

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

VOLUNTARY ANNOUNCEMENT

**(I) EXTENSION OF THE REPAYMENT DATE OF THE LOAN;
(II) UPDATE ON LEGAL PROCEEDINGS INVOLVING THE GROUP; AND
(III) DEVELOPMENT OF THE DISTRIBUTION BUSINESS IN RELATION
TO EVIDENS DE BEAUTÉ PRODUCTS**

EXTENSION OF THE REPAYMENT DATE OF THE LOAN

The Board announces that on 26 October 2012, Koffman and the Company have entered into the Third Extension Agreement, pursuant to which the repayment date of the Loan has been further extended from 26 October 2012 to 26 November 2012 (or such later date as Koffman and the Company may agree in writing). Subject to the changes under the Third Extension Agreement, all other terms and conditions of the Loan Agreement, the Extension Agreement and the Second Extension Agreement remain the same.

UPDATE ON LEGAL PROCEEDINGS INVOLVING THE GROUP

In relation to the legal proceedings against Mr. Shum Yeung, BSHK is currently in the process of applying for summary judgment against Mr. Shum Yeung. The hearing has been fixed for 30 January 2013.

The Company will keep the shareholders of the Company and potential investors informed of any further material development in connection with the above legal proceedings by way of further announcement(s) as and when appropriate.

* *for identification purposes only*

DEVELOPMENT OF THE DISTRIBUTION BUSINESS IN RELATION TO EVIDENS DE BEAUTÉ PRODUCTS

EDS Distribution Limited, a wholly owned subsidiary of the Company, is currently the exclusive distributor for “Evidens de Beauté” products in Hong Kong. To promote and publicise “Evidens de Beauté” products and generate further income for the Group, the Group opened a spa of around 2,231 sq. ft. with the brand “Le Spa Evidens” in Causeway Bay on 5 October 2012.

The Group intends to expand the distribution business for “Evidens de Beauté” products to mainland China and Taiwan. The Group is planning to establish a subsidiary in each of mainland China and Taiwan for the purposes of registering and distributing “Evidens de Beauté” products in these territories. Such expansion plan is under negotiations with the brand owner of “Evidens de Beauté” products.

EXTENSION OF THE REPAYMENT DATE OF THE LOAN

Reference is made to the announcements dated 2 April 2012, 7 May 2012, 26 June 2012 and 26 September 2012 (the “**Loan Announcements**”) of China AU Group Holdings Limited (the “**Company**”). Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Loan Announcements.

The Board announces that on 26 October 2012, Koffman and the Company have entered into an extension agreement (the “**Third Extension Agreement**”) pursuant to which the repayment date of the Loan has been further extended from 26 October 2012 to 26 November 2012 (or such later date as Koffman and the Company may agree in writing). Subject to the changes under the Third Extension Agreement, all other terms and conditions of the Loan Agreement, the Extension Agreement and the Second Extension Agreement remain the same.

The Loan is being used as general working capital of the Group. The Board considers that the Third Extension Agreement is on normal commercial terms and in the interests of the Company and its shareholders as a whole.

UPDATE ON LEGAL PROCEEDINGS INVOLVING THE GROUP

Reference is made to 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% of the entire issued share capital of Vertical Signal Investments Limited and the loan owed to Mr. Shum Yeung 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 and the announcement of the Company dated 28 September 2012 in relation to, among other matters, the writ of summons issued in the High Court of Hong Kong by Blu Spa (Hong Kong) Limited (“**BSHK**”) against Mr. Shum Yeung.

BSHK is currently in the process of applying for summary judgment against Mr. Shum Yeung. The hearing has been fixed for 30 January 2013.

The Company will keep the shareholders of the Company and potential investors informed of any further material development in connection with the above legal proceedings by way of further announcement(s) as and when appropriate.

DEVELOPMENT OF THE DISTRIBUTION BUSINESS IN RELATION TO EVIDENS DE BEAUTÉ PRODUCTS

EDS Distribution Limited, a wholly owned subsidiary of the Company, is currently the exclusive distributor for “Evidens de Beauté” products in Hong Kong. To promote and publicise “Evidens de Beauté” products and generate further income for the Group, the Group opened a spa of around 2,231 sq. ft. with the brand “Le Spa Evidens” in Causeway Bay on 5 October 2012.

The Group intends to expand the distribution business for “Evidens de Beauté” products to mainland China and Taiwan. The Group is planning to establish a subsidiary in each of mainland China and Taiwan for the purposes of registering and distributing “Evidens de Beauté” products in these territories. Such expansion plan is under negotiations with the brand owner of “Evidens de Beauté” products.

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

Hong Kong, 26 October 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 on the Company’s website at www.bluspa.com.