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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 eleven months ended 30 November 2021 and the unaudited financial information relating to December 2021 available as at the date of this announcement, the Group is expected to record a profit for the year ended 31 December 2021 of approximately HK\$120 million to HK\$150 million, as compared to a loss of approximately HK\$15 million for 2020.

The expected turnaround from loss to profit is mainly due to the following:

(i) amid the COVID-19 pandemic and the global chip shortage in 2021, the Group’s office automation equipment business has recorded around 20% growth in segmental revenue as compared to 2020, as the Group has firmly seized the opportunities arisen from the recovery of the global economy and continued to focus on our core values and has thereby fostered business growth; (ii) the Group’s automotive component business has recorded around 39% growth in segmental revenue as compared to 2020, primarily due to the Group’s strengthened strategic partnership with various existing customers during the year. Such satisfactory performance was further accelerated by the strong business momentum in North American market and the robust consumer sentiment in China since the beginning of 2021; (iii) improvement in gross profit margin by around 1 to 2 percentage points, hence a substantial increase in gross profit as compared to 2020 as a result of better utilisation of the Group’s production facilities; (iv) implementation of effective cost control strategies by the Group, thus maintaining the general and administrative expenses at a stable level; and (v) the synergy achieved by the acquisition of Futaba Metal Products (Shenzhen) Co., Ltd. since April 2021 (please refer to the announcement of the Company dated 16 April 2021 for details).

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 2021 and the unaudited financial information relating to December 2021 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 year ended 31 December 2021 is expected to be released in March 2022.

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, 14 January 2022

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), and 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.