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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)

CHANGES OF DIRECTORS, CHAIRMAN OF THE BOARD AND COMPOSITION OF AUDIT COMMITTEE AND APPOINTMENT OF ALTERNATE DIRECTOR

The Board announces that (i) Ms. Zhao has resigned as an independent non-executive Director and a member of the audit committee; and (ii) Ms. Liu has resigned as a non-executive Director and the chairman of the Board. All of these resignations took effect on 5 March 2012.

The Board also announces that (i) Mr. Du has been appointed as a non-executive Director and the chairman of the Board; (ii) Mr. Tam has been appointed as an independent non-executive Director and a member of the audit committee; and (iii) Mr. Chu has been appointed as an independent non-executive Director and a member of the audit committee. All of these appointments took effect on 5 March 2012.

The Board further announces that Mr. Lee has been appointed as an alternate Director to Mr. Wang with effect from 5 March 2012.

* *For identification purpose only*

RESIGNATION OF DIRECTORS, CHAIRMAN OF THE BOARD AND MEMBER OF THE AUDIT COMMITTEE

The board (the “**Board**”) of directors (the “**Directors**”) of China AU Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that (i) Ms. Zhao Jing (“**Ms. Zhao**”) has resigned as an independent non-executive Director and a member of the audit committee due to other business commitments which require more of her dedication; and (ii) Ms. Liu Xin (“**Ms. Liu**”) has resigned as a non-executive Director and the chairman of the Board due to other business commitments which require more of her dedication. All of these resignations took effect on 5 March 2012.

Each of Ms. Zhao and Ms. Liu has confirmed that she has no disagreement with the Board and there is no matter relating to her resignation that needs to be brought to the attention of the shareholders of the Company (the “**Shareholders**”).

APPOINTMENT OF DIRECTORS, CHAIRMAN OF THE BOARD AND MEMBERS OF THE AUDIT COMMITTEE

The Board also announces that (i) Mr. Du Juan Hong (“**Mr. Du**”) has been appointed as a non-executive Director and the chairman of the Board; (ii) Mr. Tam B Ray, Billy (“**Mr. Tam**”) has been appointed as an independent non-executive Director and a member of the audit committee; and (iii) Mr. Chu Kin Wang, Peleus (“**Mr. Chu**”) has been appointed as an independent non-executive Director and a member of the audit committee. All of these appointments took effect on 5 March 2012.

BIOGRAPHY OF MR. DU

Mr. Du, aged 35, is currently the chairman of 上海里力電子有限公司 (Shanghai Lili Electronics Company Limited, being its unofficial English translation). He has over 10 years of experience in sales and marketing. Mr. Du obtained a bachelor degree in engineering from Xian Jiaotong University and a master degree in public administration from Fudan University.

Mr. Du has entered into a letter of appointment with the Company for a term of 2 years for his service as a non-executive Director. He will hold office until the forthcoming annual general meeting of the Company and will be eligible for re-election at that meeting and is thereafter subject to rotation requirements and re-election at least once every 3 years pursuant to the Code on Corporate Governance Practices of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the articles of association of the Company (the “**Articles**”). Mr. Du will receive a Director’s fee of HK\$120,000 per annum which is determined with reference to his duties and responsibilities with the Company, the Company’s performance and the prevailing market situation and such amount will be subject to review annually by the Board.

Save as disclosed above, Mr. Du does not hold other positions in the Group and any directorships or other major appointments in any other listed companies in Hong Kong or overseas in the past three years.

As at the date of this announcement, 106,580,000 shares, representing approximately 8.12% of the issued share capital of Company, are held by Hong Kong Wintek International Co., Limited which is wholly and beneficially owned by Mr. Du. By virtue of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”), Mr. Du is deemed to be interested in the shares of the Company held by Hong Kong Wintek International Co., Limited. Save as disclosed above, Mr. Du does not have and is not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO). He is not connected with any other Directors, senior management, substantial Shareholders or controlling Shareholders (as defined in the GEM Listing Rules).

There is no information relating to Mr. Du that is required to be disclosed pursuant to Rule 17.50(2) (h) to (v) of the GEM Listing Rules. Save as disclosed above, there is no other matter in relation to the appointment of Mr. Du that needs to be brought to the attention of the Shareholders.

