



EVA ANNOUNCES 2006 INTERIM RESULTS

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Successfully transformed into a fully integrated one-stop service provider

Highlights

- Turnover increased by 42% to HK\$283,745,000
- Gross profit rose 40% to HK\$90,750,000
- Net profit attributable to equity holders surged 31% to HK\$40,419,000
- Gross profit margin and net profit margin at 32% and 14.2% respectively
- Basic earnings per share were HK 7.0 cents
- Interim dividend payment of HK 2.0 cents per share proposed

(Hong Kong, September 14, 2006) — **EVA Precision Industrial Holdings Limited** (“EVA” or the “Group”; stock code: 838), a vertically-integrated precision metal and plastic mould and component manufacturing service provider, today announced its interim results for the six months ended 30 June 2006.

During the period under review, the Group’s turnover significantly increased 42% to HK\$283,745,000 from HK\$199,764,000 in the same period last year, attributable to the 31% and 740% rise in turnover from its metal and plastic division respectively. Profit attributable to equity holders surged 31% from last year’s HK\$30,884,000 to approximately HK\$40,419,000. Earnings per share were HK 7.0 cents (2005: HK 7.2 cents)

Mr. Zhang Hwo Jie, Chairman of EVA, said, “We are glad with the progress we made in transforming the Group from a metal mould and component manufacturer into a fully integrated one-stop metal and plastic mould and component manufacturing service provider. Although only operating on trial basis since late 2004, our plastic production line has put out quality products well received by our customers and, as such, our plastic division has enjoyed quite a good start in the market. We believe by expanding our operation horizontally into manufacturing plastic moulds and components, we will not only be able to tap the opportunities of producing other parts of office automation equipment, but will also enjoy a strong impetus for future growth.”

During the six months ended 30 June 2006, the Group’s metal division continued to focus on serving renowned Japanese office automation equipment manufacturers. Sales of the metal division significantly increased 31% to HK\$257,094,000, accounting for approximately 91% of the Group’s total sales for the period. Operating profit of the Group’s metal division was approximately HK\$46,822,000 during the review period.

Sales of the Group's plastic division for the six months ended 30 June 2006 increased by 740% to approximately HK\$26,651,000, approximately 71% of which was derived from Japanese customers. Operating profit of the Group's plastic division was approximately HK\$3,039,000 for the six months ended 30 June 2006, as opposed to an operating loss of HK\$3,215,000 for the corresponding period in 2005.

Moreover, the Group maintained a healthy financial position with cash on hand of HK\$72,275,000 and a net debt-to-equity ratio of 22% as at 30 June 2006.

Looking to the future, as an integral part of the Group's expansion plan, the new production plant in Suzhou commenced commercial operations in August 2006. Given the concentration of multi-national manufacturers which are the Group's target customers in the Yangtze River Delta Region, management sees great potential in this market and expects the new plant to provide strong momentum for continuous growth of the Group in the future. At its initial stage of operation, the new Suzhou plant will primarily focus on tapping potential business from the Group's existing customers including Konica Minolta, Canon and Fuji Xerox and Ricoh, which have production plants in the Yangtze River Delta Region. The Group will also strive to expand and obtain business from other reputable multi-national manufacturers at a later stage.

Furthermore, to increase its production capacity for moulds, the Group has planned to establish a mould research and development centre in Shenzhen. Construction of the centre will begin in September 2006. With an expanded mould production capability, the Group will be able to produce more moulds for supporting its existing metal stamping and plastic injection businesses and for sales to customers on standalone basis. At the same time, in order to seek other growth opportunities, the Group secured the TS16949:2002 accreditation, an international quality accreditation for the manufacture of automobile parts, in 2006, and has started to obtain small scale orders for the production of automobile parts on trial basis.

Mr. Zhang concluded, "Looking ahead, the outlook of the Group remains positive. With the support of our Shenzhen and Suzhou factories, we will ensure service reach to all customers in Southern and Eastern China, while reaping maximum benefits from economies of scale. We are fully confident that, with the synergies brought by our vertical and horizontal business expansion, we will be able to further our leading position in the industry and generate satisfactory returns for our shareholders."

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About EVA Precision Industrial Holdings Limited

EVA is a vertically-integrated precision metal and plastic mould and component manufacturing service provider. The Group also provides related assembly services. The Group's existing services include i) design and fabrication of precision metal stamping and plastic injection moulds; ii) manufacturing of precision metal stamping and plastic injection components; iii) lathing of metal components; and iv) assembly of precision metal stamping products and plastic injection components into semi-finished products. The Group has established a client base of over 100 customers, which includes mainly the Hong Kong or PRC affiliates of the internationally renowned Japanese office automation equipment manufacturers and consumer electronic manufacturers namely Toshiba, Konica Minolta, Canon, Kyocera Mita, Fuji Xerox, Ricoh, Epson and Brother.

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