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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)

INSIDE INFORMATION
BUSINESS UPDATE AND PROFIT WARNING

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

BUSINESS UPDATE

The board (the "**Board**") of directors (the "**Directors**") of the Company is pleased to announce that the Group has recently been awarded two new projects for a total contract sum of approximately S$18.6 million. The awarded projects will commence in July 2020 and September 2020 respectively and are expected to be completed within the next six months to 24 months from their dates of commencement.

PROFIT WARNING

The Board of Directors wishes to inform shareholders of the Company and potential investors that, based on the financial information currently available, the Group anticipates to record a net loss after tax of not more than S$3.0 million for the six months ended 30 June 2020 (the "**Interim Period**") as compared to a net loss of S$0.8 million for the six months ended 30 June 2019. The expected loss of the Group's was primarily due to the combined effect of:

1. Singapore construction market remains competitive and demanding with continuous pressures on contract values and stiff competition for new projects which led to a decrease in number of awarded projects and revenue. For the newly awarded projects as highlighted in the business update, the revenue has yet to be recognised during the Interim Period.

2. unprecedented outbreak of the Coronavirus Disease 2019 ("**COVID-19**") early this year which subsequently developed to a global pandemic has severely disrupted global economic activities. In order to control the spread of COVID-19, many countries have implemented strict public health measures, including lockdowns and border closures to limit the movement of people. The Singapore Government had also imposed Circuit Breaker Measures in which non-essential businesses were suspended since 7 April 2020. The Group's construction activities were suspended which resulted in almost no revenue being recognised during this period, while the Group is still required to bear the fixed operating costs.

As the Company is still in the process of finalising the financial results of the Group for the Interim Period, the information contained in this announcement represents only a preliminary assessment made by the Board with reference to the latest unaudited consolidated management accounts of the Group and other information currently available, which have not been reviewed nor confirmed by the Company's independent auditors and the audit committee of the Board and which are subject to finalisation and adjustments, if any. Details of the financial information of the Group will be disclosed in the interim results announcement of the Group for the Interim Period, which is expected to be published on or before 31 August 2020.

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

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

Hong Kong, 17 July 2020

As at the date of this announcement, the executive Directors are Mr. Tay Yong Hua and Mr. Kenneth Teo Swee Cheng (Kenneth Zhang Ruiqing); the independent non-executive Directors are Mr. Cheung Garnok, Dr. Guan Huan Fei and Mr. Jacobsen William Keith.