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

THE PROPOSED SHARE CONSOLIDATION

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1. INTRODUCTION

The Board of Directors of Forise International Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company intends to undertake a proposed share consolidation of every fifty (50) existing ordinary shares in the capital of the Company at a books closure date (the "**Books Closure Date**") into one (1) ordinary share ("**Consolidated Share**"), fractional entitlements to be disregarded (the "**Proposed Share Consolidation**").

The books of the Company will be closed at the Books Closure Date to be determined by the Board to determine the entitlements of the Shareholders to the Consolidated Shares pursuant to the Proposed Share Consolidation.

The Company will be seeking specific Shareholders' approval at an Extraordinary General Meeting ("**EGM**") to be convened for, *inter alia*, the Proposed Share Consolidation.

2. PROPOSED SHARE CONSOLIDATION

2.1 Details of the Proposed Share Consolidation

The Company proposes to undertake the Proposed Share Consolidation for the consolidation of every fifty (50) existing ordinary shares in the capital of the Company registered in the name of each Shareholder as at the Books Closure Date to one (1) Consolidated Share, fractional entitlements to be disregarded.

Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of Consolidated Shares arising from the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (i) disregarding, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company. Each Consolidated Share shall rank *pari passu* in all respects with each other, and will be traded in board lots of one hundred (100) Consolidated Shares.

Shareholders who hold less than fifty (50) existing Shares as at the Books Closure Date will not be entitled to any Consolidated Shares and will no longer be Shareholders upon completion of the Proposed Share Consolidation. Such Shareholders who wish to remain as Shareholders upon completion of the Proposed Share Consolidation are advised to purchase additional existing Shares so as to increase the number of existing Shares held to a multiple of fifty (50) existing Shares prior to the Books Closure Date.

As at the date of this announcement, the Company has an issued share capital of approximately S$33,346,902 divided into 2,130,000,000 Shares. The Company has no treasury shares.

On the assumptions that there will be no new Shares issued by the Company up to the Books Closure Date and no fractions of Consolidated Shares arising from the Proposed Share Consolidation, following the completion of the Proposed Share Consolidation, the Company will have an issued share capital of approximately S$33,346,902 divided into approximately 42,600,000 Consolidated Shares (with no treasury shares).

The Proposed Share Consolidation will have no impact on the dollar value of the issued and paid-up share capital of the Company. The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the Shareholders' funds of the Group.

Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any material changes to the percentage shareholding of each Shareholder, other than nonmaterial changes due to rounding and the disregard of the fractional entitlement.

2.2 **Rationale for the Proposed Share Consolidation**

The Directors believe that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders for the following reasons:

2.2.1 Reduction of Volatility of the Share Price

As share trading may involve certain minimum fixed expenses (such as minimum brokerage fees), low traded share prices may translate to higher transaction costs, relative to the trading prices, for each trading of one board lot of Shares. In addition, low traded share prices are generally more prone to speculation and market manipulation, which may result in excessive share price volatility. The Board therefore believes that the Proposed Share Consolidation may serve to (i) reduce the volatility of its share price and reduce fluctuations in the Company's market capitalisation, and (ii) reduce the percentage transaction cost for trading in each board lot of Shares.

2.2.2 Increase in the Market Interest and Attractiveness of the Company and its Shares

The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of Shares outstanding. It is expected that, all other things being equal, the theoretical trading price and NTA of each Consolidated Share would be higher than the trading price and NTA of each existing Share following the decrease in the number of Shares in issue after the Proposed Share Consolidation. This may increase market interest and activity in the Shares, and generally make the Shares more attractive to investors, including institutional investors, thus providing a more diverse shareholder base.

Shareholders should note, however, that there can be no assurance that the Proposed Share Consolidation will achieve the desired results as stated in this paragraph 2.2, nor is there assurance that such results (if achieved) can be sustained in the longer term.

