

**EVER GLORY UNITED HOLDINGS LIMITED AND ITS SUBSIDIARY  
(Registration No. 202144351H)**

**UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE SIX-MONTH FINANCIAL PERIOD ENDED  
30 JUNE 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 Company and reviewed by the Sponsor, in compliance with Rule 226(2)(b) of the SGX-ST Listing Manual Section B: Rules of Catalist.*

*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.*

**Background**

Ever Glory United Holdings Limited (the “**Company**”) was incorporated in Singapore on 23 December 2021 under the Companies Act 1967 as a private company limited by shares under the name of “Ever Glory United Holdings Pte. Ltd.”. On 25 April 2023, the Company was converted into a public company and was renamed “Ever Glory United Holdings Limited”.

The Company and its subsidiary (the “**Group**”) is primarily engaged in the provision of mechanical and electrical (“**M&E**”) engineering services.

Prior to the listing on the Catalist of the SGX-ST on 18 May 2023 (“**Listing**”), the Group undertook a restructuring exercise (the “**Restructuring Exercise**”). Please refer to the Company’s offer document dated 11 May 2023 (the “**Offer Document**”) for further details on the Restructuring Exercise.

**EVER GLORY UNITED HOLDINGS LIMITED AND ITS SUBSIDIARY**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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**EVER GLORY UNITED HOLDINGS LIMITED AND ITS SUBSIDIARY  
FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2023**

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

	<b>Note</b>	<b>Group</b>		
		<b>Six-month period ended 30 June 2023</b>	<b>Six-month period ended 30 June 2022</b>	<b>Increase/ (Decrease)</b>
		<b>S\$</b>	<b>S\$</b>	<b>%</b>
<b>Revenue</b>	4	26,559,899	10,085,964	163.3
Cost of sales		(18,311,324)	(9,088,887)	101.5
<b>Gross profit</b>		8,248,575	997,077	727.3
<b>Other items of income</b>				
Other income		300,078	65,991	354.7
<b>Other items of expense</b>				
Administrative expenses		(854,339)	(291,592)	193.0
Other expenses		(1,206,320)	-	N/M
Finance costs		(18,332)	(10,444)	75.5
Share of results of a joint venture, net of tax		79,165	7,737	923.2
<b>Profit before income tax</b>		6,548,827	768,769	751.9
Income tax expense	7	(1,063,333)	(134,000)	693.5
<b>Profit for the financial period, representing total comprehensive income for the financial period</b>		5,485,494	634,769	764.2
<b>Profit and total comprehensive income for the financial period attributable to owners of the Company</b>		5,485,494	634,769	
<b>Earnings per share</b>				
Basic and diluted (cents)	10	7.60	0.97	

\* N/M denotes "not meaningful".

EVER GLORY UNITED HOLDINGS LIMITED AND ITS SUBSIDIARY  
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CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

Note	Group		Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	S\$	S\$	S\$	S\$
<b>ASSETS</b>				
<b>Non-current assets</b>				
	11	7,382	-	-
	12	116,239	61,408	-
	13	265,364	137,057	-
		-	-	1,000,000
		143,335	64,170	-
	14	100,000	100,000	-
		<b>632,320</b>	<b>362,635</b>	<b>1,000,000</b>
<b>Current assets</b>				
		8,533,034	3,775,599	-
	14	8,207,295	7,734,343	3,055,717
	14	33,355	450,166	33,355
		5,219,078	497,647	2,728,675
		<b>21,992,762</b>	<b>12,457,755</b>	<b>5,817,747</b>
		<b>22,625,082</b>	<b>12,820,390</b>	<b>633,901</b>
		<b>22,625,082</b>	<b>12,820,390</b>	<b>6,817,747</b>
				<b>1,633,901</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
	16	2,927,724	2	2,927,724
		999,998	999,998	999,998
		7,447,854	1,962,360	1,576,421
		<b>11,375,576</b>	<b>2,962,360</b>	<b>5,504,143</b>
				<b>936,964</b>
<b>Non-current liabilities</b>				
		138,153	55,164	-
	15	251,275	289,789	-
		<b>389,428</b>	<b>344,953</b>	<b>-</b>
<b>Current liabilities</b>				
	17	8,549,167	5,926,207	1,313,604
		524,083	2,612,950	-
		44,011	110,623	-
	15	378,417	446,886	-
		134,259	88,308	-
		1,230,141	328,103	-
		<b>10,860,078</b>	<b>9,513,077</b>	<b>1,313,604</b>
		<b>11,249,506</b>	<b>9,858,030</b>	<b>696,937</b>
		<b>22,625,082</b>	<b>12,820,390</b>	<b>6,817,747</b>
				<b>1,633,901</b>

