CHINA ASIA VALLEY GROUP LIMITED
中亞烯谷集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 63)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

HIGHLIGHTS

- The Group recorded revenue of approximately HK$37.8 million for the year ended 31 December 2021, representing an increase of approximately HK$20.6 million or 119.8% as compared to the year ended 31 December 2020.

- The Group recorded a net loss attributable to the owners of the Company of approximately HK$0.3 million for the year ended 31 December 2021, as compared to the Group's net loss of approximately HK$23.0 million for the year ended 31 December 2020. The improvement in operational performance was mainly attributable to the increase in revenue from the property management and other related services for the year.

- The Board does not recommend the payment of any dividend for the year ended 31 December 2021.

The board of directors (the "**Board**") of China Asia Valley Group Limited (the "**Company**") announces the audited consolidated financial results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2021, together with the comparative figures for the year ended 31 December 2020.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 HK$'000	2020 HK$'000
Revenue	*5*	**37,810**	17,216
Cost of sales and services		**(6,377)**	(1,016)
Gross profit		**31,433**	16,200
Other income	*6*	**504**	1,223
Other gains	*7*	**–**	2,000
Gain on deconsolidation of subsidiaries		**632**	–
Impairment loss on investment in associates		**–**	(12,211)
Operating and administrative expenses		**(28,868)**	(25,276)
Profit/(loss) from operations		**3,701**	(18,064)
Finance costs	*9*	**(3,428)**	(4,814)
Profit/(loss) before taxation		**273**	(22,878)
Income tax expenses	*10*	**(603)**	(70)
Loss for the year	*11*	**(330)**	(22,948)
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		**161**	2
Exchange difference reclassified to profit or loss on deconsolidation of subsidiaries		**5,501**	–
Other comprehensive income for the year, net of tax		**5,662**	2
Total comprehensive income for the year		**5,332**	(22,946)

	Notes	**2021**	2020
		HK$'000	*HK$'000*
(Loss)/profit for the year attributable to:			
Owners of the Company		**(330)**	(22,961)
Non-controlling interests		**–**	13
		(330)	(22,948)
Total comprehensive income for the year attributable to:			
Owners of the Company		**5,332**	(22,959)
Non-controlling interests		**–**	13
		5,332	(22,946)
Loss per share	*14*		
Basic (HK cent(s) per share)		**(0.01)**	(0.81)
Diluted (HK cent(s) per share)		**(0.01)**	(0.81)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	**2021** **HK$'000**	2020 HK$'000
Non-current assets			
Property, plant and equipment		**1,192**	2,364
Right-of-use assets		**1,240**	2,304
Investment properties		**392,000**	392,000
Investment in associates	*15*	**–**	–
		394,432	396,668
Current assets			
Inventories		**603**	474
Trade and other receivables	*16*	**9,359**	6,622
Pledged bank deposits		**13,248**	11,082
Cash and cash equivalents		**5,991**	2,732
		29,201	20,910
Current liabilities			
Trade and other payables	*17*	**82,854**	81,282
Current tax liabilities		**280**	74
Lease liabilities		**1,087**	1,271
Bank borrowings	*18*	**160,000**	160,000
		244,221	242,627
Net current liabilities		**(215,020)**	(221,717)
Total assets less current liabilities		**179,412**	174,951
Non-current liability			
Lease liabilities		**184**	1,055
NET ASSETS		**179,228**	173,896
Capital and reserves			
Share capital		**140,955**	140,955
Reserves		**38,273**	32,928
Equity attributable to owners of the Company		**179,228**	173,883
Non-controlling interests		**–**	13
TOTAL EQUITY		**179,228**	173,896

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION

China Asia Valley Group Limited (the "**Company**") was incorporated in Bermuda with limited liability. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of its principal place of business in Hong Kong is Room 1237-1240, 12/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Company is an investment holding company. The principal activities of its principal subsidiaries are investment properties holding, provision of horticultural services and sales of plants, and provision of property management and other related services.

In the opinion of the directors of the Company (the "**Directors**"), as at the date of issue of this announcement, China Asia Graphene Holding Group Co. Limited (the "**China Asia Graphene**"), a company incorporated in Hong Kong, is the immediate holding company; and Zhengbo International Corporation, a company incorporated in the British Virgin Islands, is the ultimate holding company, and controlled by Mr. Huang Binghuang (the "**Controlling Shareholder**").

2. GOING CONCERN BASIS

The Group incurred a loss of approximately HK$330,000 for the year ended 31 December 2021 and the Group had net current liabilities of approximately HK$215,020,000 as at 31 December 2021. Notwithstanding this fact, the Directors consider that it is appropriate to prepare the consolidated financial statements on a going concern basis as the Group is expected to have sufficient financial resources to meet its obligation as they fall due for at least the next twelve months from 31 December 2021 based on its projected cash flow forecasts. The Directors have reviewed the financial position of the Group as at 31 December 2021, including its working capital and bank and cash balances, together with the projected cash flow forecasts for the next twelve months from 31 December 2021 and the Directors consider that the Group is financially viable to continue as a going concern.

In addition, the Group can also improve its financial position, immediate liquidity and cash flows, by adopting the following measures:

(a) the Directors will take action to reduce costs; and

(b) the Controlling Shareholder has agreed to provide adequate funds for the Group to meet its liabilities as they fall due.

Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liability as current assets and current liabilities respectively. The effects of these potential adjustments have not been reflected in the consolidated financial statements.

