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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)

**PROFIT WARNING
INCREASE IN LOSS ATTRIBUTABLE TO
OWNERS OF THE COMPANY**

This announcement is made by China Asia Valley Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review by the Board of the latest unaudited consolidated management accounts of the Group for the year ended 31 December 2022 (“**Year**”), which have not been reviewed or audited by the independent auditors and/or the audit committee of the Company, and taking into account the information currently available to the Board, it is expected that Group may record a loss attributable to owners of the Company for the Year of approximately HK\$47.0 million, representing a significant increase of approximately HK\$46.7 million as compared to a loss attributable to owners of the Company of approximately HK\$330,000 for the year ended 31 December 2021.

The Board considers that the expected increase in loss attributable to owners of the Company for the Year as compared to that for the year ended 31 December 2021 is mainly attributable to a fair value loss of investment properties of approximately HK\$46.0 million for the Year (2021: nil).

Notwithstanding the above information, as the above fair value loss is non-cash in nature, there will be no effect on the operating cash flow of the Group. The Company considers that the overall financial position of the Group remains healthy.

As the Company is still in the process of finalizing the unaudited consolidated results of the Group for the Year, the information contained in this announcement is only based on the information currently available to the Board and a preliminary assessment by the Board on the unaudited management accounts of the Group for the Year, which has neither been reviewed nor audited by the Company's audit committee or auditor and may be subject to changes and adjustments. The actual financial results of the Group for the Year may differ from what is disclosed in this announcement.

Shareholders and potential investors are advised to read carefully the Group's audited consolidated results for the Year which are expected to be published on or before 31 March 2023 pursuant to the requirements of the Listing Rules.

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

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

Hong Kong, 17 March 2023

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