

**EVER GLORY UNITED HOLDINGS LIMITED**  
(Company Registration No. 202144351H)  
(Incorporated in the Republic of Singapore)

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**PROPOSED ISSUE OF CONVERTIBLE BONDS**

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The board of directors (the "**Directors**") of Ever Glory United Holdings Limited (the "**Company**"), wishes to announce that the subscribers named in paragraph 5 of this announcement (the "**Subscribers**") have agreed to subscribe for convertible bonds due 2028 (the "**Convertible Bonds**"), which are convertible into new ordinary shares in the capital of the Company and have entered into a subscription agreement with the Company on 10 March 2025 (the "**Subscription Agreement**").

**1. Principal Terms of the Convertible Bonds**

The principal terms and conditions of the Convertible Bonds are summarized as follows:

- Issue Size : S\$5,000,000 in aggregate principal amount.
- Issue Price : 100% of the principal amount of the Convertible Bonds.
- Maturity Date : The date falling three years from the issue date of the Convertible Bonds (the "**Maturity Date**").
- Interest : The Convertible Bonds will bear interest at the rate of 8% per annum.
- Conversion Price : The price, at which each Conversion Share shall be issued upon conversion (the "**Conversion Price**") shall initially be S\$0.40 per Conversion Share. This represents a discount of 4.99% to the volume-weighted average price for trades done on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") of S\$0.421 on 10 March 2025, being the full market day on which the Subscription Agreement was signed.
- Adjustment to Conversion Price : The Conversion Price will be subject to adjustments in limited circumstances, such as, *inter alia*, in the event of a rights issue, bonus issue or subdivision or consolidation of Shares, as set out in terms and conditions of the Convertible Bonds (the "**Terms and Conditions**"). No adjustments shall be made for any purchase or redemption of shares by or on behalf of the Company. Neither will any adjustments be made as a result of any issue of shares by the Company pursuant to (i) the performance share plan adopted by the Company on 29 April 2024 or any future share plan or scheme, or (ii) the sale and purchase agreement dated 17 January 2024 entered into between the Company, Fire-Guard Engineering Pte. Ltd., and the vendors named therein.

Any material amendment to the Terms and Conditions to the advantage of the holders of the Convertible Bonds, shall be subject to prior approval of the shareholders of the Company in a general meeting of the Company, except where the amendment is made pursuant to the Terms and Conditions.

- Conversion Period : Convertible at the option of the holder of the Convertible Bonds, at any time on or after the first anniversary of the issue date (the "**Conversion Period Start Date**") up to the close of business on the date falling seven (7) calendar days after the Conversion Period Start Date (both days inclusive) provided that the Conversion Period shall not include any Closed Period (as defined in the Terms and Conditions). If the final day of the Conversion Period is not a Trading Day (as defined in the Terms and Conditions), then the Conversion Period shall end on the immediately following Trading Day.
- Conversion Terms : Holders of the Convertible Bonds have the right ("**Conversion Right**") to convert any Convertible Bond into validly issued and fully-paid Conversion Shares (as defined below) in accordance with the Terms and Conditions.
- The number of Conversion Shares to be issued on the conversion of each Convertible Bond will be determined by dividing the principal amount of each Convertible Bond by the Conversion Price. If more than one Convertible Bond held by the same Bondholder is converted at any one time by the same Bondholder, the number of Conversion Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Convertible Bonds to be converted and rounded down to the nearest whole number of Shares.
- Conversion Shares : Up to 12,500,000 new shares ("**Conversion Shares**") to be allotted and issued by the Company pursuant to the issue of the Convertible Bonds, upon conversion of all the Convertible Bonds.
- Status of the Convertible Bonds : The Convertible Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank *pari passu*, and rateably without any preference or priority among themselves. The payment obligations of the Company under the Convertible Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and at all times at least rank equally with all of its other present and future direct, unconditional, unsubordinated and unsecured obligations.
- Status of the Conversion Shares : The Conversion Shares will, upon allotment and issuance, rank *pari passu* in all respects with the then existing issued shares in the capital of the Company, save for any dividends, rights, allotments or other distributions the record date for which precedes the relevant date the person exercising his Conversion Right is registered as such in the Company's register of members.
- "**record date**" means in relation to any dividends, rights, allotments or other distributions, the date on which shareholders of the Company must be registered in order to participate in such dividends, rights, allotment, or other distributions.
- Redemption on Maturity Date and at the Option of the Company : Unless previously redeemed or converted as provided herein, the Company will redeem each Convertible Bond at 100 per cent. of its principal amount then outstanding together with unpaid accrued interest thereon on the Maturity Date.
- Further, the Company may, on or at any time after the expiry of the Conversion Period and unless previously converted as provided in the

