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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)

COMPLETION OF PLACING OF NEW SHARES UNDER THE GENERAL MANDATE

Placing Agent

Orient Securities Limited

The Board is pleased to announce that all the conditions of the Placing have been fulfilled and the completion of the Placing took place on 5 August 2011. An aggregate of 110,000,000 Placing Shares, representing approximately 8.38% of the issued Shares as at the date of this announcement, have been successfully placed at a price of HK\$0.15 per Placing Share to not less than six Placees, who and (where a corporation) whose ultimate beneficial owner(s) are not connected persons of the Company and are independent from and not connected with the Company and/or its connected persons.

Reference is made to the announcement of the Company dated 28 July 2011 in relation to the Placing (the “**Announcement**”). Terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise stated.

COMPLETION OF THE PLACING

The Board is pleased to announce that all the conditions of the Placing have been fulfilled and the completion of the Placing took place on 5 August 2011. An aggregate of 110,000,000 Placing Shares, representing approximately 8.38% of the issued Shares as at the date of this announcement, have been successfully placed at a price of HK\$0.15 per Placing Share to not less than six Placees.

* For identification purpose only

To the best of the Company's knowledge, information and belief and having made all reasonable enquiries, the Placees and their ultimate beneficial owners (if any) are not connected persons of the Company and are independent from and not connected with the Company and/or its connected persons. None of the Placees and their respective associates will become a substantial Shareholder as a result of the Placing.

The net proceeds, after the deduction of the placing commission and other related expenses, of approximately HK\$16.0 million as disclosed in the Announcement, will be applied as general working capital and for future potential investments of the Company.

SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) immediately before completion of the Placing; and (ii) immediately after completion of the Placing is as follows:

Shareholders	Immediately before the completion of the Placing	Per cent.	Immediately after completion of the Placing	Per cent.
	(Shares)	(approximately)	(Shares)	(approximately)
Queensbury Global Limited (Note 1)	682,200	0.06%	682,200	0.05%
XO-Holdings Limited (Note 2)	11,065,787	0.92%	11,065,787	0.84%
Ms. Chan Choi Har, Ivy, ("Ms. Ivy Chan") (Note 2)	2,000,000	0.17%	2,000,000	0.15%
Mr. Gu Da Xin	16,180,000	1.35%	16,180,000	1.23%
Mr. Ji He Qun (Note 3)	5,370,000	0.45%	5,370,000	0.41%
Mr. Wang Xiao Fei	230,400,000	19.16%	230,400,000	17.56%
Public:				
– Placees	–	–	110,000,000	8.38%
– Other public Shareholders	936,502,013	77.89%	936,502,013	71.38%
Sub-total	936,502,013	77.89%	1,046,502,013	79.76%
Total	<u>1,202,200,000</u>	<u>100.00%</u>	<u>1,312,200,000</u>	<u>100.00%</u>

Notes:

- Queensbury Global Limited is owned as to 88.38% by Million Fortune Group Limited. Million Fortune Group Limited is owned as to 87% by Ms. Keung Wai Fun, Samantha, the chief executive officer of the Company.
- The issued share capital of XO-Holdings Limited is beneficially owned as to 65% by Ms. Ivy Chan, a Director.

3. 3,610,000 shares are owned by Mr. Ji He Qun, a Director and Chairman of the board of the Company and 1,760,000 shares are owned by Ms. Sun Guang Hong, the spouse of Mr. Ji He Qun.

By order of the Board
China AU Group Holdings Limited
Ivy Chan
Vice Chairman

Hong Kong, 5 August 2011

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Ji He Qun, Ms. Chan Choi Har, Ivy, Mr. Gu Da Xin and Mr. Wang Xiao Fei; two non-executive directors, namely Mr. Cheung Tsun Hin, Samson and Mr. Chan Shun Kuen, Eric; and three independent non-executive directors, namely Mr. Chan Sze Hon, Mr. Lam Wai Pong and Ms. Liu Jiang.