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

DISPOSAL OF SHARES IN A JOINT VENTURE COMPANY

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1. INTRODUCTION

The Board of Directors (the "**Board**") of Forise International Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that on 29 July 2020, the Company has entered into a Sale and Purchase Agreement ("**SPA**") with Mr Liew Chok San (the "**Purchaser**") and TNT Global Capital Pte Ltd ("**TNT**"), pursuant to which the Company has agreed to sell, and the Purchaser has agreed to purchase, the 150,000 ordinary shares that the Company holds in TNT, representing 40% of the ordinary issued and paid-up share capital of TNT (the "**Sale Shares**"), for a consideration of S$220,000 (the "**Disposal**").

2. BACKGROUND OF THE DISPOSAL

2.1. Information on the Purchaser

The Purchaser was referred to the Company by a third-party broker. He is a Singapore Permanent Resident with 20 years of experience in financial management, and working experience in Singapore, London and Hong Kong. He has vast experience in fund management (including fund set-up, fund raising and fund operations), investment analysis, deal sourcing and deal structuring, etc.

As at the date of the SPA, the Purchaser is not an associate of the Company, the Directors of the Company or substantial shareholders of the Company. As at the date of the SPA, the Purchaser does not hold any shares in the share capital of the Company.

2.2. Information on TNT

As at the date of the SPA, TNT is a dormant company with no business or trading activities.

TNT was originally incorporated as part of the expansion plans of the Group to undertake the Group's business of fund/asset management services in Singapore. However, due to continuing uncertainties and volatility in the business environment that the Group operated in, TNT had not been performing well, resulting in TNT becoming and remaining dormant and inactive.

2.3. Rationale for the Disposal

The Board is of the view that the fund management services has been increasingly challenging due to current climate of economy domestically and globally and the post COVID-19 pandemic situation. Hence, the Company decided to cease the asset management business and focus on the development of its corporate advisory and management consultancy business. As such, TNT, which is currently dormant and inactive, is unlikely to make a profit for the Company in the foreseeable future, and is a drain on working capital and represents potential non-core risks.

In light of the above, the Board is of the opinion that it is for the benefit of the Company and the Company's shareholders to enter into the SPA and undertake the Disposal.

2.4. Valuation and Use of Proceeds

As at 31 December 2019, the net tangible asset value ("**NTA**") and losses attributable to TNT are as follows:

	NTA attributable to the Sale Shares (RMB)	Losses attributable to the Sale Shares (RMB)
Directly disposed of by the Company		
TNT Global Capital Pte Ltd	617,000	27,000

The Group expects to record a net gain of approximately RMB 439,000 from the Disposal, after deducting incidental costs and related expenses.

The proceeds of sale will be used for the working capital of the Group.

3. PRINCIPAL TERMS OF THE DISPOSAL

3.1. Consideration

The consideration of S$220,000 (the "**Consideration**") for the Disposal will be satisfied wholly in cash upon completion as defined in the SPA.

The Consideration was arrived at after arm's length negotiations and on a willing buyer, willing seller basis, taking into account, *inter alia*, the aggregate NTA value of TNT of RMB 617,000 and the aggregate amount of losses attributable to TNT of RMB 27,000.

The Board is of the opinion that the Consideration is fair, taking into account that the quantum of Consideration received by way of entering into the SPA would be higher than the amount which the Company would otherwise be able to recover if it chose to liquidate TNT (assuming, even, that the other shareholders of TNT were willing to agree to the liquidation).

In reaching their opinion, the Board had also considered that (i) the cost of liquidating the Target Company would amount to approximately S$10,000; (ii) the entire process would require at least 6 months to 8 months, possibly longer, depending on the complexity of the liquidation which may arise; and (iii) the quantum of cash to be recovered from the liquidation is likely to be less than the Consideration. Therefore, the Board is of the view that the Consideration is reasonable and the Disposal represents a good opportunity for the Company to dispose of its equity stake in TNT.

3.2. Other Salient Terms

Upon completion of the sale and purchase of the Sale Shares, the Purchaser (or his nominees) shall be appointed as a director(s) of TNT and the existing directors appointed by the Company shall resign concurrently with a written confirmation that they have no claim(s) whatsoever against TNT.

4. FINANCIAL EFFECTS OF THE DISPOSAL

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

The financial effects have been prepared on a pro forma basis using the latest audited financial statements of the Group for the financial year ended 31 December 2019 ("FY2019").

4.1. NTA

The effects of the Disposal on the NTA per share of the Group for FY2019, assuming that the Disposal had been effected at the end of FY2019, are as follows:

	Before the Disposal	After the Disposal
NTA of the Group attributable to shareholders of the Company (RMB)	18,247,000	18,686,000
Number of issued shares	2,130,000,000	2,130,000,000
NTA per share (RMB cents)	0.86	0.88

4.2. Earnings per Share

The effects of the Disposal on the EPS of the Group for FY2019, assuming that the Disposal had been effected at the beginning of FY2019, are as follows:

	Before the Disposal	After the Disposal
Loss of the Group attributable to shareholders of the Company (RMB)	27,595,000	27,151,000
Number of issued shares	2,130,000,000	2,130,000,000
Loss per share (RMB cents)	1.30	1.27

5. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

Based on the latest announced audited consolidated financial statements of the Group for the 12 months ended 31 December 2019, the relative figures of the Disposal as computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

	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 2019. (1)	3.34
Rule 1006 (b) The net losses attributable to the assets to be disposed of, compared with the Group's net losses as at 31 December 2019. (2)	10.49
Rule 1006 (c) Aggregate value of consideration given or received, compared with the market capitalisation of the Company based on the total number of issued shares excluding treasury shares. (3)	2.66
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
Rule 1006 (e) The aggregate volume of amount of proven and probable reserves to be disposed of, compared with the	Not applicable

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.	

Notes:

(1) The net asset value of the assets to be disposed of and the net asset value of the Group as at 31 December 2019 was RMB 617,000 and RMB 18,459,000, respectively.

(2) The net losses attributable to the assets to be disposed of, including impairment charge of RMB 2,565,000, was 2,592,000, and the net losses of the Group, before impairment charge of RMB 2,565,000, was RMB 24,720,000 as at 31 December 2019.

(3) The consideration to be received is S$220,000. The market capitalisation of the Company of approximately S$8,271,000 is determined by multiplying 42,599,999 ordinary shares in issue by the volume weighted average price of the shares of approximately S$0.194 per share on 28 July 2020, being the last traded full market day immediately preceding the signing of the SPA on 29 July 2020.

6. OTHER MATTERS IN RELATION TO THE DISPOSAL

6.1. Interests of Directors and Substantial Shareholders

Other than through their respective shareholdings in the Company, none of the Directors and/or substantial shareholders of the Company has any interest (direct or indirect) in the Disposal.

6.2. Service Contracts with Directors

No person is proposed to be appointed as a Director of the Company or any of its subsidiaries in connection with the Disposal. Accordingly, no service contract is proposed to be entered into in connection with the Disposal.

7. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA is available for inspection during normal business hours at the Company's registered office at 80 Raffles Place, UOB Plaza 2 #11-20, Singapore 048624, for a period of three (3) months from the date of this announcement.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in its proper form and context.

9. TRADING CAUTION

Shareholders and potential investors should exercise caution when trading in shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax or other professional adviser immediately.

BY ORDER OF THE BOARD

Peng Weile
Executive Director
29 July 2020