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

PROPOSED BONUS ISSUE OF UP TO 86,635,783 NEW ORDINARY SHARES IN THE CAPITAL OF EVER GLORY UNITED HOLDINGS LIMITED ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY THREE (3) EXISTING ORDINARY SHARES 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 of up to 86,635,783 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 three (3) existing ordinary shares 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 (the "**Record Date**") to be determined by the Directors for the purpose of determining the entitlement of Shareholders (the "**Proposed Bonus Issue**").

2. TERMS OF THE PROPOSED BONUS ISSUE

2.1. Bonus Shares

Based on the issued and paid-up share capital of the Company of 259,907,349 Shares (excluding treasury shares) as at the date of this announcement, up to 86,635,783 Bonus Shares will be issued pursuant to the Proposed Bonus Issue (assuming there are no other changes in the number of issued Shares prior 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 (excluding treasury shares) 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.

In addition, for the avoidance of doubt, the Bonus Shares when allotted and issued, SHALL NOT BE entitled to the proposed tax exempt (one-tier) final dividend of S$0.0025 per Share, announced by the Company on 28 February 2025 and to be approved by Shareholders on 29 April 2025.

The Bonus Shares represent approximately 33.33% 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 25% of the enlarged share capital (excluding treasury shares and subsidiary holdings) of the Company following the completion of the issuance of Proposed Bonus Issue, assuming there are no other 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 obtained from Shareholders at the annual general meeting of the Company held on 29 April 2024 (the "**Mandate Date**") ("**General Mandate**"). 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 to existing Shareholders, does not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the date of passing of the resolution in relation to the General Mandate, after adjusting for, among other things, any subsequent bonus issue after the Mandate Date (the "**Relevant Share Capital**") and the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company does not exceed 50% of the Relevant Share Capital.

As at 29 April 2024, the Company had 169,113,000 shares (excluding treasury shares and subsidiary holdings) in issue. On 28 June 2024, 86,608,349 shares (the "**Bonus Shares**'') were allotted and issued pursuant to a bonus issue. Accordingly, the Company may issue up to 255,721,349 Shares under the General Mandate, and up to 127,860,674 Shares other than on a pro-rata basis.

Between the Mandate Date and the date of this announcement:

(i) 4,125,000 Shares (the "**Tranche B Consideration Shares**") were allotted and issued on 4 June 2024 in connection with the acquisition of Fire-Guard Engineering Pte. Ltd.;

(ii) 86,608,349 Bonus Shares were allotted and issued pursuant to a bonus issue on 28 June 2024;

(iii) 1,072,300 Shares (the "**August Award Shares**") were allotted and issued on 13 August 2024 pursuant to the Ever Glory Performance Share Plan;

(iv) 375,000 Shares (the "**Tranche C Consideration Shares**") were allotted and issued on 19 August 2024 in connection with the acquisition of Fire-Guard Engineering Pte. Ltd.; and

(v) 493,600 Shares (the "**January Award Shares**") were granted on 8 January 2025 pursuant to the Ever Glory Performance Share Plan.

Further, for illustrative purposes only, up to 12,500,000 Shares (the "**CB Conversion Shares**") may be issued pursuant to the conversion of the Convertible Bonds announced by the Company on 10 March 2025 assuming that S$5 million in principal amount of the Convertible Bonds are issued in full after the date of this announcement.

Apart from the Tranche B Consideration Shares, Bonus Shares, August Award Shares, Tranche C Consideration Shares, January Award Shares and CB Conversion Shares, there has not been any other issue and/or proposed issue of Shares or Instruments between the Mandate Date and the date of this announcement. Accordingly, the number of balance shares that can be issued under the General Mandate is 150,547,100 and the proposed issuance of up to 86,635,783 Bonus Shares will fall within the maximum number authorised under the General Mandate.

2.3. Approvals

The Proposed Bonus Issue is subject to 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 and the 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 of the 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 illustrative purposes only and assuming that the Proposed Bonus Issue application has been made on 13 March 2025, being the date of this announcement, the lowest daily weighted average price of the Shares in the month preceding 13 March 2025 would be S$0.392 and accordingly, the theoretical ex-bonus price ("**TEBP**") would be calculated as follows:

$$TEBP = \frac{S\$0.392}{4} \times 3$$

$$= S\$0.294$$

Accordingly, the TEBP will be above the Minimum Price. 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 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

In light of the lower cash dividends announced by the Company on 28 February 2025 for the financial year ended 31 December 2024, the Company is proposing the Proposed Bonus Issue to acknowledge and reward shareholders' continued loyalty and support.

The Proposed Bonus Issue, if carried out, is also to encourage trading liquidity and greater participation by investors.

4. ISSUANCE OF ADDITIONAL SHARES UNDER THE CONVERTIBLE BONDS

The Company refers to its announcement dated 10 March 2025 in relation to the entry into a subscription agreement ("**Subscription Agreement**") with the subscribers (the "**Subscribers**") for the proposed issue of convertible bonds of an aggregate principal amount of S$5 million convertible to new Shares at a conversion price of S$0.40 per share ("**Conversion Price**") ("**Convertible Bonds**").

For illustrative purposes only, the effect of the Proposed Bonus Issue on the Conversion Price and the Convertible Bonds is set out below assuming that the Record Date of the Proposed Bonus Issue falls on a date after the issue of the Convertible Bonds. This assumes the full issuance of S$5 million in aggregate principal amount of Convertible Bonds.

Based on the Conversion Price, an aggregate of up to 12,500,000 new Shares will be allotted and issued to the Subscribers assuming conversion of all Convertible Bonds.

Pursuant to the terms and conditions of the Convertible Bonds, the Conversion Price will be subject to adjustments ("**Price Adjustment**") in limited circumstances, including bonus issue of Shares.

If the Record Date falls on or after the date of issue of the Convertible Bonds, the new conversion price will be computed using the following formula under the circumstances of bonus issue of Shares:

$$NCP = CP \times \frac{A}{B}$$

where:

NCP	:	is the new conversion price;
CP	:	is the Conversion Price of S$0.40 per Conversion Share;
A	:	is the aggregate number of Shares in issue immediately before such issue; and
B	:	is the aggregate number of Shares in issue immediately after such issue.

Based on the formula, the Conversion Price will be adjusted to S$0.30 per Conversion Share (the "**NCP**"). Accordingly, should all the Subscribers exercise their conversion rights under the Convertible Bonds in respect of the entire principal amount held by each Subscriber, an additional 4,166,657 Shares ("**Additional Conversion Shares**") (rounded down to the nearest Share for each Subscriber) will be issued based on the NCP, bringing the total number of new Shares to be issued upon conversion of all the Convertible Bonds to 16,666,657 Shares.

The NCP shall become effective only on the date of issue of such Bonus Shares or if a Record Date is fixed therefor, immediately after such Record Date.

The number of balance shares that can be issued under the General Mandate (other than on a *pro rata* basis) is 109,294,774 Shares, and accordingly, the issue of the 4,166,657 Additional Conversion Shares will fall within the limits of the General Mandate.

The Company will also apply to the SGX-ST through its sponsor for the dealing in and the listing of and quotation of the Additional Conversion Shares on Catalist. The Company will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST.

For more details on the Conversion Bonds, please refer to the Company's announcement on 10 March 2025.

5. 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.

6. 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 announcementin its proper form and context.

7. 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
13 March 2025

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*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, #04-02 Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.