CIRCULAR DATED 14 JUNE 2020

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action that you should take, you should consult your legal, financial, tax or other professional adviser.

This Circular, together with the Notice of Extraordinary General Meeting and the attached Proxy Form, have been made available on SGXNet.

Unless otherwise stated, capitalised terms on this cover are defined in this Circular under the section entitled "**Definitions**".

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

This Circular, together with the Notice of Extraordinary General Meeting and the attached Proxy Form, has been made available on SGXNet. A printed copy of this Circular will NOT be despatched to Shareholders.

In light of the current COVID-19 situation and the related safe-distancing measures put in place in Singapore, Shareholders will not be able to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the EGM proceedings via live audio-visual webcast or listening to the EGM proceedings via live audio-only stream, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy at the EGM.

Please refer to Section 7 of this Circular and the Notice of Extraordinary General Meeting for further information, including the steps to be taken by Shareholders to participate at the EGM.

FORISE INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 200804077W)

CIRCULAR TO SHAREHOLDERS
IN RELATION TO

(1) THE PROPOSED SHARE CONSOLIDATION OF EVERY FIFTY (50) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AS AT THE BOOKS CLOSURE DATE INTO ONE (1) ORDINARY SHARE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED; AND

(2) THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE.

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	26 June 2020 at 11.00 a.m.
Date and time of Extraordinary General Meeting	:	29 June 2020 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and by way of electronic means)
Place of Extraordinary General Meeting	:	The Extraordinary General Meeting will be held by way of electronic means

TABLE OF CONTENTS

	PAGE
LETTER TO SHAREHOLDERS.....	7
1. INTRODUCTION.....	7
2. THE PROPOSED SHARE CONSOLIDATION.....	8
3. THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE	13
4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS.....	22
5. APPROVALS AND DIRECTORS' RECOMMENDATIONS.....	23
6. EXTRAORDINARY GENERAL MEETING.....	23
7. ACTIONS TO BE TAKEN BY THE SHAREHOLDERS.....	23
8. DIRECTORS' RESPONSIBILITY STATEMENT.....	24
9. DOCUMENTS AVAILABLE FOR INSPECTION.....	24
NOTICE OF EXTRAORDINARY GENERAL MEETING.....	25
PROXY FORM	30

In this Circular, the following definitions shall apply throughout unless the context otherwise requires:

"Act" or "Companies Act"	:	The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
"Associate"	:	(a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; (b) In relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"Board" or "Board of Directors"	:	The board of directors of the Company for the time being
"Books Closure Date"	:	The time and date, to be determined by the Directors and announced by the Company, at and on which the Register of Members and the share transfer books of the Company will be closed to determine the entitlements of Shareholders to the Consolidated Shares under the Proposed Share Consolidation
"Business Day"	:	a day (excluding Saturday and Sunday) on which commercial banks are open for business in Singapore
"CDP"	:	The Central Depository (Pte) Limited
"Circular"	:	This circular to Shareholders dated 14 June 2020
"Company"	:	Forise International Limited
"Consolidated Shares"	:	The consolidated shares in the issued share capital of the Company to be held by Shareholders pursuant to the completion of the Proposed Share Consolidation
"Constitution"	:	The constitution of the Company
"Controlling Interest"	:	The interest of the Controlling Shareholder(s)
"Controlling Shareholder"	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company. The SGX-ST may determine that a person who satisfies this

paragraph is not a controlling shareholder; or

(b) in fact exercises Control over the Company

"CPF"	:	The Central Provident Fund
"Director"	:	A director of the Company for the time being
"Effective Trading Date"	:	Has the meaning ascribed to it in Section 2.4
"EGM"	:	The extraordinary general meeting of the Company, to be convened and held on 29 June 2020, the notice of which is set out on pages 25 to 29 of this Circular (or any adjournment thereof)
"**EPS**"	:	Earnings per share
"FY"	:	Financial year ended or ending 31 December, as the case may be
"Group"	:	The Company and its Subsidiaries, collectively, for the time being
"**Latest Practicable Date**"	:	9 June 2020, being the latest practicable date prior to the publication of this Circular
"Listing Manual"	:	The listing manual of SGX-ST, as amended or modified from time to time
"Market Day"	:	A day on which the SGX-ST is open for trading in securities
"Market Purchases"	:	On-market purchases
"New Share Certificates"	:	Share certificates for the Consolidated Shares
"Notice of EGM"	:	The notice of the EGM which is set out on pages 25 to 29 of this Circular
"NTA"	:	Net tangible assets
"Off-Market Purchases"	:	Off-market purchases, otherwise than on a securities exchange, in accordance with an "equal access scheme" as defined in section 76C of the Companies Act
"Old Share Certificates"	:	Share certificates for the existing Shares
"Proposed Share Consolidation"	:	The proposed consolidation of every fifty (50) existing Shares into one (1) Consolidated Share as set out in Section 2
"Proposed Transactions"	:	Collectively, the Proposed Share Consolidation and the proposed adoption of the Share Purchase Mandate
"Register of Members"	:	Register of members of the Company
"RMB" and "fen"	:	Renminbi and fen respectively, being the lawful currency of the People's Republic of China

"Securities Account"	:	A securities account maintained by a Depositor with the CDP but not including a securities sub-account maintained with a Depository Agent
"SFA" or "Securities and Futures Act"	:	Securities and Futures Act (Chapter 289) of Singapore, as amended, varied or supplemented from time to time
"SGX-ST"	:	The Singapore Exchange Securities Trading Limited
"SGXNET"	:	The SGXNET Corporate Announcement System, being a system network used by listed companies to send information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
"Shareholders"	:	Registered holders of Shares in the Register of Members, or where the registered holder is the CDP, the term "**Shareholders**" shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by the CDP whose Securities Accounts are credited with those Shares
"Share Purchase Mandate"	:	The general mandate proposed to be given to the Company for the purchase or acquisition by the Company of its issued Shares
"Share Purchases"	:	The purchases or acquisitions of Shares pursuant to the Share Purchase Mandate
"Share Registrar"	:	The share registrar of the Company, being RHT Corporate Advisory Pte. Ltd.
"Shares"	:	Ordinary shares in the capital of the Company, and each a "**Share**"
"Substantial Shareholder"	:	A person (including a corporation) who has an interest in not less than 5% of the total issued voting Shares
"S$" and "cents"	:	The lawful currency of the Republic of Singapore
"Take-over Code"	:	Singapore Code on Take-overs and Mergers as amended or modified from time to time
"VWAP"		Volume weighted average price
"US$" and "US cents"	:	The lawful currency of the United States of America
"%" or "percent"	:	Percentage or per centum

Depositors. The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

Subsidiaries and related corporations. The terms "**subsidiaries**" and "**related corporations**" shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

Treasury Share. The term "**treasury share**" shall have the meaning ascribed to it in Section 4 of the Companies Act.