3. DECONSOLIDATION OF SUBSIDIARIES

The consolidated financial statements have been prepared based on the books and records maintained by the Group. The Directors considered that the Company no longer had the power to govern the financial and operating policies of WI Capital Co., Limited and WI Graphene Co., Limited (hereinafter collectively known as the "WI Group"), and the control over them was lost on 31 December 2021 due to the continuing uncooperative behavior of WI Group's directors. The Directors considered that the control over the following subsidiaries had been lost since 31 December 2021. The results, assets, liabilities and cash flows of these subsidiaries were deconsolidated from the consolidated financial statements of the Group since 31 December 2021.

(1) WI Capital Co., Limited

(2) WI Graphene Co., Limited

4. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") that are relevant to its operations and effective for its accounting year beginning on 1 January 2021. HKFRSs comprise Hong Kong Financial Reporting Standards ("**HKFRS**"); Hong Kong Accounting Standards ("**HKAS**"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

5. REVENUE

An analysis of the Group's revenue for the year is as follows:

	2021	2020
	HK$'000	*HK$'000*
Rental income from investment properties	**5,889**	7,059
Provision of property management and other related services	**25,407**	3,847
Provision of horticultural services and sales of plants	**6,514**	6,310
	37,810	17,216

6. OTHER INCOME

	2021	2020
	HK$'000	*HK$'000*
Interest income on bank deposits	**31**	66
Government grant	**–**	453
Others	**473**	704
	504	1,223

7. OTHER GAINS

	2021	2020
	HK$'000	*HK$'000*
Fair value gain on investment properties	**–**	2,000

8. SEGMENT INFORMATION

The Group's operating segments are identified on the basis of internal report about the components of the Group that are regularly received by the chief operating decision maker in order to allocate resources to segments and to assess their performance. The chief operating decision maker is the Directors.

The Group has three operating segments as follows:

Property investment – engages in leasing out residential properties

Horticultural services – provides horticultural services and sales of plants

Property management and other related services – provides building management and other related services

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those used in the preparation of the consolidated financial statements. Segment profits or losses do not include unallocated administrative expenses, unallocated other income, unallocated other gains, gain on deconsolidation of subsidiaries, finance costs and income tax expense. Segment assets do not include pledged bank deposits, investment in associates and unallocated corporate assets. Segment liabilities do not include bank borrowings, unallocated corporate liabilities and current tax liabilities.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service and geographical location of customers is as follows:

	2021	2020
	HK$'000	*HK$'000*
Disaggregated by major products or services		
– Provision of property management and other related services	**25,407**	3,847
– Provision of horticultural services and sales of plants	**6,514**	6,310
Revenue from contracts with customers	**31,921**	10,157
– Rental income	**5,889**	7,059
Total revenue	**37,810**	17,216
Disaggregated by geographical location of customers		
– Hong Kong	**6,514**	6,310
– The People's Republic of China (the "**PRC**") except Hong Kong	**25,407**	3,847
	31,921	10,157

	Timing of revenue recognition					
	2021			2020		
	At a point in time	**Over time**	**Total**	At a point in time	Over time	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Provision of property management and other related services	**–**	**25,407**	**25,407**	–	3,847	3,847
Provision of horticultural services and sales of plants	**802**	**5,712**	**6,514**	351	5,959	6,310
Total	**802**	**31,119**	**31,921**	351	9,806	10,157

Provision of property management and other related services

Revenue from property management and other related services are recognised when the services are rendered.

Provision of horticultural services and sales of plants

The Group sells plants to the customers. Sales are recognised when control of the plants has transferred, being when the plants are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the plants and the customer has obtained legal titles to the plants.

Revenue from horticultural services is recognised when the services are rendered.

Provision of horticultural services and sales of plants to customers are normally made with credit terms of 30 days. A receivable is recognised when the plants are delivered or services are rendered to customers as this is the point in time or over time that the consideration is unconditional because only the passage of time is required before the payment is due.

(b) Information about operating segment profit or loss, assets and liabilities

Information regarding the Group's reportable segments as provided to the chief operation decision maker for the purposes of resource allocation and assessment of segment performance for the year is set out below.

Certain comparative figures on segment information have been reclassified to conform to the current year's presentation. The new classification on segment information was considered to provide a more appropriate presentation.

	Property investment 2021 *HK$'000*	Horticultural services and sales of plants 2021 *HK$'000*	Property management and other related services 2021 *HK$'000*	Total 2021 *HK$'000*
Year ended 31 December 2021				
Revenue from customers	5,889	6,525	25,407	37,821
Intersegment revenue	–	(11)	–	(11)
Revenue from external customers	5,889	6,514	25,407	37,810
Segment profit	545	1,660	9,173	11,378
Depreciation of property, plant and equipment and right-of-use assets	1,221	113	38	1,372
Write off of other receivables	100	–	–	100
Additions to segment non-current assets	449	180	12	641
As at 31 December 2021				
Segment assets	394,855	2,247	12,645	409,747
Segment liabilities	7,778	1,457	2,619	11,854

	Property investment 2020 *HK$'000*	Horticultural services and sales of plants 2020 *HK$'000*	Property management and other related services 2020 *HK$'000*	Total 2020 *HK$'000*
Year ended 31 December 2020				
Revenue from customers	7,059	6,319	3,847	17,225
Intersegment revenue	–	(9)	–	(9)
Revenue from external customers	7,059	6,310	3,847	17,216
Segment profit	229	2,168	1,324	3,721
Depreciation of property, plant and equipment and right-of-use assets	1,971	95	1	2,067
Impairment loss on trade receivables	182	–	–	182
Additions to segment non-current assets	227	–	170	397
As at 31 December 2020				
Segment assets	396,448	2,333	2,792	401,573
Segment liabilities	10,606	1,695	1,392	13,693