**EVER GLORY UNITED HOLDINGS LIMITED AND ITS SUBSIDIARY  
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**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

<u>Group</u>		<b>Share capital</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Total equity</b>
		<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
	<u>Note</u>				
<b>Balance at 1 January 2023</b>	16	2	999,998	1,962,360	2,962,360
Profit for the period, representing total comprehensive income for the period		-	-	5,485,494	5,485,494
<b>Transactions with owners</b>					
Issuance of ordinary shares		3,152,136	-	-	3,152,136
Share issuance expenses		(224,414)	-	-	(224,414)
<b>Total transaction with owners</b>		2,927,722	-	-	2,927,722
<b>Balance at 30 June 2023</b>		2,927,724	999,998	7,447,854	11,375,576
<b>Balance at 1 January 2022</b>		1,000,004	-	195,036	1,195,040
Profit for the period, representing total comprehensive income for the period		-	-	634,769	634,769
<b>Transactions with owners</b>					
Adjustment pursuant to acquisition of a subsidiary		(1,000,002)	-	-	(1,000,002)
<b>Balance at 30 June 2022</b>		2	-	829,805	829,807

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CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

<u>Company</u>		Share capital S\$	Other reserves S\$	(Accumulated losses) / Retained earnings S\$	Total Equity / (Capital deficiency) S\$
	<u>Note</u>				
<b>Balance at 1 January 2023</b>	16	2	999,998	(63,036)	936,964
Profit for the period, representing total comprehensive income for the period		-	-	1,639,457	1,639,457
<b>Transactions with owners</b>					
Issuance of shares		3,152,136	-	-	3,152,136
Share issuance expenses		(224,414)	-	-	(224,414)
<b>Total transaction with owners</b>		2,927,722	-	-	2,927,722
<b>Balance at 30 June 2023</b>		2,927,724	999,998	1,576,421	5,504,143
<b>Balance at 23 December 2021 (date of incorporation)</b>		2	-	-	2
Loss for the period, representing total comprehensive income for the period		-	-	(1,111)	(1,111)
<b>Balance at 30 June 2022</b>		2	-	(1,111)	(1,109)

**EVER GLORY UNITED HOLDINGS LIMITED AND ITS SUBSIDIARY  
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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

	<u>Note</u>	<b>Group</b>	
		<b>Six-month period ended 30 June 2023</b>	<b>Six-month period ended 30 June 2022</b>
		<b>S\$</b>	<b>S\$</b>
<b>Operating activities</b>			
Profit before income tax		6,548,827	768,769
Adjustments for:			
Amortisation of intangible asset	6.1&11	923	-
Depreciation of plant and equipment	6.1&12	22,576	15,316
Depreciation of right-of-use assets	6.1&13	74,550	46,375
Interest expense		18,332	10,444
Provision for onerous contract		(66,612)	(14,838)
Share of results of a joint venture		(79,165)	(7,737)
Operating cash flows before movements in working capital		6,519,431	818,329
Changes in working capital:			
Contract assets		(4,757,435)	(1,454,989)
Trade and other receivables		(472,952)	542,694
Prepayments		416,811	25,729
Trade and other payables		2,622,960	689,678
Contract liabilities		(2,088,867)	(1,521,871)
Cash from / (used in) operations		2,239,948	(900,430)
Income tax paid		(161,295)	(144,836)
<b>Net cash from / (used in) operating activities</b>		<b>2,078,653</b>	<b>(1,045,266)</b>
<b>Investing activities</b>			
Investment in a joint venture		-	(50,000)
Purchase of intangible asset	11	(8,305)	-
Purchase of plant and equipment	12	(77,407)	(1,873)
<b>Net cash used in investing activities</b>		<b>(85,712)</b>	<b>(51,873)</b>
<b>Financing activities</b>			
Repayment of principal portion of lease liabilities		(73,917)	(45,303)
Repayment of interest portion of lease liabilities		(5,754)	(4,419)
Repayments of bank borrowings		(106,983)	(68,519)
Interest paid on bank borrowings		(12,578)	(6,025)
Proceeds from bank borrowings		-	400,000
Proceeds from subscription of shares		2,927,722	-
<b>Net cash from financing activities</b>		<b>2,728,490</b>	<b>275,734</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>4,721,431</b>	<b>(821,405)</b>
Cash and cash equivalents at beginning of the period		497,647	1,885,421
<b>Cash and cash equivalents at end of the period</b>		<b>5,219,078</b>	<b>1,064,016</b>

