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## **BLU SPA HOLDINGS LIMITED**

**富麗花 • 譜控股有限公司\***

*(incorporated in the Cayman Islands with limited liability)*

### **MAJOR TRANSACTION:**

**PROPOSED OPEN OFFER TO QUALIFYING SHAREHOLDERS OF  
196,800,000 OFFER SHARES OF HK\$0.01 EACH ON THE BASIS OF  
12 OFFER SHARES FOR EVERY 25 EXISTING SHARES HELD AT  
A SUBSCRIPTION PRICE OF HK\$0.018 PER OFFER SHARE  
PAYABLE IN FULL UPON ACCEPTANCE**

**Financial adviser**



**First Shanghai Capital Limited**

**Underwriter**



**KINGSTON SECURITIES LIMITED**

### **PROPOSED OPEN OFFER**

The Company proposes to raise HK\$3.54 million, before expenses, by issuing 196,800,000 new Shares by way of the Open Offer to the Qualifying Shareholders at the Subscription Price of HK\$0.018 per Offer Share on the basis of 12 Offer Shares for every 25 Shares held on the Record Date. The Company will provisionally allot 12 Offer Shares for every 25 Shares held by the Qualifying Shareholders on the Record Date. The Open Offer is not available to the Excluded Shareholders.

Profit Trick and XO-Holdings have irrevocably undertaken to the Company to take up their entitlements under the Open Offer to the extent of 14,644,800 and 5,000,000 Offer Shares respectively. In addition, Profit Trick has irrevocably undertaken to the Company to apply for at least 31,000,000 Offer Shares under form of application for excess Offer Shares. Pursuant to the Underwriting Agreement, the balance of 146,155,200 Offer Shares have been fully underwritten by the Underwriter.

The Open Offer is conditional, among others, on the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Offer Shares on GEM.

\* For identification purpose only

**It should be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate its obligations on the occurrence of certain force majeure events. Please refer to the section headed “Termination of the Underwriting Agreement” below for further details.**

To qualify for the Open Offer, any transfer of Shares (together with the relevant share certificate(s)) must be lodged for registration with the Company’s branch registrar in Hong Kong, Secretaries Limited at 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong by no later than 4:00 p.m. (Hong Kong time) on Wednesday, 12th February, 2003 pursuant to the expected timetable.

The net proceeds of the Open Offer, after deduction of expenses, are estimated to be approximately HK\$3 million. The Company intends to apply approximately HK\$2 million for settlement of professional fees and purchase of raw materials and the remaining approximately HK\$1 million as the Group’s general working capital.

The Company is expected to despatch the Prospectus Documents to Qualifying Shareholders and the Prospectus to Excluded Shareholders (for information only) on Tuesday, 18th February, 2003.

The Open Offer constitutes a major transaction for the Company under the GEM Listing Rules. Each of XO-Holdings, East Point Resources, All Rich Pacific and Profit Trick, shareholders of the Company and who together are interested in an aggregate of approximately 61.3% of the existing total issued Shares, have given written approval to the Open Offer.

At the request of the Company, trading of the Shares on GEM has been suspended from 9:30 a.m. on Friday, 10th January, 2003 pending the publication of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on Wednesday, 29th January, 2003.

## **PROPOSED OPEN OFFER**

On 10th January, 2003, the Company entered into the Underwriting Agreement with the Underwriter in respect of the Open Offer and further details of the Open Offer are set out below:

### **Issue statistics**

Basis of the Open Offer:	12 Offer Shares for every 25 Shares held on the Record Date by the Qualifying Shareholders
Number of existing Shares in issue:	410,000,000 Shares as at the date of this announcement
Number of Offer Shares to be issued:	196,800,000 Offer Shares
Subscription price:	HK\$0.018 per Offer Share payable in full on application

## **Qualifying Shareholders**

The Company will send the Prospectus Documents to the Qualifying Shareholders only.

