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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)

- (1) RETIREMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR**
- (2) WITHDRAWAL OF RESOLUTION AT THE ANNUAL GENERAL MEETING TO BE HELD ON 23 JUNE 2021**
- (3) CHANGE IN COMPOSITION OF COMMITTEES OF THE BOARD**
- (4) NON-COMPLIANCE WITH RULES 3.10 AND 3.21 OF THE LISTING RULES**
- AND**
- (5) CLARIFICATION ANNOUNCEMENT**

RETIREMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The board (the “**Board**”) of directors (the “**Director(s)**”) of China Asia Valley Group Limited (the “**Company**”) hereby announces that due to his other work commitments, Mr. Lum Pak Sum (“**Mr. Lum**”) has notified the Company that he will retire and will not offer himself for re-election as an independent non-executive Director at the forthcoming annual general meeting of the Company to be convened and held on 23 June 2021 (the “**AGM**”). Accordingly, Mr. Lum will cease to be an independent non-executive Director, the chairman of the audit committee and a member of each of the remuneration committee and nomination committee of the Board with effect immediately upon the conclusion of the AGM.

Mr. Lum has confirmed that he has no disagreement with the Board and that there are no matters in relation to his retirement that need to be brought to the attention of the shareholders of the Company (the “**Shareholders**”).

The Board would like to take this opportunity to express its appreciation to Mr. Lum for his contribution to the Company during his tenure of office.

WITHDRAWAL OF RESOLUTION

Reference is made to the circular of the Company dated 17 May 2021 (the “**Circular**”), the notice of AGM dated 17 May 2021 (the “**AGM Notice**”) and the form of proxy of the Company (the “**Proxy Form**”) in relation to the AGM.

Due to the retirement of Mr. Lum, the ordinary resolution numbered 2.(iv) in respect of the re-election of Mr. Lum as set out in the AGM Notice, the Circular and the Proxy Form is no longer applicable and will not be put forward for consideration and approval by the Shareholders at the AGM.

Save for the above, all other resolutions as set out in the AGM Notice, the sequence thereof and matters in relation to the AGM, including the date, time and venue for holding the AGM, remain unchanged. Proxy Forms lodged by the Shareholders will remain valid except that no poll will be conducted or counted for the ordinary resolution numbered 2.(iv).

Shareholders are reminded to read the Circular, the AGM Notice (including its notes) and the Proxy Form for details in respect of other resolutions which will be put forward as scheduled for consideration and approval at the AGM, eligibility for attending the AGM, appointment of proxy and other relevant matters.

CHANGE IN COMPOSITION OF COMMITTEES OF THE BOARD

Reference is made to the announcement of the Company dated 7 June 2021 (the “**Announcement**”) in relation to the appointment of Mr. Wang Rongfang (王榮芳) (“**Mr. Wang**”) as an independent non-executive Director and the chairman of the remuneration committee of the Board (the “**Remuneration Committee**”), with effect immediately after the conclusion of the AGM.

The Board announces that, in addition to Mr. Wang’s appointments as an independent non-executive Director and the chairman of the Remuneration Committee, he has also been appointed as a member of each of the audit committee of the Board (the “**Audit Committee**”) and the nomination committee of the Board (the “**Nomination Committee**”), with effect immediately after the conclusion of the AGM.

As such, with effect immediately after the conclusion of the AGM, Mr. Wang will take the positions of an independent non-executive Director, the chairman of the Remuneration Committee, and a member of each of the Audit Committee and Nomination Committee.

Mr. Wang Rongfang (王榮芳), aged 58, graduated from Quanzhou Normal University* (泉州師範學院) in 1982 and obtained a bachelor's degree in philosophy. Mr. Wang has over 20 years' experience in construction and project management. In 2006, he served as the project manager (general management) of Fujian Huidong Construction Co., Ltd.* (福建惠東建築工程有限公司) in charge of the Riverside Hill Town Project* (水岸山城工程項目) in Fenggang Town, Dongguan, Guangdong. From 2008 to 2011, he served as the project head with Fujian Bafang Construction Co., Ltd.* (福建省八方建築工程有限公司) in charge of the Shenzhen Bao'an Shajing Bogang Unified Building Project* (深圳寶安沙井壘崗統建樓工程項目). From 2012 to 2014, he served as the project general manager and deputy manager with Fujian Five Construction Development Group Co., Ltd.* (福建省五建建設集團有限公司) in charge of the China 20 MCC Zhuhai Hengqin Municipal Engineering (Ninth Section) Project* (中國二十冶珠海橫琴市政工程第九標段). From 2014 to 2017, he served as the project head (general management) with Fujian Mingcheng Construction (Group) Co., Ltd.* (福建名城建工有限公司) in charge of the Evergrande Lvzhou Phase II Project* (恒大綠洲二期工程項目). From 2017 to 2018, he served as the project head (general management) of Engineering Company of CCCC Fourth Harbor Engineering Co., Ltd.* (中交四航局第三工程有限公司) in charge of the Kaichun Expressway Section TJO8 First Work Zone Road Foundation Project* (開春高速路 TJO8標第一工區路基工程項目). In 2019, he served as the project head of MCC 1 Malaysia 8cnlag Labour Service Construction Project (一冶馬來西亞8cnIag 勞務施工項目) with MCC INTERNATIONAL (M) SDN. BHD* (中冶國際馬來西亞有限公司). Since April 2020, he has been serving as the deputy general manager of Zhongan Zhonghui (Shenzhen) Industrial Co., Ltd.* (中安中慧(深圳)實業有限公司).