## **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

### **1. CORPORATION INFORMATION**

Ever Glory United Holdings Limited (the “**Company**”) (Registration No. 202144351H) is incorporated and domiciled in Singapore with its principal place of business and registered office at 3 Little Road #03-01 CRF Building Singapore 536982. The Company was listed on the Catalist board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 18 May 2023. These condensed interim consolidated financial statements as at end for the six-months ended 30 June 2023 comprise the Company and its subsidiary (collectively, the “**Group**”).

The principal activity of the Company is that of investment holding.

The principal activity of the subsidiary is that of M&E engineering.

### **2. BASIS OF PREPARATION**

The condensed interim consolidated financial statements for the six months ended 30 June 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 *Interim Financial Reporting*.

The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual audited consolidated financial statements for the year ended 31 December 2022. The condensed interim consolidated financial statements should be read in conjunction with the accompanying explanatory notes attached to the condensed interim consolidated financial statements and the audited consolidated financial statements of the Group for the year ended 31 December 2022.

The accounting policies and methods of computation adopted are consistent with those adopted by the Group in its most recent audited consolidated financial statements for the year ended 31 December 2022, which were prepared in accordance with SFRS(I).

The condensed interim consolidated financial statements are presented in Singapore dollar (“**S\$**” or “**SGD**”) which is the Group’s functional currency.

#### **2.1 New and amended standards adopted by the Group**

A number of amendments to SFRS(I)s have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

#### **2.2 Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

## **2.2 Use of judgements and estimates (continued)**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 4.2.1 - Construction contracts
- Note 14 - Trade and other receivables

## **3. SEASONAL OPERATIONS**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

## **4. SEGMENT AND REVENUE INFORMATION**

### **4.1. Reportable segments**

#### Business segments

Management monitors the operating results of the segment separately for the purposes of making decisions about resources to be allocated and assessment of performance. Segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss.

The Group has only one primary business segment, which is the M&E engineering segment. Accordingly, no segmental information is prepared based on business segment as it is not meaningful.

#### Geographical segments

During the six-month financial period ended 30 June 2023, the Group operated mainly in Singapore and all non-current assets were located in Singapore. Accordingly, an analysis of non-current assets and revenue of the Group by geographical distribution has not been presented as it is not meaningful.

### **4.2. Disaggregation of revenue**

#### **4.2.1. Construction contracts**

The Group has significant ongoing construction contracts as at 30 June 2023 that are non-cancellable. For these construction contracts, revenue is recognised over time by reference to the Group's progress towards completing the performance of construction services. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs (the "**Input Method**").

Management has to estimate the total contract costs to complete, which are used in the Input Method to determine the Group's recognition of construction services revenue. When it is probable that the total contract costs will exceed the total construction services revenue, a provision for onerous contract is recognised immediately.

Significant assumptions are used to estimate the total contract sum and the total contract costs which affect the accuracy of revenue recognition based on the percentage-of-completion and completeness of provision for onerous contracts recognised. In making these estimates, management has relied on past experience and the work of internal specialists.