To qualify for the Open Offer, a Shareholder must:

1. be registered as a member of the Company on the Record Date; and
2. have an address in Hong Kong which appears on the register of members of the Company on the Record Date.

In order to be registered as a member of the Company on the Record Date, all transfer of Shares (together with the relevant share certificate(s)) must be lodged with the Company's branch registrar in Hong Kong, Secretaries Limited at 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong by no later than 4:00 p.m. (Hong Kong time) on Wednesday, 12th February, 2003 pursuant to the expected timetable.

The invitation to subscribe for the Offer Shares is not transferable or capable of renunciation and there will not be any trading arrangements in nil-paid entitlements to the Offer Shares on GEM.

### **Closure of register of members**

The register of members of the Company will be closed from Thursday, 13th February, 2003 to Monday 17th February, 2003, both dates inclusive. No transfer of Shares will be registered during this period.

## **TERMS OF THE OPEN OFFER**

### **Subscription Price for the Offer Shares**

The Subscription Price for the Offer Shares is HK\$0.018 per Offer Share payable in full upon acceptance of the provisional allotments and application for excess Offer Shares.

The Subscription Price represents: (i) a discount of approximately 28.0% to the closing price of HK\$0.025 per Share as quoted on the Stock Exchange on 9th January, 2003, being the last trading date prior to the date of the Underwriting Agreement; (ii) a discount of approximately 20.7% to the theoretical ex-entitlement price of approximately HK\$0.0227 per Share based on the closing price per Share as quoted on the Stock Exchange on 9th January, 2003; and (iii) a discount of approximately 29.1% to the average closing price of approximately HK\$0.0254 per Share for the ten trading days as quoted on the Stock Exchange up to and including 9th January, 2003.

The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter having regard to prevailing market conditions, the recent trading volume and price performance of the Shares and the Board considers such Subscription Price and the terms of the Open Offer to be fair and reasonable so far as the Shareholders are concerned.

### **Status of the Offer Shares**

The Offer Shares (when allotted and fully-paid) will rank pari passu with the existing Shares in all respects. Holders of fully-paid Offer Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid by reference to a record date falling after the date of allotment of the Offer Shares.

## **Rights of Excluded Shareholders**

The Prospectus Documents in relation to the Open Offer will not be registered under the applicable securities or equivalent legislation of any jurisdictions other than Hong Kong. Accordingly, no provisional allotment of Offer Shares or any allotment of the Offer Shares will be made to the Excluded Shareholders. The Company will send the Prospectus to the Excluded Shareholders for their information only and will not send provisional allotment letters and forms of application for excess Offer Shares to the Excluded Shareholders.

## **Fractions of Offer Shares and Offer Shares of Excluded Shareholders**

Fractions of the Offer Shares in the nil-paid form will not be allotted. The Offer Shares arising from the aggregation of fractional entitlements (if any), and the Offer Shares which would otherwise be provisionally allotted to the Excluded Shareholders, will be available for application under form of application for excess Offer Shares.

## **Application for listing**

The Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares on GEM.

Dealings in the Offer Shares on GEM will be subject to the payment of the applicable stamp duty, Stock Exchange trading fee, Securities and Futures Commission transaction levy or any other applicable fees and charges in Hong Kong.

## **Application for excess Offer Shares**

Under the Open Offer, Qualifying Shareholders are entitled to apply for Offer Shares which are in excess of their entitlements. Qualifying Shareholders are entitled to apply for any unallotted entitlements of the Excluded Shareholders, unallotted fractional entitlements of Offer Shares and any nil-paid Offer Shares provisionally allotted but not accepted, by completing the form of application for excess Offer Shares (which will accompany the Prospectus) and attaching the appropriate payment.

Allotment of excess Offer Shares will be made by the Company on a fair and reasonable basis. Preference will be given to applications for less than a board lot of Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings.