Reconciliations of segment revenue and profit or loss

	2021	2020
	HK$'000	*HK$'000*
Revenue		
Total revenue of reportable segments	**37,821**	17,225
Elimination of intersegment revenue	**(11)**	(9)
Consolidated revenue	**37,810**	17,216
Profit or loss		
Total profit of reportable segments	**11,378**	3,721
Unallocated amounts:		
– Depreciation of property, plant and equipment	**(455)**	(471)
– Finance costs	**(3,428)**	(4,814)
– Other income	**380**	590
– Gain on deconsolidation of subsidiaries	**632**	–
– Unallocated corporate expenses	**(8,234)**	(21,904)
Consolidated profit/(loss) before taxation	**273**	(22,878)

Reconciliations of segment assets and liabilities

	2021	2020
	HK$'000	*HK$'000*
Assets		
Total assets of reportable segments	**409,747**	401,573
Unallocated:		
– Pledged bank deposits	**13,248**	11,082
– Cash and cash equivalents	**113**	402
– Other assets	**525**	4,521
Consolidated total assets	**423,633**	417,578

	2021	2020
	HK$'000	*HK$'000*
Liabilities		
Total liabilities of reportable segments	**11,854**	13,693
Unallocated:		
– Bank borrowings	**160,000**	160,000
– Other liabilities	**72,271**	69,989
– Current tax liabilities	**280**	–
Consolidated total liabilities	**244,405**	243,682

Geographical information

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue		**Non-current assets**	
	2021	2020	**2021**	2020
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**12,403**	13,369	**394,285**	394,991
Japan	**–**	–	**–**	1,508
The PRC except Hong Kong	**25,407**	3,847	**147**	169
Consolidated total	**37,810**	17,216	**394,432**	396,668

Revenue from major customers contributing 10% or more to the Group's revenue are as follows:

	2021	2020
	HK$'000	*HK$'000*
Property investment		
– Customer A	**N/A***	4,080
Provision of property management and other related services		
– Customer B	**4,724**	N/A*

* The revenue from Customer A and Customer B contributed not over 10% of the Group's revenue for property investment and provision of property management and other related services segment in 2021 and 2020 respectively, therefore the amounts are not disclosed.

9. FINANCE COSTS

	2021	2020
	HK$'000	*HK$'000*
Interest on bank borrowings	**3,373**	4,740
Lease interest	**55**	74
	3,428	4,814

10. INCOME TAX EXPENSES

	2021	2020
	HK$'000	*HK$'000*
Current income tax – PRC Corporate Income Tax		
Provision for the year	**603**	70

No provision for Hong Kong Profits Tax has been made since the subsidiaries of the Company have sufficient tax losses brought forward to set off against assessable profits or did not generate any assessable profits for the years ended 31 December 2021 and 2020. PRC Corporate Income Tax has been provided at a rate of 25% on the estimated assessable profits for the years ended 31 December 2021 and 2020.

The reconciliation between the income tax expenses and the product of profit/(loss) before tax multiplied by the Hong Kong Profits Tax rate is as follows:

	2021	2020
	HK$'000	*HK$'000*
Profit/(loss) before taxation	**273**	(22,878)
Tax at the domestic income tax rate of 16.5% (2020: 16.5%)	**45**	(3,775)
Tax effect of expenses that are not deductible	**2,007**	4,845
Tax effect of income that is not taxable	**(113)**	(974)
Tax effect of unused tax losses not recognised	**448**	428
Tax effect of utilisation of tax losses not previously recognised	**(359)**	(53)
Tax effect of temporary differences not recognised	**(647)**	(270)
Tax effect of tax concession	**(1,558)**	(245)
Tax effect of different tax rates of subsidiaries	**780**	114
	603	70

11. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging/(crediting) the following:

	2021	2020
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment and right-of-use assets	**1,827**	2,538
Fair value gain on investment properties	**–**	(2,000)
Expenses related to short-term leases	**212**	170
Auditor's remuneration	**880**	880
Cost of inventories sold	**844**	811
Allowance/(reversal of allowance) for inventories (included in cost of sales)	**29**	(39)
Write off of other receivables	**110**	–
Impairment loss on trade receivables	**–**	182

12. EMPLOYEE BENEFITS EXPENSE

	2021	2020
	HK$'000	*HK$'000*
Staff costs including directors' remunerations:		
Salaries, bonuses and allowances	**15,766**	11,193
Retirement benefit scheme contributions	**967**	254
	16,733	11,447

13. DIVIDENDS

The board of directors (the "**Board**") does not recommend the payment of any dividend for the year ended 31 December 2021 (2020: Nil).

14. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2021	2020
	HK$'000	*HK$'000*
Loss:		
Loss for the purpose of calculating basic and diluted loss per share attributable to owners of the Company	**(330)**	(22,961)

	2021	2020
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	**2,819,102**	2,819,102

The basic and diluted loss per share were the same as the Company had no dilutive potential ordinary shares in issue during the years ended 31 December 2021 and 2020.

15. INVESTMENT IN ASSOCIATES

	2021 *HK$'000*	2020 *HK$'000*
Unlisted investments:		
Share of net assets	**12,211**	12,211
Impairment loss	**(12,211)**	(12,211)
Carrying amount at year end	**–**	–

16. TRADE AND OTHER RECEIVABLES

	2021 *HK$'000*	2020 *HK$'000*
Trade receivables	**7,966**	2,759
Allowance for doubtful debts	**(182)**	(182)
	7,784	2,577
Other prepayments	**415**	899
Rental and other deposits	**594**	1,864
Other tax receivables	**–**	463
Other receivables	**566**	819
	9,359	6,622

The credit term is generally 30 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the Directors.