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**4.2. Disaggregation of revenue (continued)**

**4.2.2. Timing of revenue recognition**

	<b>Group</b>	
	<b>Six-month ended 30 June 2023</b>	<b>Six-month ended 30 June 2022</b>
	<b>S\$</b>	<b>S\$</b>
<b>Timing of revenue recognition</b>		
Over time:	26,559,899	10,085,964

**5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2023 and 31 December 2022.

	<b>Group S\$</b>	<b>Company S\$</b>
<b>30 June 2023</b>		
Cash and bank balances and trade and other receivables, at amortised cost	13,440,906	5,728,925
Trade and other payables and borrowings, at amortised cost	9,167,964	1,313,604
<b>31 December 2022</b>		
Cash and bank balances and trade and other receivables, at amortised cost	8,248,225	183,735
Trade and other payables and borrowings, at amortised cost	6,625,574	696,937

**6. PROFIT BEFORE TAXATION**

**6.1. Significant items**

	<b>Group</b>	
	<b>Six-month period ended 30 June 2023</b>	<b>Six-month period ended 30 June 2022</b>
	<b>S\$</b>	<b>S\$</b>
<b>Income:</b>		
Grant income	645	55,390
<b>Cost of sales:</b>		
Employee benefits expenses		
-short term employee benefits	1,774,181	1,032,127
-defined contribution plan expenses	300,166	126,092
Depreciation of right-of-use assets	48,921	20,746
Short-term lease expenses	218,193	50,256
<b>Administrative expenses:</b>		
Employee benefits expenses		
-short term employee benefits	389,423	143,715
-defined contribution plan expenses	161,420	69,449
-other personal expenses	7,077	4,003
-directors fees	26,667	-

**EVER GLORY UNITED HOLDINGS LIMITED AND ITS SUBSIDIARY  
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	<b>Group</b>	
	<b>Six-month period ended 30 June 2023</b>	<b>Six-month period ended 30 June 2022</b>
Amortisation of intangible asset	923	-
Depreciation of plant and equipment	22,576	15,316
Depreciation of right-of-use assets	25,629	25,629
Professional fees	113,085	5,380
Office refreshment expenses	6,851	2,312
Entertainment expenses	19,151	6,650

**6.2 Related party transactions**

	<b>Group</b>		<b>Company</b>	
	<b>Six-month period ended 30 June 2023</b>	<b>Six-month period ended 30 June 2022</b>	<b>Six-month period ended 30 June 2023</b>	<b>Six-month period ended 30 June 2022</b>
<b>With subsidiary</b>				
Payment on behalf	-	-	947,128	-
Dividend	-	-	3,000,000	-
<b>With related parties</b>				
Payment on behalf	41,446	115,466	-	-
Rental expenses recharged from	59,875	29,922	-	-
Rebates recharged from	-	16,250	-	-
Sales to	826,098	2,837,096	-	-
Purchases of project related expenses	38,605	115,412	-	-
<b>With directors of the Company</b>				
Advances from directors	2	1,354,000	2	1,354,000

**7. INCOME TAX EXPENSE**

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	<b>Group</b>	
	<b>Six-month period ended 30 June 2023</b>	<b>Six-month period ended 30 June 2022</b>
	<b>S\$</b>	<b>S\$</b>
<u>Current income tax:</u>		
- Current tax	1,063,333	134,000
Income tax expense for the period	1,063,333	134,000

**EVER GLORY UNITED HOLDINGS LIMITED AND ITS SUBSIDIARY  
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**8. DIVIDENDS**

	<b>Group and Company</b>	
	<b>Six-month period ended 30 June 2023</b>	<b>Six-month period ended 30 June 2022</b>
	<b>S\$</b>	<b>S\$</b>
Final tax-exempt dividend for the financial year ended 31 December 2021	-	1,000,000

**9. NET ASSET VALUE (“NAV”)**

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2023</b>	<b>31 December 2022</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
Equity attributable to owners of the Company (S\$)	11,375,576	2,962,360	5,504,143	936,964
Number of ordinary shares	84,700,000	84,700,000	84,700,000	84,700,000
NAV per ordinary share (cents)	13.43	3.50	6.50	1.11

For comparative and illustrative purposes, the NAV as at 30 June 2023 and 31 December 2022 have been computed based on the equity attributable to owners of the Company and the Company’s post-Listing issued and paid-up share capital of 84,700,000 shares as at 17 May 2023.