## **Share certificates and refund cheques**

Subject to the fulfilment of the conditions of the Open Offer, certificates for all fully-paid Offer Shares and refund cheques in respect of unsuccessful excess applications are expected to be posted on or before Wednesday, 12th March, 2003 to those who have accepted/applied and paid for the Offer Shares at their own risk.

## **UNDERWRITING ARRANGEMENTS**

### **Undertakings from Profit Trick and XO-Holdings**

As at the date of this announcement, Profit Trick and XO-Holdings are beneficially interested in 30,510,000 and 105,657,870 Shares respectively, representing approximately 7.44% and 25.77% respectively of the issued share capital of the Company.

Profit Trick has irrevocably undertaken to the Company to accept or procure acceptance of all of its entitlement to the Offer Shares which will be provisionally allotted to it under the Open Offer, amounting to 14,644,800 Offer Shares. In addition, Profit Trick has irrevocably undertaken to the Company to apply for at least 31,000,000 Offer Shares under form of application for excess Offer Shares.

XO-Holdings shall be entitled to subscribe for 50,715,777 Offer Shares under the Open Offer. XO-Holdings has irrevocably undertaken to the Company to accept or procure acceptance of its entitlement to the Offer Shares which will be provisionally allotted to it under the Open Offer, to the extent of 5,000,000 Offer Shares.

As at the date of this announcement, the Company has not been advised by East Point Resources and All Rich Pacific of their intentions regarding their entitlements to the Offer Shares which will be provisionally allotted to them under the Open Offer.

### **Underwriting Agreement**

Date:	10th January, 2003
Underwriter:	Kingston Securities Limited, an independent third party not connected with the directors, chief executive, substantial shareholders or management shareholders of the Company or any of their respective associates
Number of Offer Shares underwritten:	146,155,200 Offer Shares (excluding the Offer Shares to be issued to and taken up by Profit Trick and XO-Holdings)
Commission:	1.5% of the total subscription price of the Offer Shares agreed to be underwritten by the Underwriter

### **Termination of the Underwriting Agreement**

**The Underwriter reserves the right to terminate the arrangements set out in the Underwriting Agreement which shall be exercisable by notice in writing given by the Underwriter to the Company at any time prior to 4:00 p.m. (Hong Kong time) on the third Business Day after the date on which the latest time for acceptance of the Offer Shares falls (that date is currently expected to be Tuesday, 11th March, 2003), if:**

- 1. there develops, occurs or comes into force:**
  - a. any new law or government regulation or other occurrence of any nature whatsoever which in the reasonable opinion of the Underwriter materially and adversely affects or will materially and adversely affect the business of the Group or any part thereof or which will materially and adversely affect the Open Offer; or**
  - b. any event or change (whether or not permanent and whether or not forming part of a series of events or changes occurring or continuing before, on and/or after the date of the Underwriting Agreement) in local, national, international, financial, political, military, economic or stock market conditions which in the reasonable opinion of the Underwriter will materially and adversely affect the Open Offer or makes it inadvisable or inexpedient to proceed therewith; or**

- c. **suspension of trading in Shares on the Stock Exchange for 14 consecutive days before the third Business Day after the date on which the latest time for acceptance of the Offer Shares falls.**
2. **there comes to the notice of the Underwriter any breach of any of the representations and warranties contained in the Underwriting Agreement in any material respect or there has been a material breach of any other provision of the Underwriting Agreement which the Underwriter reasonably determines is likely to have a materially prejudicial effect on the Open Offer;**
3. **the Company commits any breach of or omits to observe any of the material obligations or undertakings expressed to be assumed by it under the Underwriting Agreement;**
4. **there are any litigation or arbitration proceedings (whether or not occurring or continuing before, and/or after the date of the Underwriting Agreement) involving any company in the Group and/or any Director which, in the reasonable opinion of the Underwriter, is of a material and adverse nature in the context of the Group as a whole and which might be adverse to the success of the Open Offer;**