The aging analysis of trade receivables based on the invoice date, and net of allowance, is as follows:

	2021	2020
	HK$'000	*HK$'000*
0 to 90 days	**5,726**	2,576
91 to 180 days	**1,743**	1
181 to 365 days	**291**	–
Over 365 days	**24**	–
	7,784	2,577

Approximately HK$5,072,000 was subsequently settled after the end of the reporting period.

An allowance was made for estimated irrecoverable trade receivables of approximately HK$nil (2020: HK$182,000) for the year ended 31 December 2021.

Reconciliation of allowance for trade receivables:

	2021	2020
	HK$'000	*HK$'000*
At 1 January	**182**	–
Impairment during the year	**–**	182
At 31 December	**182**	182

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on share credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

	Current	**Up to 3 months past due**	**3 to 6 months past due**	**6 to 12 months past due**	**Over 12 months past due**	**Total**
At 31 December 2021						
Weighted average expected loss rate	**–**	**–**	**–**	**–**	**88%**	
Receivable amount *(HK$'000)*	**551**	**5,204**	**1,714**	**291**	**206**	**7,966**
Loss allowance *(HK$'000)*	**–**	**–**	**–**	**–**	**(182)**	**(182)**
At 31 December 2020						
Weighted average expected loss rate	–	14%	–	–	–	
Receivable amount *(HK$'000)*	1,413	1,346	–	–	–	2,759
Loss allowance *(HK$'000)*	–	(182)	–	–	–	(182)

17. TRADE AND OTHER PAYABLES

	2021	2020
	HK$'000	*HK$'000*
Trade payables	**1,226**	101
Other payables and accrued charges	**11,192**	22,386
Amounts due to directors	**1,727**	762
Amount due to the immediate holding company	**15,000**	15,000
Amount due to the ultimate holding company	**50,000**	40,000
Amount due to a shareholder of immediate holding company	**3,000**	3,000
Other tax payables	**205**	–
Contract liabilities	**504**	33
	82,854	81,282

The aging analysis of trade payables, based on the date of receipt of goods or services, is as follows:

	2021	2020
	HK$'000	*HK$'000*
0 to 90 days	**501**	101
91 to 180 days	**725**	–
	1,226	101

The amounts due to directors, immediate holding company, ultimate holding company and a shareholder of immediate holding company are unsecured, interest-free and repayable on demand.

18. BANK BORROWINGS

	2021	2020
	HK$'000	*HK$'000*
Bank loans	**160,000**	160,000

The bank borrowings are classified as current liabilities as they contain a repayment on demand clause. According to the repayment schedule, the bank borrowings are repayable as follow:

	2021	2020
	HK$'000	*HK$'000*
Within 1 year	**160,000**	160,000

The carrying amounts of the Group's bank borrowings are denominated in HKD.

The interest rate of the Group's bank borrowings as at 31 December 2021 was 2% per annum over one-month HIBOR or 0.5% per annum below HKD prime rate, whichever is lower (2020: 2% per annum over one-month HIBOR or 0.5% per annum below HKD prime rate, whichever is lower).

The bank loans are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

Bank loans of HK$160,000,000 (2020: HK$160,000,000) are secured by (i) the investment properties of HK$392,000,000 (2020: HK$392,000,000), (ii) a charge over deposits for the total principal amount of not less than HK$4,000,000 together with interest accrued thereon (2020: HK$4,000,000), (iii) bank deposits (excluding the charged portion) of not less than HK$7,000,000 (2020: HK$6,000,000), (iv) assignment of rental income from properties to a designated bank account which is charged to the bank, and (v) maintenance of an occupancy rate of 60% or above in investment properties (which, if fallen below 60%, shall be raised by the borrower to 60% or above within three months) (2020: 60%).

EXTRACT OF INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHINA ASIA VALLEY GROUP LIMITED FOR THE YEAR ENDED 31 DECEMBER 2021

Qualified Opinion

We have audited the consolidated financial statements of China Asia Valley Group Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out in the annual report of the Company, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Qualified Opinion

1. Investment in associates

Five Color Stone Technology Corporation

No sufficient evidence has been provided to satisfy ourselves as a consequence of the Company could not obtain sufficient accounting books and records of the associates for audit purpose due to the continuing uncooperative behavior of the relevant directors of the associates. As such, our opinion are qualified in these respect, as to: (i) the carrying amount of the investment in associates with carrying value of HK$Nil as at 31 December 2021 and 2020; and whether (ii) the impairment loss on investment in associates of approximately HK$12,211,000 for the year ended 31 December 2020 and (iii) share of loss of HK$Nil of investment in associates for the years ended 31 December 2021 and 2020 are properly recognised.

2. ***Deconsolidation and limited accounting books and records of WI Capital Co., Limited and WI Graphene Co., Limited (collectively referred to as the "WI Group")***

As explained in note 3 to this result announcement, certain subsidiaries of the Company were deconsolidated from the Group since 31 December 2021 as a result of the situation that the Company could not exercise control over certain subsidiaries due to the continuing uncooperative behavior of those subsidiaries' directors. No sufficient evidence has been provided to satisfy ourselves as to whether the Company had lost control of those subsidiaries on 31 December 2021.

