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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)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

Revenue increased by approximately 5.9% to approximately S\$19.9 million in 2024 from approximately S\$18.8 million in 2023.

Gross profit decreased by approximately 38.7% to approximately S\$1.9 million in 2024 from approximately S\$3.1 million in 2023.

Profit for the year amounted to approximately S\$0.8 million in 2024; while there was a loss for the year of approximately S\$7,000 in 2023.

The Board did not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

ANNUAL RESULTS

The board (the “Board”) of directors (the “Directors”) of Solis Holdings Limited (the “Company”) hereby announce the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2024 together with comparative figures for the year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

	Note	2024 S\$'000	2023 S\$'000
Revenue	4	19,929	18,809
Cost of services		(18,015)	(15,758)
Gross profit		1,914	3,051
Other income	5	5,276	4,449
Other gains – net	6	397	63
Administrative expenses		(6,745)	(6,882)
Finance costs	7	(255)	(252)
Provision for share of net liabilities of a joint venture		(8)	(451)
Profit/(Loss) before tax	9	579	(22)
Tax credit	8	231	15
Profit/(Loss) for the year		810	(7)
Other comprehensive income/(loss):			
<i>Item that is or may be reclassified subsequently to profit or loss:</i>			
Fair value gain of financial assets at fair value through other comprehensive income – debt securities		43	72
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Surplus on revaluation of freehold land and building		833	1,074
Deferred tax expense relating to surplus on revaluation of freehold property		(112)	(145)
(Deficit)/surplus on changes in fair value of intangible assets		(5)	11
Fair value gain/(loss) of financial assets at fair value through other comprehensive income – equity securities		788	(136)
Other comprehensive income for the year, net of tax		1,547	876
Total comprehensive income for the year		2,357	869

	<i>Note</i>	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
Profit/(Loss) attributable to:			
Owners of the Company		811	(6)
Non-controlling interest		<u>(1)</u>	<u>(1)</u>
Profit/(Loss) for the year		<u>810</u>	<u>(7)</u>
Total comprehensive income attributable to:			
Owners of the Company		2,358	870
Non-controlling interest		<u>(1)</u>	<u>(1)</u>
Total comprehensive income for the year		<u>2,357</u>	<u>869</u>
Earnings/(Loss) per share of the Company (expressed in Singapore cents per share)			
Basic and diluted	<i>10</i>	<u>0.09</u>	<u>(0.00)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	<i>Note</i>	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
Non-current assets			
Property, plant and equipment		37,576	34,531
Right-of-use assets		136	383
Intangible assets		68	73
Investment in a joint venture		–	–
Financial assets at fair value through other comprehensive income		14,509	8,941
Financial assets at fair value through profit or loss	<i>16</i>	4,377	5,765
Total non-current assets		56,666	49,693
Current assets			
Trade receivables	<i>11</i>	4,565	944
Other receivables, deposits and prepayments	<i>12</i>	569	454
Contract assets		4,575	3,528
Inventories		26	28
Amount due from ultimate holding company		52	–
Financial assets at fair value through other comprehensive income		500	–
Financial assets at fair value through profit or loss	<i>16</i>	1,475	–
Pledged fixed deposits		1,771	1,715
Cash and cash equivalents		3,002	13,739
Total current assets		16,535	20,408
Total assets		73,201	70,101
Non-current liabilities			
Bank borrowing, non-current		5,194	5,364
Lease liabilities, non-current		–	53
Deferred tax liabilities		240	359
Total non-current liabilities		5,434	5,776

	<i>Note</i>	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
Current liabilities			
Trade payables and trade accruals	<i>13</i>	6,631	4,710
Other payables and accrued expenses	<i>14</i>	8,210	8,464
Contract liabilities		276	805
Bank borrowing, current		148	120
Lease liabilities, current		53	142
Provisions		924	916
		<hr/>	<hr/>
Total current liabilities		16,242	15,157
		<hr/>	<hr/>
Total liabilities		21,676	20,933
		<hr/>	<hr/>
Net assets		51,525	49,168
		<hr/>	<hr/>
Equity and reserves			
Share capital	<i>15</i>	1,585	1,585
Share premium		34,440	34,440
Retained earnings		1,481	681
Reserves		14,024	12,466
		<hr/>	<hr/>
Equity attributable to owners of the Company		51,530	49,172
Non-controlling interest		(5)	(4)
		<hr/>	<hr/>
Total equity		51,525	49,168
		<hr/>	<hr/>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL

The Company was incorporated in the Cayman Islands on 21 June 2017 as an exempted company with limited liability under the Companies Law (Cap. 22, Law of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business in Hong Kong is at Units 903A-5, 9/F., 8 Observatory Road, Tsim Sha Tsui, Kowloon, Hong Kong. The head office and principal place of business of the Group in Singapore is at 85 Tagore Lane, Singapore 787527.

The Company is a subsidiary of HMK Investment Holdings Limited ("HMK"), a company incorporated in the British Virgin Islands ("BVI") which is also the Company's ultimate holding company. Mr. Tay Yong Hua, Mr. Tay Yong Meng and Mr. Kenneth Teo Swee Cheng ("Mr. Kenneth Teo") jointly controls the ultimate holding company and are the controlling shareholders of Solis Holdings Limited and its subsidiaries (the "Group") (together referred to as the "Controlling Shareholders").