Subsidiary Holdings. The term "**subsidiary holdings**" shall have the meaning ascribed to it in the Listing Manual.

References. Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Time and date. Any reference to a time of day and date in this Circular is made by reference to Singapore time and date, unless otherwise stated.

Statutes. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Securities and Futures Act, the Companies Act or the Listing Manual or any statutory or regulatory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Securities and Futures Act, the Companies Act or the Listing Manual or such statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

Headings. The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Rounding. Any discrepancies in figures included in this Circular between the amounts listed and their actual values are due to rounding. Accordingly, figures may have been adjusted to ensure that totals or sub-totals shown, as the case may be, reflect an arithmetic aggregation of the figures that precede them.

FORISE INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 200804077W)

Company Directors

Mr Peng Weile (Leo)	*(Executive Director)*
Mr Peng Fei (George)	*(Non-Executive Director)*
Mr Azman Hisham Bin Ja'afar	*(Independent and Non-Executive Director)*
Mr Chin Sin Beng	*(Independent and Non-Executive Director)*

Registered Office:
80 Raffles Place
#11-20 UOB Plaza 2
Singapore 048624

14 June 2020

To : The Shareholders of Forise International Limited

Dear Sir/Madam

(1) THE PROPOSED SHARE CONSOLIDATION OF EVERY FIFTY (50) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AS AT THE BOOKS CLOSURE DATE INTO ONE (1) ORDINARY SHARE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED; AND

(2) THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE.

1. INTRODUCTION

1.1 The Directors are convening an Extraordinary General Meeting of the Company ("**EGM**") to be held on 29 June 2020 to seek the Shareholders' approval for the following:

(i) the proposed share consolidation of every fifty (50) existing ordinary shares in the capital of the Company into one (1) ordinary share (the "**Proposed Share Consolidation**"); and

(ii) the proposed adoption of the share purchase mandate (the "**Share Purchase Mandate**"),

(collectively, the "**Proposed Transactions**").

1.2 The purpose of this Circular is to provide Shareholders with information relating to the above proposals to be tabled at the EGM.

1.3 This Circular has been prepared solely for the purpose outlined above and may not be relied upon by any persons (other than the Shareholders to whom this Circular is despatched to by the Company) or for any other purpose.

1.4 **The SGX-ST only approves the listing and quotation of the Consolidated Shares arising from the Proposed Share Consolidation. The SGX-ST assumes no responsibility for the**

accuracy of any statements, or opinions made or reports contained in this Circular. The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Proposed Share Consolidation, the Consolidated Shares, the Company and/or its subsidiaries.

2. THE PROPOSED SHARE CONSOLIDATION

2.1 Introduction

On 19 March 2020, the Company announced that it is proposing to undertake the Proposed Share Consolidation pursuant to which the Company proposes to consolidate every fifty (50) existing Shares at the Books Closure Date into one (1) Consolidated Share, fractional entitlements to be disregarded.

Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the EGM, Shareholders' holdings of the Consolidated Shares arising from the Proposed Share Consolidation will be ascertained on the Books Closure Date. The Company will make announcement(s) to notify Shareholders of the Books Closure Date as soon as reasonably practicable after the EGM.

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 Latest Practicable Date, the Company has an issued share capital of approximately S$33,346,902 divided into 2,130,000,000 Shares and 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.

The VWAP and the theoretical adjustment to the VWAP of the Company's Shares for the six-month period up to and including the Latest Practicable Date are as follows:

VWAP for the six-month period up to and including the Latest Practicable Date	S$0.005
Assuming that the Proposed Share Consolidation was carried out prior to the six-month period up to and including the Latest Practicable Date:	
Adjusted VWAP for the six-month period up to and including the Latest Practicable Date	S$0.251

Shareholders should note, however, that there can be no assurance that the Proposed Share Consolidation will achieve the desired results as stated in this Section 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 FY2019, 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 2019, the effect on the share capital of the Company as at 31 December 2019 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 2019, the effect on the NTA per share of the Group as at 31 December 2019 will be as follows:

	Before the Proposed Share Consolidation	***After completion of the Proposed Share Consolidation***
Consolidated NTA attributable to the Shareholders (RMB'000)	18,459	18,459
Number of Shares ('000)	2,130,000	42,600
Consolidated NTA per share attributable to the Shareholders (fen)	0.867	43.331

2.3.4 Earnings per Share

Assuming that the Proposed Share Consolidation is completed on 1 January 2019, the effect on the EPS of the Group for FY2019 will be as follows:

	Before the Proposed Share Consolidation	***After completion of the Proposed Share Consolidation***
Consolidated loss after taxation and minority interests (RMB'000)	27,595	27,595
Weighted average number of shares ('000)	2,130,000	42,600

	Before the Proposed Share Consolidation	***After completion of the Proposed Share Consolidation***
Consolidated EPS (fen)	(1.30)	(64.78)

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.

The SGX-ST had on 11 June 2020 granted its approval in principle for the listing and quotation of the Consolidated Shares on the SGX-ST subject to (i) Shareholders' approval being obtained at the EGM for the Proposed Share Consolidation, and (ii) compliance with the SGX-ST's listing requirements.

Shareholders should take note that the in-principle approval of the SGX-ST 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.

Subject to the approval of the Proposed Share Consolidation by Shareholders at the EGM, an announcement will be made by the Company in due course to notify Shareholders of the Books Closure Date, the date when the Proposed Share Consolidation will become effective and the date on which the Consolidated Shares will commence trading on the SGX-ST in board lots of one hundred (100) Consolidated Shares (the "**Effective Trading Date**").

2.5 Updating of Register of Members and Depository Register

If Shareholders' approval has been obtained for the Proposed Share Consolidation at the EGM, Shareholders' holdings of the Consolidated Shares arising from the Proposed Share Consolidation will be determined on the Books Closure Date, whereupon the Register of Members and the Depository Register will be updated to reflect the number of Consolidated Shares held by Shareholders based on their shareholdings in the Company as at the Books Closure Date. Trading will be in board lots of one hundred (100) Consolidated Shares on the Effective Trading Date.

