**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt** as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Solis Holdings Limited (the "**Company**"), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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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 ENTERING INTO A CONSTRUCTION CONTRACT

Capitalised terms used on this cover page have the same meaning as defined in the section headed "Definitions" in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 4 to 14 of this circular.

The transaction being the subject matter has been approved by written shareholders' approval pursuant to Rule 14.44 of the Listing Rules in lieu of a general meeting of the Company. This circular is being despatched to the Shareholders for information only.

Hong Kong, 16 October 2026

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings*

| | |
|---|---|
| "Announcement" | the announcement published by the Company in respect of entering into Construction Contract on 8 July 2026 |
| "Board" | the board of Directors of the Company |
| "close associate(s)" | has the meaning ascribed thereto under the Listing Rules |
| "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 (stock code: 2227) |
| "Construction Contract" | The construction contract entered into between SMEE and the Contractor regarding the Construction Works on 1 April 2024 |
| "Construction Works" | The construction works under the Construction Contract in relation to the erection of a 4-storey terrace factory with temporary ancillary workers' dormitory on the Group's existing property |
| "Completion" | the completion of the Construction Works in accordance with the terms and conditions of the Construction Contract |
| "Construction Price" | the consideration payable under Construction Contract, S$4,501,000 (equivalent to approximately HK$27.5 million) |
| "Contractor" | IMCS Construction Pte. Ltd., a company incorporated in Singapore with limited liability, which is principally engaged in general construction activities, including building works and civil engineering services. |
| "Controlling Shareholder(s)" | has the meaning ascribed thereto under the Listing Rules and means the controlling shareholders of the Company, namely, HMK Investment Holdings Limited, Mr. Tay, Mr. Tay Yong Meng and Mr. Kenneth Teo Swee Cheng (Kenneth Zhang Ruiqing) |
| "Director(s)" | the director(s) of the Company |
| "Group" | the Company and its subsidiaries from time to time |

| | |
|---|---|
| "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 Shareholders of the Group, being Mr. Tay, Mr. Tay Yong Meng and Mr. Kenneth Teo Swee Cheng (Kenneth Zhang Ruiqing) |
| "Hong Kong" | the Hong Kong Special Administrative Region of the People's Republic of China |
| "Latest Practicable Date" | 16 October 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular prior to its publication |
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time |
| "Mr. Tay" | Mr. Tay Yong Hua, the executive chairman, executive Director and the Controlling Shareholder of the Company |
| "Property" | 450 Tagore Industrial Avenue Singapore 787821 |
| "SFO" | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time |
| "SMEE" | 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 |
| "Share(s)" | ordinary share(s) of HK$0.01 each in the share capital of the Company |
| "Shareholder(s)" | holder(s) of the issued Share(s) |
| "Stock Exchange" | the Stock Exchange of Hong Kong Limited |
| "HK$" | Hong Kong dollars, the lawful currency of Hong Kong |
| "S$" | Singapore dollars, the lawful currency of Singapore |
| "%" | per cent. |

*For the purpose of this circular, the exchange rate of S$1.00 = HK$6.11 has been used for currency translation, where applicable. Such an exchange rate is for illustrative purposes and does not constitute representations that any amount in HK$ or S$ has been, could have been or may be converted at such a rate.*

# SOLIS HOLDINGS LIMITED
# 守益控股有限公司

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

***Executive Directors:***
Mr. Tay Yong Hua *(Chairman)*
Mr. Kenneth Teo Swee Cheng
(Kenneth Zhang Ruiqing)
*(Chief Executive Officer)*

***Independent Non-executive Directors:***
Ms. Carolyn Seet Su Lin
Mr. Choong Pei Nung
Mr. Kwong Choong Kuen (Huang Zhongquan)

***Registered Office:***
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

***Principal place of business in Hong Kong:***
Units 903A-5, 9/F.,
8 Observatory Road
Tsim Sha Tsui, Kowloon,
Hong Kong

16 October 2026

*To the Shareholders*

Dear Sir or Madam,

## MAJOR TRANSACTION IN RELATION TO ENTERING INTO A CONSTRUCTION CONTRACT

### INTRODUCTION

Reference is made to the Announcement, on 1 April 2024, an indirect wholly owned subsidiary of the Company entered into the Construction Contract with the Contractor in relation to the erection of a 4-storey terrace factory with temporary ancillary workers' dormitory on the Group's existing property at the Construction Price of S$4,501,000 (equivalent to approximately HK$27.5 million). The purpose of this circular is to provide the Shareholders with further information of the Construction Contract, and other information as required under the Listing Rules.