The Company is an investment holding company. The Company's operating subsidiary (collectively, the "Group") is principally engaged in designing, building and installations of mechanical and electrical systems.

The shares of the Company (the "Shares") were listed on Main Board of The Stock Exchange of Hong Kong Limited (the "Listing") by way of placing and public offer (the "Share Offer") on 11 December 2017 (the "Listing Date").

2 BASIS OF PREPARATION

The consolidated financial statements are presented in Singapore dollar ("S\$"), which is the Company's functional currency. All financial information presented in Singapore dollar are rounded to the nearest thousand ("S\$'000") except when otherwise indicated. The consolidated financial statements have been prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance and International Financial Reporting Standards ("IFRSs"). These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The consolidated financial statements have been prepared under the historical cost convention except for freehold building and leasehold property, intangible assets and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period.

The preparation of consolidated financial statements in conformity with IFRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

3 ADOPTION OF NEW AND REVISED STANDARDS

In the current financial year, the Group has adopted all the new and revised IFRSs and International Financial Reporting Interpretations Committee Interpretations ("IFRIC INT") that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRSs and IFRIC INT.

The adoption of these new and revised IFRSs and IFRIC INT did not have any material effect on the financial results or position of the Group.

New standards, amendments to standards and interpretations that have been issued at the end of the financial year but are not yet effective for the financial year ended 31 December 2024 have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group.

4 REVENUE AND SEGMENT INFORMATION

Information is reported to the executive directors of the Group, being the chief operating decision makers, for the purposes of resource allocation and performance assessment. They would review the overall results and financial position of the Group as a whole prepared based on same accounting policies. Accordingly, the Group has only one single operating segment and only disclosures on timing of revenue recognition, major customers and geographical information of this single segment are presented.

Timing of revenue recognition

	2024 S\$'000	2023 S\$'000
Construction contracts revenue for the designing, building and installations of mechanical and electrical systems over time	<u>19,929</u>	<u>18,809</u>

Information about major customers

Revenue from customers individually contributing over 10% of the total revenue of the Group of the corresponding years are as follows:

	2024 S\$'000	2023 S\$'000
Customer A	13,791	NA*
Customer B	3,692	12,728
Customer C	<u>2,217</u>	<u>3,388</u>

* The customers did not contribute over 10% of the total revenue of the Group during the previous financial year.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the end of the financial year are as follows:

	2024 S\$'000	2023 S\$'000
Construction contracts revenue for the designing, building and installations of mechanical and electrical systems as at 31 December:		
Within 1 year	17,744	24,889
Within 2 to 3 years	<u>12,667</u>	<u>—</u>
	<u>30,411</u>	<u>24,889</u>

Geographical information

The Group principally operates in Singapore, which is also the place of domicile. All revenue was derived from Singapore based on the location of services performed and the Group's property, plant and equipment, right-of-use assets and intangible assets are all located in Singapore. Accordingly, no geographical segment analysis is presented.

5 OTHER INCOME

	2024 S\$'000	2023 S\$'000
Other income		
Interest income from banks	163	396
Interest income from financial assets at fair value through other comprehensive income	636	403
Interest income from financial assets at fair value through profit or loss	48	-
Dividend income from equity investments	1	1
Government grants	60	41
Management fee income charged to a joint venture	3,494	2,525
Rental income	781	1,054
Others	93	29
	<u>5,276</u>	<u>4,449</u>

6 OTHER GAINS – NET

	2024 S\$'000	2023 S\$'000
Gain/(loss) on disposal of property, plant and equipment	22	(1)
Gain on disposal of financial assets at fair value through other comprehensive income, net	47	30
Gain on disposal of financial assets at fair value through profit or loss	13	32
Gain on disposal of a subsidiary	-	1
Fair value gain/(loss) on financial asset at fair value through profit or loss (<i>Note 16</i>)	307	(30)
Fair value gain/(loss) on financial asset at fair value through other comprehensive income reclassified to profit or loss upon disposal	8	(49)
Gain on revaluation of property, plant and equipment	-	80
	<u>397</u>	<u>63</u>

7 FINANCE COSTS

	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
Interest expense:		
– Bank borrowing	251	239
– Lease liabilities	<u>4</u>	<u>13</u>
	<u>255</u>	<u>252</u>

8 TAX CREDIT

Singapore corporate income tax has been provided for at the rate of 17% (2023: 17%) on the estimated assessable profit for the financial year ended 31 December 2024 as the Group is principally operating in Singapore.

No overseas profits tax has been calculated for entities of the Group that are incorporated in the British Virgin Islands or the Cayman Islands as they are exempted from tax (2023: Nil).