BIOGRAPHY OF MR. TAM

Mr. Tam, aged 43, has been a practising solicitor in Hong Kong for over 15 years. He is currently a partner of Messrs. Ho & Tam. Mr. Tam is holding a Bachelor in Laws degree from the University of London, a bachelor degree in laws of the People’s Republic of China from Tsinghua University and a Master in Laws degree from The University of Hong Kong. He is independent non-executive directors of China Fortune Financial Group Limited (stock code: 290) since 2007, a company listed on the main board of the Stock Exchange, M Dream Inworld Limited (stock code: 8100) since 2010 and China Natural Investment Company Limited (stock code: 8250) since 2011, both of which are listed on GEM of the Stock Exchange. Mr. Tam is also non-executive directors of Larry Jewelry International Company Limited (stock code: 8351) since 2010, a company listed on GEM of the Stock Exchange and Milan Station Holdings Limited (stock code: 1150) since 2011, a company listed on the main board of the Stock Exchange.

Mr. Tam has entered into a letter of appointment with the Company for a term of 2 years for his service as an independent non-executive Director. He will hold office until the forthcoming annual general meeting of the Company and will be eligible for re-election at that meeting and is thereafter subject to rotation requirements and re-election at least once every 3 years pursuant to the Code on Corporate Governance Practices of the GEM Listing Rules and the Articles. Mr. Tam will receive a Director’s fee of HK\$120,000 per annum which is determined with reference to his duties and responsibilities with the Company, the Company’s performance and the prevailing market situation and such amount will be subject to review annually by the Board.

Save as disclosed above, Mr. Tam does not hold any other positions in the Group and any directorships or other major appointments in any other listed companies in Hong Kong or overseas in the past three years.

Mr. Tam does not have and is not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO. He is not connected with any other Directors, senior management, substantial Shareholders or controlling Shareholders (as defined in the GEM Listing Rules).

Mr. Tam had once served as a director and a part-time legal counsel to ITK Education Management Limited (known as Banton Limited at the time of its incorporation) (“ITK”), a company incorporated in Hong Kong with limited liability and which was principally engaged in the provision of education services, in which company Mr. Tam was also a shareholder but he had not participated in the daily operation and management of ITK. During Mr. Tam’s then directorship, ITK was put into creditors’ voluntary liquidation under and pursuant to a special resolution of its shareholders passed on 24 June 2005, with Mr. Tam being a major creditor. The reason for commencing creditors’ voluntary liquidation of ITK was that the then shareholders of ITK considered that the business of ITK was not promising. In addition, ITK had surrendered its office to the landlord before the expiry of the term of the relevant tenancy agreement. Although ITK had paid all the rent up to the date of surrender and the landlord had not raised any claim against ITK for the rent payable for the remaining term of the tenancy agreement upon forfeiture of the rental deposit, ITK was technically insolvent due to the contingency claim. Therefore, ITK was wound-up by way of creditors’ voluntary liquidation. The final meetings of the shareholders of ITK and those of the creditors of ITK (with Mr. Tam being one of them) were held on 23 June 2006. Subsequent to the conclusion of the meetings, the sole liquidator of ITK resigned, the liquidation of ITK was completed and ITK was eventually dissolved on 1 November 2006 pursuant to the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). The dissolution of ITK has not resulted in any liability or obligation imposed against him.

Save as disclosed above, there is no information relating to Mr. Tam that is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules and there is no other matter in relation to the appointment of Mr. Tam that needs to be brought to the attention of the Shareholders.

BIOGRAPHY OF MR. CHU

Mr. Chu, aged 47, has over 20 years of experience in corporate finance, auditing, accounting and taxation. He is an executive director of Chinese People Holdings Company Limited (stock code: 681) since 2008, a company listed on the main board of the Stock Exchange. He is also an independent non-executive directors of EYANG Holdings (Group) Co., Limited (stock code: 117), Huayu Expressway Group Limited (stock code: 1823), Flyke International Holdings Limited (stock code: 1998) and China Vehicle Components Technology Holdings Limited (stock code: 1269) since 2007, 2009, 2010 and 2011 respectively, all the companies are listed on the main board of the Stock Exchange. During the period from September 2005 to March 2007, Mr. Chu was an executive

director of Mastermind Capital Limited (stock code: 905), a company listed on the main board of the Stock Exchange, during the relevant period known as Haywood Investments Limited. From January 2008 to August 2010, he was an independent non-executive director of Sustainable Forest Holdings Limited (stock code: 723), a company listed on the main board of the Stock Exchange, during the relevant period known as Bright Prosperous Holdings Limited. He was also the company secretary of Hong Long Holdings Limited (stock code: 1383), a company listed on the main board of the Stock Exchange, responsible for corporate finance, financial reporting and compliance and company secretarial matters from 2007 to 2010. Mr. Chu graduated from the University of Hong Kong with a master degree in business administration. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Mr. Chu is also an associate member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Company Secretaries.

