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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)

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND COMPLIANCE WITH RULES 3.10 AND 3.21 OF THE LISTING RULES

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The board (the “**Board**”) of directors (the “**Director(s)**”) of China Asia Valley Group Limited (the “**Company**”) announces that Mr. Tso Sze Wai (“**Mr. Tso**”) was appointed as an independent non-executive Director and the chairman of the audit committee of the Company (“**Audit Committee**”), with effect from 2 July 2021.

Mr. Tso, aged 50, holds a bachelor’s degree in Commerce awarded by University of New South Wales, Australia and a postgraduate diploma in Computing awarded by the University of Western Sydney, Australia. He is a member of the Hong Kong Institute of Certified Public Accountants.

Mr. Tso currently serves as an independent non-executive director of China Jicheng Holdings Limited, the shares of which are listed on the Stock Exchange (stock code: 1027), since October 2016. He is also an independent non-executive director of two companies the shares of which are listed on the Singapore Stock Exchange, namely Net Pacific Financial Holdings Limited (stock code: SGX:5QY), since July 2020 and KTL Global Limited (stock code: SGX: EB7), since June 2020. He has over 20 years of experience in accounting, corporate finance and corporate secretarial matters. He was a company secretary of Green Energy Group Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (Stock Code: 979). Prior to that, he had held senior management positions in a number of listed companies in Hong Kong and Singapore. From 2015 to 2017, Mr. Tso served as an independent non-executive director of Hua Han Health Industry Holdings Limited, a company the shares of which were listed on the Stock Exchange (stock code: 587) and whose listing was subsequently cancelled with effect from 16 December 2020.

Mr. Tso has entered into an appointment letter with the Company for a fixed term of 3 years commencing from 2 July 2021 (which shall continue for further successive periods until terminated by either party giving at least two (2) months' notice). He is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the bye-laws of the Company and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Mr. Tso is entitled to receive a director's fee of HK\$20,000 per month, which was determined by the Board based on the recommendation by the remuneration committee of the Company, with reference to his qualification, experience, and duties and responsibilities within the Company, the remuneration policies of the Company and prevailing market rates.

As at the date of this announcement, save as disclosed above, Mr. Tso (i) does not hold any other positions in the Company or any of its subsidiaries; (ii) has not held any other directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (iii) does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company; and (iv) does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, the Board is not aware of other matters relating to the appointment of Mr. Tso that need to be brought to the attention of the shareholders of the Company or the Stock Exchange, and there is no other information which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

The Company would like to welcome Mr. Tso on joining the Board.

COMPLIANCE WITH RULES 3.10 AND 3.21 OF THE LISTING RULES

Reference is made to the announcements of the Company dated 7 June 2021, 21 June 2021 and 23 June 2021 (the "**Announcements**") in relation to amongst others, the non-compliances with Rules 3.10 and 3.21 of the Listing Rules.

As disclosed in the Announcements, immediately after the annual general meeting of the Company convened and held on 23 June 2021:

- (a) the Board comprised two (2) executive Directors, one (1) non-executive Director and two (2) independent non-executive Directors. Accordingly, (i) the number of independent non-executive Directors fell below the minimum number required under Rule 3.10(1) of the Listing Rules; and (ii) the Company was unable to meet the requirement set out in Rule 3.10(2) of the Listing Rules as there was no independent non-executive Director having appropriate professional qualifications or accounting or related financial management expertise.

- (b) the Audit Committee comprised one (1) non-executive Director and two (2) independent nonexecutive Directors. Accordingly, the Company was unable to meet the requirements set out in Rule 3.21 of the Listing Rules: (i) as none of the Audit Committee members was an independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules; and (ii) the Audit Committee was not be chaired by an independent non-executive Director.

Following the appointment of Mr. Tso;

- (a) the Board comprises two (2) executive Directors, one (1) non-executive Director and three (3) independent non-executive Directors. Accordingly, the Company meets (i) the requirement as to the minimum number of independent on-executive directors required under Rule 3.10(1) of the Listing Rules; and (ii) the requirement set out in Rule 3.10(2) of the Listing Rules as Mr. Tso is an independent non-executive Director having appropriate professional qualifications or accounting or related financial management expertise.
- (b) the Audit Committee comprises one (1) non-executive Director and three (3) independent non-executive Directors and is chaired by Mr. Tso. Accordingly, the Company is able to meet the requirements set out in Rule 3.21 of the Listing Rules: (i) as Mr. Tso is an independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules; and (ii) the Audit Committee is chaired by an independent non-executive Director.

By order of the Board
China Asia Valley Group Limited
Huang Binghuang
Chairman

Hong Kong, 2 July 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. Duan Rihuang, Mr. Wang Rongfang and Mr. Tso Sze Wai as independent non-executive Directors.