The amount of tax credit in the consolidated statement of profit or loss and other comprehensive income represents:

	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
Deferred tax credited to profit or loss		
– current financial year	(221)	–
– reversal of deferred tax liabilities on revaluation upon depreciation	<u>(10)</u>	<u>(15)</u>
	<u>(231)</u>	<u>(15)</u>
Deferred tax charged to other comprehensive income		
– prior year	–	22
– current financial year	<u>112</u>	<u>123</u>
	<u>112</u>	<u>145</u>

The amount of income tax on the Group's profit/(loss) before tax differs from the theoretical amount that would arise using the enacted tax rate of the Group entities as follows:

	2024 S\$'000	2023 <i>S\$'000</i>
Profit/(loss) before tax	579	(22)
Tax calculated at tax rate of 17% (2023: 17%)	98	(4)
Income not subject to tax	(98)	(14)
Expenses not deductible for tax purposes	174	241
Utilisation of previously unrecognised deferred tax asset	(174)	(223)
Reversal of deferred tax liabilities on revaluation upon depreciation	(10)	(15)
Deferred tax asset recognised during the year	(221)	–
	(231)	(15)

Included in income not subject to tax mainly comprises gain on revaluation of property, plant and equipment of S\$Nil (2023: S\$80,000) and fair value gain on financial asset at fair value through profit or loss of S\$154,000 (2023: S\$Nil).

Included in expenses not deductible for tax purposes comprises depreciation of property, plant and equipment of S\$905,000 (2023: S\$905,000) and fair value loss on financial asset at fair value through profit or loss of S\$Nil (2023: S\$14,000).

9 PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before income tax is arrived at after charging/(crediting):

	2024 S\$'000	2023 <i>S\$'000</i>
Auditor's remuneration		
– Auditors of the Group	128	128
Fees for the non-audit services paid to		
– Auditors of the Group	5	18
Depreciation of property, plant and equipment	1,028	1,026
Depreciation of right-of-use assets	247	479
Dormitories expense	123	139
Subcontractor costs included in cost of services	2,747	2,814
Foreign currency exchange losses/(gains), net	78	(28)

10 EARNINGS/(LOSS) PER SHARE

a) Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the number of ordinary shares in issue during the financial year.

	2024	2023
Profit/(loss) attributable to the owners of the Company (<i>S\$'000</i>)	811	(6)
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share (<i>'000</i>)	915,600	915,600
Earnings/(loss) per share (<i>S\$ cents per share</i>)	<u>0.09</u>	<u>(0.00)</u>

b) Diluted

The diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share due to the absence of dilutive ordinary shares during the respective years.

11 TRADE RECEIVABLES

	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
Trade receivables – third parties	<u>4,565</u>	<u>944</u>

The Group grants credit terms to customers typically up to 35 days (2023: 35 days) from the invoice date for trade receivables. As at 31 December 2024 and 31 December 2023, the ageing analysis of the third-party trade receivables, based on invoice date, are as follows:

	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
1 to 30 days	4,248	828
31 to 60 days	137	4
61 to 90 days	161	–
Over 90 days	<u>19</u>	<u>112</u>
	<u>4,565</u>	<u>944</u>

As at 31 December 2024 and 2023, the carrying amounts of trade receivables are denominated in S\$ and approximate their fair values.

Before accepting any new customer, the Group will assess the potential customer's credit quality and defined credit limit to each customer on individual basis. Limits attributed to customers are reviewed once a year.

The Group applied lifetime expected credit losses ("ECL") (simplified approach) to provide the expected credit losses as prescribed by IFRS 9.

As part of the Group's credit risk management, the ECL on trade receivables are assessed individually for debtors with significant balances. Assessment is done based on historical credit loss experience based on the past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The directors of the Company considered that there is no loss allowance required for trade receivables as at 31 December 2024 and 31 December 2023.

12 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024 S\$'000	2023 S\$'000
Deposits	21	70
Prepayments	207	275
Advances to staff	125	6
Other receivables	–	13
Interest receivables from financial assets at fair value through other comprehensive income	216	90
	569	454

As at 31 December 2024 and 2023, the carrying amounts of deposits and other receivables are denominated in S\$ and approximate their fair values.

The Group applied 12-month ECL to provide the expected credit losses as prescribed by IFRS 9.

As part of the Group's credit risk management, the Group determines the ECL on other receivables and deposits based on historical credit loss experience based on the past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The directors of the Company considered that there is no loss allowance required for other receivables and deposits as at 31 December 2024 and 31 December 2023.

13 TRADE PAYABLES AND TRADE ACCRUALS

	2024 S\$'000	2023 S\$'000
Trade payables	6,278	4,166
Trade accruals	353	544
	<u>6,631</u>	<u>4,710</u>

Trade payables at the end of the financial year comprise amounts outstanding to suppliers and subcontractors. The average credit period taken for trade purchase is generally 30 to 90 days or payable upon delivery. As at 31 December 2024 and 31 December 2023, the ageing analysis of the trade payables, based on invoice date, are as follows:

	2024 S\$'000	2023 S\$'000
Within 90 days	5,964	3,482
Over 90 days	314	684
	<u>6,278</u>	<u>4,166</u>

The carrying amounts of trade payables approximate their fair values.

14 OTHER PAYABLES AND ACCRUED EXPENSES

	2024 S\$'000	2023 S\$'000
Accrued operating expenses	3,034	1,566
Other payables (<i>Note A</i>)	2,315	2,598
Amount due to a joint venture (<i>Note B</i>)	2,861	4,300
	<u>8,210</u>	<u>8,464</u>

Note A: Included in other payables is S\$2,217,000 (2023: S\$2,135,000) which is related to the unpaid purchase consideration for acquisition in D.D. Resident Co. Ltd. (Note 16). The movement during the financial year is primarily due to exchange differences. The amount is denominated in HKD.

Note B: This mainly pertains to the cash held on behalf of the joint venture.