Mr. Wang has not entered into an appointment letter with the Company and was not appointed for a fixed term. Nonetheless, he will hold office until the next general meeting of the Company and is subject to retirement by rotation and re-election at annual general meeting(s) requirements in accordance with the bye-laws of the Company and the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Mr. Wang's remuneration will be recommended by the Remuneration Committee and determined by the Board with reference to his qualification, experience, and duties and responsibilities within the Company, the remuneration policies of the Company and prevailing market rates. Further disclosure will be made in the subsequent interim and annual report(s) as and when available in compliance with the Listing Rules.

As at the date of this announcement, save as disclosed above, Mr. Wang (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. Wang 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.

NON-COMPLIANCE WITH RULES 3.10 AND 3.21 OF THE LISTING RULES

According to:

- (a) Rule 3.10 of the Listing Rules, the Company is required to have (1) at least three independent non-executive directors; and (2) at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise.
- (b) Rule 3.21 of the Listing Rules, (i) the audit committee of the Board must comprise a minimum of three members, at least one of whom 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 must be chaired by an independent non-executive director.

Following the retirement of Mr. Lum and the appointment of Mr. Wang becoming effective, and immediately upon the conclusion of the AGM:

- (a) the Board will comprise 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 will fall below the minimum number required under Rule 3.10(1) of the Listing Rules; and
 - (ii) the Company will be unable to meet the requirement set out in Rule 3.10(2) of the Listing Rules as there will be no independent non-executive Director having appropriate professional qualifications or accounting or related financial management expertise.
- (b) the Audit Committee will comprise one (1) non-executive Director and two (2) independent non-executive Directors. Accordingly, the Company will be unable to meet the requirements set out in Rule 3.21 of the Listing Rules:
 - (i) as none of the Audit Committee members will be 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 will not be chaired by an independent non-executive Director.

As such, the Board will make its best endeavours to identify suitable candidate to fill the vacancy(ies) as soon as practicable and within three months from the date of this announcement as provided in Rules 3.11 and 3.23 of the Listing Rules to meet the requirements under the Listing Rules.

The Company will make further announcement(s) as and when appropriate in relation to any future appointment of a new independent non-executive Director.

CLARIFICATION ANNOUNCEMENT

Reference is made to the Proxy Form.

The Company noted certain inadvertent clerical errors in the Proxy Form and wishes to make the following clarifications (with amendments underlined):

- (i) in the English version of the Proxy Form, the resolution numbered 2.(vi) has been inadvertently numbered as 2.(iv). As such, the resolution “2.(iv) To authorise the board of directors (the “**Directors**”) of the Company to fix the remuneration of directors.” should be read as “2.(vi) To authorise the board of directors (the “**Directors**”) of the Company to fix the remuneration of Directors.”. The numbering of resolutions in the Chinese version of the Proxy Form is correct with no such clerical error.
- (ii) in the Chinese version of the Proxy Form, the resolution numbered 2.(v) should be read as “重選段日煌平先生為獨立非執行董事。”. The said resolution in the English version of the Proxy Form is correct with no such clerical error.

Save as clarified above, all other information stated in the Proxy Form (both English and Chinese versions) remains unchanged and shall continue to be valid for all purposes. This clarification announcement is supplemental to and should be read in conjunction with the Proxy Form.

Reference is made to the Announcement. The Company would like to clarify that in the biography of Mr. Wang on page 1 of the Announcement, from 2008 to 2011, he served as the project head with Fujian Bafang Construction Co., Ltd.* (福建省八方建築工程有限公司) in charge of the Shenzhen Bao'an Shajing Bogang Unified Building Project* (深圳寶安沙井壘崗統建樓工程項目). Save as disclosed, all other information stated in the Announcement remains unchanged. This clarification announcement is supplemental to and should be read in conjunction with the Announcement.

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

Hong Kong, 21 June 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 non-executive Director; and Mr. Duan Rihuang and Mr. Lum Pak Sum as independent non-executive Directors.