Forise International Limited
(Company No. 200804077W)
(Incorporated in Republic of Singapore)

DISPOSAL OF A SUBSIDIARY

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1. INTRODUCTION

The Board of Directors (the "**Board**" or the "**Directors**") of Forise International Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company had on 7 November 2022, entered into a sale and purchase agreement ("**SPA**") with Raffles Emi Pte. Ltd. (the "**Purchaser**"), pursuant to which the Company has agreed to dispose of its entire shareholding interest of 51,000 ordinary shares (the "**Sale Shares**"), representing 51% of the equity interests, in its subsidiary Raffles Neobank Solutions Pte. Ltd. (the "**Subsidiary**"), to the Purchaser for a consideration of S$1,352.55 (the "**Consideration**") to be satisfied fully in cash (the "**Disposal**").

Upon completion of the Disposal, the Subsidiary will cease to be a subsidiary of the Company.

2. INFORMATION ON THE PURCHASER AND THE SUBSIDIARY

2.1. The Purchaser

As at the date of this announcement, the Purchaser is the registered owner of the remaining 49,000 ordinary shares in the Subsidiary, representing 49% of the equity interests of the Subsidiary.

Save for the abovementioned interests in the Subsidiary, the Purchaser is not related to the Group, the Company's Directors, substantial shareholders, controlling shareholders and their respective associates.

Please refer to the Company's announcements dated 22 March 2022 and 28 March 2022 for further details about the Purchaser.

2.2. The Subsidiary

The Subsidiary was incorporated in Singapore on 1 April 2022 for the provision of advisory and management services, market research, marketing and promotion services in merchant "neobanking" solutions and membership loyalty programs. Please refer to the Company's announcements dated 22 March 2022, 28 March 2022 and 1 April 2022 for further details about the Subsidiary.

The key financial information of the Subsidiary, based on the pro forma unaudited management account of the Subsidiary for the month of October 2022 ("**FP2022**"), is set out below:

(a) Net tangible asset ("**NTA**") amounted to S$2,652.06 as at 31 October 2022; and

(b) net operating profit amounted to S$2,652.06 for FP2022.

The net asset value represented by the Sale Shares is therefore S$1,352.55. There is no market value available in respect of the Sale Shares as all the shares of the Subsidiary are not publicly traded and no valuation was undertaken on the Subsidiary.

3. RATIONALE FOR THE DISPOSAL

The Purchaser had discussed with the Company about the Purchaser's proposal for the Subsidiary to venture into the private wealth business as a new business stream. The Company noted that to do so, the Subsidiary would likely require additional manpower, investment and licenses, but the Company upon careful consideration was of the opinion that the business prospects of this proposed venture could not justify incurring the additional expenditure. The Company had thoroughly considered but ultimately disagreed with the proposed plan. Since the Company and the Purchaser are no longer in agreement as to the direction of development of the Subsidiary's business, the Purchaser had requested to buy over the Company's entire 51% shareholdings in the Subsidiary, such that upon completion of the sale and purchase the Subsidiary would become wholly-owned by the Purchaser.

Given the foregoing, coupled with the fact that the Disposal is in relation to the disposal of a non-material asset of the Group and considering that after the completion of the Disposal, the Company could focus on its current business to streamline the Group's business for better utilization of its available resources, the Company had decided to enter into the SPA for the Disposal.

4. SALIENT TERMS OF THE SPA

4.1. Consideration

Pursuant to the terms of the SPA, the Company agrees to sell, and the Purchaser agrees to purchase, the Sale Shares for the Consideration of S$1,352.55.

The Consideration shall be satisfied wholly in cash at completion of the Disposal.

The Consideration was arrived at on a willing-buyer and willing-seller basis, taking into consideration, among others, (a) the NTA of the Subsidiary of S$2,652.06 as at 31 October 2022; (b) the net operating profit of the Subsidiary of S$2,652.06 for FP2022; and (c) the Disposal resulting in no gain and no loss to the Company.

4.2. Completion

Pursuant to the SPA, completion of the Disposal is intended to take place within seven (7) working days from the date of the SPA , or such other date as may be mutually agreed in writing between the Company and the Purchaser.

4.3. Repayment of other amount owed

It is a term of the SPA that the Purchaser shall, concurrent with the payment of the Consideration, also make repayment to the Company of an amount owing to the Company of S$4,499.94, as disclosed by the Company in its announcement dated 12 August 2022 as part of the accrued expenses, in respect of the Subsidiary.

5. FINANCIAL EFFECTS OF THE DISPOSAL

The Proposed Disposal is not expected to have any material impact on the Company's consolidated net tangible assets or loss per share for the financial year ending 31 December 2022.

6. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE MAINBOARD RULES

As the relative figures computed on the bases set out in Rule 1006 of the Listing Manual of the

Singapore Exchange Securities Trading Limited (the **"SGX-ST**") (the "**Mainboard Rules**") in respect of the Disposal based on the latest announced unaudited consolidated financial statements of the Group for the financial period ended 30 June 2022 do not exceed 5%, the Disposal is considered a non-discloseable transaction under Rule 1008 of the Mainboard Rules.

7. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND CONTROLLING SHAREHOLDERS

None of the Company's Directors, substantial shareholders, controlling shareholders and their respective associates has any interest, direct or indirect, in the Disposal (other than through their respective directorships and shareholding interests in the Company, if any).

8. FURTHER ANNOUNCEMENTS

The Company will make further announcement(s) as and when there are any material developments and upon completion of the Disposal.

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA is available for inspection during normal office hours at the Company's registered office at 15 Scotts, 15 Scotts Road, #04-08, Singapore 228218 for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Peng Weile
Executive Director
7 November 2022