In addition, no sufficient evidence has been provided to satisfy ourselves concerning these deconsolidated subsidiaries, as to the completeness of the transactions of the Group entered into for the year ended 31 December 2021 and the Group's financial position as at 31 December 2021. For the year ended 31 December 2021, the validity of the operating and administrative expenses of approximately HK$441,000 and gain on deconsolidation of subsidiaries of approximately HK$632,000 are also qualified in these respects.

Furthermore, no sufficient evidence has been provided to satisfy ourselves as to the classification and amount of the remaining investment in the WI Group as at 31 December 2021.

Due to the insufficiency of supporting documentation and explanations for accounting books and records in respect of WI Group for the year ended 31 December 2020, we were unable to carry out audit procedures to satisfy ourselves as to whether the following income and expenses for the year ended 31 December 2020; the assets and liabilities as at 31 December 2020; and the segment information and other related disclosure notes in relation to the Group, which formed the basis for the corresponding figures presented in the current year's consolidated financial statements:

	HK$'000
Income and expenses for the year ended 31 December 2020:	
Revenue	–
Administrative expenses	(2,227)
Loss from operations	(2,227)
Other comprehensive income:	
Items that may be reclassified to profit or loss:	
Exchange differences on translating foreign operations	(68)
Other comprehensive income for the year, net of tax	(68)
Total comprehensive income for the year	(2,295)

	HK$'000
Assets and liabilities as at 31 December 2020:	
Non-current asset	
Property, plant and equipment	1,508
Current assets	
Trade and other receivables	1,894
Cash and cash equivalents	13
	1,907
Current liability	
Trade and other payables	9,107
Net current liabilities	(7,200)
Net liabilities	(5,692)

Any adjustments to the figures as described from points 1 and 2 above might have consequential effects on the consolidated financial performance and consolidated cash flows for the two years ended 31 December 2021 and 2020 and the consolidated financial positions of the Group as at 31 December 2021 and 2020, and the related disclosures thereof in the consolidated financial statements.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to the Going Concern

We draw attention to note 2 to this results announcement which states that the Group incurred a loss of approximately HK$330,000 for the year ended 31 December 2021 and as at 31 December 2021, the Group's current liabilities exceeded its current assets by approximately HK$215,020,000. These conditions indicate a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

Business and financial review

During the year ended 31 December 2021 (the "**Year**"), the Group continued to engage in property investment, provision of horticultural services and sales of plants, and property management and other related services.

Revenue of the Group increased by HK$20,594,000 or 119.6% from HK$17,216,000 for the year ended 31 December 2020 to HK$37,810,000 for the Year mainly due to an increase in revenue from the property management and other related services segment.

Property management and other related services

Since the second half of 2020, the Group expanded its property management and other related business in the PRC and entered into service contracts with two China properties developers (i) Shenzhen Houting Yayuan Investment Co., Ltd.*（深圳市后亭雅苑投資有限公司）with the properties managed located at Shajing East to Songsha Road South to Neway Factory West to Zhongting Road East Road, Bao'an District, Shenzhen*（深圳市寶安區沙井東至松沙路南至紐威廠西至中亭路北至中亭東路）; (ii) Shenzhen Hongxing Yayuan Property Co., Ltd.*（深圳市紅星雅苑置業有限公司）with the properties manage located at Juncture of Songming Avenue and Baoan Avenue, Songgang Street, Bao'an District, Shenzhen*（深圳市寶安區松崗街道松明大道與寶安大道交匯處）. The Group also provided property management business with properties located at Shajing Centre, Shenzhen of the Guangdong – Hong Kong – Macao Greater Bay Area（粵港澳大灣區，深圳市沙井中心）. During the Year, the Group recorded a revenue of HK$25,407,000 (2020: HK$3,847,000) from this business segment.

Horticultural services and sales of plants business

The Group also operates horticultural services and sales of plants business under the brand name of "Cheung Kee Garden", which has over forty years of history. Revenue from provision of horticultural services and sales of plants during the Year slightly increased by HK$204,000 or 3.2% from HK$6,310,000 for the year ended 31 December 2020 to HK$6,514,000 for the Year.

Property investment

Rental income derived from investment properties decreased by HK$1,170,000 or 16.6% from HK$7,059,000 for the year ended 31 December 2020 to HK$5,889,000 for the Year, mainly due to the decrease in the average rental income per apartment unit.

Operating and administrative expenses

Operating and administrative expenses increased by HK$3,592,000 or 14.2% from HK$25,276,000 for the year ended 31 December 2020 to HK$28,868,000 for the Year, mainly due to the increase in staff costs incurred in the property management and other related services segment in the PRC.

Finance costs

Finance costs represented interests on bank borrowings and lease liabilities. Finance costs decreased by HK$1,386,000 or 28.8% from HK$4,814,000 for the year ended 31 December 2020 to HK$3,428,000 for the Year, due to a decrease in the average outstanding balances of bank loans and lease liabilities for the Year.

Loss for the Year

For the Year, the Group's loss attributable to the owners of the Company was HK$330,000 as compared to a loss attributable to the owners of the Company of HK$22,901,000 for the year ended 31 December 2020. The decrease in loss was primarily attributable to an increase in profit from the property management and other related services segment, which had been introduced by the Group since the second half of 2020, and the decrease in finance costs and the absence of the impairment loss on investment in associates of approximately HK$12,211,000 in respect of Taiwan investment of the Group for the Year.

Charge over the Group's assets

The Group has pledged its investment properties as collateral for bank borrowings. As at 31 December 2021, the fair value of those pledged investment properties amounted to HK$392,000,000 (2020: HK$392,000,000).

