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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 FOURTH EXTENSION OF REPAYMENT DATE

Upon the request of the Vendor, the Company announces that on 21 August 2012, BSHK (a wholly-owned subsidiary of the Company) and the Vendor entered into a fourth repayment extension agreement. Details of the main terms of the fourth repayment extension agreement are briefly set out in this announcement.

Reference is made to the announcements (the “**Announcements**”) of the Company dated 5 April 2012, 4 July 2012, 24 July 2012 and 3 August 2012 in relation to 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 Announcements unless otherwise stated or the context requires otherwise.

FOURTH EXTENSION OF REPAYMENT DATE

Pursuant to the Deed of Termination (as amended by the repayment extension agreements dated 4 July 2012, 24 July 2012 and 3 August 2012), 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 was paid upon signing and the remaining HK\$40,500,000 shall be paid on or before 10 August 2012 at 4:00 p.m. (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 the request of the Vendor, on 21 August 2012, BSHK and the Vendor agreed to a fourth repayment extension whereby in consideration of a payment of a further sum of HK\$911,250 by the Vendor to BSHK to be paid on or before 30 August 2012, BSHK agreed to further extend the Deadline for payment of the said sum 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 on or before 14 September 2012 at 4:00 p.m..

For the avoidance of doubt (i) the said sum of HK\$911,250 shall be non-refundable in any event; and (ii) BSHK shall release and discharge the Vendor from payment of the said sum of HK\$4,500,000 if the aforesaid remaining balance of the refundable deposit of HK\$40,500,000 shall be fully repaid in accordance with the fourth repayment extension agreement.

By order of the Board
China AU Group Holdings Limited
Lee Chan Wah
Executive Director

Hong Kong, 21 August 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. Lee Chan Wah; one non-executive Director, namely Mr. Du Juan Hong; and three independent non-executive Directors, namely Mr. Tam B Ray, Billy, Mr. Chu Kin Wang, Peleus and Mr. Tse Joseph.

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 its publication and the Company’s website at www.bluspa.com.