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EVA Precision Industrial Holdings Limited

億和精密工業控股有限公司

(Incorporated with limited liability in the Cayman Islands)

(Stock Code: 838)

GENERAL DISCLOSURE UNDER RULE 13.18 OF THE LISTING RULES

On 19 February 2020, EVA Limited (the “**Borrower**”), a wholly-owned subsidiary of the Company, confirmed its acceptance of the BOCOM Facility Letter which contained specific performance obligations on the Controlling Shareholders.

This announcement is made by EVA Precision Industrial Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) 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 BANK OF COMMUNICATIONS

On 19 February 2020, the Borrower, a wholly-owned subsidiary of the Company, confirmed its acceptance of the facility letter dated 20 January 2020 issued by Bank of Communications Co., Ltd, Hong Kong Branch (“**Bank of Communications**”) (“**BOCOM Facility Letter**”). Pursuant to the BOCOM Facility Letter, Bank of Communications agrees to make available to the Borrower (i) a term loan facility of HK\$200,000,000 (“**Term Loan Facility**”) for financing the Group’s expenditure in relation to equipment and machinery and construction of factories, which is repayable by instalments within 3 years from the first utilisation date; and (ii) a revolving loan facility of HK\$100,000,000 (“**Revolving Loan Facility**”) for financing administrative expenditure and purchase of raw materials.

Under the BOCOM Facility Letter, Mr. Zhang Hwo Jie, Mr. Zhang Jian Hua and Mr. Zhang Yaohua (together the “**Controlling Shareholders**”) shall (i) beneficially own in aggregate (directly or indirectly) at least 35% of the issued share capital of the Company; and (ii) have the single largest shareholding interest in the Company.

Any breach of the aforesaid specific performance obligations will constitute an event of default under the BOCOM Facility Letter and may trigger Bank of Communications to exercise its overriding rights (among others) to:

- (1) cancel the Term Loan Facility and demand immediate repayment of all outstanding amounts and require provision of immediate cash cover (in the amount notified by Banks of Communications) for any future or contingent liabilities; and/or
- (2) cancel or vary the Revolving Loan Facility and demand immediate repayment of all outstanding amounts and require provision of immediate cash cover (in the amount notified by Banks of Communications) for any future or contingent liabilities under the Revolving Loan Facility.

As at the date of this announcement, Mr. Zhang Hwo Jie and Mr. Zhang Yaohua own 52.93% and 47.07% respectively of the issued share capital of Prosper Empire Limited, which in turn owns approximately 39.13% of the issued share capital of the Company. In addition, the Controlling Shareholders also personally hold, in aggregate, approximately 2.02% 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, 19 February 2020

As at the date of this announcement, the board of directors of the Company comprises three executive directors, being Mr. Zhang Hwo Jie (Chairman), Mr. Zhang Jian Hua (Vice Chairman), Mr. Zhang Yaohua (Chief Executive Officer), and three independent non-executive directors, being Mr. Choy Tak Ho, Mr. Leung Tai Chiu and Mr. Lam Hiu Lo.