**then and in any such case the Underwriter reserves the right to terminate the arrangements set out in the Underwriting Agreement by notice in writing to the Company and thereupon all obligations of the Underwriter thereunder will cease and determine and no party will have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement save in respect of any antecedent breach of any obligation under the Underwriting Agreement and liabilities under representations, warranties and undertakings and liabilities incurred and/or accrued prior to the termination of the Underwriting Agreement.**

**If the Underwriter exercises such right and terminates the Underwriting Agreement, the Open Offer will not proceed.**

## **CONDITIONS OF THE OPEN OFFER**

The Underwriting Agreement is conditional upon the fulfilment of the following conditions:

1. the signing by or on behalf of the Directors of six copies of the Prospectus Documents prior to the date of despatch;
2. the delivery of one such copy of the Prospectus Documents each to the Underwriter and the Stock Exchange prior to the date of despatch;
3. the registration of one such copy of the Prospectus Documents (and all documents required to be attached thereto) by the Registrar of Companies in Hong Kong prior to the date of despatch in compliance with the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
4. the posting of the Prospectus Documents to Qualifying Shareholders (other than the Excluded Shareholders); and
5. the GEM Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment and/or despatch of Offer Share certificates) listing of and permission to deal in the Offer Shares on or before the date on which the latest time for acceptance of the Offer Shares falls, and so that in the event of any of all the said conditions not being fulfilled on or before the respective

dates aforesaid (or such later date or dates as the Company and the Underwriter may agree), all liabilities of the parties hereunder will cease and determine and no party will have any claim against the others save for any antecedent breach and save that the Company will pay to the Underwriter the expenses referred to in the Underwriting Agreement.

If the Underwriting Agreement does not become unconditional, the Open Offer will not proceed.

## **REASONS OF THE OPEN OFFER AND USE OF PROCEEDS**

The Group is a developer, promoter and distributor of a broad range of botanical personal care products, treatments and services. The Group aims to pioneer a holistic lifestyle approach to beauty and relaxation by offering its products and spa treatments and services for consumers.

The net proceeds from the initial public offering of the Shares in February 2002 was approximately HK\$17.5 million and had been utilised by the Group as follows:

- approximately HK\$4.9 million for payment to existing creditors and of accrued rental expenses due to a related company;
- approximately HK\$2.7 million for advertising and promotion, enhancement of logistics facilities and human resources;
- approximately HK\$0.5 million for research and development and product launch;
- approximately HK\$2.8 million for purchase of raw materials and packaging materials;
- approximately HK\$0.6 million for market development;
- approximately HK\$1.2 million for payment for acquisition of assets from B.S. International Inc.; and
- approximately HK\$4.8 million for general working capital.

The Directors consider that the Open Offer provides a good opportunity for the Group to raise funds to improve its financial position. As the Open Offer allows Qualifying Shareholders to maintain their respective pro rata shareholdings in the Company and participate in the future growth and development of the Company, the Directors consider that it is in the interests of the Company and the Shareholders as a whole, to raise capital through the Open Offer.

The net proceeds of the Open Offer, after deduction of expenses, are estimated to be approximately HK\$3 million. The Company intends to apply approximately HK\$2 million for settlement of audit fee, legal fee, consultancy fee and printing charges and purchase of raw materials and the remaining approximately HK\$1 million as the Group's general working capital.

## **ADJUSTMENT IN RELATION TO THE OPTIONS**

The Open Offer may lead to adjustment(s) to the exercise price and/or the number of Shares to be issued upon exercises of the Options in accordance with their respective terms. Further announcements of the appropriate adjustments, if any, and the dates on which they are to take effect will be made in due course.

## WARNING OF THE RISKS OF DEALINGS IN SHARES AND OFFER SHARES

Existing Shares will be dealt with on an ex-entitlement basis from 11th February, 2003. If the Underwriter terminates the Underwriting Agreement, or the conditions of the Underwriting Agreement are not fulfilled, the Open Offer will not proceed. Any person dealing in the Shares on an ex-entitlement basis will accordingly bear the risk that the Underwriting Agreement may not become unconditional and the Open Offer may not proceed.