Terms and Conditions, on giving not less than 30 days' notice to the holders of the Convertible Bonds, redeem the Convertible Bonds in whole or in part, at 100 per cent. of its principal amount then outstanding together with unpaid accrued interest thereon in cash on the date fixed for redemption.

Settlement and Payment upon Issuance of Convertible Bonds : Subject to fulfilment of the conditions of the Subscription Agreement, settlement and payment of the Convertible Bonds is expected to take place as soon as practicably possible upon obtaining the SGX-ST Approval (as defined below).

Listing of the Conversion Shares : An application will be made by the Company, through its sponsor, Novus Corporate Finance Pte. Ltd., to the SGX-ST for the listing of and quotation for the Conversion Shares on Catalist board of the SGX-ST (the "**SGX-ST Approval**").

The Convertible Bonds will not be listed on any stock exchange.

Governing Law : Law of the Republic of Singapore

Unless otherwise defined herein, capitalised terms shall have the meanings ascribed to them in the Terms and Conditions.

The allotment and issuance of the Conversion Shares are proposed to be made pursuant to the authority granted under the share issue mandate passed by shareholders of the Company at the annual general meeting of the Company held on 29 April 2024 (the "**General Mandate**").

The General Mandate authorises, amongst other things, the Directors to issue Shares, whether by way of bonus, rights or otherwise, and/or to make or grant offers, agreements or options (collectively, the "**Instruments**") that might or would require Shares to be issued, including the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, of not more than 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date the General Mandate was passed (the "**Mandate Date**"), after adjusting for, among other things, any subsequent bonus issue after the Mandate Date (the "**Relevant Share Capital**"), provided that 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 the Mandate Date, 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 Relevant Share Capital is 255,721,349 and the Company may issue 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) 1,072,300 Shares (the "**August Award Shares**") were allotted and issued on 13 August 2024 pursuant to the Ever Glory Performance Share Plan;
- (iii) 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

- (iv) 493,600 Shares (the "**January Award Shares**") were granted on 8 January 2025 pursuant to the Company's performance share plan.

Apart from the Bonus Shares, Tranche B Consideration Shares, August Award Shares, the Tranche C Consideration Shares and the January Award Shares, there has not been any other issue of Shares or Instruments between the Mandate Date and the date of this announcement. Accordingly, the number of balance shares that can still be issued under the General Mandate (other than on a *pro rata* basis) is 121,794,774 Shares, the issue of the Convertible Bonds which are exercisable into 12,500,000 Conversion Shares falls within the limits of the General Mandate.

## 2. Rationale for the Issue of the Convertible Bonds

On 26 February 2025, the Company announced that it had entered into a letter of offer with a shareholder of a target company with the view of acquiring all the shares of that company (the "**Proposed Acquisition**"). As at the date of this Announcement, there is no certainty or assurance that definitive agreement(s) will be entered into or that completion of the Proposed Acquisition will take place.

Notwithstanding the above, the Directors are of the view that the issuance of the Convertible Bonds is beneficial to the Company and its subsidiaries (the "**Group**") as it will strengthen the Group's financial position, enabling it to capitalise on the Proposed Acquisition if it occurs. In the event that the Proposed Acquisition does not materialise, the issuance of the Convertible Bonds will allow the Group to strengthen its working capital.

The Directors are of the opinion that, after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements. The issuance of the Convertible Bonds is primarily to fund the Proposed Acquisition. The Directors are also of the opinion that, after taking into consideration the present bank facilities and the Net Proceeds (as defined below), the working capital available to the Group is sufficient to meet its present requirements.

## 3. Use of Proceeds

The estimated net proceeds from the issue of the Convertible Bonds, after deduction of professional fees and related expenses of approximately S\$150,000, are approximately S\$4,850,000 (the "**Net Proceeds**"). The Company intends to use the Net Proceeds as follows:

- (i) in the event that the Proposed Acquisition occurs, 100% of the Net Proceeds will be used to fund the purchase consideration of the Proposed Acquisition; and
- (ii) in the event that the Proposed Acquisition does not materialise, 100% of the Net Proceeds will be used for general working capital purposes.

