

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)

UPDATE ON LEGAL PROCEEDINGS

This announcement is made pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).

Reference is made to the announcements (the “Announcements”) of China AU Group Holdings Limited (the “Company”) dated 28 September 2012, 26 October 2012 and 1 November 2012 in relation to, among other matters, the issuing of the writ (the “Writ”) of summons in the High Court of Hong Kong Special Administrative Region by Blu Spa (Hong Kong) Limited (“BSHK”) against Mr. Shum Yeung, and the subsequent execution of a deed of settlement (the “Deed”) dated 1 November 2012 by BSHK and Mr. Shum Yeung, for the settlement of legal proceeding under the Writ.

Pursuant to the terms of the Deed, Mr. Shum Yeung shall pay the following amounts by way of cashier’s order or solicitors’ cheque to BSHK on the following specified dates:

- (a) HK\$4,050,000.00 payable to BSHK on 13 November 2012;
- (b) HK\$1,597,808.20 payable to BSHK on 13 November 2012; and
- (c) HK\$36,450,000.00 payable to BSHK on 30 November 2012.

The board (the “Board”) of directors of the Company (the “Directors”) wishes to announce that, (1) as at the date hereof amounts totalling HK\$5,647,808.20 have been received by BSHK; and (2) BSHK agrees to further extend the above repayment date and Mr. Shum Yeung shall pay the following amounts by way of cashier’s order or solicitor’ cheque to BSHK on the following specified dates:

- (a) HK\$838,849.32, being the accrued interest from 1 December 2012 to 28 December 2012 (both days inclusive), shall be payable to BSHK on 28 December 2012;
- (b) HK\$90,000.00, being the legal costs in relation to the Deed, shall be payable to BSHK on 28 December 2012; and

* *For identification purpose only*

- (c) RMB29,571,885.00, equivalent to approximately HK\$36,450,000 (at the exchange rate of 0.8113 as quoted from The People's Bank of China as at 20 December 2012), being the outstanding principal, shall be payable to the receiving agent appointed by BSHK, namely Mr. Yu Shu Kuen, in the Mainland China on 28 December 2012.

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 and the Deed by way of further announcement(s) as and when appropriate.

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

Hong Kong, 21 December 2012

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Yu Shu Kuen, Mr. Wang Xiaofei (with Mr. Lee Chan Wah as alternate), Mr. Wang Shangzhong and Mr. Lee Chan Wah; one non-executive Director, namely Mr. Du Juanhong; 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.china-au-group.com.