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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)

**PROFIT WARNING**

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 2020 and the unaudited financial information relating to June 2020 available as at the date of this announcement, it is expected that the Group would record a loss of around HK\$65 million to HK\$75 million for the six months ended 30 June 2020.

The expected loss is mainly due to: (1) reduction in turnover as a result of the production stoppage and the slowdown in business activities caused by the COVID-19 coronavirus outbreak; (2) additional costs incurred since the COVID-19 coronavirus outbreak, including the costs of carrying out various hygiene measures in the Group’s industrial parks and the extra costs for the procurement and transportation of raw materials and parts (especially those imported from overseas countries) under the transport restrictions imposed after the pandemic outbreak; (3) an increase in net exchange loss which was caused by the weakening of foreign currencies against Hong Kong dollars during the period; and (4) a reduction in government grants.

Furthermore, the expected loss may constitute a technical breach of certain financial covenants under the Group’s various bank loan arrangements with its principal banks. The directors are actively negotiating with the relevant banks and are cautiously optimistic that waivers of such technical breach, if any, will be granted by the banks, taking into consideration the Group’s record of good performance under the relevant loan agreements.

The Group's results and performance for the six months ended 30 June 2020 are subject to changes depending on the evolving situation of COVID-19 outbreak, the exchange rates and other factors that are beyond the Group's control. Therefore, the actual results of the Group for the six months ended 30 June 2020 may differ from the information contained in this announcement.

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 2020 and the unaudited financial information relating to June 2020 available as at the date of this announcement. The information contained in this announcement is not based on any figure 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 ended 30 June 2020 is expected to be released in August 2020.

**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, 3 July 2020

*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. Lam Hiu Lo, Dr. Chai Ngai Chiu Sunny and Ms. Ling Kit Sum.*