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CHINA ASIA VALLEY GROUP LIMITED

中亞烯谷集團有限公司

(formerly known as China Graphene Group Limited)

(Incorporated in Bermuda with limited liability)

(Stock Code: 63)

UPDATE ANNOUNCEMENT

Reference is made to the announcements of China Asia Valley Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 18 September 2020 and 29 September 2020 (the “**Announcements**”). Capitalised terms used herein shall have the same meanings as defined in the Announcements, unless the context requires otherwise.

The Company would like to provide an update to its shareholders and potential investors as below.

For the purpose of the preparation of the consolidated final results of the Group for the year ended 31 December 2020 and to resolve the qualified opinion expressed by the auditors of the Company for the financial years ended 31 December 2018 and 2019, the Company has, along with multiple previous attempts, demanded (i) Five Color Stone Technology Corporation (“**Five Stone Technology**”), a company incorporated in the Cayman Islands and an associate of the Company holding the Group’s investment interests in certain Taiwan entities; and (ii) WI Capital and WI Graphene, the Company’s subsidiaries incorporated in Japan, to provide the required information and documents.

Unfortunately, despite the Company’s persistent demands, as at the date of this announcement, the relevant officers of Five Stone Technology, WI Capital and WI Graphene have refused to provide the Company with the relevant information and documents of Five Stone Technology, WI Capital and WI Graphene.

Moreover, the Company has also demanded the relevant officers and personnel of WI Graphene and WI Capital (including Mr. Masaru Futohashi, the sole director of WI Graphene and WI Capital) to return the relevant corporate and shareholding documents of WI Graphene and WI Capital and effect the appointment of a new director nominated by the Company to the board of WI Capital, including but not limited to handing over the company seal of WI Capital for registration of the change of directorship with the relevant authority in Japan. Notwithstanding the Company's demand, the relevant officers and personnel of WI Graphene and WI Capital refused to adhere to the Company's demands in relation to the return of the documents and company seal of WI Capital.

The Company is currently considering and will take appropriate actions to recover the required information and documents and resolve the issues pertaining to Five Stone Technology, WI Capital and WI Graphene.

The Company will keep the shareholders of the Company and potential investors updated in relation to the progress of the Company in the resolution of the abovementioned issues.

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
China Asia Valley Group Limited
Huang Binghuang
Chairman

Hong Kong, 28 January 2021

As at the date of this announcement, the Board consists of Mr. Huang Binghuang (Chairman and Chief Executive Officer), Mr. Zhao Juqun (Vice chairman) and Ms. Xia Ping as executive Directors; Ms. Wang Lijiao as a non-executive Director; and Mr. Lum Pak Sum and Mr. Duan Rihuang as independent non-executive Directors.