(a) Deposit of Share Certificates with CDP

Shareholders who hold Old Share Certificates in their own names and who wish to deposit the same with CDP and have their Consolidated Shares (after the Proposed Share Consolidation) credited to their Securities Accounts maintained with CDP, must deposit their Old Share Certificates, together with the duly executed instruments of transfer in favour of CDP, no later than twelve (12) Market Days prior to the Books Closure Date. After the Books Closure Date, CDP will only accept deposit of New Share Certificates.

Shareholders who wish to deposit their Old Share Certificates with CDP after the Books Closure Date must first deliver such Old Share Certificates to the Share Registrar, RHT Corporate Advisory Pte. Ltd., at 30 Cecil Street #19-08 Prudential Tower Singapore

049712, for cancellation and issue of the New Share Certificates in replacement thereof as described below. The New Share Certificates will be sent by ordinary mail to the registered addresses of the Shareholders at their own risk within ten (10) Market Days from the date of receipt of their Old Share Certificates. Upon receipt of the New Share Certificates, Shareholders may then proceed to deposit these New Share Certificates with CDP.

(b) Issue of New Share Certificates

Shareholders who have deposited their Old Share Certificates with CDP at least twelve (12) Market Days prior to the Books Closure Date need not take any action. The Company will arrange with CDP to facilitate the issue of New Share Certificates pursuant to the Proposed Share Consolidation.

Shareholders who have not deposited their Old Share Certificates at least twelve (12) Market Days prior to the Books Closure Date or who do not wish to deposit their Old Share Certificates with CDP are advised to deliver all their Old Share Certificates to the Share Registrar, RHT Corporate Advisory Pte. Ltd., at 30 Cecil Street #19-08 Prudential Tower Singapore 049712, as soon as possible after they have been notified of the Books Closure Date and preferably, not later than five (5) Market Days after the Books Closure Date for cancellation and exchange for New Share Certificates. No receipt will be issued by the Share Registrar for the receipt of the Old Share Certificates tendered. The New Share Certificates will be sent by ordinary mail to the registered addresses of the Shareholders at their own risk within ten (10) Market Days from the Books Closure Date or the date of receipt of the Old Share Certificates, whichever is later.

Shareholders are to deliver their respective Old Share Certificates to the Share Registrar or CDP in accordance with the provisions set out in this Section 2.5 only after the announcement of the Books Closure Date by the Company.

Shareholders should note that New Share Certificates will not be issued to Shareholders unless their Old Share Certificates have been delivered to the Share Registrar for cancellation.

Please notify the Share Registrar, RHT Corporate Advisory Pte. Ltd., at 30 Cecil Street #19-08 Prudential Tower Singapore 049712, if you have lost any of your Old Share Certificates or if there is any change in your address from that reflected in the Register of Members.

(c) Share Certificates Not Valid for Settlement of Trades on the SGX-ST

Shareholders are reminded that their Old Share Certificates will not be valid for settlement of trading in the Shares on the SGX-ST, as the Company is under a book-entry (scripless) settlement system. After the date on which the Proposed Share Consolidation becomes effective, the Old Share Certificates will continue to be accepted by the Share Registrar for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period by the Share Registrar. The New Share Certificates will not be valid for delivery for trades done on the SGX-ST although they will continue to be *prima facie* evidence of legal title.

2.6 Trading Arrangements for the Shares and for Odd Lots

(a) Trading Arrangements for the Shares

Subject to Shareholders' approval for the Proposed Share Consolidation at the EGM, with effect from 9.00 a.m. on the Effective Trading Date, trading in the Shares will be in board lots of one hundred (100) Consolidated Shares. Accordingly, every fifty (50)

Shares as at 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date will represent one (1) Consolidated Share with effect from 9.00 a.m. on the Effective Trading Date. Trading in the Shares will cease after 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date.

(b) Trading Arrangements for Odd Lots of Consolidated Shares

All fractional entitlements arising upon the completion of the Proposed Share Consolidation will be aggregated and 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. Affected Shareholders will not be paid for any fractional Consolidated Shares which are disregarded or any of the proceeds arising from any aggregation and sale of such fractions.

The Shares are currently traded in board lots of one hundred (100) Shares in the ready market. Following the Proposed Share Consolidation, the Securities Accounts of Shareholders (being Depositors) may be credited with odd lots of Consolidated Shares (that is, lots other than board lots of one hundred (100) Consolidated Shares). The market for trading of such odd lots of Consolidated Shares may be illiquid.

Shareholders (being Depositors) who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade such odd lots of Consolidated Shares on the SGX-ST should note that odd lots of Consolidated Shares can be traded on the SGX-ST's unit share market which, following the Proposed Share Consolidation, would allow trading in odd lots with a minimum size of one (1) Consolidated Share. As odd lots of Consolidated Shares can be traded on the unit share market of the SGX-ST, no separate arrangement will be made for the trading of such odd lots. Shareholders who continue to hold odd lots of less than one hundred (100) Consolidated Shares may find difficulty and/ or have to bear disproportionate transaction costs in realising the fair market price of such Consolidated Shares.

3. THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE

3.1 The Share Purchase Mandate

3.1.1 Any purchase or acquisition of its Shares by the Company has to be made in accordance with, and in the manner prescribed by the Companies Act, the Listing Manual, the Constitution and such other laws and regulations as may for the time being be applicable.

3.1.2 It is a requirement under the Listing Manual and the Companies Act that a company which wishes to purchase or otherwise acquire its own shares has to obtain the approval of its shareholders to do so at a general meeting of its shareholders. Accordingly, approval is being sought from Shareholders at the EGM for the Share Purchase Mandate.

3.2 Rationale for the Share Purchase Mandate

3.2.1 The purchase by a company of its issued shares is one of the ways in which the return on equity of the company may be improved, thereby increasing shareholder value. By obtaining the Share Purchase Mandate, the Company will have the flexibility to undertake purchases of Shares at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

3.2.2 The Share Purchase Mandate will also facilitate the return to the Shareholders by the Company of surplus cash (if any) which is in excess of the Group's financial needs in an expedient and cost-effective manner.

3.2.3 The Directors further believe that Share purchases by the Company may help to mitigate short-term market volatility in the price of the Shares, off-set the effects of short-term speculation and bolster Shareholders' confidence.