15 SHARE CAPITAL

	2024		2023	
	<i>Number of shares</i>	<i>HK\$'000</i>	<i>Number of shares</i>	<i>HK\$'000</i>
Authorised:				
Ordinary shares of HK\$0.01 each				
At 1 January and 31 December	<u>10,000,000,000</u>	<u>100,000</u>	<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid:				
At 1 January and 31 December	<u>915,600,000</u>	<u>1,585</u>	<u>915,600,000</u>	<u>1,585</u>

16 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	<i>S\$'000</i>	<i>S\$'000</i>
Financial assets at fair value through profit or loss		
Unquoted equity shares – measured at FVTPL	4,377	4,223
Quoted debt security		
– SGD corporate fixed rate convertible bonds of 3.25% per annum maturing in February 2028	<u>1,475</u>	<u>1,542</u>
	<u>5,852</u>	<u>5,765</u>
Movement during the year:		
Fair value at beginning of the year	5,765	4,237
Additions	–	2,310
Disposals	(220)	(752)
Fair value gain/(loss) recognised in profit or loss (<i>Note 6</i>)	<u>307</u>	<u>(30)</u>
Fair value at end of the year	<u>5,852</u>	<u>5,765</u>
<i>Represented by:</i>		
Non-current	4,377	5,765
Current	<u>1,475</u>	<u>–</u>
	<u>5,852</u>	<u>5,765</u>

The unquoted equity shares represent the Group's acquisition of 49% equity interest in the issued shares of D.D. Resident Co. Ltd (the "Investee") on 16 January 2020 at an agreed consideration of HKD58,000,000 (equivalent to S\$10,069,000). The Investee is a limited liability company incorporated in Thailand, which is the owner and operator of Aiyaree Place Hotel in Pattaya, Thailand. In accordance with the Sales and Purchase Agreement dated 31 December 2019, the Group has the right to appoint/remove directors and key management personnel of the Investee. In conjunction with the acquisition, the Group has also entered into an Exclusive Option Agreement with the remaining 51%

shareholder of the Investee (the “Thai Shareholder”), whereby the Group is granted with an irrevocable and exclusive option to purchase the 51% equity interest held by the Thai Shareholder at consideration of HKD61,200,000 (equivalent to S\$10,624,000). The Exclusive Option Agreement dated 31 December 2019 has an effective period of 2 years from 31 December 2019. The Group did not renew the Exclusive Option Agreement upon the expiry date on 30 December 2021.

The Group has classified the investment as financial asset at fair value through profit or loss at initial recognition and at the end of the financial year.

On 31 March 2023, the Company initiated criminal proceedings against the Investee and its two directors (collectively as the “defendants”) for non-compliance with Thai laws, leading to the case being formally listed for trial by the Criminal Court of Thailand (the “Court”). In April 2023, the Company also sought assistance from the Department of Business Development (the “DBD”) in Thailand to investigate the Investee’s financial records, but the Investee failed to comply with the multiple written requests for documents.

On 29 October 2023, the vendors of the Investee (collectively as the “plaintiffs”) filed a civil lawsuit in the Provincial Court of Pattaya against the Company, its two directors, and its subsidiary, Aiyaree International Hotel Management Limited, seeking a claim of S\$2,550,000 for an unpaid acquisition balance of 49% shareholdings of the Investee. The Company counterclaimed, and an amount of S\$2,217,000 (2023: S\$2,135,000) was recorded as payable in the financial statements as of 31 December 2024. Management has assessed that no further provision is required in the financial statements with respect to this civil action.

On 15 July 2024, the Court acquitted the Investee and one of its directors due to reasonable doubt. However, the Court issued an arrest warrant for the other director. The Company filed an appeal on 16 October 2024, with the appeal decision expected in April 2025.

For the above-mentioned civil action, the Court raised concerns about jurisdiction, as neither the plaintiffs nor the defendants were domiciled in Thailand. Consequently, the plaintiffs withdrew their lawsuit against the Company, its two directors, and Aiyaree International Hotel Management Limited. Following legal advice, the Company also withdrew its counterclaim.

As at 31 December 2024, the fair value of the investment was determined by a valuation performed by an independent professional valuation firm in Thailand using the income approach that reflects the value of the hotel property capable of producing income in the present worth of anticipated future net benefits. This fair value measurement is categorised in Level 3 of the fair value hierarchy. Changes in the fair value of financial asset at fair value through profit or loss, amounting to gain of S\$154,000 (2023: loss of S\$14,000) is included in profit or loss as part of “other gains – net” (Note 6).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

The Group is a design and build mechanical and electrical (“M&E”) engineering contractor in Singapore and our scope of services comprises (i) designing of M&E systems, which involves the design for functionality and connectedness of various building systems; and (ii) building and installation of the M&E systems. The Group has been established for over 30 years and specialises in electrical engineering, and the projects are in relation to new building developments and major additions and alterations (“A&A”) works, which include private residential, mixed residential and commercial developments and institutional buildings.

In 2024, the outlook of Singapore’s construction market remained steady and positive, with the market poised for continued recovery and growth. For 2025 onwards, Singapore’s construction market is poised for continued growth, underpinned by large-scale infrastructure projects, urban redevelopment, and a focus on sustainability and technological advancements. While challenges such as labour shortages, rising global material costs, and regulatory pressures exist, the adoption of innovative technologies, sustainable practices, and strong government support will allow the construction sector to thrive.