Any Shareholder or other person contemplating selling or purchasing Shares during the period from 11th February, 2003 and the date on which the Underwriting Agreement becomes unconditional who is in any doubt about his/her position is recommended to consult his/her own professional advisers.

Shareholders and interested public are reminded to exercise caution when dealing in the Shares.

## CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE OPEN OFFER

The following table sets out the changes in the shareholding structure of the Company arising from the Open Offer:

	Existing number of Shares	Existing percentage shareholding	Number of Shares after the Open Offer (Note 1)	Percentage shareholding after the Open Offer	Number of Shares after the Open Offer (Note 2)	Percentage shareholding after the Open Offer
XO-Holdings	105,657,870	25.77%	156,373,647	25.77%	110,657,870	18.24%
East Point Resources	84,099,330	20.51%	124,467,008	20.51%	84,099,330	13.86%
All Rich Pacific	30,977,800	7.56%	45,847,144	7.56%	30,977,800	5.10%
Profit Trick	30,510,000	7.44%	45,154,801	7.44%	76,154,800	12.55%
Underwriter/ sub-underwriter	–	–	–	–	146,155,200	24.09%
Public	158,755,000	38.72%	234,957,400	38.72%	158,755,000	26.16%
Total	<u>410,000,000</u>	<u>100.00%</u>	<u>606,800,000</u>	<u>100.00%</u>	<u>606,800,000</u>	<u>100.00%</u>

Note 1: Assuming the existing Shareholders have taken up their provisional allotments of the Offer Shares in full.

Note 2: Assuming (i) Profit Trick and XO-Holdings have taken up their provisional allotments to the extent of 14,644,800 and 5,000,000 Offer Shares respectively in accordance with the undertakings given by them, (ii) other existing Shareholders have not taken up any provisional allotments of the Offer Shares, (iii) Profit Trick has applied for 31,000,000 excess Offer Shares under form of application for excess Offer Shares in accordance with the undertaking given by it and (iv) the remaining untaken Offer Shares are taken up by the Underwriter.

The Directors have been advised by the Underwriter that it has entered into a sub-underwriting arrangement in respect of 146,155,200 Offer Shares with Rocket High Investments Limited. Rocket High Investments Limited is a company incorporated in the British Virgin Islands engaging in securities investments and is wholly-owned by Mr. David Chiu, the Deputy Chairman and CEO of Far East Consortium International Limited, a company listed on the Main Board of the Stock Exchange. Mr. David Chiu is an independent third party not connected with the directors, chief executive, substantial shareholders or management shareholders of the Company or any of their respective associates. The Directors have been advised that

should Mr. David Chiu take up Offer Shares under the sub-underwriting arrangement, he intends to hold them for investment purposes.

## **EXPECTED TIMETABLE**

The expected timetable for the Open Offer is set out below:

2003

Last day of dealings in the Shares on a cum-entitlement basis .....	Monday, 10th February
First day of dealings in the Shares on an ex-entitlement basis .....	Tuesday, 11th February
Latest time for lodging transfers of Shares to qualify for the Open Offer .....	4:00 p.m. on Wednesday, 12th February
Register of members closed (both dates inclusive).....	Thursday, 13th February to Monday, 17th February
Record Date .....	Monday, 17th February
Despatch of the Prospectus Documents .....	Tuesday, 18th February
Register of members re-opens .....	Wednesday, 19th February
Latest time for acceptance of/application for, and payment for, Offer Shares.....	4.00 p.m. on Thursday, 6th March
Open Offer expected to become unconditional on or before .....	4:00 p.m. on Tuesday, 11th March
Announcement of results of the Open Offer on or before .....	Wednesday, 12th March
Certificates for fully-paid Offer Shares and refund cheques in respect of unsuccessful excess applications expected to be despatched on or before.....	Wednesday, 12th March

*Note:* All times refer to Hong Kong local time in this announcement.