Bank loans of HK$160,000,000 as at 31 December 2021 (2020: HK$160,000,000) are secured by (i) the investment properties of HK$392,000,000 (2020: HK$392,000,000), (ii) a charge over deposits for the total principal amount of not less than HK$4,000,000 together with interest accrued thereon (2020: HK$4,000,000), (iii) bank deposits (excluding the charged portion) of not less than HK$7,000,000 (2020: HK$6,000,000), (iv) assignment of rental income from properties to a designated bank account which is charged to the bank, and (v) maintenance of an occupancy rate of 60% or above in investment properties (which, if fallen below 60%, shall be raised by the borrower to 60% or above within three months) (2020: 60%).

Loss of control of our subsidiaries and deconsolidation from financial statements of the Company

The Company owns two indirectly held subsidiaries in Japan, namely WI Capital Co., Limited and WI Graphene Co., Limited ("WI Capital" and "WI Graphene" respectively). The auditor of the Company, ZHONGHUI ANDA CPA Limited, has expressed Qualified Opinion "limited accounting books and records of subsidiaries" in its audit reports in 2018, 2019 and 2020. The basis of the Qualified Opinion is due to the insufficiency of supporting documentation and explanations for accounting books and records in respect of WI Capital and WI Graphene for the years ended 31 December 2018, 2019 and 2020, respectively.

In 2019, the then Board members had contacted the directors of WI Capital and WI Graphene to obtain the accounting documents relating to the business and financial operations for the annual audit. However, the directors of these subsidiaries refused to cooperate and provide the documents for audit and management control purposes. In September 2019, the new management team of the Company ("New Management"), comprising of executive directors, Mr. Huang Binghuang and Ms. Xia Ping and non-executive director, Ms. Wang Lijiao, has been established and the New Management has appointed consultants to Japan for obtaining necessary documents and has engaged legal representatives to communicate with the directors of these subsidiaries to collect the documents for audit purposes and to exercise the control of these two subsidiaries.

For example, in February 2020, the Company engaged a Hong Kong lawyer and in April 2020, the Company engaged a Japanese lawyer with the scope of work mainly to obtain financial and corporate documents from WI Capital and WI Graphene to complete the audit. The Company tried to appoint its staff to be the director of WI Capital in August 2020, but it was in vain because the legal representative refused to return the common seal of WI Capital to complete the change of board.

In September 2020, the Company received notice from its Japanese legal adviser that there was a suspected unauthorised transfer of equity interest in WI Graphene (the "Suspected Unauthorised Transfer"). The Company immediately sought legal advice from its legal advisers and reported the Suspected Transfer to both the Japan Police and Hong Kong Police ("the Police Authorities"); however, both Police Authorities did not proceed to take any action due to the limited information available for investigation.

Despite the repeated verbal and written requests, the director of WI Capital and WI Graphene had never provided any book of accounts to the Company for the preparation of its consolidated financial statements.

In August 2021, the New Management approached external professional parties to formulate appropriate directions in order to resolve the matter. After discussion with professional parties, and having considered that (i) even though there had been repeated requests from the New Management for the past two years, the directors of these two subsidiaries had persistently refused to respond to the New Management's requests and provide the books and records of WI Capital and WI Graphene; and (ii) that the Company could not appoint its representatives to be director of these two subsidiaries, the New Management is of the view that such facts indicate that the Company could not control the composition of the board of directors of these two subsidiaries. On 7 January 2022, the Management sent an email to the director of WI Capital to request him to provide the accounting records for the year ended 31 December 2021, but all such attempts were in vain.

Therefore, based on those facts described above, the Board concluded that despite the fact that all steps considered to be reasonable by the New Management have been taken, the Company no longer had the power to govern the financial and operating policies of WI Capital and WI Graphene, and the control over them was lost on 31 December 2021. Given the situation described above, the Board is of its view that the Company does not have the necessary books of records to prepare accurate and complete financial statements for WI Capital and WI Graphene. The Company therefore deconsolidated WI Capital and WI Graphene (the "Deconsolidated Subsidiaries") from its consolidated financial statements since 31 December 2021 (the "Deconsolidation"). As such, the assets and liabilities of the Deconsolidated Subsidiaries as at 31 December 2021 have not been included into the consolidated financial statements of the Group as at that date.

PROSPECT

Looking ahead, the Group targets to develop the property management and other related services segment which enhances the Group's revenue and profit in future.

Since 2020, the Group has expanded its property management business in Mainland China, and the revenue of this business segment increased from HK$3.8 million in the financial year ended 2020 to HK$25.4 million in the financial year ended 2021. The management of the Group (the "**Management**") aims to explore the expansion of this segment by increasing the number of properties under the property management services in future. The Management also seeks to develop the "Valley Property" service brand, continuously optimising and upgrading its property service system, cultivating traditional property services, and taking advantage of the "Internet+" era to build a community platform that meets customers' needs for quality living with customer value at the core.

The Management further advises that on 18 November 2021, the Group and Shenzhen Tanggang China Asia Electronic City Group Co., Ltd.* (深圳市坣崗中亞電子城集團有限責任公司) ("**STCAEC**") entered into a memorandum of understanding (the "**MOU**"). Pursuant to the MOU, there will be potential leasing cooperation (the "**Potential Cooperation**") among the parties with respect to the sustainable development of a property held by STCAEC and located in Bao'an District, Shenzhen, Mainland China. The Management believes that this strategic cooperation will not only expand the company's business and enhance its returns, but also improve its market competitiveness. The Management also believes that strategic cooperation can actively expand business layout, improve business operation capacity, and allow the Group to quickly tap into the market opportunities in Shenzhen and the broader Mainland China. The Management further believes that the Potential Cooperation is in line with the Group's strategy of business consolidation, and is fair and reasonable and in the interest of the Company and its shareholders as a whole. The Management will inform the shareholders and potential investors of the business update on the Group's development on such cooperation with STCAEC.