The Ministry of Trade and Industry of Singapore (the “MTI”) reported on 14 February 2025 that the Singapore economy expanded by 4.4% in 2024. Specifically, the construction sector grew by 4.5%, extending the 5.8% expansion in 2023. The MTI’s forecast that Singapore’s external demand outlook is expected to be resilient for the rest of the year. However, global downside risks in the economy remain. First, ongoing trade frictions among major economies, alongside lingering risks of escalation in geopolitical conflicts, could lead to higher production costs, as well as greater global economic policy uncertainty. These could in turn dampen global investment and trade and weigh on global growth. Secondly, disruptions to the global disinflation process could lead to tighter financial conditions for longer, potentially triggering latent vulnerabilities in banking and financial systems. The MTI maintains that the GDP growth forecast for 2025 is “1.0% to 3.0%”. The Building and Construction Authority (the “BCA”) announced on 23 January 2025 that the total construction demand in 2025 is expected to range between S\$47 billion and S\$53 billion, in nominal terms, which is between 0.3% to 11.7% higher than pre-COVID levels in 2019.

The Group believes that continued investments to enhance the Group’s workforce and adopt new building technologies to support improved productivity for construction projects will strengthen our competitive edge in the tender and delivery of new construction projects. The Group will continue to pay close attention to the macroeconomic environment and implement contingency plans in a timely manner, while it continues to ensure smooth progress of its projects and practice tight cost controls. The Group will be well-equipped to rise to new challenges that may appear and will remain dedicated to preserving its market leadership while creating greater value for its shareholders.

For the financial year ended 31 December 2024, the Group's revenue increased by approximately 5.9% to approximately S\$19.9 million as compared to approximately S\$18.8 million recorded in the last financial year. The increase in revenue was mainly attributable to higher construction activities being performed during the year as compared with the corresponding year. Our gross profit decreased by approximately S\$1.2 million, from approximately S\$3.1 million for the financial year ended 31 December 2023 to approximately S\$1.9 million for the financial year ended 31 December 2024. The decrease in gross profit was mainly attributable to the current ongoing projects which have lower profit margins as compared to the corresponding year.

Ongoing projects

As at 31 December 2024, the Group had six ongoing projects (excluding the joint venture project) with an aggregate contract sum of approximately S\$63.4 million, of which approximately S\$52.0 million had been recognised as revenue as at 31 December 2024. The remaining balance will be recognised as our revenue in accordance with the stage of completion.

Newly awarded projects

During the financial year ended 31 December 2024, the Group secured two newly awarded projects with an aggregate contract value of approximately S\$23.8 million of which one of the projects had construction activities during the year and is included in the "Ongoing projects" above.

FINANCIAL REVIEW

Revenue

The Group derived revenue from our design and/or build and installation of M&E systems for both private sector and public sector projects.

	For the year ended 31 December					
	2024			2023		
	Number of projects with revenue contribution	S\$' million	% to total revenue	Number of projects with revenue contribution	S\$' million	% to total revenue
Private sector projects	2	0.3	1.5	1	1.8	9.6
Public sector projects	4	19.6	98.5	5	17.0	90.4
Total	6	19.9	100.0	6	18.8	100.0

Our revenue increased by approximately S\$1.1 million or 5.9%, from approximately S\$18.8 million for the financial year ended 31 December 2023 to approximately S\$19.9 million for the financial year ended 31 December 2024. Such increase was mainly due to higher construction activities performed during the year for the ongoing public projects as compared to the corresponding year.

Cost of services

Our cost of services increased by approximately S\$2.2 million or 13.9% from approximately S\$15.8 million for the financial year ended 31 December 2023 to approximately S\$18.0 million for the financial year ended 31 December 2024. The increase was mainly driven by higher construction activities which is in line with the increase in revenue.

Gross profit and gross profit margin

Our gross profit decreased by approximately S\$1.2 million, from approximately S\$3.1 million for the financial year ended 31 December 2023 to approximately S\$1.9 million for the financial year ended 31 December 2024. Our gross profit margin decreased from a gross profit margin of approximately 16.5% for the financial year ended 31 December 2023 to a gross profit margin of approximately 9.5% for the financial year ended 31 December 2024. The decrease in gross profit margin was mainly attributable to the current ongoing projects which had lower profit margins as compared to the corresponding year.

Other income and other gains – net

Other income increased by approximately S\$0.9 million, from approximately S\$4.4 million for the financial year ended 31 December 2023 to approximately S\$5.3 million for the financial year ended 31 December 2024. Such increase was mainly from the increase in interest income from financial assets at fair value through other comprehensive income and management fee income charged to a joint venture which is offset by the decrease in rental income as the rental to external parties have ended during the year.

Other gains – net increased by approximately S\$0.3 million, from approximately S\$0.1 million for the year ended 31 December 2023 to approximately S\$0.4 million for the financial year ended 31 December 2024. The increase was due to fair value gain on financial assets at fair value through profit or loss during the year.

Administrative expenses

The administrative expenses of the Group decreased by approximately S\$0.2 million or 2.9%, from approximately S\$6.9 million for the financial year ended 31 December 2023 to approximately S\$6.7 million for the financial year ended 31 December 2024. Such decrease was mainly due to decrease in the depreciation expense from right-of-use assets and professional fees incurred which is offset by the increase in staff costs during the year.