## **GENERAL**

The Open Offer constitutes a major transaction for the Company under the GEM Listing Rules. Each of XO-Holdings, East Point Resources, All Rich Pacific and Profit Trick, shareholders of the Company and who together are interested in an aggregate of approximately 61.3% of the existing total issued Shares, have given written approval to the Open Offer. XO-Holdings, East Point Resources, All Rich Pacific and Profit Trick are initial management shareholders of the Company and are parties acting in concert.

At the request of the Company, trading of the Shares on GEM has been suspended from 9:30 a.m. on Friday, 10th January, 2003 pending the publication of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 29th January, 2003.

## DEFINITIONS

“All Rich Pacific”	All Rich Pacific Limited, a company incorporated in the British Virgin Islands and beneficially owned as to 50% by Ms. Chan Choi Har, Ivy, an executive Director, and as to 50% by Ms. Chan Yuen Ling, Vivian, a cousin of Ms. Chan Choi Har, Ivy
“associate”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of directors of the Company
“Business Day”	a day on which banks in Hong Kong are generally open for business (other than a Saturday and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. (Hong Kong time) and 12:00 noon (Hong Kong time) and is not lowered at or before 12:00 noon (Hong Kong time) or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. (Hong Kong time) and 12:00 noon (Hong Kong time) and is not discontinued at or before 12:00 noon (Hong Kong time))
“Company”	Blu Spa Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on GEM
“Director(s)”	Director(s) of the Company
“East Point Resources”	East Point Resources Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is held by Well Arts Enterprises Limited in its capacity as trustee of the Eastpoint Trust, a discretionary trust, the beneficiaries of which include certain family members of Ms. Rajewski Natalie, N., the chairman of the Company
“Excluded Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date and whose addresses as shown on such register are outside Hong Kong
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed thereto in the GEM Listing Rules
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Offer Share(s)”	196,800,000 new Share(s) to be issued and allotted under the Open Offer
“Open Offer”	the proposed Offer of 12 Offer Shares at HK\$0.018 each for every 25 Shares held by the Qualifying Shareholders on the Record Date
“Options”	options granted under the Pre-IPO Share Option Scheme and the Share Option Scheme

“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme of the Company adopted on 30th January, 2002
“Profit Trick”	Profit Trick Holdings Limited, a company incorporated in the British Virgin Islands and beneficially owned as to 100% by Ms. Wai Suk Chong, Helena, a non-executive Director
“Prospectus”	a prospectus containing details of, among other things, the Open Offer
“Prospectus Documents”	the Prospectus, the provisional allotment letter and the form of application for excess Offer Shares in relation to the Open Offer
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date, other than the Excluded Shareholders
“Record Date”	17th February, 2003 or such other date as the Underwriter may agree in writing with the Company for the determination of the entitlements under the Open Offer
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted on 30th January, 2002
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	subscription price for the Offer Shares, being HK\$0.018 per Offer Share
“Underwriter”	Kingston Securities Limited
“Underwriting Agreement”	the underwriting agreement dated 10th January, 2003 entered into between the Company and the Underwriter in relation to the underwriting and certain other arrangements in respect of the Open Offer
“XO-Holdings”	XO-Holdings Limited, a company incorporated in the British Virgin Islands which is beneficially owned as to 65% by Ms. Chan Choi Har, Ivy, an executive Director, and as to 35% by Ms. Heung See Wai, Angela
“HK\$”	Hong Kong dollars

By order of the Board  
**Blu Spa Holdings Limited**  
**Chan Choi Har, Ivy**  
*Director*

Hong Kong, 28th January, 2003

*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:*

- (1) the information contained in this announcement is accurate and complete in all material respects and not misleading;*
- (2) there are no other matters the omission of which would make any statement in this announcement misleading; and*
- (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*This announcement will appear and remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the date of its posting.*