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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 EVA Precision Industrial Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that based on the unaudited management accounts of the Group for the five months ended 31 May 2017 and the unaudited financial information relating to June 2017 available as at the date of this announcement, the net profit of the Group for the six months ending 30 June 2017 is expected to increase by not less than 170% as compared to the corresponding period in 2016.

The above change is mainly due to (1) a reduction in employment expenses, as the Group has commenced production automation and streamlining its workforce since 2016, which was mentioned in the Company’s 2016 annual report dated 27 March 2017; (2) a reduction in depreciation as certain of the Group’s production equipment had been fully depreciated; (3) tax savings driven by a reduction in effective tax rate of the Group. In particular, as mentioned in the Company’s 2016 interim report dated 30 August 2016, the Group’s profit margin was lower and certain of its subsidiaries incurred losses during the six months ended 30 June 2016, which increased the overall effective tax rate of the Group in the first half of 2016 as such losses were not eligible for offsetting the taxable profits generated by other profitable subsidiaries; and (4) a general reduction in the operating costs of the Group as a result of the cost control measures adopted by the Group since 2016.

As the period covered by the first half of 2017 has not yet ended, the interim results of the Group for the six months ending 30 June 2017 are not yet available. This announcement is only based on the assessment by the Board by reference to the unaudited management accounts of the Group for the five months ended 31 May 2017 and the unaudited financial information relating to June 2017 available as at the date of this announcement. The information contained in this announcement is not

based on any figures or 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 2017 is expected to be released in August 2017.

**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, 20 June 2017

*As at the date of this announcement, the Board comprises three executive directors, being Mr. Zhang Hwo Jie (Chairman), Mr. Zhang Jian Hua (Vice Chairman), Mr. Zhang Yaohua (Chief Executive Officer) and three independent non-executive directors, being Mr. Choy Tak Ho, Mr. Leung Tai Chiu and Mr. Lam Hiu Lo.*