Mr. Chu has entered into a letter of appointment with the Company for a term of 2 years for his service as an independent non-executive Director. He will hold office until the forthcoming annual general meeting of the Company and will be eligible for re-election at that meeting and is thereafter subject to rotation requirements and re-election at least once every 3 years pursuant to the Code on Corporate Governance Practices of the GEM Listing Rules and the Articles. Mr. Chu will receive a Director's fee of HK\$120,000 per annum which is determined with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation and such amount will be subject to review annually by the Board.

Save as disclosed above, Mr. Chu does not hold any other positions in the Group and any directorships or other major appointments in any other listed companies in Hong Kong or overseas in the past three years.

Mr. Chu does not have and is not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO. He is not connected with any other Directors, senior management, substantial Shareholders or controlling Shareholders (as defined in the GEM Listing Rules).

There is no information relating to Mr. Chu that is required to be disclosed pursuant to Rule 17.50(2) (h) to (v) of the GEM Listing Rules. Save as disclosed above, there is no other matter in relation to the appointment of Mr. Chu that needs to be brought to the attention of the Shareholders.

The Board would like to express its warmest welcome to Mr. Du, Mr. Tam and Mr. Chu in joining the Company.

APPOINTMENT OF ALTERNATE DIRECTOR

The Board further announces that Mr. Lee Chan Wah (“**Mr. Lee**”) has been appointed as an alternate Director to Mr. Wang Xiao Fei (“**Mr. Wang**”), an executive Director, with effect from 5 March 2012.

Mr. Lee, aged 43, is presently the company secretary and the financial controller of the Company. He has over 20 years of experience in the field of auditing, accounting and finance. He holds a Bachelor of Business Administration degree from the Hong Kong Baptist University. He is a member of the Hong Kong Institute of Certified Public Accountants and a member of the Association of Chartered Certified Accountants. For the period from 10 November 2008 to 20 August 2009, he was an executive director of KH Investment Holdings Limited (stock code: 8172). For the period from 22 June 2009 to 1 November 2009, he was an executive director of Zhi Cheng Holdings Limited (stock code: 8130). Both companies are listed on GEM of the Stock Exchange. For the period from 10 March 2009 to 1 March 2010, he was an independent non-executive director of Dore Holdings Limited (stock code: 628), a company listed on the main board of the Stock Exchange.

There is no service contract between Mr. Lee and the Company for his appointment as an alternate Director to Mr. Wang and he is not appointed for a specific term. Pursuant to the Articles, the appointment of an alternate director shall cease if his appointment is revoked by his appointor, or if his appointor ceases for any reason to be a director. Mr. Lee is not entitled to receive any remuneration in his capacity as alternate Director to Mr. Wang.

Save as disclosed above, Mr. Lee does not hold any other positions in the Group and any directorships or other major appointments in any other listed companies in Hong Kong or overseas in the past three years.

Mr. Lee does not have and is not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO). He is not connected with any other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company (as defined in the GEM Listing Rules).

There is no information relating to Mr. Lee that is required to be disclosed pursuant to Rule 17.50(2) (h) to (v) of the GEM Listing Rules. Save as disclosed above, there is no other matter in relation to the appointment of Mr. Lee that needs to be brought to the attention of the Shareholders.

By order of the Board
China AU Group Holdings Limited
Du Juan Hong
Chairman

Hong Kong, 5 March 2012

As at the date of this announcement, the Board comprises five executive Directors, namely Ms. Chan Choi Har, Ivy, 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 four independent non-executive Directors, namely Mr. Leung Yiu Cho, Mr. Cheng Hai, 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 its publication and on the Company’s website at www.bluspa.com.