3.2.4 Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full limit as authorised.

3.3 Authority and Limits of the Share Purchase Mandate

The authority and limitations placed on the purchases or acquisitions of Shares by the Company under the proposed Share Purchase Mandate, if approved at the EGM, are summarised below:

3.3.1 Maximum Number of Shares

The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate shall not exceed 10% of the number of its issued Shares (excluding treasury shares and subsidiary holdings) as at the date on which the resolution authorising the Share Purchase Mandate is passed (unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered, excluding any subsidiary holdings and any treasury shares that may be held by the Company from time to time).

The Companies Act provides that any shares which are held as treasury shares or subsidiary holdings will be disregarded for purposes of computing the 10% limit. As at the Latest Practicable Date, the Company has no treasury shares and does not have any subsidiary holdings.

Purely for illustrative purposes, on the basis of 2,130,000,000 Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date and assuming that no further Shares are issued on or before the EGM, not more than 213,000,000 Shares (representing 10% of the Shares in issue as at that date, excluding treasury shares and subsidiary holdings) may be purchased or acquired by the Company pursuant to the proposed Share Purchase Mandate.

3.3.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, by the Company on and from the date of the forthcoming EGM at which the Share Purchase Mandate is approved, up to the earliest of:

(a) the date on which the next annual general meeting is or is required by law to be held;

(b) the date on which Share Purchases are carried out to the full extent mandated; or

(c) the time when the authority conferred by the Share Purchase Mandate is revoked or varied by the Shareholders in general meeting.

The Share Purchase Mandate may be renewed at subsequent annual general meetings or extraordinary general meetings.

3.3.3 Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares may be effected by the Company by way of:

(a) Market Purchases; and

(b) Off-Market Purchases.

Market Purchases refer to purchases or acquisitions of Shares by the Company effected on the SGX-ST, through one or more duly licensed dealers appointed by the Company for the purpose.

In an Off-Market Purchase, the directors of the Company may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual, the Companies Act and other applicable laws and regulations, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An equal access scheme must, however, satisfy the following conditions:

(a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

(b) all of those persons shall be given a reasonable opportunity to accept the offers made; and

(c) the terms of all the offers are the same, except that there shall be disregarded:

  (i) differences in consideration attributable to the fact that the offers may relate to Shares with different accrued dividend entitlements;

  (ii) (if applicable) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and

  (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Under the Listing Manual, if the Company wishes to make an Off-Market Purchase, it will issue an offer document containing, *inter alia*, the following information to all Shareholders:

(a) the terms and conditions of the offer;

(b) the period and procedures for acceptances;

(c) the reasons for the proposed Share Purchase;

(d) the consequences, if any, of Share Purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;

(e) whether the Share Purchase, if made, would have any effect on the listing of the Shares on the SGX-ST;

(f) details of any Share Purchase made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and

(g) whether the Shares purchased by the Company will be cancelled or kept as treasury Shares.

3.3.4 Maximum Purchase Price

The purchase price (excluding ancillary expenses such as brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for the Shares will be determined by the Directors of the Company. However, the purchase price to be paid for the Shares must not exceed the maximum price ("**Maximum Price**") as set out below:

(a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and

(b) in the case of an Off-Market Purchase, 115% of the Average Closing Price of the Shares,

in each case, excluding related expenses of the purchase or acquisition.

For the above purposes:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five market days on which transactions in the Shares were recorded on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Listing Manual, for any corporate action that occurs during the relevant five-day period and the day on which the purchases are made; and

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

3.4 Status of Purchased Shares or Acquired Shares

3.4.1 Under the Companies Act, a Share which is purchased or acquired by the Company may be:

(a) held by the Company as a treasury Share; or

(b) dealt with by the Company in the following manner:

(i) sold for cash;

(ii) transferred for the purposes of or pursuant to an employees' share scheme;

(iii) transferred as consideration for the acquisition of shares in or assets of another company or assets of a person;

(iv) cancelled; or

(v) sold, transferred or otherwise used for such other purposes as the Minister may by order prescribe.

3.4.2 The maximum number of treasury shares which may be held by the Company is as follows:

(a) the Company if having only one class of shares shall not hold treasury shares exceeding 10% of the total number of such shares; or

(b) the Company if having more than one class of shares shall not hold treasury shares of that class exceeding 10% of the total number of issued shares in that class at any time;

and in the event that the Company holds in its treasury more than 10% of the total number of issued shares in any class of its shares, it shall cancel the excess within six months or such further period as the Registrar may allow.

3.4.3 The Company shall not exercise any right in respect of the treasury shares, including:

(a) the right to attend or vote at meetings; and

(b) the right to receive dividend or any other distribution (in cash or otherwise) of its assets (including any distribution of assets to members on a winding up).

3.4.4 The Company may receive allotments of fully paid bonus shares in respect of its treasury shares and its treasury shares may be sub-divided or consolidated so long as the total value of the treasury shares after the subdivision or consolidation is the same as before the subdivision or consolidation.

3.5 Source of Funds

3.5.1 The Companies Act provides that any purchase or acquisition of Shares by the Company may be made out of its capital or profits, so long as it is solvent (i.e. the Company is able to pay its debts in full at the time which the share buy-back is being conducted and the value of its assets exceed its liabilities, including any contingent liability and will not after the proposed share buy-back become less than the value of its liabilities, including any contingent liability). The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such an extent that the financial position of the Group would be materially adversely affected.

3.5.2 The Company intends to use internal sources of funds or external borrowings to finance purchases or acquisitions of its Shares. The amount of funding required for the Company to purchase or acquire its Shares and the financial impact on the Company and the Group arising from such purchases or acquisitions of the Shares pursuant to the proposed Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions.

3.6 Financial Effects

3.6.1 Where the Company chooses to cancel any of the Shares it repurchases, it shall:

(a) reduce the amount of its share capital where the Shares are purchased or acquired out of its capital;

(b) reduce the amount of its profits where the Shares are purchased or acquired out of its profits; or

(c) reduce the amount of its share capital and profits proportionately where the Shares are purchased or acquired out of both its capital and the profits,

by the total amount of the purchase price paid by it for the Shares cancelled.

3.6.2 The consideration if paid by the Company out of its profits for the purchase or acquisition of Shares (including related brokerage, commission, applicable goods and services tax, stamp

duties, clearance fees and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

3.6.3 The financial effects on the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time, and the amount (if any) borrowed by the Group to fund the purchases or acquisitions.