2.3 **Financial Effects of the Proposed Share Consolidation**

2.3.1 For illustrative purposes only, based on the latest audited consolidated financial statements of the Company for the financial year ended 31 December 2018 ("**FY2018**"), and assuming that:

(a) the computation does not take into account any expenses that may be incurred in relation to the Proposed Share Consolidation; and

(b) there will be no fractions of Consolidated Shares arising from the Proposed Share Consolidation,

the pro forma financial effects of the Proposed Share Consolidation on the Company are set out below.

The Directors note that the pro forma financial effects have been prepared solely for illustrative purposes and do not necessarily reflect the actual future financial position and performance of the Company following completion of the Proposed Share Consolidation.

2.3.2 Share Capital

Assuming that the Proposed Share Consolidation is completed on 31 December 2018, the effect on the share capital of the Company as at 31 December 2018 will be as follows:

	Before the Proposed Share Consolidation	***After completion of the Proposed Share Consolidation***
Number of issued Shares	2,130,000,000	42,600,000
Amount of share capital (S$)	33,346,902	33,346,902

2.3.3 Net Tangible Assets

Assuming that the Proposed Share Consolidation is completed on 31 December 2018, the effect on the NTA per share of the Group as at 31 December 2018 will be as follows:

	Before the Proposed Share Consolidation	***After completion of the Proposed Share Consolidation***
Consolidated NTA attributable to the Shareholders (RMB'000)	45,841	45,841
Number of Shares	2,130,000,000	42,600,000
Consolidated NTA per share attributable to the Shareholders (fen)	2.15	107.61

2.3.4 Earnings per Share

Assuming that the Proposed Share Consolidation is completed on 1 January 2018, the effect on the EPS of the Group for FY2018 will be as follows:

	Before the Proposed Share Consolidation	***After completion of the Proposed Share Consolidation***
Consolidated profit after taxation and minority interests (RMB'000)	1,405	1,405
Weighted average number of shares	2,130,000,000	42,600,000
Consolidated EPS (fen)	0.07	3.30

2.3.4 Gearing

The Proposed Share Consolidation will have no material impact on the gearing of the Group.

2.4 **Conditions of the Proposed Share Consolidation**

The implementation of the Proposed Share Consolidation is subject to, *inter alia*, the following:

(a) Shareholders' approval by way of an ordinary resolution at the EGM; and

(b) the in-principle approval of the SGX-ST for the listing and quotation of the Consolidated Shares on the Mainboard of the SGX-ST.

An application will be made to the SGX-ST for the listing and quotation of the Consolidated Shares on the SGX-ST. An appropriate announcement on receipt of the approval in principle, if granted, will be made in due course.

Shareholders should take note that the in-principle approval of the SGX-ST, if granted, relates only to the listing and quotation of the Consolidated Shares on the SGX-ST and is not to be taken as an indication of the merits of the Consolidated Shares, the Proposed Share Consolidation, the Company and/or its subsidiaries.

3. EGM AND CIRCULAR TO SHAREHOLDERS

The Company will convene an EGM to seek the approval of the shareholders for, *inter alia*, the Proposed Share Consolidation, and a circular containing, *inter alia*, the details thereof, together with the opinions and recommendations of the Directors in relation thereto and enclosing the notice of EGM in connection therewith, will be despatched to Shareholders in due course.

4. INTERESTS OF THE DIRECTORS OR CONTROLLING SHAREHOLDERS OF THE COMPANY

None of the Directors or substantial Shareholders of the Company, or any of their associates has any interest, direct or indirect, in the Proposed Share Consolidation, other than through their respective shareholdings (if any) in the Company.

5. 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 Proposed Share Consolidation, 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 this 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 this announcement in its proper form and context.

6. FURTHER ANNOUNCEMENTS

The Company will make further announcements on the Proposed Share Consolidation as appropriate or when there are further developments on the same.

BY ORDER OF THE BOARD

Peng Weile
Executive Director
19 March 2020