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SOLIS HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2227)

INSIDE INFORMATION BUSINESS UPDATE AND PROFIT WARNING

This announcement is made by Solis Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

BUSINESS UPDATE

The construction market sentiment in Singapore has been subdued since the start of 2018. Competitions for local construction works have become more intense with competitors significantly reducing their profit margins despite higher prices for construction materials and higher labour costs.

The Group will continue to persist in its participation in new project tenders in order to secure more projects and to remain competitive and actively involved in the local construction market. As at the date of this announcement, there are ongoing tenders in aggregate amounting to approximately S\$547.0 million which the Group is negotiating and closely monitoring. Further announcement(s) will be made by the Company on a voluntary basis to keep the shareholders of the Company informed if any of the submitted tenders materialise.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that the Group has recently been awarded two new projects for a total contract sum of approximately S\$10.0 million. The awarded projects have commenced in September 2019 and January 2020 respectively and is expected to be completed within 24 months from date of commencement.

PROFIT WARNING

The Board of Directors wishes to inform shareholders of the Company and potential investors that, based on the financial information currently available, the Group anticipates to record a net loss after tax of not less than S\$3.0 million for the year ended 31 December 2019 (the “**Year**”) as compared to a

net profit of S\$0.7 million for the year ended 31 December 2018. The Board considers that such change from profit to loss is mainly attributable to the intense competition in Singapore construction market, gross profit margins for newly awarded projects were significantly dragged down coupled with the number of awarded projects during the year is significantly lower than expected.

As the Company is still in the process of finalising the financial results of the Group for the Year, the information contained in this announcement represents only a preliminary assessment made by the Board with reference to the latest unaudited consolidated management accounts of the Group and other information currently available, which have not been reviewed by Company's auditors, nor have been confirmed by the audit committee. The audited financial results for the Year of the Group are subject to the review by the audit committee and the Company's auditors, which are expected to be published on or before 31 March 2020.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Solis Holdings Limited
Tay Yong Hua
Executive Chairman and Executive Director

Hong Kong, 23 January 2020

As at the date of this announcement, the executive Directors are Mr. Tay Yong Hua and Mr. Liang Qian yuan; and the independent non-executive Directors are Mr. Cheung Garnok, Dr. Guan Huan Fei, Mr. Jacobsen William Keith and Mr. Liu Hongen.