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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 six months ended 30 June 2023 (the “**Period**”), which have not been reviewed or audited by the independent auditor 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 Period of approximately HK\$2.7 million, as compared to a profit attributable to owners of the Company of approximately HK2.1 million for the six months ended 30 June 2022.

The Board considers that the expected turning from profit to loss was primarily due to an increase in staff costs, legal and professional fees and finance costs on bank loans for the Period.

Notwithstanding the above information, the Directors consider that the overall financial position of the Group remains stable.

As the Company is still in the process of finalizing the unaudited consolidated interim results of the Group for the Period, the information contained in this announcement is only based on the information currently available to the Board and a preliminary assessment by the Board of the unaudited management accounts of the Group for the Period, 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 Period may differ from what is disclosed in this announcement.

Shareholders and potential investors are advised to read carefully the Group's unaudited consolidated interim results for the Period, which are expected to be published on or before 31 August 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 August 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.