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EVA Precision Industrial Holdings Limited
億和精密工業控股有限公司

(Incorporated with limited liability in the Cayman Islands)

(Stock Code: 838)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

In the Company's profit warning announcement dated 25 June 2012 and the interim results announcement dated on 21 August 2012, it was disclosed that, among other things, the Group recorded a significant decrease in net profit for the six months ended 30 June 2012 as compared to that for the same period of last year. The Board wishes to inform shareholders and potential investors of the Company that the factors causing such profit reduction continued to exist in the second half of 2012, and therefore, based on the preliminary information currently available to the Group, it is expected that the Group continued to record a significant decrease in net profit for the year ended 31 December 2012 as compared to that for the year ended 31 December 2011.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by EVA Precision Industrial Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

In the Company's profit warning announcement dated 25 June 2012 and the interim results announcement dated on 21 August 2012, it was disclosed that, among other things, the Group recorded a significant decrease in net profit for the six months ended 30 June 2012 as compared to that for the same period of last year. The Board wishes to inform shareholders and potential investors of the Company that the factors causing such profit reduction continued to exist in the second half of 2012, and therefore, based on the preliminary review of the management accounts of the Group for the period from January 2012 to November 2012 and other relevant financial information relating to December 2012, it is expected that the Group continued to record a significant decrease in net profit for the year ended 31 December 2012 as compared to that for the year ended 31 December 2011.

The reduction in profit was mainly caused by the following factors: (1) as disclosed in the section headed “Significant events and development” in the Company’s 2012 interim report, the Group’s customers in the office automation equipment sector increased the production volume of relatively low end products for sales to emerging countries with a view to achieving business growth, which altered the type of orders received by the Group for the year ended 31 December 2012 and adversely affected the profit margin; (2) as disclosed in the same section in the Company’s 2012 interim report, the Group had been in the process of establishing a new production base in Wuhan for automobile component business. Initial costs were incurred for developing technologies in automobile component production and hiring additional employees in preparation for the launch of production of the new Wuhan production base which is scheduled in mid-2013; and (3) a general increase in other labour and operating costs in the manufacturing industry, which was also disclosed in the same section in the Company’s 2012 interim report.

This announcement is only based on the assessment by the Board by reference to the management accounts of the Group for the period from January 2012 to November 2012 and other relevant financial information relating to December 2012, and the actual results of the Group for the year ended 31 December 2012 is also subject to the completion of the audit by the external auditor of the Company. The final results announcement of the Company for the year ended 31 December 2012 is expected to be released in March 2013.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
EVA Precision Industrial Holdings Limited
Zhang Hwo Jie
Chairman

Hong Kong, 7 January 2013

As at the date of this announcement, the Board comprises three executive directors, being Mr. Zhang Hwo Jie (Chairman), Mr. Zhang Jian Hua (Vice Chairman) and Mr. Zhang Yaohua (Chief Executive Officer) and three independent non-executive directors, being Dr. Lui Sun Wing, Mr. Choy Tak Ho and Mr. Leung Tai Chiu.