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)

RE-DESIGNATION OF EXECUTIVE DIRECTOR

The board (the "Board") of directors (the "Directors") of China Au Group Holdings Limited (the "Company") wishes to announce that Mr. Cheung Tsun Hin, Samson ("Mr. Cheung"), an executive Director, has been re-designated as a non-executive Director with immediate effect as he intends to spend more time on his personal studies. Mr. Cheung will remain as the chairman of the Company.

Mr. Cheung Tsun Hin, Samson, aged 31, obtained a Bachelor of Arts degree in Economics from the University of British Columbia, Canada. He also received a Diploma in Beauty Therapy from the City & Guilds of UK. He has over 7 years of experience in beauty care industry and is an expert in beauty care therapy and treatment practice and professional training. He was appointed as the chairman of the Company and an executive Director on 1 August 2008. He is a shareholder and director of the Company's franchisor, Garrick International Limited (formally known as Geneda Skin Care International Limited) (the "Franchisor"). He has also acquired extensive experience in corporate management and finance while serving the position of director of Garrick International Limited since 2000.

As at the date of this announcement, besides being the Company's chairman and an executive Director, Mr. Cheung is also the director of the Company's Hong Kong subsidiaries Blu Spa (Hong Kong) Limited and Star Beauty Group Holdings Limited and the Company's Republic of Cyprus subsidiary, Star Beauty Canada Inc. Save as disclosed above, Mr. Cheung has not held any position with the Company or its subsidiaries immediately before his re-designation and has not held any directorship in other publicly listed companies in the last three years.

Mr. Cheung is the son of Ms. Keung Wai Fun, Samantha ("Ms. Keung"), Chief Executive Officer of the Company. Ms. Keung is a controlling shareholder and director of the Franchisor and the controlling shareholder of Million Fortune Group Limited, a substantial shareholder of the Company. Other than the aforesaid, Mr. Cheung does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

* *For identification purpose only*

A service contract will be entered into between the Company and Mr. Cheung. Mr. Cheung has no fixed term of service with the Company and he will hold office until the next annual general meeting of the Company. He will be subject to retirement by rotation and re-election in accordance with the memorandum and articles of association of the Company. Mr. Cheung will be entitled to remuneration to be determined by the remuneration committee of the Company with reference to his duties and responsibilities in the Company and the market benchmark.

As at the date of this announcement, Mr. Cheung does not have any interests in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, the Board is not aware of any matter in relation to the re-designation of Mr. Cheung that are required to be disclosed pursuant to any of the requirements under Rule 17.50(2)(h) to (v) of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and any other matter that needs to be brought to the attention of the shareholders of the Company.

By order of the Board
China AU Group Holdings Limited
Cheung Tsun Hin, Samson
Chairman

Hong Kong, 24 December 2010

As at the date of this announcement, the Board comprises two executive Directors, namely Ms. Chan Choi Har, Ivy and Mr. Ji He Qun; and two non-executive Directors, namely, Mr. Chan Shun Kuen, Eric and Mr. Cheung Tsun Hin, Samson; and three independent non-executive Directors, namely Mr. Chan Sze Hon, Mr. Lam Wai Pong and Mr. Yeung Mario Bercasio.

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 appear and remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and the website of the Company at www.bluspa.com.