Tax credit

The tax credit for both years was attributable to the reversal of deferred tax liabilities on revaluation upon depreciation and deferred tax asset recognised for the financial year ended 31 December 2024. As the Group did not record any assessable profits for both years, there was no tax expense incurred.

Profit/(loss) for the year

Profit for the financial year ended 31 December 2024 amounted to approximately S\$0.8 million; while there was a loss of approximately S\$7,000 for the year ended 31 December 2023.

Final dividend

The Board did not recommend the payment of a final dividend for the financial year ended 31 December 2024 (2023: Nil).

Liquidity and financial resources

The Group practiced prudent financial management and maintained a strong and sound financial position during the financial year ended 31 December 2024. As at 31 December 2024, the Group had cash and bank balances of approximately S\$3.0 million (2023: approximately S\$13.7 million) and available unutilised banking facilities of approximately S\$1.6 million (2023: approximately of S\$1.6 million).

As at 31 December 2024, the Group's indebtedness comprised bank borrowing and lease liabilities denominated in Singapore dollars of approximately S\$5.4 million (2023: S\$5.7 million).

As at 31 December 2024, the Group's current ratio was approximately 1.0 times (2023: approximately 1.3 times) and gearing ratio was approximately 10.5% (2023: 11.6%). The decrease in the gearing ratio was mainly due to the repayment of the bank borrowing to finance the leasehold property.

Pledge of assets

As at 31 December 2024, the Group had pledged fixed deposits of approximately S\$1.8 million (2023: approximately S\$1.7 million) to secure the banking facilities granted to the Group. The Group's two owned properties with a fair value amounting to approximately S\$23.8 million (2023: S\$23.7 million) were pledged under a mortgage to secure the banking facilities with a bank.

Exposure to foreign exchange rate risks

The Group transacts mainly in Singapore dollars, which is the functional currency of all the Group's operating subsidiaries. However, the Group retains some proceeds from the Listing in Hong Kong dollars amounting to approximately S\$0.1 million (2023: S\$0.3 million) that are exposed to foreign exchange rate risks.

The Group will continue to monitor its foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Capital structure

As at 31 December 2024, there has been no change to the capital structure of the Company. The Company's capital comprises ordinary shares and capital reserves. The Group finances its working capital, capital expenditures and other liquidity requirements through a combination of its cash and cash equivalents, cash flows generated from operations and bank facilities.

Contingent liabilities

As at 31 December 2024, the Group did not have any material contingent liabilities (2023: Nil).

Capital commitments

As at 31 December 2024, the Group had capital commitments of approximately S\$2.0 million (2023: Nil) in respect to the construction-in-progress of a proposed 4-storey building to serve as warehouse, office, dormitory and ancillary facilities which is expected to be completed in 2025.

Save as disclosed above, the Group did not have any other capital commitments as at 31 December 2024.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

The Group did not have any other material acquisitions nor disposals of subsidiaries and affiliated companies for the financial year ended 31 December 2024.

Significant investments held and principal properties

Save for those disclosed below and in relation to the financial assets at fair value through other comprehensive income, financial asset at fair value through profit or loss and properties held by the Group, as at 31 December 2024, the Group did not have any other investment in equity interest in any other company.

Significant investment held

The Group has acquired 49% interest in D.D. Resident Co. Ltd, which is the owner and operator of a hotel property, Aiyaree Place Hotel in Pattaya, Thailand on 16 January 2020 at an agreed consideration of HKD58,000,000 (equivalent to S\$10,069,000) (the “**Investment**”). The Investment was recorded as financial asset at fair value through profit or loss according to IFRS 9 *Financial Instruments*. As at 31 December 2024, the fair value of the Investment was approximately S\$4,377,000 (2023: S\$4,223,000) and accounted for around 6.0% (2023: 6.0%) of the Group's total assets. During the financial year ended 31 December 2024, the Group has recognised a fair value gain of approximately S\$154,000 (2023: fair value loss of approximately S\$14,000) from changes in the fair value of the Investment. At the time of acquisition of the Investment, the Company intended to broaden its asset diversity and offset the risks arising from regional operation under the sluggish market conditions in Singapore in recent years. The Company will closely monitor the developments and take appropriate actions to adjust its investment strategies and ensure continuous growth of the investment and profit of the Group.

Employees and remuneration policies

As at 31 December 2024, the Group had a total of 154 employees (2023: 145 employees), including executive Directors. Total staff costs (including Directors' emoluments) were approximately S\$6.6 million for the financial year ended 31 December 2024 (approximately S\$6.4 million for the financial year ended 31 December 2023).

The Group's employees are remunerated according to their job scope, responsibilities, and performance. On top of basic salaries, employees are also entitled to discretionary bonuses depending on their respective performance and the profitability of the Group. The Group's foreign workers are typically employed on two-year basis depending on the period of their work permits, and subject to renewal based on their performance, and are remunerated according to their work skills.

The emoluments of Directors were reviewed by the remuneration committee of the Company, having regard to salaries paid by comparable companies, experience, responsibilities, and performance of the Group, and approved by the Board.