**10. EARNINGS PER SHARE (“EPS”)**

The calculation of the EPS attributable to the owners of the Company is based on the following data:

	<b>Group</b>	
	<b>Six-month period ended 30 June 2023</b>	<b>Six-month period ended 30 June 2022</b>
Profit attributable to owners of the Company (S\$)	5,485,494	634,769
Weighted average number of ordinary shares for purpose of EPS	72,195,556	65,600,000
EPS – basic and diluted (cents)	7.60	0.97

The diluted earnings per share and basic earnings per share for the respective financial periods are the same as the Group does not have any dilutive instruments.

**11. INTANGIBLE ASSET**

During the six-month period ended 30 June 2023, the Group acquired an intangible asset amounting to S\$8,305 (30 June 2022: S\$ Nil). There was no disposal of intangible asset during the six months ended 30 June 2023 and 2022.

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**12. PLANT AND EQUIPMENT**

During the six-month period ended 30 June 2023, the Group acquired assets amounting to S\$77,407 (30 June 2022: S\$1,873). There was no disposal of assets during the six months ended 30 June 2023 and 2022.

**13. RIGHT-OF-USE ASSETS**

Right-of-use assets comprised the leases of the Company's office units and the workers' accommodation. During the six-month period ended 30 June 2023, the Group acquired right-of-use assets amounting to S\$202,860 through lease arrangement. On 1 February 2023, the Group acquired right-of-use asset with a lease term of 2 years for additional office space in Singapore. There were no additions to the Group's right-of-use assets in the six months ended 30 June 2022.

**14. TRADE AND OTHER RECEIVABLES**

	Group		Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	S\$	S\$	S\$	S\$
<b>Non-current</b>				
Deposit	100,000	100,000	-	-
<b>Current</b>				
Trade receivables				
- third parties	3,689,545	3,603,497	-	-
- related parties	340,392	189,532	-	-
	4,029,937	3,793,029	-	-
<u>Retention receivables</u>				
- third parties	2,802,401	1,870,879	-	-
- related parties	1,019,468	1,660,961	-	-
	3,821,869	3,531,840	-	-
<u>Other receivables</u>				
Related parties	-	102,445	-	-
Subsidiary	-	-	3,000,000	-
Advances to staff	-	9,240	-	-
Advance payments to suppliers	30,000	64,692	-	-
Deposits	270,022	214,024	250	-
Grant receivables	-	19,073	-	-
Goods and services tax receivable, net	55,467	-	55,467	-
	355,489	409,474	3,055,717	-
	8,207,295	7,734,343	3,055,717	-
<b>Total current and non-current</b>	8,307,295	7,834,343	3,055,717	-
<b>Prepayment</b>	33,355	450,166	33,355	450,166

**EVER GLORY UNITED HOLDINGS LIMITED AND ITS SUBSIDIARY  
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**15. BANK BORROWINGS**

	<b>Group</b>	
	<b>30 June 2023</b>	<b>31 December 2022</b>
	<b>S\$</b>	<b>S\$</b>
<b>Amount repayable after one year</b>		
Temporary bridging loan 1	-	-
Temporary bridging loan 2	251,275	289,789
	<u>251,275</u>	<u>289,789</u>
<b>Amount repayable in one year or less</b>		
Temporary bridging loan 1	302,292	372,544
Temporary bridging loan 2	76,125	74,342
	<u>378,417</u>	<u>446,886</u>
	<u>629,692</u>	<u>736,675</u>

**Details of any collaterals**

There are no unsecured loans for the financial period ended 30 June 2023 and 31 December 2022. The bank loans are secured by personal guarantees from the Executive Director and Chief Executive Officer, and the Non-Independent Non-Executive Chairman of the Company.

