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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)

(I) APPOINTMENT OF EXECUTIVE DIRECTOR; (II) APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR; AND (III) CHANGE OF CHAIRMAN OF THE BOARD

APPOINTMENT OF EXECUTIVE DIRECTOR

The Board is pleased to announce that with effect from 16 August 2012, Mr. Lee Chan Wah has been appointed as an executive Director.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board is pleased to announce that with effect from 16 August 2012, Mr. Joseph Tse has been appointed as an independent non-executive Director and a member of each of the audit committee, the remuneration committee and the special investigation committee of the Company.

CHANGE OF CHAIRMAN OF THE BOARD

The Board further announces that Mr. Du Juan Hong has resigned as the chairman of the Board, but remains as a non-executive Director and Mr. Yu Shu Kuen has been appointed as the chairman of the Board in place of Mr. Du Juan Hong with effect from 16 August 2012.

APPOINTMENT OF EXECUTIVE DIRECTOR

The board (the “**Board**”) of directors (each, a “**Director**”) of China AU Group Holdings Limited (the “**Company**”, together with its subsidiaries, collectively, the “**Group**”) is pleased to announce that Mr. Lee Chan Wah (“**Mr. Lee**”) has been appointed as an executive Director with effect from 16 August 2012.

* *For identification purpose only*

BIOGRAPHY OF MR. LEE CHAN WAH

Mr. Lee, aged 44, is presently the company secretary, the financial controller of the Company, an alternate Director to Mr. Wang Xiao Fei, an executive Director and the authorised representative of the Company. He is also a director of four wholly-owned subsidiaries of the Company. He has 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 China Media and Films Holdings Limited (formerly known as 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 the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (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.

A letter of appointment has been entered into between Mr. Lee and the Company which is for a term of two years commencing on 16 August 2012. He will hold office until the forthcoming annual general meeting of the Company after his appointment and will be eligible for re-election at that meeting in accordance with the articles of association of the Company (the “**Articles**”) and the Corporate Governance Code and Corporate Governance Report (the “**CG Code and Report**”) as set out in Appendix 15 to the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”). Mr. Lee will not receive additional remuneration in respect of his directorship.

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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”). Mr. Lee is not connected with any other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the GEM Listing Rules) of the Company.

Saved as disclosed above, Mr. Lee does not hold (i) any other position in the Group; (ii) any other directorship in listed public companies in Hong Kong or overseas in the last three years; and (iii) other major appointments and professional qualifications.

Save as disclosed above, there are no other matters concerning Mr. Lee that need to be brought to the attention of the shareholders of the Company (the “**Shareholders**”) nor is there any information relating to Mr. Lee that is required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board is also pleased to announce that with effect from 16 August 2012, Mr. Joseph Tse (“**Mr. Tse**”) has been appointed as independent non-executive Director and a member of each of the audit committee, the remuneration committee and the special investigation committee of the Company.

BIOGRAPHY OF MR. JOSEPH TSE

Mr. Tse, aged 37, holds a Bachelor of Commerce-Accounting Degree from the University of New South Wales and a Master Degree in Financial Management from the University of London. Mr. Tse has extensive experience in finance and accounting. He has worked in several banks such as the Bank of East Asia Limited and The Hongkong and Shanghai Banking Corporation Limited.

A letter of appointment has been entered into between Mr. Tse and the Company which is for a term of two years commencing on 16 August 2012. He will hold office until the forthcoming first general meeting of the Company after his appointment and will be eligible for re-election at that meeting in accordance with the Articles and the CG Code and Report.

Mr. Tse is entitled to receive a director's fee of HK\$10,000 per month, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, prevailing market conditions and the market emoluments for directors of other listed companies.

Save as disclosed above, Mr. Tse does not hold (i) any other position in the Group; (ii) any other directorship in listed public companies in Hong Kong or overseas in the last three years; and (iii) other major appointments and professional qualifications.

Mr. Tse 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). Mr. Tse is not connected with any other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the GEM Listing Rules) of the Company.

Save as disclosed above, there are no other matters concerning Mr. Tse that need to be brought to the attention of the Shareholders nor is there any information relating to Mr. Tse that is required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules.

The Board would like to express its warmest welcome to Mr. Tse in joining the Company.

CHANGE OF CHAIRMAN OF THE BOARD

The Board announces that, with effect from 16 August 2012, Mr. Du Juan Hong (“**Mr. Du**”) has resigned as the chairman of the Board but remains as a non-executive Director due to other business commitments which require more of his dedication. Mr. Du has confirmed that he has no disagreements with the Board, nor are there any matters relating to his resignation as the chairman of the Board that need to be brought to the attention to the Shareholders or the Stock Exchange.

The Board wishes to take this opportunity to sincerely thank Mr. Du for his leadership during his tenure of service as the chairman of the Board.

The Board is pleased to announce that Mr. Yu Shu Kuen, an executive Director, has been appointed as the chairman of the Board in place of Mr. Du with effect from 16 August 2012. The biographical details and information relating to Rule 17.50(2) of the GEM Listing Rules of Mr. Yu were disclosed in the 2011 annual report of the Company and the circular of the Company dated 25 June 2012. Both were published on the website of the Stock Exchange on 22 June 2012.

By order of the Board
China AU Group Holdings Limited
Lee Chan Wah
Company Secretary

Hong Kong, 16 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. Joseph Tse.

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.