## THE CONSTRUCTION CONTRACT

The principal terms of the Construction Contract are set out below:

| | |
|---|---|
| Date: | 1 April 2024 |
| Parties: | (1) SMEE<br><br>(2) Contractor<br><br>The Contractor is a company incorporated in Singapore which primarily engaged in general construction activities, including building works and civil engineering services. The company provides construction and related contracting services to support infrastructure and development projects.<br><br>To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Contractor and its ultimate beneficial owners, Mr. Tho Chee Seng and Mr. Ng Choon Teck are third parties independent of the Company and its connected persons (as defined under the Listing Rules). |
| Completion: | 15 months from contract date (1 April 2024). The construction has since been completed, with the Temporary Occupation Permit issued on 17 July 2025 and Certificate of Statutory Completion issued on 1 October 2025. |
| Defects liability period: | The defects liability period shall be 12 months after the date of issuance of the Certificate of Statutory Completion. |
| Construction Price: | S$4,501,000 (equivalent to approximately HK$27.5 million) |

The Construction Price was determined on a lump sum basis following a competitive tender process conducted by the Company. The Company invited three independent contractors to submit tenders. All tenderers were required to submit their tenders based on the same tender specifications and scope of works prescribed by the Company. In assessing the tenders, the Company considered, among other things, the tenderers' technical capability, relevant qualifications, track record and experience in undertaking construction projects of a similar nature and scale, as well as their financial strength and resources. In particular, the Contractor held a General Builder Class 2 license issued by the Building and Construction Authority of Singapore (the "**BCA**") and the other two tenders (namely Tenderer A and Tenderer B) each held a General Builder Class 1 license issued by the BCA. Accordingly, as at the time of the tender, the Contractor, Tenderer A and Tenderer B had been established for approximately 18 years, 14 years and 21 years respectively. Each of the three tenderers also had relevant experience in undertaking construction projects of a nature and scale similar to the Construction Works. The General Builder Class 2 license held by the Contractor was sufficient for undertaking the Construction Works having regard to the nature, scope and contract value of the Construction Works. Both General Builder Class 1 and Class 2 licence holders are permitted to undertake general building works, with the principal difference being that a Class 1 licence holder may undertake projects of any value, whereas a Class 2 licence holder may only undertake projects with an estimated final price of not more than S$6,000,000.

The Contractor was selected after an overall assessment of the tenders submitted. As the Contractor submitted the lowest tender and its construction methodology and project programme satisfied the Company's technical and commercial requirements, the Contractor was considered as the most suitable contractor for the Construction Contract, taking into account its competitive pricing. In particular, the Contractor proposed a clear and practicable sequence of works covering the demolition of the building and the subsequent construction of the new building, with appropriate allocation of manpower and resources at the various stages of the Construction Works. Its proposed project programme also provided for the completion of the key stages of the Construction Works within the time frame required by the Company.

The Board considered that the Construction Price was consistent with prevailing market conditions as it was determined through a competitive tender process involving three independent contractors bidding on the same tender specifications, scope of works and contractual terms. Having considered the tenders received and the outcome of the competitive tender process, the Board considered that the terms of the Construction Contract, including the Construction Price, were on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Payment Terms:

Payment of the Construction Price was made by way of progress payments. The Contractor submitted progress claims periodically based on the value of the works completed, which were subject to review and approval by the Company's management having regard to the progress of the works. The approved amounts were payable by the Company in accordance with the payment terms of the Construction Contract. The final payment was made upon completion of all works and following the issuance of the Temporary Occupation Permit by the Building and Construction Authority. Such payment arrangement is generally in line with market practice for construction works of a similar nature and scale.

As at the Latest Practicable Date, the Construction Price has been fully paid in accordance with the terms of the Construction Contract. The final payment was made in November 2025 following completion of the works and following the issuance of the Temporary Occupation Permit by the Building and Construction Authority in accordance with the terms of the Construction Contract.

