



**EVA ANNOUNCES 2005 ANNUAL RESULTS**

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**Turnover Surged 63% to HK\$485 Million  
Transformed Into a Comprehensive Service Provider**

**Highlights**

- **Turnover increased by 63% to HK\$485 million**
- **Gross profit rose 39% to HK\$161 million**
- **Net profit attributable to equity holders surged 27% to HK\$83.2 million**
- **Gross profit margin and net profit margin amounted to 33.2% and 17.2% respectively**
- **Basic earnings per share were 17.6 HK cents**
- **Final dividend payment of 2.6 HK cents per share proposed**

(Hong Kong, 24 April 2006) — **EVA Precision Industrial Holdings Limited** (“EVA” or the “Group”; stock code: 838), a vertically-integrated precision metal and plastic mould and component manufacturing service provider, today announced its annual results for the year ended 31 December 2005.

During the year under review, the Group recorded HK\$485 million in turnover, 63% higher than the HK\$296.9 million last year. The significant rise was mainly attributable to the continuous growth of the Group’s long-established metal division. Net profit attributable to equity holders surged 27% to HK\$83.2 million, as compared with HK\$65.8 million in 2004. Basic earnings per share were 17.6 HK cents. The Board of Directors proposed a final dividend of 2.6 HK cents per ordinary share, bringing the full year total dividend to HK\$31,200,000 which represented a dividend payout ratio of 37.5%.

**Mr. Zhang Hwo Jie, Chairman of EVA**, said, “Year 2005 is a year of investment and achievement for us, and we are happy to announce that we achieved satisfactory performance during the year. Apart from further expanding our metal division, we also made great progress in extending our business portfolio adding to it a plastic segment. We believe the horizontal expansion will not only help our customers reduce logistic and quality control costs, but is also a crucial and meaningful step for us to transform into a comprehensive service provider. It will also provide the Group with the momentum to sustain growth in the coming years.”

The Group maintained a healthy financial position with cash on hand of approximately HK\$147,160,000 and net debt to equity ratio of 29% as at 31 December 2005. Other liquidity ratios, including current ratio, debtors' turnover days, creditors' turnover days all improved to become 1.02, 73 and 85 respectively (2004: current ratio: 0.81, debtors' turnover days: 99 and creditors' turnover days: 126).

For year 2005, the turnover of the Group's metal division surged by 57% to approximately HK\$467.2 million, driven primarily by the increase in revenue from manufacturing of metal stamping and lathing components. The metal division continued to focus on serving renowned Japanese office automation equipment manufacturers including Toshiba, Konica Minolta, Canon, Kyocera Mita, Fuji-Xerox, Ricoh, Epson and Brother.

Sales of the metal division to Japanese customers accounted for approximately 81% of the total sales of the Group's metal division for year 2005 (2004: 77%). Those Japanese customers who only provided sale orders to the Group on trial basis previously also increased their orders in 2005, resulting in a significant surge in sales of the Group's metal division. The Group will continue to invest in first-tier machinery and equipment with a view to meeting the continuous increase in customer orders in 2006.

The plastic division was first established by the Group in late 2004, and already achieved a turnover of approximately HK\$17,778,000 and an operating profit of approximately HK\$669,000 for year 2005. The Group's new No.3 Factory in Shenzhen, the PRC officially commenced operation on 18 July 2005. The new factory serves as the production base for design and manufacture of plastic injection moulds, and plastic injection components manufacturing and assembly services. It can produce up to approximately 55 sets of plastic moulds and 2,700,000 units of plastic components a month.

Spotting vast potential in the Yangtze Delta region where more and more of the Group's existing customers or targeted customers have established or will establish their plants, the Group has established a new plant in Suzhou to capture mushrooming business opportunities in the region. The construction of the first phase of this new plant was completed in January 2006 and is currently under trial production. It is expected to commence commercial production in May 2006, and by then the Group's production capacity will increase by 40%. This strategic move will enable the Group to strengthen relationship with existing customers and forge new business relationships.

The Group has a plan to set up a mould development centre in Shenzhen. The construction of the mould development centre will commence in the second half of 2006 and is expected to come into operation in 2007. This centre will enable the Group to capture potential businesses from selling moulds on standalone basis, and to support the continuous expansion of component production under its existing business model.

Mr. Zhang **concluded**, “Looking to the future, we see great potential in both the global and regional markets, taking into account the strong growth of the local mould and electronic equipment markets and Japanese manufacturers continuing to outsource to non-Japanese suppliers. We will adhere to our proven strategies to strive for long-term sustainable growth in turnover and profit margin enhancement. We believe our dedication to providing services and goods of the highest quality and offering integrated services to customers will allow us to deliver maximize returns to our shareholders.”

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#### **About EVA Precision Industrial Holdings Limited**

EVA is a vertically-integrated precision metal and plastic mould and component manufacturing service provider. The Group also provides related assembly services. The Group's existing services include i) design and fabrication of precision metal stamping and plastic injection moulds; ii) manufacturing of precision metal stamping and plastic injection components; iii) lathing of metal components; and vi) assembly of precision metal stamping products and plastic injection components into semi-finished products. The Group has established a client base of over 100 customers, which includes mainly the Hong Kong or PRC affiliates of the internationally renowned Japanese office automation equipment manufacturers and consumer electronic manufacturers.

#### **For more information:**

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## EVA Precision Industrial Holdings Limited

### Consolidated Profit and Loss Account

	Year ended 31 December	
	2005	2004
	HK\$'000	HK\$'000
<b>Sales</b>	<b>485,023</b>	<b>296,860</b>
Cost of goods sold	(323,992)	(180,725)
<b>Gross profit</b>	<b>161,031</b>	<b>116,135</b>
<b>Other gains</b>	<b>597</b>	<b>35</b>
Selling and marketing costs	(27,436)	(15,073)
General and administrative expenses	(34,627)	(25,651)
<b>Operating profit</b>	<b>99,565</b>	<b>75,446</b>
Finance costs	(6,672)	(4,008)
<b>Profit before income tax</b>	<b>92,893</b>	<b>71,438</b>
Income tax expense	(9,678)	(5,445)
<b>Profit for the year</b>	<b>83,215</b>	<b>65,993</b>
<b>Attributable to:</b>		
<b>Equity holders of the Company</b>	<b>83,215</b>	<b>65,763</b>
<b>Minority interest</b>	<b>-</b>	<b>230</b>
	<b>83,215</b>	<b>65,993</b>
<b>Dividend</b>	<b>31,200</b>	<b>31,127</b>
<b>Basic earnings per share for profit attributable to the equity holders of the Company during the year</b>	<b>HK 17.6 cents</b>	<b>HK 16.9 cents</b>