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**SOLIS HOLDINGS LIMITED**  
**守益控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 2227)**

**MAJOR TRANSACTION IN RELATION TO ACQUISITION OF PROPERTY**

**THE ACQUISITION**

The Board is pleased to announce that on 3 July 2023, the Purchaser, an indirect wholly-owned subsidiary of the Company, accepted and exercised the Option granted by the Vendor under the Option Agreement, pursuant to which the Purchaser agreed to purchase and the Vendor agreed to sell the Property at a consideration of S\$9,380,000, subject to the terms and conditions of the Option Agreement.

**IMPLICATIONS OF THE LISTING RULES**

As the highest applicable percentage ratio for the Company in respect of the Acquisition exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction for the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, as at the date of this announcement, the Vendor and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition. Accordingly, pursuant to Rule 14.44 of the Listing Rules, written Shareholders' approval may be accepted in lieu of holding a general meeting for approving the Acquisition. The Company has obtained the written approval for the Acquisition from a closely allied group of Shareholders, comprising HMK and Mr. Tay, which are beneficially interested in an aggregate of 549,792,000 Shares, representing approximately 60.05% of the total number of issued Shares as at the date of this announcement. Accordingly, no general meeting of the Company will be convened for the purpose of approving the Acquisition.

A circular of the Company containing, among others, (i) further details of the Acquisition, and (ii) other information required to be disclosed under the Listing Rules, will be despatched to the Shareholders on or before 24 July 2023, in accordance with the Listing Rules.

## **THE ACQUISITION**

The principal terms of the Option Agreement are set out below:

Date: 3 July 2023

Parties: (1) Sing Moh Electrical Engineering Pte Ltd, as Purchaser; and  
(2) LTL 2 Pte Ltd, as Vendor.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner, Lim Seng Chye, are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

### **Property to be acquired**

The Property to be acquired is located at 450 Tagore Industrial Avenue Singapore 787821. As at the date of this announcement, the Vendor is the legal and beneficial owner of the Property. The Property is a 2-storey building, with a total area of approximately 817.6 square metre. At Completion, the Property shall be sold to the Purchaser on an "as-is" basis and free from all encumbrances, subject to the existing tenancy which will expire in January 2024. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Property has been leased to a tenant as office and warehouse generating total annual rental income of approximately S\$106,656 and S\$106,656 for the two years ended 31 December 2022 and 2023. The tenant confirms that it will not renew the tenancy and will provide vacant possession upon the expiry of the existing tenancy. Upon the Purchaser taking possession of the Property, the use of the Property shall be warehouse and dormitory for foreign workers.

### **Consideration**

The Consideration for the Acquisition is S\$9,380,000, which has been/will be settled in the following manners:

- (a) S\$93,800 was paid by the Purchaser to the Vendor at the time of granting the Option to the Purchaser;
- (b) S\$375,200 was paid by the Purchaser to the Vendor as deposit upon the exercise and acceptance of the Option on 3 July 2023; and
- (c) S\$8,911,000, being remaining balance of the Consideration, will be payable by the Purchaser to the Vendor on Completion.

The Consideration was determined after arm's length negotiation between the Purchaser and the Vendor with reference to the market price of comparable properties at nearby location and the preliminary property valuation of the Property of S\$9,400,000 carried out by Cushman & Wakefield VHS Pte Ltd, an independent property valuer appointed by the Company. A full valuation report on the Property will be prepared for inclusion in the circular to be despatched to the Shareholders as required under the Listing Rules. It is expected that the Consideration will be funded by the Company's internal resources and bank financing to the extent where available.

## **Completion**

Completion shall take place within twelve (12) weeks from 3 July 2023 (being the date of exercise of the Option by the Purchaser), or on such earlier date as the Purchaser and the Vendor may agree in writing.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group is principally engaged in designing, building and installations of mechanical and electrical systems.

With reference to the announcement of the Company dated 22 April 2022, the Purchaser, together with a third party independent of the Company and its connected persons, have been awarded a project with total contract sum of approximately S\$139 million relating to the supply and installation of high voltage, low voltage, communications and security systems for the Johor Bahru – Singapore Rapid Transit System Link station, tunnels and Customs, Immigration, and Quarantine (CIQ) Building in Singapore (the “**Project**”). The forecasted manpower for the Project is expected to hit over 340 foreign workers to carry out the supply and installation of electrical systems by mid-2025 onwards. Hence, the Company is acquiring an additional property to increase office space, storage and dormitory for the Group.