The Board considered that the payment terms under the Construction Contract were on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole as (i) payments were made progressively based on the value of the works completed and certified by the Company's management; (ii) the progress payment mechanism aligned the Company's payment obligations with the progress of the construction works and ensured that payments were made only after the relevant works had been assessed and certified; and (iii) such progress payment arrangements were customary for construction contracts of a similar nature and were consistent with prevailing market practice.

| | |
|---|---|
| Conditions Precedent: | The Construction Contract became effective upon execution and is not subject to any conditions precedent. |

## INFORMATION OF THE GROUP

The Company was 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.

## INFORMATION OF THE CONTRACTOR

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Contractor is a company incorporated in Singapore which is principally engaged in general construction activities, including building works and civil engineering services. The Contractor and its ultimate beneficial owners, Mr. Tho Chee Seng and Mr. Ng Choon Teck are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, there is, and in the past twelve months there has been, no material loan arrangement between (a) the Contractor, any of its directors and legal representatives and/or any ultimate beneficial owner(s) of the Contractor; and (b) the Company, any connected person at the Company's level and/or any connected person of the Company's subsidiaries involved in the Construction Contract.

## REASONS FOR AND BENEFITS OF ENTERING INTO THE CONSTRUCTION CONTRACT

On 3 July 2023, the Group entered into an agreement for the acquisition of the Property. The Property was acquired with a view to increasing the Group's office space, storage capacity and dormitory facilities to support the Group's business operations and, in particular, the requirements arising from a project awarded to the Group.

The Property was an aged building which was acquired on an "as-is" basis. At the time of the acquisition, part of the Property was subject to an existing tenancy, which continued until 22 January 2024. Following completion of the acquisition on 26 September 2023, the Group intended, upon expiry of the existing tenancy, to redevelop the Property for its own use. Given the age and condition of the then structure of the Property, the redevelopment involved the demolition of the then building and the erection of a new four-storey building comprising warehouse, office, dormitory and ancillary facilities, with a view to replacing the outdated structure and improving the overall condition, functionality and compliance of the Property with prevailing regulatory requirements.

Following the expiry of the existing tenancy on 22 January 2024, the Property became vacant in preparation for the redevelopment. Following a competitive tender process conducted by the Company, the Company entered into the Construction Contract on 1 April

2024 for the demolition of the then building and the erection of the new four-storey building. At the time the Construction Contract was entered into, the Property had a carrying value of approximately S$9,286,000.

For the financial year ended 31 December 2022, no net profit or loss attributable to the Property was recorded by the Group as the Group had not yet acquired the Property.

Part of the Property was rented out during the period from 26 September 2023 to 22 January 2024. For the financial year ended 31 December 2023, the net profit before taxation attributable to the Property amounted to approximately S$23,974. As the Group is unable to separately identify the tax deductions, capital allowances, tax losses and other tax adjustments specifically attributable to the Property, the net profit after taxation attributable to the Property has been estimated by applying the prevailing Singapore corporate income tax rate of 17% to the net profit before taxation. On this basis, the net profit after taxation attributable to the Property amounted to approximately S$19,898. There were no extraordinary items attributable to the Property for the financial year ended 31 December 2023.

Following completion of the Construction Works, the redeveloped Property has been used as a dormitory by the Group, while the office and warehouse portions have been partially utilised. Accordingly, the Property is currently not operating at its maximum capacity. The additional office, warehouse, and dormitory facilities were intended to meet the Group's operational needs for the project awarded to the Group, which is expected to be completed by the first quarter of 2027.

In February 2026, the Group granted an option to a purchaser to purchase the Property. In view of the current utilisation of the Property and taking into account that the project which the Property was intended to support is expected to be completed in the first quarter of 2027, the Group considered that the grant of option would provide an opportunity to realise the value of the Property and optimise the allocation of the Group's resources.

Having regard to the above, the Board considers that the entering into of the Construction Contract was in the interests of the Company and the Shareholders as a whole. The redevelopment of the Property was undertaken to improve the condition and functionality of the Property and to provide additional facilities to support the Group's operational requirements. The Construction Contract was funded by the internal resources of the Group.

**FINANCIAL EFFECTS OF THE CONSTRUCTION CONTRACT**

When the Construction Price under the Construction Contract was incurred and certified, the relevant portion of the Construction Price was capitalised as "construction in progress" in the consolidated statement of financial position of the Company. Upon completion of the Construction Works, the amount recognised as "construction in progress" was transferred to "property, plant and equipment". Payment of the Construction Price resulted in a corresponding decrease in the Group's cash and cash equivalents and was funded by the Group's internal resources.

