THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in Blu Spa Holdings Limited, you should at once hand this circular, together with the form of proxy, to the purchaser or the transferee or to the bank or stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

BLU SPA HOLDINGS LIMITED
富麗花•譜控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8176)

GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES RE-ELECTION OF DIRECTORS NOTICE OF ANNUAL GENERAL MEETING

The notice convening the annual general meeting of the Company to be held at the Dynasty Club, 7th Floor, Board Room, South West Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 17 December 2008 at 9:00 a.m. is set out on pages 13 to 17 of this circular.

Whether or not you intend to be present at the Annual General Meeting, you are requested to complete the form of proxy accompanying this circular and return it to the Company's Branch Share Registrar in Hong Kong, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the Annual General Meeting or any adjournment thereof. The completion of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person.

This circular, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (1) the information contained in this circular 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 circular misleading; and (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This circular will remain on the "Latest Company Announcements" page of the GEM website (http://www.hkgem.com) for at least 7 days from the date of its posting.

20 November 2008

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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In this circular, unless the context otherwise requires, the following expressions have the following meanings:

"Annual General Meeting"	the annual general meeting of the Company to be held at the Dynasty Club, 7th Floor, Board Room, South West Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 17 December 2008 at 9:00 a.m.
"Articles of Association"	the articles of association of the Company as may be amended from time to time
"Board"	the board of Directors of the Company
"Company"	Blu Spa Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM
"Director(s)"	director(s) of the Company
"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Latest Practicable Date"	14 November 2008, being the latest practicable date of ascertaining certain information in this circular prior to its publication
"Memorandum of Association"	the memorandum of association of the Company as may be amended from time to time
"Notice"	the notice to convene the Annual General Meeting dated 20 November 2008
"Repurchase Mandate"	the general mandate to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the resolution approving the Repurchase Mandate
"Repurchases Code"	Hong Kong Code on Share Repurchases

"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Cap. 571) of the laws of Hong Kong
"Share Issue Mandate"	the general mandate to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the resolution approving the Share Issue Mandate
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	Hong Kong Code on Takeovers and Mergers
"HK$" and "HK cent(s)"	Hong Kong dollars and cent(s) respectively, the lawful currency of Hong Kong
"%"	per cent.

BLU SPA HOLDINGS LIMITED
富麗花•譜控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8176)

Executive Directors:
Mr. Cheung Tsun Hin, Samson *(Chairman)*
Ms. Chan Choi Har, Ivy *(Vice Chairman)*

Non-executive Director:
Mr. Chan Shun Kuen, Eric

Independent Non-executive Directors:
Mr. Chan Sze Hon
Mr. Lam Wai Pong
Mr. Yeung Mario Bercasio

Registered Office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head Office and Principal Place of Business:
Room 2303, 23/F.
World-Wide House
19 Des Voeux Road Central
Central
Hong Kong

20 November 2008

To the shareholders of the Company

Dear Sir or Madam,

GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES RE-ELECTION OF DIRECTORS NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purposes of this circular are to provide you with the information with regard to the proposed resolutions at the Annual General Meeting of the Company to be held at the Dynasty Club, 7th Floor, Board Room, South West Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 17 December 2008 at 9:00 a.m. relating to the granting to the Directors the general mandates to allot, issue and deal with new Shares of the Company, to repurchase Shares of the Company, to extend the general mandates to allot, issue and deal with the new Shares of the Company and to re-elect the retiring Directors.

GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES

At the annual general meeting of the Company held on Friday, 30 November 2007, the general mandates were granted to the Directors authorising them, inter alia, (a) to exercise the powers of the Company to allot and issue Shares not exceeding 20% of the issued share capital as at 30 November 2007; (b) to repurchase Shares not exceeding 10% of the issued share capital as at 30 November 2007; and (c) to extend the general mandate to issue Shares by the number of Shares purchased under the repurchase mandate mentioned in (b) above. Such general mandates will expire at the conclusion of the Annual General Meeting. The ordinary resolutions will be proposed at the Annual General Meeting to grant to the Directors a general mandate authorising them, inter alia, (a) to exercise the powers of the Company to allot and issue Shares not exceeding 20% of the issued share capital as at the date of the passing of such resolution ("Share Issue Mandate"); (b) to repurchase Shares not exceeding 10% of the issued share capital as at the date of the passing of such resolution ("Repurchase Mandate"); and (c) to extend the general mandate to issue Shares by the number of Shares purchased under the Repurchase Mandate. The Share Issue Mandate and Repurchase Mandate will expire at the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held; and (iii) the revocation, variation or renewal of the Share Issue Mandate and Repurchase Mandate by ordinary resolution of the Shareholders in general meeting.