Future plans for material investment and capital assets

For the newly purchased property in 2023, the entire property has been demolished during the year and the construction of a proposed 4-storey building to serve as warehouse, office, dormitory and ancillary facilities is in progress and is expected to be completed in 2025.

Save as disclosed above, the Group does not have any other plans for material investments and capital assets as at 31 December 2024.

CORPORATE GOVERNANCE/OTHER INFORMATION

Purchase, sale or redemption of the Company's listed securities

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities.

Non-competition undertaking

The Company has received the confirmation from the controlling shareholders in respect of their compliance with the terms of non-competition undertaking for the year ended 31 December 2024.

The independent non-executive Directors had reviewed and confirmed that the controlling shareholders have complied with the non-competition undertaking and the non-competition undertaking has been enforced by the Company in accordance with its terms for the year ended 31 December 2024.

Saved as disclosed above, none of the directors, the substantial shareholders or the management of the Company or any of their respective associates has engaged in any business that competes or may compete, either directly or indirectly, with the business of the Group or has any other conflict of interests with the Group during the year ended 31 December 2024.

Code of conduct for securities transactions by directors

The Company has adopted a code of conduct regarding securities transactions by directors (the “Model Code”) on terms no less exacting than the required standard of dealings as set out in Appendix 10 to the Rules (the “Listing Rules”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Having made specific enquiry of all directors, all directors confirmed that they had complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company during the year ended 31 December 2024.

The Board has also adopted the Model Code to regulate all dealings by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in code provision A.6.4 of the corporate governance codes (the “CG Code”). No incident of non-compliance with the Model Code by the Company’s relevant employees has been noted for the year after making reasonable enquiry.

Corporate governance principles and practices

The Board and the management of the Company are committed to maintaining high corporate governance standards to safeguard the interests of shareholders and to enhance corporate value and accountability. The Company’s corporate governance practices are based on the principles and code provisions as set out in the CG Code as contained in Appendix 14 of the Listing Rules.

The Board considers that the Company has fully complied with all the applicable principles and the code provisions as set out in the CG Code for the financial year ended 31 December 2024. The Board will continue to review and monitor the Company’s corporate governance practices to ensure compliance with the Code.

Chairman and Chief Executive Officer

Under code provision C.2.1 of the CG Code, the roles of Chairman and chief executive should be separate and should not be performed by the same individual. The roles of the Chairman and the Chief Executive Officer of the Company are separated. Mr. Tay Yong Hua is the executive Chairman of the Board. The Chairman provides an effective leadership and ensure the continuing effectiveness of the management team of the Company. Mr. Kenneth Teo Swee Cheng (Kenneth Zhang Ruiqing) is the Chief Executive Officer of the Company. He focuses on daily operations of the Group. Their respective responsibilities are clearly defined in writing.

Significant event after the reporting period

Up to the date of this announcement, there was no significant event relevant to the business or financial performance of the Group that come to the attention of the Directors after the financial year ended 31 December 2024.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the “AGM”) will be held on 13 June 2025 (Friday).

The notice of the AGM will be published on the website of the Stock Exchange at <http://www.hkexnews.hk> and the Company’s website at <http://www.TheSolisGrp.com>. and sent to the shareholders of the Company, together with the Company’s annual report, in due course.

Closure of register of members

The register of members of the Company will be closed from 10 June 2025 (Tuesday) to 13 June 2025 (Friday) (both days inclusive), during which period no transfers of shares will be registered. To determine the entitlement(s) to attend and vote at the AGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 9 June 2025 (Monday).

Audit committee

The Company established an audit committee (the “Audit Committee”) on 14 November 2017 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code as set out in Appendix 14 to the Listing Rules. The Company has updated the written terms of reference of audit committee on 16 November 2018 in compliance with the new CG Code with effect from 1 January 2019. The revised terms of reference of the audit committee are available on the websites of the Company and the Stock Exchange.

The responsibility of the Audit Committee is to assist the Board in fulfilling its audit duties through the review and supervision of the Company’s financial reporting, risk management and internal control principles and procedures, and to provide advice and comments to the Board. The members meet regularly with the external auditor and/or the Company’s senior management for the review, supervision and discussion of the Company’s financial reporting, risk management and internal control procedures and ensure that the board and the management have discharged their duties to have an effective risk management and internal control systems.

As at 31 December 2024, the Audit Committee comprises three independent non-executive Directors, namely Mr. Kwong Choong Kuen (Huang Zhongquan) (Chairman), Mr. Choong Pei Nung and Ms. Carolyn Seet Su Lin. None of them is a former partner of the Company’s existing auditing firm within two years immediately prior to their respective date of appointment. All of them do not have material interest in any principal business activity of nor is or was involved in any material business dealings with the Group or with any core connected persons (as defined in the Listing Rules) of the Group within one year immediately prior to their respective date of appointment. Mr. Kwong Choong Kuen (Huang Zhongquan), who has appropriate professional qualifications and experience in accounting matters, was appointed as the chairman of the Audit Committee.

Review of annual results

The audited consolidated financial results of the Group for the financial year ended 31 December 2024 have been reviewed by the Audit Committee and the figures in respect of the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position of the Group, and the related notes thereto for the year as set out in this announcement have been agreed by our auditors, Baker Tilly TFW LLP (“Baker Tilly”), to the amounts set out in the Group’s audited consolidated financial statements for the financial year ended 31 December 2024. The Audit Committee was of the opinion that the preparation of such results complied with applicable accounting standards and requirements as well as the Listing Rules and relevant adequate disclosures have been made.

