

For immediate release



**EVA PLACES 120,000,000 SHARES AT HK\$2.68 PER SHARE
TO RAISE APPROXIMATELY HK\$311 MILLION**

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TO FUND EXPANSION OF PRODUCTION CAPACITY

(Hong Kong, 19 April 2007) — **EVA Precision Industrial Holdings Limited** (“EVA” or the “Group”; stock code: 838), a vertically-integrated high precision mould and component manufacturer, announced that it has signed a placing agreement with Morgan Stanley & Co. International Plc (the “Placing Agent”) to place 120 million shares at HK\$2.68 per share and raise net proceeds of approximately HK\$311 million to fund expansion of production capacity for high precision moulds and components.

Prosper Empire, which is controlled by the Chairman of EVA, Mr. Zhang Hwo Jie and his associates, has agreed to place 120 million existing shares to more than six independent institutional investors at HK\$2.68 per Share. Prosper Empire has agreed to subscribe for 120 million new shares of EVA at HK\$2.68 per Share. Upon completion of the share placement, total number of issued share capital of EVA will increase to 720 million shares and Prosper Empire will hold 54.17% interests.

Mr. Zhang Hwo Jie, Chairman of EVA, said “China is now moving from the first phase of **global outsourcing** to the next phase. Whilst the first phase of global outsourcing was characterized by the shifting of labour intensive processes to China thanks to her low wage levels, the next phase requires that more complex and ultimately the entire manufacturing processes be shifted to China, leaving the 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 said.**

“Despite the fact that China is now the world’s third largest mould producer, interestingly, China is still a net importer of high precision moulds. According to China Die & Mould Industry Association, China’s net imports of high precision moulds actually grew at a CAGR of 12% between 1997 and 2005,” **added Mr. Zhang.**

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“As China is entering the next phase of global outsourcing, EVA will benefit from increasing outsourcing of high end manufacturing processes to China. In 2006, we made a net profit of HK\$108.6 million, representing an increase of 31% as compared to 2005. Currently we are operating at near to full capacity and we plan to use the placement proceeds to expand our production capacity. It is our plan to **double** our production capacity for high precision moulds and components by 2009,” **concluded Mr. Zhang.**

| Production Capacity at year end | FY 2006 (Actual) | FY 2009 (Planned) | Change |
|--|-----------------------------|------------------------------|---------------|
| 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) | 100 | 237 | +137% |
| Lathing Product (million pieces) | 45 | 214 | +376% |

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About EVA Precision Industrial Holdings Limited

EVA is a vertically-integrated high precision metal and plastic mould and component manufacturing service provider and provides one-stop manufacturing services from mould design, component production, assembly service, quality control to delivery of semi-finished products.

The Group has established a client base of over 100 customers, which are mostly the Hong Kong or PRC affiliates of the internationally renowned Japanese office automation equipment manufacturers and consumer electronic manufacturers including names such as Toshiba, Konica Minolta, Canon, Kyocera Mita, Fuji Xerox, Ricoh, Epson and Brother.

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