Letter of Demand sent out on 30 March 2023 (as defined in the Company's announcement on the same date), Dr Shreeram Subramaniam Iyer ("**Dr Shree**") of Prisma AI Corporation Pte. Ltd. ("**Prisma AI**") responded that he would respond to the Company by the end of May 2023. Following the expiration of the 15 April 2023 deadline stated in the Second Letter of Demand, the Company's management ("**Management**") immediately initiated contact with various legal firms to obtain quotations to issue a statutory letter of demand to collect the outstanding debt from Prisma AI. Management will gather the respective quotations and the scopes of work proposed and will present them to the Board of Directors to determine the next course of action.

To-date, there is no update in regard to the repayment including the date, the amounts of repayment and also the use of the proceeds of the repayment.

On the other hand, Management has also been looking for potential buyers who may be interested in acquiring the Company's stakes in Prisma Technologies Pte. Ltd. to recover the money. If Management has any firm disposal plan, Management will present it to the Board for the Board's consideration and decision, and will make any relevant announcements in compliance with the Listing Manual when necessary.

Query 8

In relation to the Company's announcement dated 22 May 2023 relating to the resignation of Mr Siow Chee Keong,

a. It was disclosed in the Company's announcement that a reason for Mr Siow's resignation is because "Mr Siow is of the opinion that, regardless of alternative approaches, management should pursue for the recovery

of debt from Prisma AI Corporation Pte. Ltd. ("Prisma AI") by issuing a statutory letter of demand without further delay, particularly since there have already been two unsuccessful attempts by letters of demand issued to Prisma AI. Please disclose the identity(ies) of who in the Board had objected to the issuance of a statutory letter of demand without delay and the identity(ies) of the director(s) who had voted in favour of the immediate issuance of a statutory letter of demand without further delay.

b. To disclose whether the Company had issued a statutory letter of demand to Prisma AI for the recovery of the outstanding payment and the name of the lawyer appointed to this matter. If so, please disclose the date of the letter and the long stop date given for the immediate repayment of the amount owing. Otherwise, please disclose the basis of the Board's decision how they have acted in the best interest of the Company and public shareholders of the Company to collect all outstanding payments promptly when not issuing such a letter. What alternative approach the Company is taking to recover the long outstanding payment immediately and whether the Company has since received repayment for all the outstanding. To demonstrate how these alternative approaches are more effective and legally binding on the debtor than to a statutory letter of demand. To disclose if the board has sought any guarantee/security for the outstanding Prisma AI debt and disclose whether Prisma AI is able to operate as a going concern. If not, when did this development occur and whether the Company had sought to place the debtor under judicial management to reclaim the long outstanding payments due from Prisma AI.

c. It was disclosed that "A board paper for a business plan is still outstanding as of the date of this announcement" in relation to Mr Siow's request for details "to support a long-term sustainable growth strategy". Please explain why the Company has not provided a detailed formal business plan to Mr Siow despite his request and the reason(s) for the lack of detailed information. Please disclose when the Board paper for the business plan will be/has been tabled to the Board.

Company's Response

a. There was no objection from any Director in issuing the statutory letter of demand. As explained in the Company's Response to Query 7 above, Management had immediately initiated contact with various legal firms to obtain quotations to issue the statutory letter of demand to collect the outstanding debt from Prisma AI. Management is currently gathering the respective quotations and the descriptions of work proposed and will present them to the Board of Directors to determine the next course of action.

b. The Company has not issued the statutory letter of demand yet. Since the Second Letter of Demand expired, Management has been looking for quotations and suggestions from various law firms. It is just that Management has yet to finalise the list of law firms it has obtained quotations from to issue the statutory letter of demand, and intends to present its comprehensive findings to the Board this week (last week of May) to make a better decision and also to discuss the next course of action.

   As mentioned in the Company's Response to Query 7 above, the alternative approach is to look for potential buyers who may be interested in acquiring Company's stakes in Prisma Technologies Pte. Ltd. to recover the money, which is a back-up plan, in order to source more options to protect the Company's and shareholders' interests. If Management has any firm disposal plan, Management will present it to the Board for their consideration and decision, and will make any relevant announcements in compliance with the Listing Manual when necessary.

   The Company remains committed to pursuing Prisma AI for the settlement of outstanding payments, and Mr Siow is well aware of this. However, it is taking some additional time to gather comprehensive recommendations, including more than just quotations, from different law firms. This delay may have led to misunderstandings of Mr Siow regarding the approaches taken by Management.