Further, the Management has addressed the qualified audit opinion concerning the investment in Japan and Taiwan. The Group disposed of its Taiwan investment in January 2022, and the Management is exploring the appropriate means to solve the loss of control in the Deconsolidated Subsidiaries. If the audit issues of these two investments can be resolved, the Management would focus our resources to develop the business of the Group for the benefit of the Company.

Nevertheless, the Management and the Board strive to enhance the shareholder value of the Company in the foreseeable future.

LIQUIDITY AND FINANCIAL RESOURCES

All the Group's funding and treasury activities are centrally managed and controlled at the corporate level. The Group's monetary assets and liabilities are denominated and the Group conducts its business transactions principally in Hong Kong dollars and Renminbi same as compare to last year.

As at 31 December 2021, there was outstanding bank loans in the principal sum of HK$160,000,000 (2020: HK$160,000,000). The Group's working capital requirements in 2021 are funded by bank loans and advanced from its holding companies and controlling shareholder totalling HK$68,000,000 (2020: HK$58,000,000). The bank loans were due in March 2022. As at the date of this announcement, the Company has been informed by the bank that subject to formal documentation, the bank loans have in principle been approved for an extension of a half year.

The Group recorded net current liabilities of approximately HK$215,020,000 as at 31 December 2021 (2020: HK$221,717,000).

The Company has received written confirmation from its controlling shareholder that he will continue to provide financial support to the Company to meet all the obligation of the Company to the extent that it is unable to meet those obligations itself.

EMPLOYEES

As at 31 December 2021, the Group had a total of 117 employees (2020: 144), including directors. Employee benefits expenses for the year ended 31 December 2021 amounted to approximately HK$16,733,000 (2020: HK$11,447,000).

BOARD'S VIEW ON AUDITOR'S QUALIFIED OPINION

The consolidated financial statements of the Group for the year ended 31 December 2021 were audited by ZHONGHUI ANDA CPA Limited (the "Auditor"). The Auditor expressed qualified opinion on the Group's consolidated financial statements for the year ended 31 December 2021 (the "Qualified Opinion"), the "except for" opinion on the availability of sufficient audit evidence from overseas associates and subsidiaries in 31 December 2020, 31 December 2019 and 31 December 2018.

The details of the Qualified Opinion and its actual or potential impact on the Company's financial position are set out in the extract of Independent Auditor's Report on page 22 to page 26 of this results announcement. Throughout the year ended 31 December 2021, the Company has made various attempts to resolve the qualified opinion expressed by the auditors of the Company for the financial years ended 31 December 2018, 2019 and 2020 (and with a view of avoiding further qualified opinions expressed by the Auditor for the year ended 31 December 2021), including but not limited to the followings: The Company has continuously investigated the cause of the relevant events surrounding the Qualified Opinion and has exhausted various means to obtain relevant information to satisfy the Auditor's information requests.

The Company has also on occasions made specific demands to former management personnel of the Company requesting for a consultation in relation to the circumstance pertaining to the Qualified Opinion, and has instructed its legal advisers to issue formal legal requests in that regard.

Five Color Stone Technology Corporation ("Five Color Stone") (Qualification 1)

As disclosed in the annual report of the Company for the year ended 31 December 2020 and its interim report for the six months ended 30 June 2021, the Company persistently demanded Five Color Stone to provide the required information and documents for audit, and has taken various actions including setting up meetings between two consultants of the Company and the sole director of Five Color Stone and making contact with such director through the Hong Kong lawyer of the Company. Despite the Company's persistent demand and effort, such attempts were in vain. In light of the non-controlling stake that the Group held in Five Color Stone, and after careful consideration, the Company decided not to further invest in Five Color Stone.

Reference is made to the Company's announcement released on 12 January 2022. On 12 January 2022, the Group entered into the Sale and Purchase Agreement with the Purchaser pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase the Sale Share, representing the entire issued shares of the Sky Heritage Holdings Limited, ("Disposal Company"), at a total consideration of HK$10,000. As shown in the 2017 Annual Report of the Company, the Disposal Company held 28% of the issued shares in the Five Color Stone, an investment holding company, which in turn held the entire equity interest in the Taiwan Xigu, an investment holding company, and 80% equity interest in Taiwan Mutron, a company principally engages in manufacturing and sale of graphene and graphene-related products, respectively. Completion took place immediately following the execution of the Sale and Purchase Agreement.

The management of the Company had consulted the Auditors and was given to understand that if the disposal had completed on or before 31 December 2022 as expected, Qualification 1 would be on the comparative figures in year ended 31 December 2021 in the 2022 consolidated financial statements and the profit or loss figures for the year ended 31 December 2022 and would not have any impact on the consolidated statement of financial position as at 31 December 2022.

WI Capital and WI Graphene (Qualification 2)

As explained in Management Discussion And Analysis Section of this announcement, WI Capital and WI Graphene (collectively "Deconsolidated Subsidiaries") were deconsolidated from the Group since 31 December 2021 as a result of the situation that the Company could not exercise control over certain subsidiaries due to the continuing uncooperative behavior of the directors of those subsidiaries. No sufficient evidence has been provided the auditor to satisfy ourselves as to whether the Company had lost control of those subsidiaries on 31 December 2021.

