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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 13 August 2010, EVA Limited, EVA Plastic Mould Products (HK) Limited and EVA Precision Industrial (Suzhou) Limited, subsidiaries of the Company, executed the BOC Facility Letter, DBS (HK) Facility Letter and DBS (Shanghai) Letter respectively which contain 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 BOC

On 13 August 2010, EVA Limited, a subsidiary of the Company, executed a facility letter issued by Bank of China (Hong Kong) Limited (“**BOC Facility Letter**”). Bank of China (Hong Kong) Limited (“**BOC**”) had reviewed the banking facilities previously advanced to EVA Limited and reconfirmed the following banking facilities:

- (i) a term loan facility with outstanding balance of HK\$26,500,000 as at 31 July 2010 (the original loan amount was up to HK\$40,000,000 and the difference represents the amounts repaid by installments) for a term until July 2012, being four years from the date of drawdown of the loan; and
- (ii) a revolving loan for an amount up to HK\$40,000,000.

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 BOC Facility Letter:

- (1) the Controlling Shareholders shall maintain not less than 41% of the issued share capital of the Company; and
- (2) 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 relevant loan facilities agreement which may result in the cancellation of all or any part of the commitments under the banking facilities and all borrowed amounts outstanding becoming immediately due and payable.

BANKING FACILITIES PROVIDED BY DBS (HK) AND DBS (SHANGHAI)

On 13 August 2010, EVA Limited and EVA Plastic Mould Products (HK) Limited, subsidiaries of the Company, executed a facility letter issued by DBS Bank (Hong Kong) Limited (“**DBS (HK) Facility Letter**”). DBS Bank (Hong Kong) Limited (“**DBS (HK)**”) had reviewed the banking facilities previously advanced to EVA Limited and EVA Plastic Mould Products (HK) Limited and reconfirmed the following banking facilities:

- (i) a term loan facility with outstanding balance of HK\$8,750,000 (the original loan amount was up to HK\$20,000,000 and the difference represents the amounts repaid by installments) as at 31 July 2010 for a term until March 2012, being four years from the date of drawdown of the loan;
- (ii) letters of credit, letters of credit (cargo receipt) and trust receipts loans in aggregate up to HK\$60,000,000;
- (iii) factoring facilities up to HK\$30,000,000; and
- (iv) finance lease facilities up to HK\$13,930,200.

On 13 August 2010, EVA Precision Industrial (Suzhou) Limited, a subsidiary of the Company, signed a letter issued by DBS Bank (China) Limited, Shanghai branch (“**DBS (Shanghai) Letter**”). DBS Bank (China) Limited, Shanghai branch (“**DBS (Shanghai)**”) had reviewed the banking facilities previously advanced to EVA Precision Industrial (Suzhou) Limited, namely a term loan facility with outstanding balance of HK\$26,250,000 as at 31 July 2010 (the original loan amount was up to HK\$60,000,000 and the difference represents the amounts repaid by installments) for a term until March 2012, being four years from the date of drawdown of the loan. The letter also sets out the undertakings to be provided by the Controlling Shareholders in respect of the banking facilities.

The following specific performance obligations are imposed on the Controlling Shareholders under DBS (HK) Facility Letter and DBS (Shanghai) Letter:

- (1) the Controlling Shareholders maintain to hold not less than 35% of the issued share capital of the Company; and
- (2) the Controlling Shareholders collectively remain as the single largest shareholder of the Company.

A breach of the aforesaid obligations will constitute an event of default under the relevant loan facilities agreements, which may result in the cancellation of all or any part of the commitments under the banking facilities 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 42.5% of the issued share capital of the Company. In addition, the Controlling Shareholders also hold, either personally or through other investment holding company, approximately 2.1% of the issued share capital of the Company. They also have personal interests in options granted under the share option scheme of the Company to subscribe for an aggregate of approximately 1.9% 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, 13 August 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.