   As the board paper regarding the business future plan has not been finalised, it is not ready for meaningful discussions yet; it will only be presented to the Board when it is ready, which Management tentatively intends to do by mid-June 2023. The first draft of the business plan had been provided to the Board for review on 23 February 2023.

Query 9

Mr Siow Chee Keong had disclosed as a reason for his cessation as director of the "Change in substantial and controlling shareholders - The Company has a new substantial and controlling shareholder of 21% shareholding interest; a new substantial shareholder of 11% shareholding interests; an Executive Director of the Company became a new substantial shareholder of 7.51% shareholding interests; and another Executive Director of the Company ceased to be a substantial shareholder (and shareholder entirely) when he disposed of his 12.11% shareholding interests; the foregoing off-market acquisitions and disposals of shares were announced accordingly on or around the same dates of transactions".

Please disclose the identity and names of

(i) the new 21% shareholder,

(ii) the new 11% substantial shareholder and the names and identity of its ultimate beneficial shareholder(s) and directors,

(iii) the Executive Director who became a new substantial shareholder of 7.51% interest; and

(iv) the name of the Executive Directors of the Company who disposed of his 12.11% shareholding interest;

(v) the background why the transactions were not transacted through the market but through off-market acquisitions and disposals and the identity of the person(s) who introduced them to each other and the reasons for the transaction;

(vi) to confirm how the transactions were transacted off market and how the considerations were determined and whether all or any of these shares are held off market in certificate form and the reason for the arrangement;

(vii) how these new shareholders had led to any changes which led to the cessation of Mr Siow as the AC Chairman and independent director of the Company; and

(viii) how these new shareholders are involved in the affairs of the Company, give/take instructions from any other persons and whether any of the new substantial shareholders have any business or other relationships or arrangements between themselves in respect of the shares, whether formally or informally, directly or indirectly, in relation to their interest in the Company which resulted in the concerns raised by Mr Siow in his cessation notice.

Company's Response

(i) The name of the new 21% shareholder is Ms Goh Kui Lian ("**Ms Goh**"), who acquired her shares on 28 December 2022 and 30 December 2022, as was announced by the Company on the same dates respectively. Her identity had also been accordingly disclosed in the Company's Annual Report under the list of substantial shareholders on page 108.

(ii) The name of the new 11% substantial shareholder is Healing Spring Group Limited, which acquired its shares on 22 September 2022, as was announced by the Company on the same date. Its identity had also been accordingly disclosed in the Company's Annual Report under the list of substantial shareholders on page 108. The ultimate beneficial shareholder and director of such company is Mr Tan Wai Hong ("**Mr Tan**"). Mr Tan expressed his willingness to help in the Company's business, especially on A.I. and I.T. aspects. In February 2023, Mr Tan was appointed as I.T. manager by the Company to help on certain projects. Considering that Mr Tan does not hold a managerial position in the Company and he is still in his probation period, the Company has not officially announced his appointment at this time. However, once Mr Tan's performance has been reviewed and assessed by the Company, and he becomes part of the management team in the future, the Company will make an appropriate announcement regarding his appointment.

(iii) The Executive Director who became a new substantial shareholder of 7.51% interest is Mr Wan Jinn Woei ("**Mr Wan**"), who acquired his shares on 30 December 2022, as was announced by the Company on the same date. His identity had also been accordingly disclosed in the Company's Annual Report under the list of substantial shareholders on page 108.

(iv) The Executive Director who disposed of his 12.1% shareholding interest was Mr Peng Weile ("**Mr Peng**"), who did so on 30 December 2022, as was announced by the Company on the same date.

(v) Mr Peng initiated his intention to dispose of his interest in the Company to Mr Wan, and Mr Wan introduced Mr Peng to Ms Goh, as Ms Goh intended to invest in the Company.

(vi) As disclosed above in response (v), the sale and purchase agreement was entered into with a mutually agreeable sales price, and accordingly the sale and purchase of the shares were transacted off market. None of the shares are held off market in certificate form.

(vii) According to Mr Siow, he is of the view that with the change of the shareholding interest of Directors on the Board and none of the Directors on the Board being controlling shareholders, the business direction of the Company is uncertain.

However, the Board is not aware of and has not seen any reason that these new shareholders led to any changes which led to the cessation of Mr Siow.

(viii) There is no involvement of the new shareholders in the affairs of the Company. In addition, there are no relations or arrangements between themselves in respect of the shares, whether formally or informally, directly or indirectly, in relation to their interest in the Company.

BY ORDER OF THE BOARD

Peng Weile
Executive Director
29 May 2023