The management is now seeking for a potential buyer to acquire the interests in the Deconsolidated Subsidiaries. The management of the Company had consulted the Auditors and was given to understand that if the disposal of Deconsolidated Subsidiaries had completed on or before 31 December 2022 as expected, Qualification 2 would be on the comparative figures in the year ended 31 December 2021 on the 2022 consolidated financial statements and the profits or loss figures for the year ended 31 December 2022 and would not have any impact on the consolidated statement of financial position as at 31 December 2022. The Directors consider the disposal provides a good opportunity for the Group to realise its investment in the Deconsolidated Subsidiaries, to address the issue arising from the Qualified Opinion in the financial statements of the coming financial years, and to focus its resources to develop the business of the Group for the benefit of the Company.

The Audit Committee is of the view that the Company has used reasonable endeavour to address Qualification 2, after considering that (i) the Company has made repeated attempts to obtain the necessary support from the management of the Deconsolidated Subsidiaries and to gain access to the books and records of the Deconsolidated Subsidiaries; (ii) the Company has engaged its Japanese legal advisers to take legal actions to uphold its shareholders' rights with respect to the Deconsolidated Subsidiaries; and (iii) the Company has sought a purchaser to dispose of the Group's interest in the Deconsolidated Subsidiaries.

AUDIT COMMITTEE

As at the date of this announcement, the audit committee comprises three independent non-executive directors, namely Mr. Tso Sze Wai (Chairman), Mr. Duan Rihuong and Mr. Wang Rongfang, and one non-executive director, namely Ms. Wang Lijiao. The purpose of the establishment of the audit committee is for reviewing and supervising the financial reporting system, risk management and internal control systems of the Group. The audit committee has reviewed, with no disagreement, the Group's financial statements for the year ended 31 December 2021.

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2021 as set out in the preliminary announcement have been agreed by the Group's auditors, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2021. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ZHONGHUI ANDA CPA Limited on the preliminary announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (the "**Model Code**") as stipulated in Appendix 10 to the Listing Rules as its own code of conduct regarding Director's securities transactions. Specific enquiry has been made to all the Directors, and the Directors have confirmed that they have complied with all relevant requirements as stipulated in the Model Code during the year ended 31 December 2021.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year under review.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company's code on corporate governance practices was adopted by reference to the provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules. The Company conducts regular reviews of its corporate governance practices to ensure compliance with the CG Code. For the year ended 31 December 2021, the Company has complied with all the Code provisions set out in the CG Code except the following:

Deviation from Code Provision A.2.1 of the CG Code

Code Provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The role of chief executive officer was performed by Mr. Huang Binghuang, who was also the chairman of the Company during the Year. The Board believes that vesting the roles of both chairman and chief executive officer in the same person facilitate the execution of the Group's business strategies and boost effectiveness of its operation. Therefore, the Board considers that the deviation from code provision A.2.1 of the CG Code is appropriate in such circumstance. In addition, it is considered that the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders.

The Board will periodically review the merits and demerits of such management structure and will adopt such appropriate measures as may be necessary in the future taking into consideration of the nature and extent of the Group's operation.

COMPLIANCE WITH THE LISTING RULES

Non-compliances with Rules 3.10(1), 3.21 and 3.25 of the Listing Rules

1. On 30 December 2020, Dr. Wong Yun Kuen resigned as an independent non-executive director of the Company ("**INED**") and ceased to be the chairman of the remuneration committee and a member of each of the audit committee and the nomination committee of the Company as he would like to devote more time to his other business engagement. As a result, the Company failed to comply with (i) Rule 3.10(1) of the Listing Rules as the Company only had two INEDs, which fell below the minimum requirement of three INEDs; and (ii) Rule 3.25 of the Listing Rules as its remuneration committee of the Company was not chaired by an INED.

2. On 23 June 2021, upon the conclusion of the Company's annual general meeting, (i) the appointment of Mr. Wang Rongfang ("**Mr. Wang**") as an INED, the chairman of the remuneration committee and a member of each of the audit committee and nomination committee of the Company had become effective; and (ii) Mr. Lum Pak Sum retired as an INED and ceased to act as the chairman of the audit committee and a member of each of the remuneration committee and nomination committee of the Company. Following the above, the Company re-complied with Rule 3.25 of the Listing Rules but remained unable to meet the requirements in Rule 3.10 and Rule 3.21 of the Listing Rules.

3. On 2 July 2021, Mr. Tso Sze Wai ("**Mr. Tso**") was appointed as an INED and the chairman of the audit committee of the Company. Following the appointment of Mr. Tso, the Company has had three INEDs, one of whom (i.e. Mr. Tso, who is also the chairman of the audit committee) is an INED with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules. The Company has therefore re-complied with Rules 3.10 and 3.21 of the Listing Rules.

DIVIDENDS

The Board does not recommend the payment of any dividend for the year ended 31 December 2021 (2020: Nil).

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.00063.cn. The 2021 annual report of the Company for the year ended 31 December 2021 will be dispatched to its shareholders and published on the above websites in due course.

By order of the Board of
China Asia Valley Group Limited
Huang Binghuang
Chairman and Chief Executive Officer

Hong Kong, 29 March 2022

As at the date of this announcement, the Board consists of Mr. Huang Binghuang (Chairman and Chief Executive Officer) and Ms. Xia Ping as executive Directors; Ms. Wang Lijiao as a non-executive Director; and Mr. Tso Sze Wai, Mr. Duan Rihuang and Mr. Wang Rongfang as independent non-executive Directors.