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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 16 May 2012, EVA Limited, a wholly-owned subsidiary of the Company, confirmed its acceptance of the HSBC Facility Letters which contain certain specific performance obligations on the Controlling Shareholders.

This announcement is made by EVA Precision Industrial Holdings Limited (the “**Company**”) 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**”).

BANKING FACILITIES PROVIDED BY THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED

On 16 May 2012, EVA Limited, a wholly-owned subsidiary of the Company, confirmed its acceptance of two facility letters issued by The Hongkong and Shanghai Banking Corporation Limited (“**HSBC**”) (“**HSBC Facility Letters**”). Pursuant to the HSBC Facility Letters, HSBC agrees to make available to EVA Limited the following banking facilities (the “**HSBC Banking Facilities**”):

- (i) a term loan facility for an amount up to HK\$250,000,000 with a repayment period of five years from the date of acceptance of the HSBC Facility Letter; and
- (ii) a revolving loan facility for an amount up to HK\$50,000,000.

Together with the existing facilities which include other existing term loans with outstanding balances of HK\$75,055,000 as at 31 March 2012 (fully repayable in 2017) and factoring facility up to HK\$18,000,000, the total facility limit granted by HSBC to EVA Limited and other subsidiaries of the Company is HK\$393,055,000.

The following specific performance obligations are imposed on Mr. Zhang Hwo Jie, Mr. Zhang Jian Hua and Mr. Zhang Yaohua (together the “**Controlling Shareholders**”) under the HSBC Facility Letters:

- (1) the Controlling Shareholders shall maintain not less than 35% of the issued share capital of the Company; and
- (2) Mr. Zhang Hwo Jie shall remain as the chairman of the board of directors of the Company.

A breach of the aforesaid obligations will constitute an event of default under the HSBC Facility Letters whereupon HSBC may at any time by notice to EVA Limited declare that:

- (1) the obligation of HSBC to make the HSBC Banking Facilities available shall be terminated, whereupon the amount available under the HSBC Banking Facilities shall be reduced to zero forthwith; and/or
- (2) if any advance is outstanding, each advance and all interest accrued and all other sums payable under the HSBC Facility Letters shall immediately become due and payable.

As at the date of this announcement, Mr. Zhang Hwo Jie, Mr. Zhang Jian Hua and Mr. Zhang Yaohua owns 38%, 29% and 33% respectively of the issued share capital of Prosper Empire Limited, which in turn owns approximately 36.5% of the issued share capital of the Company. In addition, the Controlling Shareholders also hold, either personally or through other investment holding company, approximately 1.8% 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
EVA Precision Industrial Holdings Limited
Zhang Hwo Jie
Chairman

Hong Kong, 16 May 2012

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.