[For immediate release]

EVA ANNOUNCES FY2017 ANNUAL RESULTS

Net Profit surged by 150% to HK$133.7 million due to improved productivity and successful cost control
M&A activities of key customers provided significant growth opportunities
Robust sales performance for Vietnam industrial park
More solid customer base and sustained sales growth for automobile business

Highlights

- Significantly enlarged production demand from HP Printing and Fuji Xerox after M&A activities, providing the Group with enormous growth potentials
- Vietnam industrial park ramped up production, and experienced robust sales growth in the second half 2017, which is expected to continue into 2018 and onwards
- Significant progress in automobile business line. Phase one of new Mexico industrial park to be completed in late 2018
- Gross profit margin increased to 24.8% (2016: 23.3%)
- Net profit rebounded sharply and increased by 150% to HK$133,699,000 (2016: HK$53,486,000)
- Final dividend of HK1 cent per share (2016: HK0.51 cent) has been proposed, adhering to the dividend payout policy of approximately 30% of net profit since 2005

(Hong Kong, 27 March 2018) – **EVA Precision Industrial Holdings Limited** (“EVA” or the “Group’’; stock code: 838) announces its annual results for the year ended 31 December 2017.

M&A activities of key customers to provide enormous growth potentials for OA equipment business

In September 2016, Hewlett-Packard announced its acquisition of the office automation (“OA”) equipment division of Samsung Electronics (“Samsung Printing Solutions”), which had been one of the customers of our Suzhou industrial park since 2012. Thereafter, Samsung Printing Solutions moved away from Suzhou, and consolidated their production in Weihai, Shandong Province, resulting in a decrease in the Group’s turnover. However, in mid 2017, the combined company of Hewlett-Packard and Samsung Printing Solutions (“HP Printing”) informed the Group that the production volume of its manufacturing facilities in Weihai increased significantly. Taking into account our excellent track record in serving their predecessor company i.e. Samsung Printing Solutions in Suzhou, the Group was invited by HP Printing to set up a new industrial park in Weihai to serve their significantly enlarged production volume there. The new Weihai industrial park has a land area of 349,000 square metres. Phase one of the new Weihai industrial park is planned to have a floor area of 79,000 square metres, and is scheduled to start production in the second half of 2019.

As the production demand from HP Printing in Weihai is imminent, the Group acquired a component manufacturer named Intops (Weihai) Electronics Co., Ltd. at a consideration of HK$52,736,000 in December 2017 to accelerate our development in Weihai and serve HP Printing better. At the same time, the Group had also rented a temporary factory in Weihai to serve HP Printing before the new self-constructed Weihai industrial park is completed. Given that the business scale of HP Printing is significantly larger than that of Samsung Printing Solutions alone, we believe that the future sales volume to HP Printing in Weihai can be significantly larger than that made by our Suzhou industrial park to Samsung Printing Solutions in the past.

In January 2018, Fuji Xerox announced its acquisition of Xerox through a reverse takeover. We have been one of the important suppliers of Fuji Xerox for more than 15 years, which has remained unchanged after this acquisition. In the past, the operating regions of Fuji Xerox and Xerox were separated. Fuji Xerox focused on the Japan and Asia Pacific markets, whilst Xerox sold mainly to the United States and European regions, and Xerox was not our customer. Through acquiring Xerox and consequently its United States and European markets, the business scale and production demand of our customer, i.e., Fuji Xerox, is significantly enlarged, which is very likely to strongly drive the sales performance of the Group from 2018 onwards.

Robust growth at Vietnam industrial park to continue into 2018 and onwards

During the year, the Group's new industrial park in Vietnam, which was constructed at the invitation of certain OA equipment customers and completed by end of 2016, had been ramping up production. After its initial stage of commercial production, the Vietnam industrial park experienced a robust growth in turnover in the second half of 2017, which was primarily driven by the production demand from the OA equipment customers. We expect that this trend of growth will continue into 2018 and onwards, and therefore the Group started the construction of phase two of the Vietnam industrial park in 2017. The new phase two of the Vietnam industrial park is planned to have a floor area of approximately 46,000 square metres, which we target to complete in the second half of 2018 since the demand from our OA equipment customers is imminent. Apart from OA equipment customers, the Vietnam industrial park can also expand into other sectors such as the high-end consumer electronics sector at a later stage, as Vietnam is also well known as one of the global manufacturing hubs for high-end consumer electronics products.

Automobile business progressing well, with phase one of Mexico industrial park to be completed in late 2018

In China, we continued to strengthen our business relationships with reputable automakers such as Dongfeng in Wuhan and Changan Suzuki in Chongqing. During the year, the Group had also made conscious efforts to widen the customer base by developing more in-depth relationships with internationally renowned tier-one suppliers in the automobile industry such as Faurecia, Brose and Yamada, which have already become our customers, and other tier-one suppliers which are our target customers. Positive feedback and increasing sales orders were received from these tier-one suppliers, which drove the growth of revenue of our automobile business line in China for the year ended 31 December 2017.