Extract of independent auditor’s report

The following is the extract of the drafted independent auditor’s report from our auditors, Baker Tilly on the Group’s consolidated financial statements for the financial year ended 31 December 2024:

Qualified opinion

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the consolidated financial statements of the Group are properly drawn up in accordance with International Financial Reporting Standards (“IFRSs”) approved by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance so as to give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date (the “Qualified Opinion”).

Financial asset at fair value through profit or loss – Unquoted equity shares

As disclosed in Notes 3 and 17 to the consolidated financial statements, the Group acquired 49% unquoted equity interest in the issued shares of D.D. Resident Co. Ltd (the “Investee”) on 16 January 2020 at an agreed consideration of HKD58,000,000 (equivalent to S\$10,069,000). The Investee is a limited liability company incorporated in Thailand, which is the owner and operator of a hotel property, Aiyaree Place Hotel in Pattaya, Thailand. The Group recorded the investment as financial asset at fair value through profit or loss (“FVTPL”) in the consolidated financial statements as at 31 December 2024 and 31 December 2023. As at 31 December 2024, the investment is carried at fair value of S\$4,377,000 (2023: S\$4,223,000), and a fair value gain on FVTPL amounting to S\$154,000 (2023: fair value loss on FVTPL amounting to S\$14,000) is recognised in the profit or loss.

Due to inability to obtain sufficient appropriate audit evidence and in view of the lack of new development during current financial year as described in Note 17, we are unable to conclude as to whether the investment of 49% equity interest in the Investee should be classified as financial asset at fair value through profit or loss and accounted for in accordance with IFRS 9 *Financial Instruments* or as investment in associated company and equity accounted for in accordance with IAS 28 *Investments*

in Associates and Joint Ventures. We are also unable to determine the potential adjustments to and disclosures in the consolidated financial statements for the financial year ended 31 December 2024 and 31 December 2023 should the investment be classified and accounted for as an investment in associated company. In addition, we are unable to satisfy ourselves and we are unable to determine the extent of adjustments and additional disclosures necessary in respect of the fair value of the unquoted equity shares and the fair value gain recognised in profit or loss for the investment to be appropriately measured in accordance with IFRS 9 *Financial Instruments*, including those presented as corresponding figures.

The consolidated financial statements for the financial year ended 31 December 2023 were qualified for the same reason as stated above.

Management's view on the audit qualification

The management of the Company has given careful consideration to the Qualified Opinion and the basis of the qualification and has had ongoing discussion with Baker Tilly when preparing the Group's consolidated financial statements.

The Group commenced legal proceedings against the Investee and vendors of the Investee in Thailand. However, during 2024, the legal proceedings were dismissed and withdrew upon the Thailand Court's concern on the appropriate jurisdiction of the legal proceedings as neither the plaintiffs nor the defendants were domiciled in Thailand. Hence, the Group is considering an alternative course of action if to commence legal proceedings in Hong Kong. As at the date of this announcement, the Group is in the process of appointment of the Hong Kong legal advisory team. The Group will closely work with the Hong Kong legal advisory team, monitor the developments and will take appropriate actions accordingly.

Based on the current assessment and as of the date of this announcement, the ongoing legal proceedings has no material adverse impact on the business or daily operation of the Group as a whole. The Group will take appropriate measures to minimise possible disruptions to the operation of the Group, if any.

Without significant influence over the management of the Investee and in the absence of updated financial information from them, the management believes that it is appropriate for the investment to continue to be valued as financial asset at FVTPL.

With respect to the qualified audit opinion issued by Baker Tilly, the management of the Company acknowledged and agreed with the audit opinion Baker Tilly issued based on their professional and independent assessment.

Audit committee's view on the audit qualification

The Audit Committee had critically reviewed the audit qualification after discussion with Baker Tilly and it held the same view as Baker Tilly as to the basis of the Qualified Opinion. The Audit Committee will from time to time closely communicate with the Board and Baker Tilly on the progress of the Qualified Opinion.

Removal of audit qualification

After discussion with Baker Tilly, the management of the Company is of the view that the Qualified Opinion will be removed only if the Group resolves the existing issues with the vendors of the Investee. This will hence give the Company a better clarity about the accounting treatments of the investment, the fair value of the Investee and the management's position with regards to this investment for the best commercial interest of the Group.

Appreciation

On behalf of the Board, I would like to take this opportunity to express my gratitude to the management and staff of the Group for their commitment and contribution during the year ended 31 December 2024. I would also like to express my appreciation to the guidance from the regulators and continued support from our shareholders and customers.

Publication of Annual Results Announcement and Annual Report

The Company's annual results announcement is published on the website of the Stock Exchange at <http://www.hkexnews.hk> and the Company's website at <http://www.TheSolisGrp.com>.

The annual report of the Company for Year containing all the relevant information required by Appendix 16 of the Listing Rules will be despatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

By Order of the Board
Solis Holdings Limited
Tay Yong Hua

Executive Chairman and Executive Director

Singapore, 28 March 2025

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 Ms. Carolyn Seet Su Lin, Mr. Choong Pei Nung and Mr. Kwong Choong Kuen (Huang Zhongquan).