Pending the deployment of the Net Proceeds, the Net Proceeds may be deposited with banks and/or financial institutions or used for investment in short-term money markets or debt instruments or used for other purposes on a short-term basis as the Directors may deem appropriate in the interests of the Company.

## 4. Financial Effects

For the purposes of illustration, the financial effects of the issue of the Convertible Bonds on the share capital, net tangible assets ("**NTA**"), earnings per share ("**EPS**") and net gearing of the Group, based on (a) the unaudited consolidated financial statements of the Group as at 31 December 2024, and (b) assuming that there is no adjustment event which will result in an adjustment to the

Conversion Price, the maximum number of Conversion Shares to be allotted and issued shall be 12,500,000, are as follows:

(a) Share Capital

*As at 31 December 2024*

	<b>Before issuance of the Convertible Bonds</b>	<b>After issuance of the Convertible Bonds and assuming no conversion</b>	<b>After issuance of the Convertible Bonds and assuming maximum conversion</b>
Number of Shares	260,246,749	260,246,749	272,746,749

(b) NTA per Share

*As at 31 December 2024*

	<b>Before issuance of the Convertible Bonds</b>	<b>After issuance of the Convertible Bonds and assuming no conversion</b>	<b>After issuance of the Convertible Bonds and assuming maximum conversion</b>
NTA (S\$'000)	18,255	18,105	23,105
Number of Shares	260,246,749	260,246,749	272,746,749
NTA per Share (cents)	7.01	6.96	8.47

(c) EPS

*For the financial year ended 31 December 2024*

	<b>Before issuance of the Convertible Bonds</b>	<b>After issuance of the Convertible Bonds and assuming no conversion</b>	<b>After issuance of the Convertible Bonds and assuming maximum conversion</b>
Earnings attributable to owners of the Company (S\$'000)	8,955	8,805	8,805
Weighted average number of shares	257,544,531	257,544,531	270,044,531
Earnings per Share (cents)	3.48	3.42	3.26

(d) Net Gearing

*As at 31 December 2024*

	<b>Before issuance of the Convertible Bonds</b>	<b>After issuance of the Convertible Bonds and assuming no conversion</b>	<b>After issuance of the Convertible Bonds and assuming maximum conversion</b>
Borrowings (S\$'000)	3,995	8,995	3,995
Equity attributable to owners of the Company (S\$'000)	18,998	18,998	23,998
Net gearing (%)	21.03	47.35	16.65

## 5. Information on the Subscribers

Name of Subscriber	Subscription Amount (S\$)	Maximum number of Conversion Shares that may be allotted and issued	Particulars of Subscriber
Dave Soh Chong Wee	30,000	75,000	Private investor and existing shareholder of the Company
Lui Yuen Chen	30,000	75,000	Private investor and existing shareholder of the Company
Tay Kok Hwee	30,000	75,000	Private investor and existing shareholder of the Company
Lim Chee Siang	30,000	75,000	Private investor
Yeo Shou Pin	30,000	75,000	Private investor
Zhou Qian	30,000	75,000	Private investor
Tsui Wing Hon (Xu Yonghan)	300,000	750,000	Private investor
Wilson Lim C W	50,000	125,000	Private investor
Wu Dan	30,000	75,000	Private investor
Hu Zhigong	300,000	750,000	Private investor and existing shareholder of the Company
Dong Zhaoyan	625,000	1,562,500	Private investor and existing shareholder of the Company
Lin Zhiwei	625,000	1,562,500	Private investor and existing shareholder of the Company
Teo Cheng Yim	50,000	125,000	Private investor
Tan Chin Chong, Stanley	60,000	150,000	Private investor
Chee Teow Siong	30,000	75,000	Business development director of Fire-Guard Engineering Pte Ltd (" <b>FG</b> "), the Company's wholly-owned subsidiary
Chee Yen Ming (Xu Yanming)	55,000	137,500	Deputy general manager of FG
Teng Tieu Sim	500,000	1,250,000	Private investor
Zheng Dafei	400,000	1,000,000	Private investor
Liu Yanling	500,000	1,250,000	Private investor
Li Lin	250,000	625,000	Private investor, sister-in-law of the spouse of the Company's Non-Executive Non-Independent Director, Mr. Sun Renwang

