

EVER GLORY UNITED HOLDINGS LIMITED
(Company Registration Number: 202144351H)
(Incorporated in the Republic of Singapore)

PROPOSED BONUS ISSUE OF UP TO 84,700,000 NEW ORDINARY SHARES IN THE CAPITAL OF EVER GLORY UNITED HOLDINGS LIMITED (THE "COMPANY") ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS

1. INTRODUCTION

The board of directors (the "**Directors**") of Ever Glory United Holdings Limited (the "**Company**") is pleased to announce that the Company is proposing a bonus issue (the "**Proposed Bonus Issue**") of 84,700,000 new ordinary shares in the capital of the Company (the "**Bonus Shares**"), on the basis of one (1) Bonus Share to be credited as fully paid for every one (1) existing ordinary share in the capital of the Company (the "**Shares**") held by shareholders of the Company (the "**Shareholders**"), fractional entitlements to be disregarded, as at the record date ("**Record Date**") to be determined by the Directors for the purpose of determining the entitlement of Shareholders.

2. TERMS OF THE PROPOSED BONUS ISSUE

2.1. Bonus Shares

Based on the issued and paid-up share capital of the Company comprising 84,700,000 Shares as at the date of this announcement, 84,700,000 Bonus Shares will be issued pursuant to the Proposed Bonus Issue (assuming there is no change in the number of issued Shares from the date of this announcement up to the Record Date). The actual number of Bonus Shares to be issued by the Company will depend on the total issued share capital of the Company as at the Record Date.

The Bonus Shares will be allotted and issued as fully paid at nil consideration to entitled Shareholders without capitalisation of the Company's reserves. The Bonus Shares, when allotted and issued, will rank *pari passu* in all respects with the existing ordinary shares in the capital of the Company and with each other, except that the Bonus Shares will not be entitled to any dividends, rights, allotments or other distributions, the record date of which falls on a date before the date on which the Bonus Shares are allotted and issued.

For the avoidance of doubt, the Bonus Shares when allotted and issued, SHALL NOT BE entitled to the proposed tax exempt (one-tier) interim dividend of S\$0.015 per share, announced by the Company on 10 August 2023.

The Bonus Shares represent approximately 100% of the existing issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company as at the date of this announcement and approximately 50% of the enlarged share capital (excluding treasury shares and subsidiary holdings) of the Company following the completion of the Proposed Bonus Issue, assuming there are no changes to the total issued share capital of the Company as at the Record Date.

2.2. General Mandate

The Bonus Shares will be issued pursuant to the share issue mandate ("**General Mandate**") obtained from Shareholders in connection with the Company's listing on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Catalist board (the "**Catalist**") on 18 May 2023 (the "**IPO**"). The General Mandate authorises the Directors to *inter alia*, allot and issue new Shares, provided that such number of new Shares to be issued on a *pro rata* basis does not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the IPO. As at the date of the IPO, the Company had 84,700,000 shares (excluding treasury shares and subsidiary holdings) in issue and accordingly, the Company may issue up to 84,700,000 new Shares under the General Mandate on a *pro rata* basis.

As of the date of this announcement, the Company has not issued any new Shares pursuant to the General Mandate and accordingly, the issuance of up to 84,700,000 Bonus Shares will fall within the maximum number authorised under the General Mandate.

2.3. Approvals

The Proposed Bonus Issue is subject to, *inter alia*, the approval of the SGX-ST for the listing and quotation of the Bonus Shares on Catalist. The Company will make an application through its sponsor to the SGX-ST for dealing in listing of and quotation for the Bonus Shares on Catalist. The Company will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST.

2.4. Compliance with the Catalist Rules

Pursuant to Rule 838 of the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), an issuer must satisfy the SGX-ST that the daily weighted average price of its shares, adjusted for the bonus issue, will not be less than S\$0.20 ("**Minimum Price**"). In compliance with Rule 838 Catalist Rules, the issuer should compute the adjusted price based on the proposed bonus issue ratio and the lowest daily weighted share price of the shares for the one-month period preceding the issuer's proposed bonus issue application.

For illustration purposes only and assuming that the Proposed Bonus Issue application has been made on 10 August 2023, being the date of this announcement, the lowest daily weighted average price of the Shares in the month preceding 10 August 2023 would be S\$0.51 and accordingly, the theoretical ex-bonus price ("**TEBP**") would be calculated as follows:

$$\begin{aligned}TEBP &= \frac{S\$0.5100}{2} \times 1 \\ &= S\$0.2550\end{aligned}$$

Accordingly, the TEBP will be above the Minimum Price. Further, the Company confirms that there is no reason to believe that the TEBP is likely to fall below S\$0.20 for the month preceding the date of the application to the SGX-ST for the listing and quotation of the Bonus Shares on the Catalist.

2.5. Record Date

The Bonus Shares will be issued to the Shareholders whose names appear in the Register of Members of the Company or the records of The Central Depository (Pte) Limited, as the case may be, as at the Record Date. Notice of the Record Date will be given at a later date, after all the necessary approvals in respect of the Proposed Bonus Issue (including, without limitation, the approvals from the SGX-ST) have been obtained.

2.6. Moratorium

In connection with the IPO, certain Shares of the Company held by certain individuals are presently under a moratorium. The moratorium will be extended to the Bonus Shares issued arising from the existing moratorium shares.

3. **RATIONALE FOR THE PROPOSED BONUS ISSUE**

The Company is proposing the Proposed Bonus Issue to increase the issued share capital base of the Company to reflect the growth and expansion of its business and to reward and give due recognition to Shareholders for their loyalty and continuing support for the Company.

The Proposed Bonus Issue, if carried out, will also increase the accessibility of investing in the Company to more investors, thereby encouraging trading liquidity and greater participation by investors and broadening the shareholder base of the Company.

4. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors and substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Bonus Issue other than through their respective shareholdings in the Company.

5. **RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Bonus Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

6. **CAUTIONARY STATEMENT**

Shareholders and potential investors should note that the Proposed Bonus Issue is subject to, *inter alia*, the necessary approvals being obtained by the Company, and are therefore advised to exercise caution when dealing or trading in the Shares. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board
EVER GLORY UNITED HOLDINGS LIMITED

Xu Ruibing
Executive Director and Chief Executive Officer
10 August 2023

Ever Glory United Holdings Limited (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 18 May 2023. The initial public offering of the Company was sponsored by Novus Corporate Finance Pte. Ltd. (the "Sponsor").

This announcement has been prepared by the Company³ and reviewed by the Sponsor, in compliance with Rule

226(2)(b) of the SGX-ST Listing Manual Section B: Rules of Catalyst.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Mr Pong Chen Yih, Chief Operating Officer, at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.