

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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 eleven months ended 30 November 2020 and the unaudited operating and financial data available as at the date of this announcement, it is expected that, comparing with the recorded loss of around HK\$66 million for the six months ended 30 June 2020, the Group will record a reduced loss of around HK\$15 million to HK\$22 million for the year ended 31 December 2020.

The expected loss for the year is mainly attributable to the following:

(1) overall delay in the production schedule during the first half of the year 2020 as a result of public health measures imposed in the countries where the Group’s industrial parks are situated to contain the epidemic caused by the COVID-19 coronavirus outbreak; (2) a general slowdown in business activities as well as new product development activities of customers as a result of the COVID-19 coronavirus outbreak; (3) additional costs incurred since the COVID-19 coronavirus outbreak, including without limitation, the operating costs on various hygiene measures in the Group’s industrial parks, the extra costs for quarantine after the industrial parks have resumed production, and the 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; (4) a reduction in government grants; and (5) share of loss of an associate principally engaged in the microcredit business.

Nevertheless, the Group expects a reduced loss for the year mainly due to the strong business momentum that is attributable to the following factors in the second half of the year 2020, partially off-setting the negative impact from the first half of the year 2020: (1) the effective control of the

COVID-19 coronavirus epidemic in China causing a fast recovery of order in-take in the Group's various industrial parks in China starting from the third quarter; and (2) the Group's continuous effort in building strong bonding with existing and new customers.

Despite the expected loss for the year ended 31 December 2020, following a preliminary review of the currently available information, the Board is cautiously optimistic that there will not be any technical breach of the financial covenants under the Group's various bank loan arrangements with its principal banks. The Board will continue to closely monitor the situation, take timely and appropriate measures and make further announcement(s) when necessary.

As the Group's consolidated results for the year ended 31 December 2020 have not yet been finalized, the information contained in this announcement is only based on the assessment by the Board by reference to the unaudited management accounts of the Group for the eleven months ended 30 November 2020 and the unaudited operating and financial data available as at the date of this announcement and therefore subject to adjustments. The information in this announcement has not been audited or reviewed by the external auditor of the Company or the audit committee of the Board. The audited consolidated results announcement of the Company for the year ended 31 December 2020 is expected to be released in March 2021.

**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, 7 January 2021

*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.*