**16. SHARE CAPITAL**

	<b>Number of issued shares</b>	<b>Issued and paid-up share capital (S\$)</b>
Issued and fully paid-up shares at 31 December 2022	2	2
Share split pursuant to the Restructuring Exercise <sup>(a)</sup>	65,600,000	2
Issuance of new ordinary shares pursuant to the Restructuring Exercise <sup>(b)</sup>	5,100,000	72,136
Issuance of new ordinary shares pursuant to the Listing <sup>(c)</sup>	14,000,000	2,855,586 <sup>(d)</sup>
Issued and fully paid-up shares at 30 June 2023	<u>84,700,000</u>	<u>2,927,724</u>

Notes:

- (a) On 9 March 2023, the Company completed the sub-division of every one (1) ordinary share in the capital of the Company into 32,800,000 ordinary shares.
- (b) On 10 March 2023, the Company issued and allotted an aggregate of 5,100,000 new ordinary shares to certain employees of the Company for the aggregate consideration of S\$72,135.78.
- (c) Pursuant to the Listing, the Company allotted and issued 14,000,000 ordinary shares at S\$0.22 each on 17 May 2023.
- (d) Takes into account the capitalisation of listing expenses of approximately S\$0.22 million against the issued and paid-up share capital.

The Company did not have any treasury shares or other convertibles as at 30 June 2023 and 30 June 2022.

The Company's subsidiary did not hold any shares in the Company as at 30 June 2023 and 30 June 2022.

The Company had on 20 April 2023 adopted the Ever Glory Performance Share Plan and Ever Glory Share Option Scheme. No awards or options had been granted for the financial period reported on.

**EVER GLORY UNITED HOLDINGS LIMITED AND ITS SUBSIDIARY  
FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2023**

**17. TRADE AND OTHER PAYABLES**

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2023</b>	<b>31 December 2022</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
<b>Current</b>				
<u>Trade payables</u>				
- third parties	3,600,585	1,792,728	-	-
- related parties	324	214,809	-	-
	<u>3,600,909</u>	<u>2,007,537</u>	<u>-</u>	<u>-</u>
<u>Retention payables</u>				
- third parties	2,050,307	1,660,898	-	-
	<u>5,651,216</u>	<u>3,668,435</u>	<u>-</u>	<u>-</u>
<u>Other payables</u>				
- third parties	139,511	96,797	99,169	96,797
- directors	2	354,002	2	354,002
- subsidiary	-	-	1,132,266	185,138
Advance payments to suppliers	4,720	4,720	-	-
Accrued expenses	2,475,131	1,626,193	82,167	61,000
Goods and services tax payable, net	278,587	176,060	-	-
	<u>2,897,951</u>	<u>2,257,772</u>	<u>1,313,604</u>	<u>696,937</u>
	<u>8,549,167</u>	<u>5,926,207</u>	<u>1,313,604</u>	<u>696,937</u>

**18. SUBSEQUENT EVENTS**

Subsequent to 30 June 2023, there have been no known events that may have an effect on the condensed interim consolidated financial statements of the Company.

**OTHER INFORMATION PURSUANT TO  
APPENDIX 7C OF THE CATALIST RULES**

**EVER GLORY UNITED HOLDINGS LIMITED AND ITS SUBSIDIARY  
OTHER INFORMATION REQUIRED BY APPENDIX 7C  
OF THE CATALIST RULES**

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**OTHER INFORMATION**

1. (a) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Please refer to note 16 – Share Capital.

- (b) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 30 June 2023	As at 31 December 2022
Total number of issued shares excluding treasury shares	84,700,000	2

- (c) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

- (d) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice

The condensed consolidated statement of financial position of Ever Glory United Holdings Limited and its subsidiary as at 30 June 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period ended 30 June 2023 and explanatory notes have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

4. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

- (a) Updates on the efforts taken to resolve each outstanding audit issue.  
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable. The Group's latest audited financial statements for the financial year ended 31 December 2022 were not subject to any adverse opinion, qualified opinion or disclaimer of opinion issued by the Company's auditors.

**EVER GLORY UNITED HOLDINGS LIMITED AND ITS SUBSIDIARY  
OTHER INFORMATION REQUIRED BY APPENDIX 7C  
OF THE CATALIST RULES**

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**5. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The financial information has been prepared in accordance with the same accounting policies and methods of computation adopted in the most recently audited annual financial statements.

