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China AU Group Holdings Limited

中國金豐集團控股有限公司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8176)

TERMINATION OF A MAJOR TRANSACTION EXTENSION OF REPAYMENT DATE

The Company announces that on 4 July 2012, BSHK (a wholly-owned subsidiary of the Company) and the Vendor entered into the repayment extension agreement. Details of the main terms of the repayment extension agreement are briefly set out in this announcement.

Reference is made to the announcement (the “**Announcement**”) of the Company dated 5 April 2012 in relation to, inter alia, the termination of the proposed acquisition of 70% equity interest in the Target Company and the Loan and the indirect acquisition of a piece of land situated at 獅嶺鎮楊赤路 in Guangzhou, Hua Du and with certain buildings thereon for the consideration of HK\$80,000,000. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise stated or the context requires otherwise.

EXTENSION OF REPAYMENT DATE

On 5 April 2012, BSHK (a wholly-owned subsidiary of the Company) and the Vendor entered into the Deed of Termination whereby the S&P Agreement became null and void and without any further effect. Pursuant to the Deed of Termination, the Vendor shall repay BSHK the full amount of the refundable deposit of HK\$45,000,000 in cash of which HK\$4,500,000 shall be paid upon signing and the remaining HK\$40,500,000 shall be paid within three months of signing of the Deed of Termination (i.e. 5 July 2012) (the “**Deadline**”). Furthermore, in consideration for BSHK agreeing to enter into the Deed of Termination, the Vendor shall pay BSHK a consideration of HK\$4,500,000 on or before the Deadline provided that BSHK shall release and discharge the Vendor from payment of such consideration if the aforesaid refundable deposit of HK\$45,000,000 shall be fully repaid in accordance with the Deed of Termination.

* *For identification purpose only*

Upon request by the Vendor, on 4 July 2012, BSHK and the Vendor entered into the repayment extension agreement whereby in consideration of a payment of a further sum of HK\$810,000 by the Vendor to BSHK on or before 9 July 2012, BSHK agreed to extend the Deadline for payment of the said sums of HK\$4,500,000 (being the consideration payable by the Vendor to BSHK under the Deed of Termination) and HK\$40,500,000 (being the remaining balance of the refundable deposit) to 24 July 2012. For the avoidance of doubt, the said sum of HK\$810,000 shall be non-refundable in any event.

By order of the Board
China AU Group Holdings Limited
Lee Chan Wah
Company Secretary

Hong Kong, 4 July 2012

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Yu Shu Kuen, Mr. Wang Xiao Fei (with Mr. Lee Chan Wah as alternate), Mr. Wang Shang Zhong and Mr. Ji He Qun; one non-executive Director, namely Mr. Du Juan Hong; and two independent non-executive Directors, namely Mr. Tam B Ray, Billy and Mr. Chu Kin Wang, Peleus.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of publication and on the Company’s website at www.bluspa.com.