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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 25 May 2007, EVA Precision Industrial (Suzhou) Limited (the “Borrower”), a wholly owned subsidiary of EVA Precision Industrial Holdings Limited (the “Company”), has entered into two loan facilities agreements (the “Facilities Agreements”) with DBS Bank Ltd., Shanghai Branch (the “Lender”) for certain loan facilities. As one of the conditions for the Lender to enter into the Facilities Agreements and to continue to provide the loan facilities, and as a continuing security for the payment and discharge to the Lender on demand of all moneys, obligations and liabilities owing or incurred by the Borrower to the Lender, the following specific performance obligations are imposed on the directors and the controlling shareholder of the Company:

- (i) Mr. Zhang Hwo Jie, the controlling shareholder of the Company, shall remain as the Chairman of the Board of Directors of the Company; and
- (ii) Mr. Zhang Hwo Jie, Mr. Zhang Jian Hua and Mr. Zhang Yaohua, the directors of the Company, shall maintain to hold not less than 51% of the issued shares 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”).

The directors of EVA Precision Industrial Holdings Limited (the “Company”) announced that on 25 May 2007, EVA Precision Industrial (Suzhou) Limited (the “Borrower”), a wholly owned subsidiary of the Company, has entered into two loan facilities agreements (the “Facilities Agreements”) with DBS Bank Ltd., Shanghai Branch (the “Lender”) for certain loan facilities. Pursuant to the Facilities Agreements, the Lender agreed to make available to the Borrower two loans for the amount of HKD20,000,000 and HKD60,000,000 respectively, amounting to a total amount of HKD80,000,000 subject to the terms and conditions contained therein. The facilities are for a term of four years commencing from the date of first utilization of the loan facilities. As one of the conditions for the Lender to enter into the Facilities Agreements and to continue to provide the loan facilities, and as a continuing security for the payment and discharge to the

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- (i) Mr. Zhang Hwo Jie, the controlling shareholder of the Company, shall remain as the Chairman of the Board of Directors of the Company; and
- (ii) Mr. Zhang Hwo Jie, Mr. Zhang Jian Hua and Mr. Zhang Yaohua shall maintain to hold not less than 51% of the issued shares of the Company.

A breach of any of the aforesaid obligations will constitute an event of default under the Facilities Agreements which may result in the cancellation of all or any part of the commitments under the Facilities Agreements 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 54.17% of the issued share capital of the Company. In addition, Mr. Zhang Hwo Jie, Mr. Zhang Jian Hua and Mr. Zhang Yaohua personally owns approximately 0.74%, 1.01% and 1.24% of the issued share capital of the Company respectively.

This announcement is made in compliance with the disclosure requirement under Rule 13.18 of the Listing Rules. 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  
**EVA PRECISION INDUSTRIAL HOLDINGS LIMITED**  
**ZHANG HWO JIE**  
*Chairman*

Hong Kong, 25 May 2007

*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.*