

ENTRY INTO A JOINT VENTURE AGREEMENT FOR THE PROPOSED INVESTMENT IN TNT GLOBAL CAPITAL PTE LTD

1. INTRODUCTION

The Board of Directors of Forise International Limited (the “Company”), and together with its subsidiaries, the “Group”) wishes to announce that the Company had on 21 July 2017 entered into a joint venture agreement (the “JV Agreement”) with Mr Ng Wee Cheng and Ms Toh Shih Hua (collectively known as “Vendors”) and TNT Global Capital Pte Ltd (“JV Co”).

Under the JV Agreement, it is envisaged that (i) the Company will subscribe 20% of the enlarged share capital in JV Co for an aggregate consideration of S\$400,000 (“Proposed Subscription”); and (ii) concurrently with the Proposed Subscription, acquire 20% of the enlarged share capital in the JV Co held by the Vendors for an aggregate consideration of S\$400,000 (“Proposed Acquisition”), such that the shareholders of the JV Co will comprise of (i) the Vendors holding 60% of the enlarged share capital in JV Co and (ii) the Company holding 40% of the enlarged share capital in the JV Co upon completion of the Proposed Subscription and the Proposed Acquisition (collectively, the “Proposed Transactions”).

2. INFORMATION ON TARGET COMPANY

TNT Global Capital Pte Ltd is a company incorporated in Singapore and has been registered as a fund management company under paragraph 5(1)(i) of the second schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations by the Monetary Authority of Singapore.

3. CONSIDERATION

The aggregate consideration for the Proposed Transactions, being S\$800,000 (“Consideration”) will be paid by the Company in cash upon the completion of the Proposed Transactions. The Company will fund the Proposed Transactions through internal resources.

The Consideration was arrived at based on commercial negotiations between the Company and the Vendors on a “willing-buyer, willing-seller” basis, after taking into consideration the net asset value of the JV Co and that it holds a Registered Fund Management Company license issued by the Monetary Authority of Singapore.

4. NON-DISCLOSEABLE TRANSACTION

All relative figures of the Proposed Transactions computed pursuant to Rule 1006 of the SGX-ST Listing Manual, based on the Company’s audited consolidated results for the financial year ended 31 December 2016, is less than 5% and accordingly, the Proposed Transactions constitute a non-disclosable transaction under Chapter 10 of the SGX-ST Listing Manual.

5. RATIONALE FOR THE PROPOSED TRANSACTIONS

The Proposed Transactions are part of the Group’s overall strategy to venture into other financial services including commercial factoring, fund management and insurance brokerage, to augment the corporate advisory business segment of the Group. The JV Agreement represents an opportunity for the Company to invest in a company, licensed by the Monetary Authority of Singapore, with a team of experienced joint venture partners with substantial experience in financial advisory and fund management services.

By taking an associate shareholding in the JV Co, the Company is able to control its financial and other risk while gaining exposure to the Singapore fund management and financial advisory industry.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has an interest, direct or indirect, in the Proposed Transactions, other than through their respective shareholding interests in the Company, if any.

7. FURTHER ANNOUNCEMENTS

The Company will update shareholders in due course if there are any material developments to the Proposed Transactions and the activities of the JV Co.

BY ORDER OF THE BOARD

Peng Weile
Executive Director
21 July 2017