Outside China, the Group is in the process of constructing a new automobile industrial park at San Luis Potosí, Mexico. The new Mexico industrial park was constructed under the invitation of the Group's existing customers. It has a land area of approximately 83,000 square metres, and phase one of this industrial park with a planned floor area of approximately 17,000 square metres is scheduled for completion in late 2018. We are optimistic about the prospects of the new Mexico industrial park because Mexico is one of the major automobile hubs in the world. A lot of reputable automakers and multinational tier-one suppliers, including BMW, Volkswagen, Audi, Fiat-Chrysler, Nissan, Faurecia and Brose, had already established production plants in San Luis Potosí or its adjacent states in Mexico, thereby creating an existing and huge demand for the precision manufacturing services offered by the Group. Should our production capacity be unable to cope with the surge in orders, the new Mexico industrial park has adequate land area for future capacity expansion.

Margin improvement and strong profit rebound driven by production automation and successful cost control

Although the Group's Suzhou industrial park continued to generate substantial revenue from other reputable OA equipment customers such as Canon, Fuji Xerox, Konica Minolta and Ricoh in 2017, the loss of revenue caused by the relocation of Samsung Printing Solutions as mentioned above unavoidably affected the Group's total turnover. During the year, the turnover of the Group decreased slightly by 1.6% to HK$3,157,089,000 despite a general improvement in the demand from most of the customers. Profit, however, rebounded significantly as the Group has implemented various cost control measures and brought numerous innovative automation solutions to the production lines since 2016. As a result of the Group's efforts, employment and various other costs decreased, which led to a significant increase in the Group's net profit by 150% to HK$133,699,000 for the year ended 31 December 2017.

Continuous efforts on maintaining healthy financial position, and share repurchases as an obvious sign of confidence

During the year, we continued to devote substantial efforts on maintaining a healthy balance sheet. We have taken steps to streamline our working capital requirements, and accordingly our cash conversion cycle (defined as the total sum of inventory and debtors' turnover days less creditors' turnover days) reduced from 36 days for the year ended 31 December 2016 to 32 days for the year ended 31 December 2017. The net debt-to-equity ratio was low at 4.8% as at 31 December 2017, which has a strong appeal to existing and target customers looking for manufacturing partners as financial stability has become one of their key criteria for supplier selection to ensure a reliable supply chain. As an obvious sign of confidence in our own prospects, the Group repurchased its own 126,836,000 shares from the market in 2017 and early 2018, thereby enhancing earnings and net asset value per share for all existing shareholders.

Mr. Zhang Hwo Jie, Chairman of EVA, said, "The financial result of 2017 has provided another proof of our outstanding management capabilities in overcoming difficulties. Despite a temporary reduction in turnover caused by the loss of revenue from Samsung Printing Solutions, we managed to drive a sharp profit rebound through stringent cost controls and other management measures. We saw a sustained revenue growth in our automobile business in China, and our entry into Mexico can also provide our automobile business line with an additional stream of revenue from a new geographical market. The robust sales performance of the Vietnam industrial park in the second half of 2017 is expected to continue into 2018 and onwards. In addition, the huge production demand of HP Printing provides our new Weihai industrial park with enormous sales potentials. The acquisition of Xerox significantly enlarged the business scale and production demand of Fuji Xerox, our long-standing customer, and is therefore very likely to strongly drive the Group's future sales. Accordingly, we are optimistic about the Group's prospects. In the future, we will adhere to our philosophy of continuous technological improvement, and take appropriate steps to expand our income sources with a view to maximising the returns to our shareholders."

~ End ~

About EVA Precision Industrial Holdings Limited

EVA is a vertically-integrated precision metal and plastic mould and component manufacturing service provider. The Group's existing services include mainly i) design and fabrication of precision metal stamping and plastic injection moulds; ii) manufacturing of precision metal stamping and plastic injection components by using tailor-made metal stamping and plastic injection moulds; iii) lathing of metal components and iv) assembly of precision metal and plastic components manufactured by the Group into semi-finished products through automated technologies such as laser welding.

The Group's business model is unique and different to ordinary OEMs/ODMs. Brand owners normally require the Group to jointly co-develop the relevant moulds with them right from their product development stages. Thereafter, the completed moulds would be consigned in the Group's industrial parks for future mass production of components and semi-finished products. Because of the high level of skills and technologies required to design and fabricate moulds with high degree of precision and dimensional accuracies, the Group has strong pricing power for its products. At present, the businesses of the Group cover office automation equipment, automobile, smart device as well as high end consumer electronic sectors.

In 2017, the Group operated eight industrial parks in China (Shenzhen, Suzhou, Zhongshan, Chongqing and Wuhan) and Vietnam (Haiphong). In 2018, the Group extended its production business to Weihai, China through an entity newly acquired in December 2017. At the same time, the Group is in the process of constructing a new industrial park in Weihai to expand its business there. Another new industrial park located at San Luis Potosí, Mexico is also under construction. For more information, please visit http://www.eva-group.com.

For more information:

EVA Precision Industrial Holdings Limited

Francis Wong	+852 2620 6488	Email: franciswong@eva-group.com

Strategic Financial Relations Limited

Cindy Lung	+852 2864 4867	Email: cindy.lung@sprg.com.hk
Kylie Chan	+852 2114 4990	Email: kylie.chan@sprg.com.hk
Yan Li	+852 2114 4320	Email: yan.li@sprg.com.hk