Assuming that no further Shares are issued or repurchased after 14 November 2008, being the Latest Practicable Date, and before the date of the Annual General Meeting, there will be 393,680,000 Shares in issue, and exercise in full of the Share Issue Mandate will result in a maximum of 78,736,000 Shares being issued by the Company under the Share Issue Mandate, representing 20% of the existing issued share capital of the Company.

The Directors believe that it is in the interests of the Company and the Shareholders as a whole if the Share Issue Mandate and Repurchase Mandate are granted at the Annual General Meeting. The Repurchase Mandate provides Directors with flexibility make such repurchase as and when appropriate. However, the Directors currently have no intention to repurchase any Shares.

RE-ELECTION OF THE RETIRING DIRECTORS

As at the Latest Practicable Date, the executive Directors of the Company are Mr. Cheung Tsun Hin, Samson and Ms. Chan Choi Har, Ivy, the non-executive Directors of the Company is Mr. Chan Shun Kuen, Eric and the independent non-executive Directors of the Company are Mr. Chan Sze Hon, Mr. Lam Wai Pong and Mr. Yeung Mario Bercasio.

Pursuant to Articles 86 and 87 of the Articles of Association, Ms. Chan Choi Har, Ivy and Mr. Chan Shun Kuen, Eric will be retiring from their office at the Annual General Meeting and being eligible for re-election. Detail of the Directors proposed to be re-elected at the Annual General Meeting are set out in the Appendix II to this circular.

EXPLANATORY STATEMENT

An explanatory statement containing all relevant information relating to the Repurchase Mandate is set out in the Appendix I to this circular. The information in the explanatory statement is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote or against the Resolution No. 4(2) to grant to the Directors the Repurchase Mandate at the Annual General Meeting.

ANNUAL GENERAL MEETING

At the Annual General Meeting, the ordinary resolutions will be proposed to approve the Share Issue Mandate, the Repurchase Mandate, the extension of the Share Issue Mandate and the re-election of the retiring Directors. The notice of the Annual General Meeting is set out on page 13 to 17 of this circular.

ACTION TO BE TAKEN

A form of proxy for the Annual General Meeting is enclosed in this circular. Whether or not you intend to be present at the Annual General Meeting, you are requested to complete the form of proxy and return it to the Company's Branch Share Registrar in Hong Kong, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the Annual General Meeting or any adjournment thereof. The completion of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person.

PROCEDURES FOR DEMANDING A POLL AT THE ANNUAL GENERAL MEETING

Pursuant to Article 66 of the Articles of Association, at any general meeting, a resolution put to the vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:–

(i) by the chairman of the meeting; or

(ii) by at least three members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy for the time being entitled to vote at the meeting; or

(iii) by a member or members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or

(iv) by a member or members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

A demand by a person as proxy for a member or in the case of a member being a corporation by its duly authorized representative shall be deemed to be the same as a demand by a member.

RECOMMENDATION

The Directors believe that (i) the grant of the Share Issue Mandate to the Directors; (ii) the grant of the Repurchase Mandate to the Directors; (iii) the grant of the extension of the Share Issue Mandate; and (iv) the re-election of the retiring Directors are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all the Shareholders should vote in favour of all the relevant resolutions to be proposed at the Annual General Meeting as set out in the Notice containing in this circular.

Yours faithfully
By order of the Board
Blu Spa Holdings Limited
Cheung Tsun Hin, Samson
Chairman

The following is an explanatory statement required to be sent to all the Shareholders under the GEM Listing Rules in connection with a resolution to be proposed at the Annual General Meeting approving the Repurchase Mandate.

