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CHINA ASIA VALLEY GROUP LIMITED

中亞烯谷集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 63)

VOLUNTARY ANNOUNCEMENT IN RELATION TO MEMORANDUM OF UNDERSTANDING

This announcement is made by the board (the “**Board**”) of directors (the “**Director(s)**”) of China Asia Valley Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

On 18 November 2021 (after trading hours), China Asia Valley Property Management (Shenzhen) Co., Limited* (中亞烯谷物業管理(深圳)有限公司) (an indirect 100% owned subsidiary of the Company) and Shenzhen Tanggang China Asia Electronic City Group Co., Ltd.* (深圳市坐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 a 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, the People’s Republic of China (the “**PRC**”).

The substance and terms and conditions of the Potential Cooperation are subject to negotiations between the parties and execution of a formal lease agreement and the provisions of the MOU shall not be legally-binding upon both the parties to the MOU.

Information on STCAEC

STCAEC is a company established in the PRC in 2010. It is a diversified industrial investment group integrating industrial real estate development, creative culture, smart technology, international trade and financial investment. STCAEC leads the strategic development of industries, focuses on cross regional and cross industry "integration" cooperation, and takes building an international industry and finance network exhibition and trade platform of 600,000 square meters of China Asia Silicon Valley as the core business of the STCAEC group.

As at the date of this announcement, to the best of the information, knowledge and belief of the Directors having made all reasonable enquiries, Mr. Huang Binghuang (the chairman, an executive Director and the ultimate beneficial owner of the Company) indirectly held 52.38% equity interest of STCAEC. Therefore, STCAEC is a connected person of the Company under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reasons for and benefits of entering into the MOU

The Board believes that this strategic cooperation can not only expand the company's business and enhance its returns, but also improve its market competitiveness. The Board 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 PRC. The Board 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 Potential Cooperation is subject to, amongst others, the execution of a formal lease agreement. No legally-binding agreement in relation to the Potential Cooperation has been entered into as at the date of this announcement. As such, the Potential Cooperation may or may not proceed.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company. The Company will make further announcement in respect of the Potential Cooperation as and when appropriate in accordance with the Listing Rules.

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

Hong Kong, 18 November 2021

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. Wang Rongfang and Mr. Duan Rihuang as independent non-executive Directors.

** For identification purposes only*