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EVA Precision Industrial Holdings Limited

億和精密工業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 838)

GENERAL DISCLOSURE UNDER RULE 13.18 OF THE LISTING RULES

On 19 March 2008, the Subsidiaries and the Bank entered into a Supplemental Agreement to the loan facilities agreement dated 7 July 2005 and as varied by various supplemental agreements.

Pursuant to the Supplemental Agreement, the following specific performance obligations are imposed on the Zhang's Brothers:

- (1) the Zhang's Brothers shall at all times beneficially own, directly or indirectly, an aggregate of at least 51% of the issued share capital of the Company; and
- (2) Mr. Zhang Hwo Jie shall remain as the chairman of the Company.

This announcement is made in compliance with the disclosure requirements under Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

EVA Limited and EVA Plastic Mould Products (HK) Limited (together the "Subsidiaries") are subsidiaries of EVA Precision Industrial Holdings Limited (the "Company"). On 7 July 2005, the Subsidiaries entered into a loan facilities agreement with DBS Bank (Hong Kong) Limited (the "Bank"). The purpose of the loan facilities were to provide working capital and finance the expansion of the Subsidiaries. The terms and conditions of the loan facilities agreement were varied and supplemented by various supplemental agreements dated 3 October 2005, 7 November 2005, 24 January 2006 and 25 July 2006. On 19 March 2008, the parties entered into another supplemental agreement (the "Supplemental Agreement").

Pursuant to the Supplemental Agreement, a loan facility amounting to HK\$20,000,000 was made available to EVA Limited with a repayment term of four years repayable by quarterly installments. The first installment is repayable to the Bank one quarter after the date of advance of the loan. Under the Supplemental Agreement, a letter of undertaking duly executed by Mr. Zhang Hwo Jie and a letter of undertaking duly executed by Mr. Zhang Hwo Jie, Mr. Zhang Jian Hua and Mr. Zhang Yaohua (the "Zhang's Brothers") for the account of EVA Limited are required by the Bank.

Pursuant to the letters of undertaking, the following specific performance obligations are imposed on the controlling shareholders of the Company:

- (1) the Zhang's Brothers shall at all times beneficially own, directly or indirectly, an aggregate of at least 51% of the issued share capital of the Company; and
- (2) Mr. Zhang Hwo Jie, an executive director and controlling shareholder of Company, shall remain as the chairman of the Company.

A breach of the aforesaid obligations will constitute an event of default under the loan facilities agreement, which may result in the cancellation of all or any part of the commitments under the loan facilities agreement and all borrowed amounts outstanding becoming immediately due and payable.

As at the date of this announcement, Mr. Zhang Hwo Jie, Mr. Zhang Jian Hua and Mr. Zhang Yaohua own 36%, 31% and 33% respectively of the entire issued share capital of Prosper Empire Limited, which in turn owns approximately 54.07% of the issued share capital of the Company. In addition, the Zhang's Brothers have or are taken or deemed to have an additional aggregate interest (within the meaning of the Securities and Futures Ordinance) of approximately 3.50% of the issued share capital of the Company. They also have personal interests in options granted under the share option scheme of the Company to subscribe for an aggregate of approximately 1.10% of the issued share capital of the Company.

In accordance with the Listing Rules, similar disclosure will also be included in the subsequent interim and annual reports of the Company for so long as the aforesaid specific performance obligations continue to exist.

By order of the board of directors of
ZHANG HWO JIE
Chairman

Hong Kong, 19 March 2008

As at the date of this announcement, the board comprises four executive directors, being Mr. Zhang Hwo Jie (Chairman), Mr. Zhang Jian Hua (Vice Chairman), Mr. Zhang Yaohua (Chief Executive Officer) and Mr. Nomo Kenshiro and three independent non-executive directors, being Dr. Lui Sun Wing, Mr. Choy Tak Ho and Mr. Leung Tai Chiu.