**6. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reason for, and the effect of, the change.**

Not applicable.

**7. Review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**8.1 Review of the Group's Financial Performance**

The Group's revenue increased by S\$16.47 million from S\$10.09 million in the six-month period ended 30 June 2022 ("1H2022") to S\$26.56 million in the six-month period ended 30 June 2023 ("1H2023"), mainly due to an increased number of on-going projects and higher-margin projects undertaken in 1H2023 compared to 1H2022.

The Group's gross profit margin increased by 21.17%, due mainly to higher-margin projects undertaken in 1H2023.

Other income increased by S\$0.23 million in 1H2023, mainly due to (i) the increased sales of scrap metal of S\$0.02 million, (ii) the increase in maintenance services income of S\$0.26 million, and (iii) was offset by a decrease in government grant income of S\$0.05 million.

Administrative expenses increased by S\$0.56 million in 1H2023, mainly due to (i) the increase in employee benefit expenses of S\$0.34 million arising from increased staff headcount, (ii) the increase in depreciation and amortisation expenses of S\$0.01 million mainly arising from additional right-of-use assets as well as plant and equipment, and (iii) the increase in other expenses of S\$0.21 million consisting mainly professional fees, annual subscription fees for drafting software, entertainment expenses, and other office and general expenses.

Other expenses increased by S\$1.21 million in 1H2023, due to one-off listing expenses.

Finance costs increased by S\$0.01 million in 1H2023, mainly due to the increase in interest on loan from additional term loan obtained in the six-month period ended 31 December 2022.

Share of results of a joint venture, net of tax relates to the Company's joint arrangement with Sunley M&E Engineering Pte Ltd in FY2022 to jointly provide M&E engineering services for a new hotel development project. Our share of profit of joint venture amounted to S\$0.08 million in 1H2023, as compared to a share of profit of S\$0.01 million in 1H2022. Such increase was mainly due to higher revenue generated from the joint project in 1H2023.

Income tax expense increased by S\$0.93 million in 1H2023, mainly due to higher estimated chargeable income, consistent with higher operating profit recorded during 1H2023.

As a result of the above, profit for the period after tax increased by S\$4.85 million, from S\$0.63 million in 1H2022 to S\$5.49 million in 1H2023.

## 8.2. Review of the Group's financial position

### Non-current assets

Non-current assets increased by S\$0.27 million, from S\$0.36 million as at 31 December 2022 to S\$0.63 million as at 30 June 2023. The increase was mainly due to addition of right-of-use assets of S\$0.13 million, addition of plant and equipment S\$0.06 million and increase in investment in a joint venture of S\$0.08 million.

### Current assets

Current assets increased by S\$9.54 million, from S\$12.46 million as at 31 December 2022 to S\$22.00 million as at 30 June 2023. The increase was due to the increase in cash and cash equivalents of S\$4.72 million, trade and other receivables of S\$0.48 million, and contract assets of S\$4.76 million, partially offset by the decrease in prepayment of S\$0.42 million.

### Current liabilities

Current liabilities increased by S\$1.35 million, from S\$9.51 million as at 31 December 2022 to S\$10.86 million as at 30 June 2023. This was mainly due to an increase in trade and other payables of S\$2.62 million, lease liabilities of S\$0.05 million and income tax payable of \$0.90 million, partially offset by decrease in contract liabilities of S\$2.09 million, provisions of S\$0.06 million and bank borrowings of S\$0.07 million.

### Non-current liabilities

Non-current liabilities increased by S\$0.05 million, from S\$0.34 million as at 31 December 2022 to S\$0.39 million as at 30 June 2023. The increase was mainly due to an increase in lease liabilities arising from the additional rental of an office unit, which was offset by a decrease in bank borrowings due to repayment of loans.

### Total equity

Total equity increased by S\$8.41 million, from S\$2.96 million as at 31 December 2022 to S\$11.37 million as at 30 June 2023. The increase was due to the issue of placement shares of S\$2.93 million pursuant to the Listing and the Group's profit recorded for 1H2023 of S\$5.48 million.