3.6.4 Based on the number of issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, the purchase by the Company of 10% of its issued Shares will result in the purchase or acquisition of 213,000,000 Shares.

3.6.5 Assuming the Company purchases or acquires the 213,000,000 Shares at the Maximum Price, the maximum amount of funds required (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) is:

(a) in the case of Market Purchases of Shares, approximately S$1,661,400 (equivalent to approximately RMB 8,598,933) based on S$0.0078 for one Share (being the price equivalent to 5% above the Average Closing Price of the Shares traded on the SGX-ST for the five consecutive market days immediately preceding the Latest Practicable Date); and

(b) in the case of Off-Market Purchases of Shares, approximately S$1,810,500 (equivalent to approximately RMB 9,370,632) based on S$0.0085 for one Share (being the price equivalent to 15% above the Average Closing Price of the Shares traded on the SGX-ST for the five consecutive market days immediately preceding the Latest Practicable Date).

3.6.6 For illustrative purposes only, on the basis of the assumptions set out above, and based on the audited financial statements of the Group for FY2019, and assuming that:

(a) the Share Purchase Mandate had been effective on 1 January 2019;

(b) the purchases or acquisitions of Shares are financed by internal resources and external borrowings; and

(c) there were no expenses incurred directly in such purchases of Shares,

the financial effects of the purchase or acquisition of such Shares by the Company on the audited financial statements of the Group for FY2019 would have been as follows:

31 December 2019	**Before Share Purchase RMB'000**	**After Share Purchase assuming Market Purchase RMB'000**		**After Share Purchase assuming Off-Market Purchase RMB'000**	
		Shares cancelled	**Shares held as treasury shares**	**Shares cancelled**	**Shares held as treasury shares**
Capital and Reserves					
Share capital	145,320	136,721	145,320	135,949	145,320
Treasury Shares	-	-	(8,599)	-	(9,371)
Reserves	(127,073)	(127,073)	(127,073)	(127,073)	(127,073)
Total Equity	18,247	9,648	9,648	8,876	8,876
Attributable to Owners					
Non-controlling interest	212	212	212	212	212

Total Equity	18,459	9,860	9,860	9,088	9,088
Current assets	19,542	15,242	15,242	14,856	14,856
Current liabilities	2,488	6,787	6,787	7,173	7,173
Total borrowings	-	4,299	4,299	4,685	4,685
Cash and cash equivalents	6,348	2,048	2,048	1,662	1,662
Number of issued Shares ('000)	2,130,000	1,917,000	1,917,000	1,917,000	1,917,000
Financial ratios					
Basic EPS (fen)	(1.29)	(1.88)	(1.88)	(1.92)	(1.92)
NTA per Share[(1)] (fen)	0.87	0.51	0.51	0.47	0.47
Current ratio (times)	7.85	2.25	2.25	2.07	2.07
Gearing ratio (%)[(2)]	-	43.60	43.60	51.55	51.55
Return on Equity (%)[(3)]	N/A	N/A	N/A	N/A	N/A

Notes:

(1) "**NTA per Share**" is calculated based on the Net Tangible Assets.

(2) "**Gearing ratio**" is calculated using the ratio of total borrowings to total equity.

(3) "**Return on Equity**" is calculated based on the net profits attributable to owners of the Company and total equity less non-controlling interests.

SHAREHOLDERS SHOULD NOTE THAT THE FINANCIAL EFFECTS SET OUT ABOVE ARE PURELY FOR ILLUSTRATIVE PURPOSES ONLY. ALTHOUGH THE SHARE PURCHASE MANDATE WOULD AUTHORISE THE COMPANY TO PURCHASE OR ACQUIRE UP TO 10% OF THE ISSUED SHARES (EXCLUDING TREASURY SHARES AND SUBSIDIARY HOLDINGS), THE COMPANY MAY NOT NECESSARILY PURCHASE OR ACQUIRE OR BE ABLE TO PURCHASE OR ACQUIRE THE ENTIRE 10% OF THE ISSUED SHARES (EXCLUDING TREASURY SHARES AND SUBSIDIARY HOLDINGS). IN PARTICULAR, THE MAXIMUM NUMBER OF SHARES THAT THE COMPANY MAY PURCHASE UNDER THE SHARE PURCHASE MANDATE IS LIMITED TO THE EXTENT THAT THE COMPANY WILL REMAIN SOLVENT. THE DIRECTORS DO NOT INTEND TO EXERCISE THE PROPOSED SHARE PURCHASE MANDATE UP TO THE MAXIMUM LIMIT IF SUCH EXERCISE WOULD MATERIALLY AND ADVERSELY AFFECT THE FINANCIAL POSITION OF THE GROUP.

3.6.7 For illustrative purposes, it has been assumed that the purchases or acquisitions of Shares are financed by internal resources and external borrowings. For any purchase or acquisition of Shares financed through external borrowings or financing, there would also be an increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the Group and the Company, with the actual impact dependent on, *inter alia*, the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

3.6.8 **Shareholders should note that the financial effects set out above are for illustration purposes only (based on the aforementioned assumptions). The actual impact will depend on, *inter alia*, the number and price of the Shares purchased or acquired (if any). In particular, Shareholders should note that the above analysis is based on the audited financial statements of the Group for the reporting year ended 31 December 2019 and is not necessarily representative of future financial performance.**

3.6.9 The Company may take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase before execution.

3.7 Taxation

Shareholders who are in any doubt as to their respective tax positions or the tax implications of Share Purchases by the Company, or who may be subject to tax whether inside or outside of Singapore, should consult their own professional advisers.

3.8 Requirements in the Listing Manual

3.8.1 The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (i) in the case of a Market Purchase, on the market day following the day on which the Market Purchase was effected, and (ii) in the case of an Off-Market Purchase, on the second market day after the close of acceptances of the offer. The notification of such purchases or acquisitions to the SGX-ST shall be in such form, and shall include such details, as may be prescribed by the SGX-ST in the Listing Manual.

3.8.2 The Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time(s). However, as the Company would be regarded as an insider in relation to any proposed purchase or acquisition of its shares, it will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate in the following circumstances:

(a) at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of a decision of the Board until the price-sensitive information has been publicly announced; and

(b) in the case of Market Purchases:

(i) during the period commencing two weeks before the announcement of the Company's financial results for each of the first three quarters; and

(ii) during the period commencing one month immediately before the announcement of the Company's full-year results and the period of two weeks before the announcement of the Company's half-year results.

