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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)

PROFIT WARNING

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 based on the preliminary results of the Group for the five months ended 31 May 2012, the net profit of the Group for the six months ending 30 June 2012 is expected to decline by approximately 60% as compared to the corresponding period in 2011. Such change is mainly attributable to technology development and other start-up expenses incurred by the Group for its new automobile mould and component businesses.

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**”, together with its subsidiaries the “**Group**”) 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 (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that based on the preliminary results of the Group for the five months ended 31 May 2012, the net profit of the Group for the six months ending 30 June 2012 is expected to decline by approximately 60% as compared to the corresponding period in 2011. The above change is mainly caused by: (1) as disclosed in the section headed “Outlook” in the Company’s 2011 annual report, the Group’s customers in the office automation equipment sector had shifted their short-term growth driver to lower end products for sales to emerging countries, which altered the type of orders received by the Group and adversely affected its profit margin since the Group used to target at supplying moulds and components for higher end products such as high resolution professional copiers; (2) as disclosed in the section headed “Significant events and development” in the Company’s 2011 annual report, the Group is in the process of establishing a new production base in Wuhan for automobile component business. Costs were

incurred for developing technologies in automobile component production in preparation for the launch of production of the new Wuhan production base which is scheduled in 2013; and (3) the Group's operating costs increased due to the expenses incurred by certain subsidiaries which were newly acquired by the Group in the second half of 2011. Similar expenses had not been included in the consolidated accounts of the Group in the first half of 2011 since the date of acquisition of these subsidiaries fell in the second half of 2011.

As the period covered by the first half of 2012 has not yet ended, the interim results of the Group for the six months ending 30 June 2012 are not yet available. This announcement is only based on the assessment by the Board by reference to the preliminary results of the Group for the five months ended 31 May 2012. The information contained in this announcement is not based on any figures nor information that has been audited or reviewed by the external auditor of the Company. The interim results announcement of the Company for the six months ending 30 June 2012 is expected to be released in August 2012.

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, 25 June 2012

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.