



**EVA PLACES 80 MILLION NEW SHARES AT HK\$3.60  
TO RAISE APPROXIMATELY HK\$ 276 MILLION**

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**TO FUND CONTINUING EXPANSION OF EXISTING BUSINESS  
AND POTENTIAL ACQUISITION OPPORTUNITIES**

(Hong Kong, 11 July 2010) — **EVA Precision Industrial Holdings Limited** (“EVA” or the “Group”; stock code: 838) announced that it has entered into a placing agreement with CLSA Limited to place 80 million new shares at HK\$3.60 per share to raise net proceeds of approximately HK\$276 million. The deal also includes the placement of 20 million existing shares at the same price with an objective to broadening shareholder base and improving the liquidity of shares. Upon completion of the share placement, total number of issued shares of EVA will increase from approximately 662 million to 742 million.

**Mr. Zhang Hwo Jie, Chairman of EVA,** said,

“Our Company has never been in better shape. Not only have we completely recovered from the trauma of the financial tsunami in 2008/2009, but our business fundamentals have improved by leaps and bounds.

In May 2010, one of the world renowned brand owners of office automation equipments in Japan agreed to place with us significant purchase orders worth approximately HK\$3.6 billion for the ensuing four years (see Company Announcement dated 10 May 2010). In June 2010, we made a positive profit alert and projected our profit for the six months ended 30 June 2010 to increase by not less than 700% as compared to the corresponding period in 2009 (see Company Announcement dated 24 June 2010).

Since our establishment, we have been devoting substantial resources on creating a harmonious working environment and received numerous accolades in this respect, which included “Corporate Citizen – Responsibility for Society Award” (企業公民 - 責任獻社會獎) from an organisation under the Ministry of Civil Affairs of the People’s Republic of China in 2007 and “Employee Care Award” (關愛員工獎) from an organisation under the Ministry of Commerce of the People’s Republic of China in 2009. As such, the recent negative news flows in Southern China’s labour market has also presented us with another huge opportunity. In order to avoid disruptions in the supply chain, brand owners are finding it necessary to shift their orders from small sized manufacturers to established companies with proven labor relations record such as EVA.

With this placement of new shares, our balance sheet and capital base will be significantly strengthened. This will provide the necessary working capital for us to continue to solicit large size orders from brand owners similar to the one announced on 10 May 2010. Further, we intend to devote part of the placement proceeds to fund merger and acquisition opportunities in order to capitalise on the Chinese Government's policies of boosting domestic consumption, such as the Home Appliances Going to the Countryside Program (家電下鄉) and the Auto-stimulus Plan (汽車下鄉)."

"Our rapid rebound after the financial crisis in 2008/2009 is a solid evidence of our competitiveness and pricing power. Following this placement, we are now equipped with strengthened financial resources for our continuing business expansion not only in the office automation equipment industry, but also in the booming Chinese consumer electronics, automobile and medical equipment markets." **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 expand 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>

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

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