As the Construction Contract relates to the reconstruction of the Group's owner-occupied property, the Construction Price was capitalised and did not have any immediate material impact on the earnings of the Group. The capitalised construction costs will be recognised as depreciation expense over the remaining useful life of the reconstructed Property and will therefore affect the Group's earnings over time.

The Completion did not have any material impact on the net assets of the Group as the Construction Price was settled by the Group's internal resources.

## IMPLICATIONS OF THE LISTING RULES

As the highest applicable percentage ratio for the Company in respect of the entering into the Construction Contract exceeds 25% but is less than 75%, the Construction Contract 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 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 Construction Contract. Accordingly, pursuant to Rule 14.44 of the Listing Rules, written Shareholders' approval may be accepted in lieu of holding a general meeting to approve the Construction Contract. The Company has obtained the written approval from a closely allied group of Shareholder, comprising HMK owned as to 90% by Mr. Tay and Mr. Tay, which are beneficially interested in an aggregate of 552,336,000 Shares, representing approximately 60.33% of the total number of issued Shares as at the Latest Practicable Date, to approve the Construction Contract. As such, no general meeting will be convened for the purpose of approving the Construction Contract pursuant to Rule 14.44 of the Listing Rules.

The Board considers that the terms and conditions of the Construction Contract are on normal commercial terms and are fair and reasonable and the Construction Contract is in the interests of the Company and the Shareholders as a whole. Accordingly, notwithstanding that no general meeting will be convened by the Company to approve the Construction Contract, the Board recommends the Shareholders to vote in favour of the relevant ordinary resolution regarding the Construction Contract if the Company were to convene a general meeting for the approval of the Construction Contract.

## REASONS FOR NON-COMPLIANCE WITH THE LISTING RULES

To the best of the Company's knowledge and belief, the delay in disclosure and the non-compliance with Chapter 14 of the Listing Rules was due to the unintentional and inadvertent oversight by the responsible staff. The responsible staff failed to properly assess whether the Construction Contract constitutes a capital expenditure contract falling within the definition of "transaction" under Rule 14.04 of the Listing Rules. As the responsible staff was not aware that such might constitute a notifiable transaction under Chapter 14 of the Listing Rules, the Construction Contract was not reported for compliance review and assessment, including the calculation of the applicable percentage ratios.

In addition, at the relevant time, there was no separate or secondary review mechanism under which another designated personnel or function would assess whether a proposed contract or transaction might fall within the scope of Chapter 14 of the Listing Rules. The identification of potential notifiable transactions therefore primarily relied on the knowledge, experience and judgement of the staff responsible for the relevant transaction.

The Company has reviewed the above circumstances and implemented, or is in the process of implementing, the remedial measures set out in the section headed "Remedial Measures" below to address the above causes of the non-compliance and strengthen the Group's internal controls in relation to compliance with Chapter 14 of the Listing Rules.

**REMEDIAL MEASURES**

The Company deeply regrets its non-compliance with the Listing Rules but it would like to stress that such non-compliance was inadvertent, and the Company had no intention of withholding any information. Having considered the causes of the non-compliance set out above, the Company has taken, or will take, the following remedial measures:

(a) Enhancement of internal procedures for identification, review and approval of notifiable transactions

The Company has established and enhanced its written internal manual (the "**Manual**") in relation to the identification, review, approval and disclosure of notifiable transactions under Chapter 14 of the Listing Rules. In particular, the Manual includes the definition of "transaction" under Chapter 14 of the Listing Rules and examples of transactions which may fall within such definition, including transactions involving capital expenditure. The Manual also included the Stock Exchange's "size test template" to perform preliminary calculations for any potential transaction.

Under the Manual, any proposed transaction or contract which may potentially constitute a notifiable transaction under Chapter 14 and/or a connected transaction under Chapter 14A of the Listing Rules is required to be reported by the relevant business department to the Finance department with relevant information and supporting documents, including the identity of and relationship with the counterparty, the nature and principal terms of the proposed transaction, the transaction amount or consideration, the subject matter of the transaction, and the relevant agreements, contracts, quotations or other supporting documents, as applicable. The identification of a potential transaction does not rely solely on the relevant business department. All potential transactions will be passed to the Finance Department, upon receipt of the relevant information and supporting documents, the Finance department will independently review and assess whether the proposed transaction or contract may constitute a notifiable transaction under Chapter 14 and/or a connected transaction under Chapter 14A of the Listing Rules. Such assessment will be further reviewed by the Chief Financial Officer and cross-checked by the Company Secretary, where appropriate.

