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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)

**POSITIVE PROFIT ALERT**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that it is expected the Group's profit for the six months ending 30 June 2010 to increase by not less than 700% as compared to the profit recorded for the corresponding period in 2009.

The information contained in this announcement is only based on the preliminary review of the management accounts of the Group for the period from January 2010 to May 2010 and other relevant financial information relating to June 2010, which have not been reviewed nor audited by the auditors of the Company.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made by EVA Precision Industrial Holdings Limited (the "**Company**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company and potential investors that based on the preliminary review of the management accounts of the Company and its subsidiaries (together the "**Group**") for the period from January 2010 to May 2010 and other relevant financial information relating to June 2010, it is expected the Group's profit for the six months ending 30 June 2010 to increase by not less than 700% as compared to the profit recorded for the corresponding period in 2009.

The significant improvement in the Group's results was primarily attributable to the following reasons:

- 1) The Group experienced a strong resurgence in orders, which was driven by the additional orders from existing customers in the office automation equipment sectors. With a view to reducing production logistic and internal management costs, these customers decided to gradually consolidate their supplier base and concentrate more of their purchases from the Group. In addition, with their announced expansion plans in China, they are partnering with the Group to jointly explore the booming Chinese consumption market and accordingly more orders were outsourced to the Group.
- 2) Orders from customers in other sectors such as consumer electronics and automobile markets also experienced a significant growth due to (i) the Group's conscious efforts to enter into these new markets since the second half of 2009 and (ii) the continuing boom in the consumption market in China.
- 3) Profit margin for the six months ending 30 June 2010 is also expected to improve significantly. During the period, the Group enjoyed economy of scale as a result of the increase in turnover and the consequential improvement in the utilisation rate of its production capacity. As a substantial portion of the Group's costs, such as depreciation, salaries of engineers/production management employees, production overheads and general and administrative expenses, are semi-fixed in nature and do not increase proportionately with the increase in turnover, the Group's profit for the six months ending 30 June 2010 is expected to increase more than proportionately than the increase in the Group's turnover.
- 4) Finance costs is expected to decrease following the continuing improvement in the Group's net gearing ratio. Effective tax rate is expected to decrease as one of the Company's major subsidiaries had obtained the "National High and New Technology Enterprise" status by end of 2009 and therefore is entitled to enjoy preferential tax rate in China for the year ending 31 December 2010.

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**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**EVA Precision Industrial Holdings Limited**  
**Zhang Hwo Jie**  
*Chairman*

Hong Kong, 24 June 2010

*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.*