3.8.3 The Listing Manual requires a company to ensure that at least 10% of equity securities (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is held by public shareholders. The "public", as defined under the Listing Manual, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the Company and its subsidiaries, as well as the associates of such persons.

3.8.4 As at the Latest Practicable Date, there are approximately 1,029,000,000 Shares in the hands of the public, representing approximately 48.32% of the issued Shares of the Company (excluding treasury shares and subsidiary holdings). Accordingly, the Company is of the view that there is, at present, a sufficient number of Shares held by public shareholders which would permit it to undertake purchases and acquisitions of its Shares up to 10% of its issued Shares pursuant to the proposed Share Purchase Mandate, without adversely affecting the listing status of its Shares on the SGX-ST. The Directors will use their best efforts to ensure that the Company does not effect a Share Purchase if the Share Purchase will result in the number of Shares remaining in the hands of the public to fall to such a level as to cause market illiquidity and/or adversely affect the listing status of the Company on the SGX-ST.

3.9 Certain Take-over Code Implications

3.9.1 Obligation to Make a Take-over Offer

Any resultant increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him, following any purchase or acquisition of Shares by the Company, will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code ("**Rule 14**"). Consequently, depending on the number of Shares purchased or acquired by the Company and the number of issued Shares at that time, a Shareholder or group of Shareholders acting in concert with each other could obtain or consolidate effective control of the Company and could become obliged to make a take-over offer under Rule 14.

3.9.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert, namely:

(a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); and

(b) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other.

3.9.3 Effect of Rule 14 and Appendix 2

(a) Under Appendix 2 of the Take-over Code, an increase of a Shareholder's proportionate interest in the voting rights of the Company resulting from a purchase or acquisition by the Company of its issued Shares will be treated as an acquisition for the purpose of Rule 14 of the Take-over Code.

(b) Pursuant to Rule 14, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over offer if, *inter alia*, he and persons acting in concert with him increase their voting rights in the Company to 30% or more or, if they, together hold between 30% and 50% of the Company's voting rights, increase their voting rights in the Company by more than 1% in any period of 6 months.

(c) Persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company. Unless the contrary is established, the following persons will be presumed to be acting in concert, namely (i) a company with any of its directors; and (ii) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with each other. For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status. Consequently, a Shareholder and persons acting in concert (as defined in the Take-over Code) with him could, depending on the level of increase in his or their interest in the Company, become obliged to make a mandatory offer in accordance with Rule 14 as a result of the Company's purchase or acquisition of its issued Shares.

(d) The effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Shareholders and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Shareholders and their concert parties would increase to 30% or more, or if the voting rights of such Shareholders and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Shareholders and their concert parties would increase by more than 1% in any period of 6 months.

3.9.4 **The Directors are not aware of any fact(s) or factor(s) which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interest in voting Shares should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Purchase Mandate.**

3.9.5 **Shareholders who are in doubt as to their obligations, if any, to make a mandatory takeover offer under the Take-over Code as a result of Share Purchases by the Company are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity.**

3.9.6 **Advice to Shareholders**

The statements in this Circular do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders are advised to consult their professional advisers, the Securities Industry Council or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any purchase or acquisition of Shares by the Company.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

4.1 The interests of the Directors and the Substantial Shareholders in the share capital of the Company as at the Latest Practicable Date are set out below:

	Direct Interest		**Deemed Interest**	
	No. of Shares	**(%)**	**No. of Shares**	**(%)**
Directors				
Peng Weile (Leo)	-	-	-	-
Peng Fei (George)	-	-	-	-
Azman Hisham Bin Ja'afar	-	-	-	-
Chin Sin Beng	-	-	-	-
Substantial Shareholders				
Andrea Querci	-	-	620,000,000	29.1%
Forise Capital Group Limited	319,500,000	15%	-	-
Forise Global Holdings Limited[(2)]	-	-	319,500,000	15%

Wang Xin[(2)]	-	-	319,500,000	15%
Weng Wenwei[(3)]	-	-	161,500,000	7.58%

Notes:

(1) The 620,000,000 Shares are held by Andrea Querci's nominee, UOB Kay Hian Private Limited.

(2) Forise Global Holdings Limited is deemed to be interested in the 319,500,000 Shares held by Forise Capital Group Limited by virtue of its interest in 100% of the shares in Forise Capital Group Limited. Wang Xin is also deemed to be interested in the 319,500,000 Shares held by Forise Capital Group Limited by virtue of his interest in 100% of the shares in Forise Global Holdings Limited. Registered in the name of Citibank Nominees Singapore Pte Ltd.

(3) Weng Wenwei is deemed to be interested in the 100,000,000 Shares held by G&W Investment Management Co., Ltd ("**G&W**") by virtue of his interest in 100% of the shares in G&W and 61,500,000 shares held by his spouse, Cai An'e. Registered in the name of DBS Nominees (Private) Limited.

4.2 None of the Directors or Substantial Shareholders of the Company, or any of their Associates, has any interest, direct or indirect, in the Proposed Transactions, other than through their respective shareholdings (if any) in the Company.

5. APPROVALS AND DIRECTORS' RECOMMENDATIONS

5.1 Proposed Share Consolidation

After having considered, amongst other things, the terms and/or rationale of the Proposed Share Consolidation, the Directors are of the view that the Proposed Share Consolidation is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of the Proposed Share Consolidation.

5.2 Proposed adoption of the Share Purchase Mandate

After having considered, amongst other things, the terms and/or rationale of the Share Purchase Mandate, the Directors are of the view that the proposed adoption of the Share Purchase Mandate is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of the proposed adoption of the Share Purchase Mandate.

6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 25 to 29 of this Circular, will be held by way of electronic means on 29 June 2020 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and by way of electronic means), for the purpose of considering, and if thought fit, passing with or without any modifications, the ordinary resolutions set out in the aforementioned notice.

7. ACTIONS TO BE TAKEN BY SHAREHOLDERS

7.1 In light of the current COVID-19 situation and the related safe-distancing measures put in place in Singapore, Shareholders will not be able to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the EGM proceedings via live audio-visual webcast or listening to the EGM proceedings via live audio-only stream, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy at the EGM.