Under the Manual, the relevant division of responsibilities is as follows:

**Finance department** is responsible for, in respect of a potential transaction, (i) reviewing the information and supporting documents provided by the business department and making a preliminary assessment as to whether the proposed transaction may constitute a transaction under Chapter 14 and/or Chapter 14A of the Listing Rules; (ii) reviewing the Group's historical transaction records to identify transactions with the same party or other relevant transactions which may be required to be aggregated under the Listing Rules; and (iii) using the size test checklist to calculate the applicable percentage ratios under Chapter 14 of the Listing Rules, where appropriate. The Finance department will submit its assessment, together with the relevant information, supporting documents and calculations by email or any verifiable reporting method that includes a time-stamp to the Chief Financial Officer for review.

**Chief Financial Officer** is responsible for reviewing the information and supporting documents submitted by the Finance department, including the nature and principal terms of the proposed transaction and the identity of and relationship with the counterparty, and reviewing the Finance department's assessment as to whether the proposed transaction constitutes a transaction under Chapter 14 and/or Chapter 14A of the Listing Rules and whether aggregation with any other transaction is required. The Chief Financial Officer is also responsible for reviewing the results of calculations of the percentage ratios. If any of the applicable percentage ratios exceeds 5% on a standalone basis or, where aggregation is required under the Listing Rules, on an aggregated basis, the Chief Financial Officer will (i) submit the calculations to the Company Secretary; and (ii) report the proposed transaction to the Board for approval. The Chief Financial Officer should provide guidance to the Finance department on threshold alerts for potential notifiable transactions in the context of annual or interim results updates in order to avoid relying on the personal judgment of individual finance personnel, which may result in a failure to report such transactions in a timely manner and subsequently lead to a breach of Listing Rules if they are later identified as notifiable transactions. Such threshold alerts will include the identification of significant transactions, capital expenditure, acquisitions, disposals, investments and other material contractual commitments which may, individually or when aggregated with other transactions, result in any applicable percentage ratio reaching or exceeding 5% under Chapter 14 of the Listing Rules. The Finance department will monitor such transactions based on the financial and operational information available to it and report any potential threshold alert to the Chief Financial Officer for further review, including consideration of whether aggregation is required and whether the matter should be escalated to the Company Secretary for further assessment under the Listing Rules.

**Company Secretary** is responsible for conducting a further review of the assessment made by the Finance department and the Chief Financial Officer as to the application of Chapters 14 and/or 14A of the Listing Rules, including the nature of the transaction, the relationship with the counterparty, aggregation requirements and the applicable compliance and disclosure requirements, as well

as further reviewing the results of calculations of the percentage ratios and, where necessary, seeking advice from external legal and/or financial advisers. Accordingly, the assessment conducted by the Finance department and reviewed by the Chief Financial Officer is subject to a further cross-check and review by the Company Secretary.

**Board** is responsible for considering to approve the transaction after taking into account the analysis and advice provided by the Chief Financial Officer, the Company Secretary and external professional advisers, where applicable, in relation to compliance with Chapters 14 and/or 14A of the Listing Rules. Such analysis and advice will include, as applicable, (i) whether the proposed transaction falls within Chapters 14 and/or 14A of the Listing Rules; (ii) whether aggregation with any other transaction is required; (iii) the applicable percentage ratios and classification of the transaction; and (iv) the applicable reporting, announcement, circular and/or shareholders' approval requirements under the Listing Rules.

The Company considers that the above procedures introduce clearer segregation of responsibilities and multiple levels of review and approval for potential notifiable transactions, thereby addressing the absence of a secondary review mechanism which contributed to the non-compliance in respect of the Construction Contract. The above measures have been implemented as at the date of this circular.

(b) Training on Chapter 14 of the Listing Rules and the Manual

The Company will also arrange trainings on regulatory compliance matters relating to notifiable transactions and the procedures under the Manual to the Directors, senior management and responsible staff to strengthen and reinforce their existing knowledge as well as their ability to identify potential issues at an early stage, ensure that they fully understand the requirements of the Listing Rules. The online training by an external provider is expected to be arranged on or before 31 October 2026.

