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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)

KEY FINDINGS OF INTERNAL CONTROL REVIEW

BACKGROUND

Reference is made to the announcement of Solis Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") dated 8 July 2026 (the "**Previous Announcement**") in relation to, among other things, certain transactions of the Group and non-compliance with the requirements of Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Previous Announcement.

As disclosed in the Previous Announcement, the Company identified certain deficiencies in its internal procedures for identifying, assessing and escalating transactions that may constitute notifiable transactions under Chapter 14 of the Listing Rules. The Company also announced certain remedial measures to strengthen its internal control systems, including engagement of an independent internal control consultant to review the Group's internal controls and procedures relating to the identification, assessment, approval and reporting of notifiable transactions.

INTERNAL CONTROL REVIEW

The Company engaged PAL Advisory Limited（上邦永晉諮詢有限公司）(the "**Internal Control Consultant**") to conduct an independent review of the Group's internal control systems and procedures in relation to the transaction management cycle, with particular focus on the identification, assessment, approval, escalation and documentation of transactions that may constitute notifiable transactions under Chapter 14 of the Listing Rules (the "**Internal Control Review**").

The Internal Control Review was conducted with reference to the Group's existing policies and procedures, relevant transaction records and supporting documentation, as well as discussions with the relevant personnel of the Group.

The principal findings and recommendations, together with the follow up review on the implementation status are summarised below:

No.	Key findings	Recommendations	Status
Transaction Management control			
1	**Controls on Identification of Notifiable Transactions to be enhanced** During the Internal Control Review, the Internal Control Consultant noted that on 1 April 2024, an indirect wholly owned subsidiary entered into a construction contract for a four-storey terrace factory with a temporary ancillary workers' dormitory on the Group's existing property. The contract price was S$4,501,000 (approximately HK$27.5 million), and the project formed part of the Group's property portfolio management strategy. The responsible staff obtained operational approvals but failed to assess whether the contract constituted a capital expenditure transaction under Rule 14.04 of the Listing Rules. Consequently, it was not referred for compliance review or calculation of the applicable percentage ratios. No secondary review mechanism was in place, and identification of potential notifiable transactions relied primarily on the responsible staff's knowledge and judgement. As a result, the contract was not escalated to the Board at the material time, resulting in delayed disclosure and non-compliance with Chapter 14 of the Listing Rules.	The Group should implement a mandatory pre-transaction assessment and approval process, with size test thresholds for internal reporting set by the CFO based on the latest published financial statements and communicated to relevant personnel. Relevant departments should document their assessments and escalate transactions meeting these thresholds to the CFO for review before entering into any agreement. The Group should also provide regular training on regulatory compliance matters relating to notifiable transactions and the procedures under the Group's policies 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.	Completed, such procedures have been adopted in the updated policies and procedures governing notifiable transactions. Completed, training has been conducted by PAL Advisory Limited on 9 October 2026.
2.	**Documentation for Board Approval Records for Transaction shall be enhanced** During the Internal Control Review, the Internal Control Consultant was informed that, before finalising any notifiable transactions, the CFO consults with the company secretary or legal advisers and circulates the relevant documents to Board members for confirmation. However, the records provided included only email confirmations from the independent non-executive Directors. Based on discussions with the CFO, the executive Directors provided verbal confirmations only. No written records were available to evidence formal approval of the transaction by all Board members.	The Group should strengthen its documentation procedures by requiring written approvals from all Board members. As a matter of good governance, Board approval of the relevant transactions should be formally recorded.	Completed, such procedures have been adopted in the updated policies and procedures governing notifiable transactions.

No.	Key findings	Recommendations	Status
3.	**Submission and Review Documentation for Bond Transactions to be enhanced** The Internal Control Consultant noted that the finance department was responsible for maintaining the bond register and preparing the relevant percentage ratio calculations for proposed bond transactions, including assessing whether such transactions should be aggregated with previous transactions. The finance department would save the updated calculation files on the Company's server for the CFO's review. However, the existing procedures did not include a formal submission or tracking mechanism to document when the relevant calculation files were submitted for review, who had prepared and updated the calculations, or whether and when the CFO had completed the review. In addition, the Group did not maintain a formal version control log to track changes to the bond register and the corresponding percentage ratio calculations.	The Group should implement a formal submission and review process for bond transactions, supported by a version control log to record the preparation and submission dates of the relevant percentage ratio calculations, the names of the preparer and reviewer, date of review and the review status, so as to ensure proper documentation and traceability of the calculation and review process. The finance department should ensure that the bond register is updated promptly upon each relevant transaction and that the corresponding percentage ratio calculations, together with historical records and supporting documentation, are properly retained to facilitate accurate aggregation assessments and the identification of potential disclosure obligations under the Listing Rules.	Completed, such procedures have been adopted in the updated policies and procedures governing bond transactions.

STATUS OF REMEDIAL MEASURES

As of the date of this announcement, the Company has completed the implementation of the recommendations from the Internal Control Review. The Company has strengthened its internal controls and procedures relating to the identification, assessment, approval, escalation and documentation of transactions to address the deficiencies identified in the Internal Control Review.

BOARD'S VIEW AND FURTHER ACTIONS

The Board (including the independent non-executive Directors) has reviewed the findings, recommendations and implementation status set out in the Internal Control Review and of the view that the implementation of the recommendations from the Internal Control Review has strengthened the Group's internal control and compliance framework.

The Board will continue to oversee the Group's internal control systems and monitor the effectiveness of the enhanced internal control procedures, with a view to ensuring that the Group maintains appropriate internal controls and procedures to facilitate compliance with the Listing Rules.

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

Singapore, 13 November 2026

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).