7.2 Shareholders should refer to the Notice of EGM set out on pages 25 to 29 of this Circular for further information, including the steps to be taken by Shareholders to participate at the EGM.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular 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 the Circular in its proper form and context.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 80 Raffles Place, #11-20 UOB Plaza 2, Singapore 048624 during normal office hours from the date hereof up to and including the date of the EGM:

(a) the Constitution of the Company; and

(b) the Annual Report for FY2019.

Yours faithfully
for and on behalf of the Board of Directors of
FORISE INTERNATIONAL LIMITED

Peng Weile
Executive Director

FORISE INTERNATIONAL LIMITED

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

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("**EGM**") of **Forise International Limited** (the "**Company**") will be held by way of electronic means on Monday, 29 June 2020 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and by way of electronic means). Please refer to the section below on "**IMPORTANT NOTICE ON EGM ARRANGEMENTS IN LIGHT OF COVID-19**".

All capitalised terms in the resolutions below and defined in the Circular dated 14 June 2020 to the shareholders of the Company (the "**Circular**") shall, unless otherwise defined herein, have the respective meanings ascribed thereto in the Circular.

The Circular, this Notice of EGM and the accompanying Proxy Form have been made available on SGXNet. Printed copies of these documents will NOT be despatched to members of the Company.

The EGM will be held for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTION 1 – PROPOSED SHARE CONSOLIDATION

Resolved that:

(a) the proposed consolidation of every fifty (50) existing ordinary shares as at the books closure date determined by the Directors (the "**Books Closure Date**") into one (1) consolidated share (each a "**Consolidated Share**") in the manner set out in the Circular (the "**Proposed Share Consolidation**") be and is hereby approved

(b) any fractions of Consolidated Shares arising from the Proposed Share Consolidation shall be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be aggregated and dealt with in such manner and on such terms as the Directors may, in their absolute discretion, deem fit in the best interests of the Company, including (i) disregarding the fractional entitlements, or (ii) aggregating all or any of them and selling the same and retaining the net proceeds for the benefit of the Company;

(c) the Directors be and each of them are hereby authorised to fix the Books Closure Date and the Effective Trading Date (as defined in the Circular) in their absolute discretion as they deem fit; and

(d) the Directors or each of them be and are/is hereby authorised to take any and all steps and to do and/or procure to be done any and all acts and things (including without limitation, to approve, sign and execute all such documents which they/he in their/his absolute discretion consider to be necessary, and to exercise such discretion as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they/he may consider necessary, desirable or expedient in order to implement, finalise and give full effect to this resolution and the Proposed Share Consolidation and/or the matters contemplated herein.

ORDINARY RESOLUTION 2 – THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE

Resolved that:

(a) for the purposes of Sections 76C and 76E of the Act and the Listing Manual of the SGX-ST, the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire the issued ordinary shares fully paid in the capital

of the Company (the "**Shares**") not exceeding in aggregate the Prescribed Limit (as hereafter defined), during the Relevant Period or within any one financial year of the Company, whichever is the earlier, at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) on-market purchase(s) (each a "**Market Purchase**") transacted on the SGX-ST or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) off-market purchase(s) (each an "**Off-Market Purchase**") if effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Listing Rules,

(the "**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this resolution and expiring on the earlier of:

(i) the conclusion of the next annual general meeting of the Company or the date by which such annual general meeting is required by law to be held;

(ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(iii) the date on which the authority contained in the Share Purchase Mandate is varied or revoked by ordinary resolution of the Company in general meeting;

(c) in this resolution:

"**Prescribed Limit**" means that number of issued Shares representing 10% of the total issued shares of the Company (excluding treasury shares and subsidiary holdings) as at the date of passing of this resolution, unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding any subsidiary holdings and any treasury shares that may be held by the Company from time to time);

"**Relevant Period**" means the period commencing from the date on which the annual general meeting is held and expiring on the date the next annual general meeting is held or is required by law to be held, whichever is the earlier, after the date of this resolution; and

"**Maximum Price**" in relation to a Share to be purchased or acquired, means an amount (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) not exceeding:

(i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 115% of the Average Closing Price of the Shares;

where

"**Average Closing Price**" means the average of the closing market prices of the Shares over

the last five market days on which transactions in the Shares were recorded on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five-day period and the day on which the purchases are made; and

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

(d) the Directors and each of them be and are hereby authorised to deal with the shares purchased by the Company, pursuant to the Share Purchase Mandate in any manner as they think fit, which is allowable under the Companies Act; and

(e) the Directors and each of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they or he may consider necessary, desirable or expedient to give effect to the transactions contemplated by this resolution.

BY ORDER OF THE BOARD

PENG WEILE
EXECUTIVE DIRECTOR
14 JUNE 2020
SINGAPORE

Notes:

(1) A member, including a relevant intermediary, entitled to vote at the EGM must appoint the Chairman of the EGM to act as proxy and direct the vote at the EGM.

"relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act (Chapter 50) of Singapore.

(2) The instrument or form appointing the Chairman of the EGM as proxy must be signed by the appointor or his/her/its attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised. The instrument must be submitted not less than 72 hours before the time appointed for holding the EGM, in the manner specified in the section titled "**IMPORTANT NOTICE ON EGM ARRANGEMENTS IN LIGHT OF COVID-19**" below.

(3) Where this instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this instrument of proxy, failing which this instrument of proxy may be treated as invalid.

(4) **PERSONAL DATA PRIVACY** By pre-registering to attend the EGM and/or any adjournment thereof, submitting an instrument appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, submitting any questions related to the resolutions to be tabled for approval at the EGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation, compilation and/or publication of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

IMPORTANT NOTICE ON EGM ARRANGEMENTS IN LIGHT OF COVID-19

The EGM is being convened, and will be held, only by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and

Debenture Holders) Order 2020. Printed copies of the Circular, this Notice of EGM and the accompanying Proxy Form will not be sent to members of the Company. Instead, these documents will be made available on SGXNet at: https://www.sgx.com/securities/company-announcements.

This notice sets out the Company's arrangements relating to, among others, attendance at the EGM via electronic means (including arrangements by which the EGM can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the EGM in advance, addressing of substantial and relevant questions prior to or at the EGM and/or voting by appointing the Chairman of the EGM as proxy.

In light of the current COVID-19 situation and the related safe-distancing measures put in place in Singapore, a member (including a relevant intermediary*) will not be able to attend the EGM in person. A member (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM.

* "relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act (Chapter 50) of Singapore.