This explanatory statement contains all the information required under Rules 13.08 and 13.09 of the GEM Listing Rules which are set out as follows:

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued capital of the Company comprised 393,680,000 ordinary shares of HK$0.10 each.

If the Resolution No. 4(2) authorising the Directors to repurchase its own Shares is passed at the Annual General Meeting, and assuming that no new Shares in the Company are issued prior to the date of passing the said resolution, based on the 393,680,000 Shares in issue as at the Latest Practicable Date, up to 39,368,000 Shares, representing 10 per cent. of the existing issued share capital of the Company may be repurchased by the Company, during the period from the date of passing the Resolution No. 4(2) and ending on the earliest of the date of the next Annual General Meeting, the date by which the next annual general meeting of the Company is required to be held by the Articles of Association or applicable laws of the Cayman Islands and the date upon which the Resolution No. 4(2) is revoked or varied by shareholders in general meeting.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its shareholders for the Directors to have a general authority from its shareholders to enable the Company to repurchase Shares in the market at any appropriate time. Such repurchase may, depending on market conditions and funding arrangements at that time, lead to enhancement of the net asset value of the Company and/or its earnings per share and will only be made when the Directors believe that such repurchase will benefit the Company and its shareholders.

3. FUNDING OF REPURCHASES

The Company may not repurchase its Shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the GEM Listing Rules from time to time. Repurchases must be made out of funds legally available for the purpose in accordance with the Memorandum of Association and Articles of Association of the Company and the applicable laws of the Cayman Islands and Hong Kong and the GEM Listing Rules. The Companies laws of the Cayman Islands (the "Laws") provide that a share repurchase by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose or, if so authorized by the Articles of Association and subject to the provisions of the Laws, out of capital. Any premium payable on a repurchase over the par value of the Shares repurchased or conditionally or unconditionally to be purchased must be provided for out of profits of the Company or out of the Company's share premium account or if so authorised by the Articles of Association and subject to the provisions of the laws, out of capital.

4. IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position as disclosed in the most recent published audited financial statements for the year ended 30 June 2008 and taking into account the current working capital position of the Company) in the event that the proposed repurchase of Shares was to be carried out in full at any time during the proposed repurchase period. However, the Directors expect to exercise such mandate if and to such extent only as they are satisfied that the exercise thereof will not have such a material adverse impact.

5. SHARE PRICES

The highest and lowest prices at which the Shares were traded on GEM in each of the previous twelve months before the Latest Practicable Date were as follows:

Traded Price	**Highest**	**Lowest**
	HK$	*HK$*
2007		
November	Suspended	Suspended
December	Suspended	Suspended
2008		
January	Suspended	Suspended
February	Suspended	Suspended
March	Suspended	Suspended
April	Suspended	Suspended
May	Suspended	Suspended
June	Suspended	Suspended
July	1.28	0.51
August	0.86	0.50
September	0.45	0.30
October	0.40	0.25
November (up to the Latest Practicable Date)	0.26	0.26

Trading in the Shares of the Company was suspended since 27 May 2003 but was resumed on 23 July 2008.

6. GENERAL

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Memorandum of Association and Articles of Association of the Company, the GEM Listing Rules and the applicable laws of the Cayman Islands.

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, any of their respective associates have any present intention to sell any Shares to the Company under the Repurchase Mandate if such is approved by the Shareholders.

As at the Latest Practicable Date, no connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

The Directors have no intention to exercise the Repurchase Mandate to an extent as may result in a public shareholding of less than such prescribed minimum percentage as required under the GEM Listing Rules.

7. HONG KONG CODE ON TAKEOVERS AND MERGERS

If, as the result of the repurchase of the Company's Shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a shareholder, or a group of shareholders acting in concert, could, depending on the level of increase of shareholding interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchase pursuant to the Repurchase Mandate.