### Working capital position <sup>(1)</sup>

The Group reported a positive working capital position of S\$11.13 million as at 30 June 2023, as compared to S\$2.94 million as at 31 December 2022.

<sup>(1)</sup> Working capital is computed based on current assets minus current liabilities.

## 8.3. Review of the Group's cash flow

Net cash generated from operating activities amounted to S\$2.16 million in 1H2023, comprising operating cash flows before movements in working capital of S\$6.60 million, net working capital inflow of S\$4.28 million and income tax paid of S\$0.16 million.

Net cash used in investing activities amounted to S\$0.09 million in 1H2023, mainly due to purchase of plant and equipment and renovation of office unit.

Net cash generated from financing activities amounted to S\$2.73 million in 1H2023, mainly due to proceeds from issuance of subscription of shares of S\$2.93 million, partially offset by repayments of bank borrowings and lease liabilities (including interests) of S\$0.20 million.

Consequently, overall cash and cash equivalents increased by S\$4.72 million, from S\$0.50 million as at 31 December 2022 to S\$5.22 million as at 30 June 2023.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement has been previously made to shareholders.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months.**

According to the estimates of the Building and Construction Authority ("**BCA**"), contracts worth \$27 billion to \$32 billion will be awarded in 2023<sup>1</sup>. Even though the construction demand in Singapore appears to be stable, the Group remains cautious and expects to face challenges arising from the increasingly competitive environment, the uncertain economic environment, supply chain pressures, manpower shortages, and rising costs of material as compared to the pre-pandemic situation.

The Group will continue to monitor the costs during the execution of existing projects. The Group will also follow up closely with its ongoing tenders to increase its orderbook to achieve sustainable revenue growth.

Going forward, the Group will explore new business opportunities to acquire new businesses or make new investments to enhance shareholders' returns.

**11. Dividend information**

**(a) Current Financial Period Reported on**

The directors are recommending an interim dividend of 1.5 Singapore cents per ordinary share.

**(b) Corresponding Period of the Immediate Preceding Financial Year**

None.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Tax-exempt.

**(d) The date the dividend is payable.**

To be announced at a later date.

**(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

To be announced at a later date.

**12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

Not applicable.

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<sup>1</sup> <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2023/01/12/singapore-s-construction-demand-to-remain-strong-in-2023>

### 13. Interested person transactions

Details of the general mandate for interested person transactions are included in the Company's Offer Document. Save as disclosed below, there are no other IPTs equal to or above S\$100,000 in 1H2023.

Name of the interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under the shareholders' general mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all interested person transactions conducted under the Shareholders' general mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S\$100,000)
		S\$	S\$
Chan Rong Fen Building Construction Pte Ltd ("CRF")	The Company's Non-Executive Director and Controlling Shareholder, Mr Sun Renwang, is the executive director and controlling shareholder of CRF.	-	691,910
SG Construction Pte Ltd ("SGUC")	The Company's Non-Executive Director and Controlling Shareholder, Mr Sun Renwang, is the executive director and controlling shareholder of SGUC.	-	134,188

### 14. Disclosure of acquisitions (including incorporations) and realisations of shares since the end of the previous reporting period pursuant to Rule 706A of the Catalist Rules

The Group does not have any acquisitions (including incorporations) and realisations of shares in 1H2023.

### 15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

**16. Status of the use of IPO funds raised**

The Company refers to the net cash proceeds amounting to S\$1.65 million (excluding cash listing expenses of approximately S\$1.43 million) raised from the Company's Listing ("**Net IPO Proceeds**").

As of the date of this announcement, the Net IPO Proceeds have not been utilised. The use of Net IPO Proceeds will be communicated as and when the funds are materially disbursed and, in the Company's, annual report.

**17. Confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules**

The Board of Directors of the Company confirms that, to the best of its knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the condensed interim consolidated financial statements for the six-month period ended 30 June 2023 (unaudited) to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Xu Ruibing  
Executive Director and Chief Executive Officer

Sun Renwang  
Non-Independent Non-Executive Chairman

10 August 2023