Members may participate at the EGM by following the steps set out below:

1. Registration for Live Webcast

Members will be able to follow the proceedings of the EGM through a live audio-visual webcast or live audio-only stream (collectively, "**Live Webcast**") via mobile phone, tablet, computer or any such electronic device.

To do so, a member must pre-register **by no later than 11.00 a.m. on 26 June 2020** ("**Registration Deadline**"), at the URL: https://agm.conveneagm.com/foriseinternational for authentication of their status as members.

Members who have been authenticated will receive email instructions to access the Live Webcast of the proceedings of the EGM by 11.00 a.m. on 28 June 2020. Members who have registered by the Registration Deadline but have not received email instructions by 11.00 a.m. on 28 June 2020 may contact the Company by email at contact@foriseinternational.com for assistance.

Members must not forward the abovementioned email instructions to other persons who are not members and who are not entitled to attend the EGM. This is also to avoid any technical disruptions or overload to the Live Webcast.

Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act) who wish to participate in the EGM should, in addition to pre-registering, approach their respective agents as soon as possible, so that the necessary arrangements can be made by the relevant agents for their participation in the EGM.

2. Members' Queries

Members will not be able to speak or ask questions during the Live Webcast. It is important to note that any questions must be submitted in advance of the EGM.

All questions must be submitted **by no later than 7.00 p.m. on 24 June 2020** to the Company:

(a) **via the pre-registration website** at the URL: https://agm.conveneagm.com/foriseinternational

(b) in hard copy **by post** to the registered office of the Company at 80 Raffles Place, #11-20 UOB Plaza 2, Singapore 048624, or

(c) **via email** to contact@foriseinternational.com

For verification purposes, when submitting any questions by post or via email, members **MUST** provide the Company with their particulars (comprising: full name (for individuals) / company name (for corporations), email address, contact number, NRIC / passport number / company registration number, shareholding type and number of shares held).

The Company will endeavour to address the substantial queries from members prior to or at the EGM and upload the Company's responses on the SGXNet. The minutes of the EGM, which will include responses to substantial queries from members which are addressed during the EGM, shall thereafter be published on SGXNet, within one (1) month from the conclusion of the EGM.

Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act) can submit their questions in relation to any resolution set out in the Notice of EGM upon pre-registration, however, they should, in addition to pre-registering, approach their respective agents as soon as possible, so that the necessary arrangements can be made by the relevant agents for their participation in the EGM.

3. Proxy Voting

A member (including a relevant intermediary) will not be able to attend the EGM physically in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. The instrument appointing the Chairman of the EGM as proxy has been uploaded together with this Notice of EGM on SGXNet on the same day.

Members (whether individual or corporate) appointing the Chairman of the EGM as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.

The instrument appointing the Chairman of the EGM as proxy must be submitted to the Company in the following manner:

(a) in hard copy **by post** to the registered office of the Company at 80 Raffles Place, #11-20 UOB Plaza 2, Singapore 048624, or

(b) **via email** to contact@foriseinternational.com

in any case **not less than 72 hours** before the time for holding the EGM and at any adjournment thereof.

A member who wishes to submit an instrument of proxy must first download the proxy form, which is available on SGXNet at the URL https://www.sgx.com/securities/company-announcements, complete and sign the proxy form, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above. In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit competed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act) and wish to appoint the Chairman of the EGM as proxy, should approach their respective agents to submit their votes **by 5.00 p.m. on 17 June 2020**.

The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the EGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).

In the case of shares entered in the Depository Register, a Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to appoint the Chairman of the EGM as proxy.

IMPORTANT: Due to the evolving COVID-19 situation, the Company may change the EGM arrangements at short notice. Any changes will be announced by the Company on SGXNet and Shareholders are advised to check SGXNet for updates prior to the EGM.

FORISE INTERNATIONAL LIMITED

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

PROXY FORM

EXTRAORDINARY GENERAL MEETING

This Proxy Form has been made available on SGXNet. A printed copy of this proxy form will NOT be despatched to members.

IMPORTANT

1. For investors who have used their CPF moneys to buy shares in the capital of Forise International Limited, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

Personal Data Privacy
By submitting an instrument appointing a proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 14 June 2020.

I/We, _____ (Name) _____(NRIC/Passport/Registration No.)

of _____ (Address),

being a *member/members of **FORISE INTERNATIONAL LIMITED** (the "**Company**") hereby appoint the Chairman of the Extraordinary General Meeting of the Company ("**EGM**"), as *my/our proxy to attend and to vote for *me/us on *my/our behalf at the EGM to be held by way of electronic means on 29 June 2020 at 11.00 a.m**.** (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and by way of electronic means) and at any adjournment thereof.

*I/We direct the Chairman of the EGM to vote for or against, or to abstain from voting on, the resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the Chairman will abstain from voting on the relevant resolution(s). All resolutions put to the vote at the EGM shall be decided by way of poll.

* Please delete accordingly

	ORDINARY RESOLUTIONS	**For[#]**	**Against[#]**	**Abstain[#]**
1	To approve the Proposed Share Consolidation			
2	To approve the proposed adoption of the Share Purchase Mandate			

[#] If you wish to exercise all your votes "For" or "Against" or to abstain from voting on the resolution in respect of all your votes, please indicate your vote "For" or "Against", or "Abstain", with "X" within the box provided. Alternatively, if you wish to exercise some and not all of your votes "For" and/or "Against" the relevant resolution and/or to abstain from voting in respect of the resolution, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2020.

Total Number of Shares Held	
CDP Register	
Register of Members	

_____
Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES ON THE REVERSE.

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. A member of the Company (including a relevant intermediary*) will not be able to attend the EGM physically in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. In appointing the Chairman of the EGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in this proxy form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

   * "relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act (Chapter 50) of Singapore.

3. The Chairman of the EGM, as proxy, need not be a member of the Company.

4. The instrument appointing the Chairman of the EGM as proxy must be submitted to the Company in the following manner:

   (a) in hard copy **by post** to the registered office of the Company at 80 Raffles Place, #11-20 UOB Plaza 2, Singapore 048624, or

   (b) **via email** to contact@foriseinternational.com

   in any case, not less than 72 hours before the time for holding the EGM and at any adjournment thereof.

5. The instrument appointing the Chairman of the EGM as the proxy must be signed by the appointor or his/her/its attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

6. Where this instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this instrument of proxy, failing which this instrument of proxy may be treated as invalid.

7. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy.

8. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Protection:

By submitting an instrument appointing a proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM.