



To: Business Editor (For immediate release)

EVA PRECISION INDUSTRIAL HOLDINGS LIMITED

(Hong Kong Stock Code: 838)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

- Turnover increased by 38% to HK\$952,030,000
- Net profit grew by 42% to HK\$153,856,000
- Metal division continued to provide turnover and profit growth
- Operating profit of plastic division increased by 145% to HK\$31,590,000
- New Suzhou Production Plant started to contribute profit to the Group
- Capacity expansion underway to capture business opportunities from the increasing outsourcing of high end manufacturing processes to China

(Hong Kong, 27 March 2008) – **EVA Precision Industrial Holdings Limited** (“EVA” or the “Group”) (Stock Code: 838) today announced its final results for the year ended 31 December 2007.

FINANCIAL RESULTS

During the year, EVA achieved a turnover of HK\$952,030,000 (2006: HK\$691,240,000), representing an increase of 38% as compared to last year. The increase in turnover was mainly attributable to the significant increase in sales in both metal and plastic divisions of the Group. The turnover and operating profit of the Group’s long-established metal division increased to HK\$766,373,000 and HK\$140,105,000 respectively, representing a growth of 25% and 21% as compared to last year.

The Group’s plastic division, which was established in early 2005 as part of the Group’s plan to transform itself from a metal mould and component manufacturer into a vertically integrated one-stop production service provider covering both the metal and plastic components of office automation equipment, recorded significant increase in turnover and operating profit by 144% and 145% to HK\$185,657,000 and HK\$31,590,000 respectively.

The Suzhou production plant, which commenced commercial operations in late 2006, also started to contribute profit to the Group. Turnover and net profit of the Group’s Suzhou production plant for the year ended 31 December 2007 amounted to HK\$113,417,000 and HK\$12,766,000 respectively, as compared to a turnover of HK\$21,371,000 and a net loss of approximately HK\$2,951,000 for the year ended 31 December 2006. During the year, the long-established Shenzhen production plant of the Group recorded a turnover of HK\$838,613,000 and a net profit of HK\$141,090,000, representing an increase of 25% and 26% as



compared to last year.

Overall gross profit of the Group amounted to HK\$302,657,000 and gross profit margin was 31.8% (2006: 32.0%). Net profit amounted to HK\$153,856,000 (2006: HK\$108,649,000), representing a growth of 42% as compared to last year.

The board of directors of the Group proposed a final dividend of HK3.4 cents per share. Together with an interim dividend of HK3 cents per share which was paid during the year, the dividend payout ratio for the year ended 31 December 2007 is 30%.

OUTLOOK

Mr. Zhang Hwo Jie, Chairman of EVA, said, “China is now moving from the first phase of global outsourcing to the next. Whilst the first phase of global outsourcing was characterized by the shifting of labour intensive processes to China due to lower labor costs, the next phase consists of increasingly complex processes and ultimately the entire manufacturing processes will be shifted to China, leaving advanced countries such as the US or Japan to concentrate on developing cutting edge technologies, product innovation and most importantly, brand building. This structural shift offers high tech companies with solid track record, such as EVA, a golden opportunity.”

“Moulds, which are nicknamed “mother tools” by the Japanese, play a pivotal role in China’s next stage of industrial development. As consumer products become more and more sophisticated and product cycle becomes shorter and shorter, demand for consumer products with high precision and dimensional accuracy is rapidly increasing. For example, producing a product whose dimensions are precise to 1/100th of a millimeter requires a mould whose dimensions are precise to 1/1,000th of a millimeter.”

Mr. Zhang continued, “Since the quality of a mould has a decisive impact on the quality of a product, the mould engineering capability is the core technological competency within the supply chain. Since EVA started its business as a mould producer in 1993, it had accumulated more than 10 years of experience in mould engineering and is able to satisfy technological requirements imposed by the Japanese manufacturers, which are well-known to be demanding in quality standards. To further capitalize on its strengths, EVA has established a mould development centre in Shenzhen, which has commenced trial operations since February 2008. The establishment of the mould development centre will double our production capacity for precision moulds, allowing the Group to benefit from the growth in outsourcing of high end manufacturing processes to China”.

“Following the capacity expansion for precision moulds, EVA will also enhance its component manufacturing capabilities. In this connection, the Group has already started the construction for the new



Zhongshan plant and the second phase of Suzhou production plant, which are targeted to be completed by end of 2008 and the first half of 2009 respectively.

“The total estimated capital expenditure for the establishment of the new Zhongshan production plant and the second phase of Suzhou production plant is approximately HK\$250 million. These projects will be funded by utilizing part of the net proceeds received from a share placement arranged by Morgan Stanley in April 2007, and also by internally generated cash and bank borrowings.”

Mr. Zhang concluded, “At present the Group principally serves the office automation equipment market. Currently the supply chain for office automation equipment market is fragmented and characterized by a large number of suppliers, each of them specializing either in mould production, metal component manufacturing, plastic component manufacturing or product assembly. Accordingly, it is a trend for major office automation equipment brand owners to consolidate their supplier base with a view to reducing the overall logistics costs and production lead time. The completion of the Group’s capacity expansion plan will strengthen its overall production capability, allowing the Group to provide vertically integrated one-stop production services from mould design, component production, assembly service, quality control to delivery of semi-finished products and therefore benefit from the process of supplier consolidation by major office automation equipment brand owners.”

	FY07 (Actual)	FY09 (Planned)	Change
Production capacity at year end			
Metal Stamping Mould (sets)	7,500	22,000	+193%
Plastic Injection Mould (sets)	900	3,015	+235%
Metal Stamping Component (tonnes)	42,900	112,055	+161%
Plastic Injection Component (million pieces)	119	237	+99%
Lathing Product (million pieces)	64	214	+234%

-Ends-

About EVA Precision Industrial Holdings Limited (Stock Code: 838.HK)

EVA is a vertically integrated one-stop provider of production services covering the design and manufacture of precision metal and plastic moulds, production of precision metal and plastic components and provision of assembly services.

The Group has established a client base of over 100 customers, which are mostly internationally renowned Japanese office automation equipment and consumer electronics manufacturers such as Toshiba, Konica Minolta, Canon, Kyocera Mita, Fuji Xerox, Ricoh, Epson and Brother.



FINANCIAL HIGHLIGHTS

1. Profit and loss accounts

	2007	2006
	HK\$'000	HK\$'000
Revenue	952,030	691,240
Cost of sales	(649,373)	(470,221)
	<hr/>	<hr/>
Gross profit	302,657	221,019
<i>Gross profit margin</i>	<i>31.8%</i>	<i>32.0%</i>
Other gains	1,678	10
Selling and marketing costs	(55,481)	(35,685)
General and administrative expenses	(75,841)	(56,581)
	<hr/>	<hr/>
Operating profit	173,013	128,763
Finance income	1,488	1,094
Finance costs	(7,521)	(9,646)
	<hr/>	<hr/>
Profit before income tax	166,980	120,211
Income tax expense	(13,124)	(11,562)
	<hr/>	<hr/>
Net profit	153,856	108,649
	<hr/> <hr/>	<hr/> <hr/>
<i>Net profit margin</i>	<i>16.2%</i>	<i>15.7%</i>



2. Segment information

<u>By business segment</u>	2007		2006	
Turnover	HK\$'000		HK\$'000	
<u>Metal division</u>				
Design and fabrication of metal stamping moulds	83,463	8.8%	72,476	10.5%
Manufacturing of metal stamping components	600,763	63.1%	481,088	69.6%
Manufacturing of lathing components	55,025	5.8%	45,530	6.6%
Others (<i>Note 1</i>)	27,122	2.8%	15,908	2.3%
	<u>766,373</u>		<u>615,002</u>	
<u>Plastic division</u>				
Design and fabrication of plastic injection moulds	33,319	3.5%	14,833	2.1%
Manufacturing of plastic injection components	151,150	15.9%	61,363	8.9%
Others (<i>Note 1</i>)	1,188	0.1%	42	-
	<u>185,657</u>		<u>76,238</u>	
Total	<u>952,030</u>		<u>691,240</u>	
Segment results				
Metal division	140,105		116,032	
Plastic division	<u>31,590</u>		<u>12,876</u>	
Operating profit	171,695		128,908	
Unallocated income (expenses)	1,318		(145)	
Finance income	1,488		1,094	
Finance costs	(7,521)		(9,646)	
Income tax expenses	<u>(13,124)</u>		<u>(11,562)</u>	
Net profit	<u>153,856</u>		<u>108,649</u>	

Note 1: Others mainly represented sales of scrap materials

By geographical location

Turnover	2007		2006	
	HK\$'000		HK\$'000	
Shenzhen operations	838,613		669,869	
Suzhou operations	<u>113,417</u>		<u>21,371</u>	
	<u>952,030</u>		<u>691,240</u>	
Net profit				
Shenzhen operations	141,090		111,600	
Suzhou operations	<u>12,766</u>		<u>(2,951)</u>	
	<u>153,856</u>		<u>108,649</u>	

Released by **CCG Elite Investor Relations Ltd.** for and on behalf of **EVA Precision Industrial Holdings Limited**. For further information, please contact:

CCG Elite Investor Relations Ltd.

For Investor Relations, please contact:

Mr. Jonathan Kiu

Tel: (852) 3183 0225

Fax: (852) 2155 9165