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

RESPONSE TO QUERIES FROM THE SINGAPORE STOCK EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") ON EARLIER ANNOUNCEMENTS

The Board of Directors of Forise International Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's earlier announcements dated 14 August 2023 and 14 September 2023 (the "**Earlier Announcements**") in relation to the Company's Half-Year Results for the 6 months ended 30 June 2023 ("**HY2023**").

Unless otherwise defined, all capitalized terms herein shall have the meaning ascribed to them in the Earlier Announcements.

The Board would like to respond to the queries raised by the SGX-ST via RegCo Portal on 19 September 2023 as follows:

SGX-ST'S QUERIES: -

Query 1
In response to Query 1 on why the Group no longer derives revenue from its management consultancy services, through which it had incurred S$108k in revenue in HY22, the Group responded that "Due to the nature of the contracts relating to the management consultancy segment of the Group's business and how the revenue from contracts will be recognized, no revenue from such contracts was recognized in HY23".

Please explain the changes from HY22 to HY23 in the nature of the contracts relating to the management consultancy services and how revenue is recognized.

Company's Response
There is no change in the nature of contracts. Revenue is only recognised when the contract is completed. Hence, to clarify our earlier response: Since the nature of the management consultancy services contracts is that revenue can only be recognised when it is completed, and most of the contracts were only entered into in late HY2023, no revenue will be recognised on these contracts in HY2023 until they are (expected to be) completed in the second half-year ending 31 December 2023.

Query 2
Based on the Group's response to Query 1, the Group has 6 ongoing contracts ranging in contract sum from S$5.8k to S$72.5k, which are all based in Malaysia and Singapore. Please disclose which subsidiary or subsidiaries under the Group the 6 disclosed ongoing contracts are under.

Company's Response

Only 1 contract (the contract in relation to the provision of advisory and consultancy services in Singapore amounting to S$63,000, further details of which can be found in the Company's announcement dated 15 July 2023) was under Forise International Limited. The remaining 5 contracts in Malaysia were under Forise International (M) Sdn Bhd.

Query 3

In response to Query 2 on the reason(s) for the retrenchment of staff at Prisma Technologies Pte Ltd ("Prisma Tech") and relevant details pursuant to the retrenchment, the Group responded that "In November 2022, 7 employees resigned from Prisma Tech due to a decrease in operating activities and cost control measures implemented by the Company. As this decrease continued to persist, management made the decision to retrench the remaining 4 employees in January 2023, with retrenchment costs totalling to S$51,085. Following the round of retrenchments, in January 2023, Prisma Tech no longer had any employees and has been dormant with no existing contracts or ongoing activities".

Please explain how a decrease in operating activities and cost control measures by the Group led to seven employees simultaneously resigning in November 2022 and where these employees were based. Please also disclose the Group's future plans for Prisma Tech, given that it has not had any employees and has been dormant since January 2023 with no existing contracts or ongoing activities. To also disclose the amount of revenue contributed from Prisma Tech in FY2022, relative to the total revenue incurred by the Group for FY2022 and how repayments of the amount owing to the Group will be repaid.

Company's Response

Prisma Tech requested the seven employees to resign as part of cost control measures as a decrease in operating activities (no contracts or activities to be worked on) meant Prisma Tech was incurring unnecessary manpower costs. All the employees were based in India. As announced on 29 May 2023, the Group is looking for potential buyers who may be interested in acquiring the Company's stake in Prisma Tech. If Management has any firm disposal plan or opportunities, Management will present it to the Board for the Board's consideration. Management is also open to considering alternative ways to deal with Prisma Tech and try to recover the full amount of the outstanding receivables. The revenue contributed by Prisma Tech in FY2022 amounted to S$109k. The amounts owing to the Group will be repaid by way of the Settlement Amount (as defined and detailed in the Company's announcements dated 9 February 2023, 30 March 2023, 9 June 2023, 11 July 2023 and 11 August 2023 in relation to the settlement of claims made by Prisma Tech against Prisma AI Corporation Pte. Ltd. for such outstanding amounts).

BY ORDER OF THE BOARD

Wan Jinn Woei
Executive Director
21 September 2023