



## **EVA ANNOUNCES SIGNIFICANT ORDERS UP TO HK\$3.6 BILLION IN THE COMING FOUR YEARS**

(Hong Kong, 10 May 2010) — **EVA Precision Industrial Holdings Limited** (“EVA” or the “Group”; stock code: 838) is pleased to announce that it has reached a mutual understanding with one of its Japanese customers on the placement of significant orders worth approximately HK\$3.6 billion in respect of the production of office automation products in the following four years.

After more than a year’s research, development and study, the Group has passed all tests on, and reached all the required technical standards and business details of, a new office automation product developed by the Group for a customer, which is a globally well-known brand owner of office automation equipments.

The customer has agreed to place with the Group large purchase orders up to approximately HK\$3.6 billion for the said office automation product (including moulds, metal and plastic components etc.) in the coming four years, with first delivery expected in May 2010.

**Mr. Zhang Hwo Jie, Chairman of EVA**, said, “We are delighted that our customer, a world renowned brand owner of office automation equipments and one of the index companies of Nikkei 225 in Japan, is satisfied with the new product developed by us and has agreed to place with us significant purchase orders. Unlike other products, office automation equipments require high level of precision standards and absolute dimensional accuracy for the purpose of avoiding paper jam and distorted images. Therefore, up to date, the office automation equipment market is still dominated by Japanese brand owners, which are well-known for their demanding quality requirements. Our superior quality standards and leadership in this industry are clearly evidenced by the placement of purchase orders of unprecedented size from a renowned Japanese brand name.”

“Up to the end of 2009, the estimated market size for moulds and components in the office automation equipment market was more than HK\$119 billion. However, this market is currently served by a huge number of Japanese suppliers, with each of them relatively small in size and specialising in a single type of product. In contrast, the Group is able to offer vertically integrated one-stop manufacturing covering from the development of moulds up to the manufacture of precision components and assembly of semi-finished products, thereby reducing the additional logistic costs and excess production lead time arising from the customers’ current practice of outsourcing the production of moulds, components and product assembly to different suppliers.”

“This unique business model, coupled with the abilities of the Group to manufacture high quality moulds and components with precision and dimensional accuracies comparable to the Japanese and the Germans, gives us a strong pricing power and differs us from other low-tech OEMs. Leveraging on the Group’s technical advantages, the Group will not only strive to deepen its business relationship with this customer, but will also target at obtaining orders of similar size from other Japanese brand names, which are all international business giants.”

“Today China is rapidly moving away from just an export-driven economy and start putting increasing emphasis on domestic consumption. With the rapid rise of a middle class in China, the Chinese consumers are now “moving up the consumption ladder”. They are not only demanding more consumer products, but also higher quality products. Equipped with the credentials of serving Japanese brand owners which are well-known for their demanding quality requirements, we are well positioned to capitalising on the burgeoning Chinese high end consumer market, with significant inroads already made in new product lines such as consumer electronics, automobiles and medical equipment.” **Mr. Zhang** concluded.

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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'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.

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 production plants 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 over its customers.

Conscious efforts have been recently made by the Group to switch from its previous focus on office automation (“OA”) equipment primarily destined for exports to catering for the Consumer Sector in China. In addition to the OA market, the Group has recently made significant inroads into new products lines including consumer electronics/durables, automobiles and sophisticated medical equipment, all of which are destined for the fast growing domestic consumption market in China. For more information, please visit <http://www.eva-group.com>

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