(c) Annual review and independent review of internal controls

The Company will review its internal control and compliance system on an annual basis to identify any weakness and engage an independent internal control consultant, PAL Advisory Limited to include the review of the Company's internal control systems in relation to notifiable transactions and regulatory compliance to identify any further improvement recommendations. The independent internal control review by PAL Advisory Limited is currently in progress and is expected to be completed by 31 October 2026. Upon completion of the independent internal control review, the Company intends to publish an announcement summarising the findings of the review, the recommendations made by the independent internal control consultant, and the remedial measures implemented or to be implemented by the Company, to keep the Shareholders and potential investors informed of the progress in addressing the internal control deficiencies;

(d) Monthly monitoring of transactions

Inclusion of a dedicated section on proposed and completed transactions in monthly management reports, which was implemented from June 2026.

(e) Consultation with external professional advisers

The Company shall work more closely with its external legal advisers on compliance issues and shall, as and when appropriate, consult other professional advisers before entering into contract which might potentially trigger notifiable transactions under Chapter 14 of the Listing Rules or when notifiable transactions are being contemplated. Upon identification of this oversight, the management has worked closely with external legal advisers in consulting the relevant Listing Rules and preparing the announcement.

The Directors believe that the above remedial measures will strengthen the knowledge of the management of the Group and Directors, improve the regulatory compliance ability of the Company and are sufficient to avoid re-occurrence of similar incidents in future.

## ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board of
**Solis Holdings Limited**
**Tay Yong Hua**
*Executive Chairman and Executive Director*

## 1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 31 December 2023, 2024 and 2025 and six months ended 30 June 2026 are disclosed in the following documents, which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (http://www.TheSolisGrp.com):

- the annual report of the Company for the year ended 31 December 2023 published on 30 April 2024 (pages 83 to 145):

  https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0430/2024043001544.pdf

- the annual report of the Company for the year ended 31 December 2024 published on 30 April 2025 (pages 83 to 145):

  https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0430/2025043001437.pdf

- the annual report of the Company for the year ended 31 December 2025 published on 30 April 2026 (pages 86 to 151):

  https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0430/2026043001230.pdf

- the interim report of the Company for the six months ended 30 June 2026 published on 24 September 2026:

  https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0924/2026092400536.pdf

## 2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 August 2026, being the latest practicable date for the purpose of this statement of indebtedness prior to the publication of this circular, the Group had the following indebtedness:

### (a) Banking Facilities

As at 31 August 2026, the Group's approved banking credit facilities amounted to approximately S$51,021,000 with approximately S$22,562,000 being utilised. The Group's banking facilities were secured by:

(i) pledges over the Group's freehold and leasehold properties with an aggregate net carrying amount of S$26,004,000, together with a non-current asset held for sale relating to a freehold property with a carrying amount of S$21,000,000. The carrying amount of the freehold and leasehold properties of S$26,004,000 are derived based on the valuation amounts as at 1 January 2026 less depreciation for the 8 months ended 31 August 2026. The asset held for sale with carrying amount of S$21,000,000 is determined based on an Option Agreement entered into with a third-party purchaser on 2 February 2026, pursuant to which the Group granted the purchaser an option to

acquire the property for a consideration of S$21,000,000. Under the terms of the agreement, the option may be exercised on or before 22 November 2026, with completion of the sale scheduled for 31 March 2027;

(ii) pledges over certain of the Group's fixed deposits with a net carrying amount of approximately S$221,000, and bears interest at 0.30% per annum; and

(iii) corporate guarantee provided by the Company.

The non-current asset held for sale set out in (i) above is subject to a general security charge in favour of The Hongkong and Shanghai Banking Corporation Limited ("**HSBC**") to secure the Group's general banking facilities. As at 31 August 2026, approximately S$950,000 of such banking facilities had been utilised by the Group. The existing charge over the Property will be released and discharged upon the completion of the sale scheduled for 31 March 2027. As at the Latest Practicable Date, HSBC had not requested, and the Group had not been required to provide, any additional or replacement security over other assets of the Group in connection with the release and discharge of the existing charge over the Property. Subject to the terms of the relevant banking facility arrangements, HSBC may request additional or replacement security in the future.

