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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)

BUSINESS UPDATE ESTABLISHMENT OF WHOLLY-OWNED SUBSIDIARY FOR EXPANSION OF PROPERTY MANAGEMENT SERVICES AND CLARIFICATION ANNOUNCEMENT FORMATION OF JOINT VENTURE COMPANY FOR DEVELOPMENT OF NEW BUSINESS ACTIVITY

ESTABLISHMENT OF WHOLLY-OWNED SUBSIDIARY

This announcement is made by China Asia Valley Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to keep its shareholders and potential investors abreast of the business development of the Company.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to inform the shareholders of the Company and potential investors that the Group has established a wholly-owned subsidiary, Zhongya Xigu Property Management (Quanzhou) Co., Ltd.* (“**Zhongya Quanzhou**”), 中雅烯谷物業管理(泉州)有限公司) in the People’s Republic of China (“**PRC**”).

Zhongya Quanzhou is a subsidiary of the Group, and the financial results, assets and liabilities of Zhongya Quanzhou are consolidated into the financial statements of the Group.

The Group intends to expand its property management services segment in other regions of the PRC through Zhongya Quanzhou.

As disclosed in the 2021 annual report and 2022 interim report of the Company, property management services segment is ushering in a period of strategic opportunities for improved industry standardization and marketization, expansion of service boundaries, industrialized development of value-added services, and digital transformation. The Group will further enhance the competitive edge and synergies of regional businesses in line with its development strategy of stable and steady operation, and enhance and consolidate its long-term competitiveness. The Board considers that the geographical expansion of the property management services segment will enable the Group to expand its business portfolio, diversify its income stream, broaden its revenue base and potentially enhance its financial performance. Accordingly, the Board is of the view that the formation of Zhongya Quanzhou will be in the interest of the Company and its shareholders as a whole.

CLARIFICATION ANNOUNCEMENT ON FORMATION OF JOINT VENTURE COMPANY FOR DEVELOPMENT OF NEW BUSINESS ACTIVITY

Reference is made to the announcement of the Company dated 25 October 2022 (the “**Announcement**”) in relation to the formation of Guizhou Zhonghan Construction Engineering Co., Ltd.* (貴州中瀚建築工程有限公司) (the “**JV Company**”) jointly by Shenzhen Zhongbang Intelligent Community Technology Co., Ltd.* (深圳市中邦智慧社區科技有限公司) (an indirect wholly-owned subsidiary of the Company) and Guizhou Baikong Traffic Safety Facilities Co., Ltd.* (貴州百控交通安全設施有限公司).

The Company would like to clarify that the name of the JV Company should be Guizhou Zhonghan Construction Engineering Co., Ltd.* (貴州中瀚建築工程有限**責任**公司).

The abovementioned clarification does not affect any other information contained in the Announcement. Save for disclosed above, all other information in the Announcement remains unchanged.

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 of
China Asia Valley Group Limited
Huang Binghuang
Chairman and Chief Executive Officer

Hong Kong, 28 October 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. Wang Rongfang and Mr. Duan Rihuang as independent non-executive Directors.

** for identification purposes only*