As at the date of this announcement, apart from 85 Tagore Lane Singapore 787527 and 7 Woodlands Industrial Park E1 Singapore 757730 which are used as the Company's office, warehouse and workers' dormitory, the Company does not own other properties of suitable size in support of the Project and continued business growth of the Group. The current approved dormitory occupancy for the 2 self-owned properties are 228 foreign workers. Following the Completion, the Purchaser intends to apply for a dormitory license for the Property for the purposes of using the Property as dormitory space for its foreign workers. Such dormitory license shall be subject to conditions set by the relevant authority to be fulfilled by the Purchaser.

The Directors considered that the Property is able to increase the capacity of accommodation for foreign workers and offer additional warehouse space necessary for the storage of materials. Additionally, it is more efficient for the Group to provide and manage good quality living conditions for foreign workers in a self-owned property. It is further considered that the Acquisition will be a good opportunity for capital investment in the long-run for the Group. In this regard, the Directors are of the view that the Acquisition is beneficial to the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Option Agreement and the Acquisition are on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION OF THE GROUP AND PURCHASER**

The Company is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in designing, building and installations of mechanical and electrical systems. The Purchaser is a company incorporated in Singapore with limited liability and an indirect wholly-owned subsidiary of the Company.

## **INFORMATION OF THE VENDOR**

The Vendor is a company incorporated in Singapore with limited liability which is principally engaged in wholesale trade of furniture, home furnishings and other household equipment.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner, Lim Seng Chye, are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

## **IMPLICATIONS OF THE LISTING RULES**

As the highest applicable percentage ratio for the Company in respect of the Acquisition exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction for the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, as at the date of this announcement, the Vendor and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition. Accordingly, pursuant to Rule 14.44 of the Listing Rules, written Shareholders' approval may be accepted in lieu of holding a general meeting for approving the Acquisition. The Company has obtained the written approval for the Acquisition from a closely allied group of Shareholders, comprising HMK and Mr. Tay, which are beneficially interested in an aggregate of 549,792,000 Shares, representing approximately 60.05% of the total number of issued Shares as at the date of this announcement. Mr. Tay is one of the shareholders of HMK. Accordingly, no general meeting of the Company will be convened for the purpose of approving the Acquisition.

A circular of the Company containing, among others, (i) further details of the Acquisition, and (ii) other information required to be disclosed under the Listing Rules, will be despatched to the Shareholders on or before 24 July 2023, in accordance with the Listing Rules.

**Shareholders of the Company and potential investors are urged to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

“Acquisition”	the sale and purchase of the Property pursuant to the Option Agreement
“Board”	the board of Directors of the Company
“Company”	Solis Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	Completion of the Acquisition in accordance with the terms and conditions of the Option Agreement
“Consideration”	the consideration in the amount of S\$9,380,000 for the Acquisition pursuant to the Option Agreement
“Directors”	the director(s) of the Company from time to time
“Group”	the Company and its subsidiaries
“HMK”	HMK Investment Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and the Company’s ultimate holding company, which is jointly owned by the controlling shareholdings of the Group, being Mr. Tay, Mr. Tay Yong Meng and Mr. Kenneth Teo Swee Cheng (Kenneth Zhang Ruiqing)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Mr. Tay”	Mr. Tay Yong Hua, the executive chairman, executive Director and the controlling shareholder of the Company
“Option”	the option to purchase the Property pursuant to the terms and conditions of the Option Agreement
“Option Agreement”	the option agreement entered into between the Purchaser and the Vendor on 3 July 2023 in relation to the grant and exercise of the Option
“Property”	450 Tagore Industrial Avenue Singapore 787821

“Purchaser”	Sing Moh Electrical Engineering Pte Ltd, a company incorporated in Singapore with limited liability and an indirect wholly-owned subsidiary of the Company which is principally engaged in designing, building and installations of mechanical and electrical systems
“Shares”	the ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the issued Share(s)
“S\$”	Singapore dollars, the lawful currency of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	LTL 2 Pte Ltd, a company incorporated in Singapore with limited liability
“%”	per cent.

*For the purpose of this announcement, the exchange rate of S\$1.00 = HK\$5.80 has been used for currency translation, where applicable. Such an exchange rate is for illustrative purposes and does not constitute representations that any amount in HK\$ or S\$ has been, could have been or may be converted at such a rate.*

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

Singapore, 3 July 2023

*As at the date of this announcement, the executive Directors are Mr. Tay Yong Hua and Mr. Kenneth Teo Swee Cheng (Kenneth Zhang Ruiqing); and the independent non-executive Directors are Mr. Cheung Garnok, Mr. Choong Pei Nung and Mr. Kwong Choong Kuen (Huang Zhongquan).*