**(b) Lease liabilities**

As at 31 August 2026, the Group had lease liabilities of approximately S$204,000 arising from leases of warehouse space and motor vehicles for corporate use, amounting to S$147,000 and S$57,000 respectively.

**(c) General**

Save as disclosed above and apart from intra-group liabilities and normal trade payables in the normal course of business, at the close of business on 31 August 2026, the Group did not have any other debt securities issued and outstanding or authorised or otherwise created but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, lease liabilities, hire purchase commitments, guarantees or other material contingent liabilities.

The Directors have confirmed that, save as disclosed above, there has not been any material change in the indebtedness and contingent liabilities of the Group since 31 August 2026.

## 3. RECENT DEVELOPMENT AND FINANCIAL AND TRADING PROSPECT OF THE GROUP

As disclosed in the annual report of the Company published on 30 April 2026, for the year ended 31 December 2025, the audited consolidated revenue was S$18,485,000 (for the year ended 31 December 2024: S$19,929,000) and audited consolidated net profit after tax

was S$11,938,000 (consolidated net profit after tax for the year ended 31 December 2024: S$810,000). As disclosed in the interim report of the Company published on 24 September 2026, for the six months ended 30 June 2026, the unaudited consolidated revenue was S$8,951,000 and unaudited consolidated net profit after tax was S$10,194,000.

In 2025, the outlook of Singapore's construction market remained resilient yet competitive, with the market benefiting from a stable pipeline of public sector projects. For 2026 onwards, the Singapore construction industry is expected to remain steady, underpinned by public infrastructure spending, resilient private sector demand, and the ongoing shift towards digitalization and sustainable building practices. As an integral part of the construction value chain, M&E services are seeing growing demand and complexity, driven by evolving sustainability requirements and the adoption of smart technologies.

Despite the generally optimistic outlook, the industry continues to face several challenges that could impact profitability, project timelines, and workforce sustainability. Persistent labor shortages – exacerbated by stricter foreign manpower regulations and a limited local talent pool – remain a key concern. These are further compounded by rising material costs and compliance-related expenses, which continue to put downward pressure on margins. In addition, firms must remain agile in responding to shifting regulatory requirements, evolving environmental standards, and potential climate-related disruptions.

Amid this dynamic environment, the Group remains focused on building long-term competitiveness. We continue to invest strategically in workforce development and the adoption of advanced construction technologies to drive productivity, cost efficiency, and project quality. These initiatives position the Group well to pursue high-value opportunities in infrastructure, energy, and sustainable development.

The Group will continue to monitor macroeconomic conditions closely and implement timely risk mitigation strategies where necessary. With a disciplined approach to project execution and cost management, the Group is confident in its ability to respond effectively to emerging challenges, uphold its market leadership, and deliver sustained value to Shareholders.

## 4. WORKING CAPITAL

The Directors, after due and careful enquiry and consideration, are of the opinion that, in the absence of unforeseeable circumstances, after taking into account the Group's business prospects, internal resources, available credit facilities and the impact of the consideration paid under the Construction Contract, the Group has sufficient working capital for its requirements for at least twelve months from the date of this circular.

The Company has obtained the relevant confirmations as required under Rule 14.66(12) of the Listing Rules.

## 5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading position or prospects of the Group since 31 December 2025, the date to which the latest published audited financial statements of the Group were made up.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Interests and short positions of directors and chief executives of the Company and its associated corporations

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in the Listing Rules, were as follows:

#### *(I) Long position in the ordinary shares and underlying shares of the Company*

*(i) Interests in the Company*

| Name of Directors | Personal interests/ Beneficial owner | Corporate Interests/ Interest in a controlled corporation | Number of Shares | Approximate % of interest in the Company |
|---|---|---|---|---|
| Mr. Tay Yong Hua[Note1] | 20,000,000 | 532,336,000 | 552,336,000 | 60.33% |
| Mr. Kenneth Teo Swee Cheng (Kenneth Zhang Ruiqing)[Note 2] | – | 532,336,000 | 532,336,000 | 58.14% |
| Mr. Kwong Choong Kuen (Huang Zhongquan) | 2,144,000 | – | 2,144,000 | 0.23% |

*Notes:*

1. Mr. Tay Yong Hua holds 90% shares in HMK investment Holdings Limited ("**HMK**") and he is therefore deemed to be interested in the 532,336,000 shares held by HMK under the SFO.