Name of Subscriber	Subscription Amount (S\$)	Maximum number of Conversion Shares that may be allotted and issued	Particulars of Subscriber
Hau Chiu Si	101,000	252,500	Procurement manager of Sunbeam M&E Pte Ltd (" <b>Sunbeam</b> "), the Company's wholly-owned subsidiary
Ng Chou Yuan	60,000	150,000	Financial controller of the Group
Lei Lei	350,000	875,000	General manager of Sunbeam
Yang Wenbo	60,000	150,000	Head of department (PSG and Fire Protection) of Sunbeam
Su Chang	100,000	250,000	Deputy general manager and project director of Sunbeam
Goh Zhi Yue	5,000	12,500	Project engineer of Sunbeam
Padmanaban Saravanan	5,000	12,500	Project engineer of Sunbeam
Jin Changsheng	100,000	250,000	Tender manager of Sunbeam
Ler Swee Ling	30,000	75,000	Assistant accounts manager of Sunbeam
Krishnamoorthy S/O Alagappan	5,000	12,500	Safety officer of Sunbeam
Phan Wai Yee	8,000	20,000	Purchasing executive of Sunbeam
Shao Hui	30,000	75,000	HR executive of Sunbeam
Su Yanpei	100,000	250,000	Deputy general manager and head of ACMV department of Sunbeam
Li Zhao	15,000	37,500	Senior project manager of Sunbeam
Ng Mei Mei	40,000	100,000	Assistant tender manager of Sunbeam
Aung Aye Chan	30,000	75,000	Project manager of Sunbeam
Alexis Sim Kwang Tze	6,000	15,000	Assistant project manager of Sunbeam

The issue of Conversion Shares upon the conversion of the Convertible Bonds will not result in the transfer of a controlling interest to any subscriber.

There is no lead manager, co-manager, placement agent or underwriter for the issue of the Convertible Bonds. The Subscribers identified are existing employees of the Company or private investors. The Convertible Bonds were issued to these parties to foster longer-term relationship with the Company, and to further align their interest with the Company's sustainable growth and success.

None of the Subscribers fall within any of the categories as set out in Rule 812(1) of the SGX-ST Listing Manual Section B: Rules of Catalist. Save as disclosed above, none of the Subscribers is related to any of the Directors or controlling shareholders of the Company and their respective associates.

The Company confirms that, save as disclosed above, none of its Directors or substantial shareholders have, to the best of their knowledge, any connection (including business relationship) with any of the Subscribers.

## **6. Interest of Directors and Substantial Shareholders**

None of the Directors, and as far as the Directors are aware, none of the substantial shareholders of the Company or any of their respective associates, has any interest, direct or indirect, in the proposed issue of Convertible Bonds other than through their respective shareholding interests in the Company (if any).

## **7. Documents available for Inspection**

A copy of the Subscription Agreement is available for inspection during normal business hours at the Company's registered office at 3 Little Road, #03-01 CRF Building, Singapore 536982.

## **8. Conditions Precedent**

The proposed issue of the Convertible Bonds is conditional upon, *inter alia*, the listing and quotation notice being obtained from the SGX-ST for the listing of and quotation for the Conversion Shares on Catalist. The Company will apply to the SGX-ST through its sponsor, Novus Corporate Finance Pte. Ltd. for the listing of and quotation for the Conversion Shares on the Catalist board of the SGX-ST in due course. The Company will make the necessary announcements upon receipt of the listing and quotation notice from the SGX-ST.

## **9. Directors' 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 issue of Convertible Bonds and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this 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 this announcement in its proper form and context.

## **10. Further Announcements**

The Company will make further announcements as and when there are material updates and developments in respect of the proposed issue of Convertible Bonds.

## **11. Cautionary Statement**

Shareholders and potential investors of the Company should note that the proposed issue of Convertible Bonds is subject to the fulfilment of, *inter alia*, the conditions precedent set out above, and accordingly, should exercise caution when trading in the ordinary shares in the capital of the Company. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

## BY ORDER OF THE BOARD

Xu Ruibing  
Executive Director and Chief Executive Officer

10 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.*