2. Mr. Kenneth Teo Swee Cheng (Kenneth Zhang Ruiqing) holds 4% shares in HMK and he is deemed to be interested in the 532,336,000 shares held by HMK under the SFO.

*(ii) Interests in the associated corporation*

| Name of directors | Name of associated corporation | Capacity/ Nature | No. of shares held | % of the issued voting shares of associate corporation |
|---|---|---|---|---|
| Mr. Tay Yong Hua | HMK | Beneficial owner | 90 | 90% |
| Mr. Kenneth Teo Swee Cheng (Kenneth Zhang Ruiqing) | HMK | Beneficial owner | 4 | 4% |

Save as disclosed above, as at the Latest Practicable Date, none of the directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to standards of dealing by Directors contained in the Listing Rules.

**(b) Interests of substantial shareholders**

As at the Latest Practicable Date, the following persons/entities (not being Directors or chief executive of our Company) have an interest or a short position in the shares or the underlying shares which were disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, were as follows:

***Long position in the ordinary shares and underlying shares of the Company***

| Name of shareholders | Capacity | Number of shares held | % of the Company's issued voting shares |
|---|---|---|---|
| HMK[Note 1] | Beneficial owner | 532,336,000 | 58.14% |
| Mr. Tay Yong Meng[Note 2] | Interest in a controlled corporation | 532,336,000 | 58.14% |
| Ms. Lim Sim Swee ("**Mrs. Tay**")[Note 3] | Deem interest by virtue of interest held by spouse | 552,336,000 | 60.33% |
| Mr. Low Hang Teow ("**Mr. Low**")[Note 4] | Beneficial owner | 98,152,000 | 10.72% |
| Mr. Zheng MingQiang ("**Mr Zheng**")[Note 5] | Beneficial owner | 67,073,714 | 7.33% |

*Notes:*

1. The 532,336,000 shares are beneficially held by HMK which is owned as to 90% by Mr. Tay Yong Hua, 6% by Mr. Tay Yong Meng and 4% by Mr. Kenneth Teo Swee Cheng (Kenneth Zhang Ruiqing), and they are deemed to be interested in 532,336,000 Shares held by HMK by virtue of the SFO.

2. Mr. Tay Yong Meng holds 6% shares in HMK and he is therefore deemed to be interested in the 532,336,000 Shares held by HMK under the SFO.

3. Mrs. Tay, the spouse of Mr. Tay Yong Hua, is deemed to be interested in the interests held by Mr. Tay Yong Hua under the SFO.

4. According to the individual substantial shareholder notice filed on 12 January 2026 by Mr. Low, 98,152,000 Shares are beneficially held by him.

5. According to the individual substantial shareholder notice filed on 8 April 2020 by Mr. Zheng, 67,073,714 Shares are beneficially held by him.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any persons (other than directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## 3. COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective close associates had any interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

## 4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or be determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation).

## 5. DIRECTORS' INTEREST IN ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2025 (being the date to which the latest published audited consolidated financial statements of the Company were made up) and up to the Latest Practicable Date, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

## 6. DIRECTORS' INTEREST IN CONTRACT

There was no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director was materially interested and which was significant to the business of the Group.

## 7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

## 8. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Group) have been entered into by the Group within the two years immediately preceding the Latest Practicable Date which are, or may be, material:

(a) Construction Contract; and

(b) option agreement (the "**Option Agreement**") entered into between SMEE and Straits Teamwork Pte Ltd dated 2 February 2026 in relation to the grant of an option to Straits Teamwork Pte Ltd for purchase of the Property at a consideration in the amount of S$21,000,000.

## 9. MISCELLANEOUS

(a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

(b) The head office and principal place of business of the Company is at 85 Tagore Lane, Singapore, 787527.

(c) The principal place of business in Hong Kong is at Units 903A-5, 9/F., 8 Observatory Road, Tsim Sha Tsui, Kowloon, Hong Kong.

(d) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited located at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(e) The company secretary of the Company is Ms. Chin Ying Ying, who is a member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.

(f) The English text of this circular shall prevail over the Chinese text, in case of any inconsistency.

## 10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.TheSolisGrp.com) from the date of this circular up to 14 days thereafter:

(a) Construction Contract; and

(b) Option Agreement.