As at the Latest Practicable Date, the register of substantial shareholders required to be maintained under Section 336 of the SFO showed that, the following shareholders had an interest of 5% or more in the issued share capital of the Company:

Substantial shareholders

Name	Number of Shares	Percentage to issued share capital of the Company	Percentage to share capital on full exercise of Repurchase Mandate
Queensbury Global Limited	250,682,200	63.68%	70.75%

Note: Queensbury Global Limited is owned as to 88.38% by Million Fortune Group Limited and 11.62% by Regalia Global Limited. Million Fortune Group Limited is owned as to 87% by Ms. Samantha Keung and 13% by Ms. Manning Song Feng. Regalia Global Limited is beneficially owned as to 100% by Ms. Manning Song Feng.

Save as disclosed above, the Company has not been notified of any other interests representing 5% or more or any short positions in the issued share capital of the Company as at the Latest Practicable Date.

In the event that the Directors shall exercise in full the power to repurchase Shares of the Company in accordance with the terms of the Resolution No. 4(2) to be proposed at the Annual General Meeting, the total interests of the above substantial shareholders would be increased to approximately the respective percentages shown in the last column above, which will not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. In fact, the Directors do not have the intention to exercise the power to repurchase Shares of the Company to an extent which would make any of the substantial shareholders to be obliged to make a mandatory offer under Rule 26 of the Takeovers Code in this respect.

8. SHARE REPURCHASE MADE BY THE COMPANY

No purchase of Shares have been made by the Company in the previous six months immediately preceding the Latest Practicable Date, whether on the Stock Exchange or otherwise.

The details of the Directors proposed to be re-elected at the Annual General Meeting are set out below:

Ms. Chan Choi Har, Ivy ("Ms. Ivy Chan"), aged 57, one of the founders of the Group and Vice Chairman and executive Director of the Company, is responsible for market development, general administration and financing of the Group. She has over 20 years of experience in real estate development and related investments including hotel projects in the PRC and residential development in Macau. She also has experience in and has been responsible for take-over, initial public offering, equity financing and public listing of several public listed companies in Hong Kong and Toronto. Save as disclosed above, she has not held any other directorship in any public listed companies in the last three years or any other positions with the Company or other members of the Group.

The Company does not have any service contract with Ms. Ivy Chan. Her length of service with the Company is not fixed. Her emoluments are determined by reference to her duties and responsibilities with the Company and she is entitled to receive an annual emoluments of HK$1,200,000.

Ms. Ivy Chan does not have any relationship with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Ms. Ivy Chan is interested in 18,565,787 Shares within the meaning of the Part XV of the SFO.

Save as disclosed above, there is no information which is required to be disclosed pursuant to Rules 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules in respect of Ms. Ivy Chan's re-election and there is no other matters in connection with her re-election that need to be brought to the attention of the holders of securities of the Company.

Mr. Chan Shun Kuen, Eric ("Mr. Chan"), aged 46, non-executive Director of the Company, holds a master degree in corporate finance and an LLB degree and is an associate member of the Hong Kong Institute of Certified Public Accountants. He has been in the investment banking industry for over 10 years. He is currently an independent non-executive director of Tianjin Tianlian Public Utilities Company Limited, a company listed on the GEM of the Stock Exchange. He first joined the Company as independent non-executive Director and member of the Audit Committee on 28 September 2004. Save as disclosed above, he has not held any other directorship in any public listed companies in the last three years or any other positions with the Company or other members of the Group.

The Company does not have any service contract with Mr. Chan. His length of service with the Company is not fixed. His emoluments are determined by reference to his duties and responsibilities with the Company and he is entitled to receive an annual emoluments of HK$120,000.

Mr. Chan does not have any relationship with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

Mr. Chan does not have any share interest in the Company within the meaning of the Part XV of the SFO.

Save as disclosed above, there is no information which is required to be disclosed pursuant to Rules 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules in respect of Mr. Chan's re-election and there is no other matters in connection with his re-election that need to be brought to the attention of the holders of securities of the Company.

BLU SPA HOLDINGS LIMITED
富麗花•譜控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8176)

Notice IS HEREBY GIVEN THAT the annual general meeting of the shareholders of Blu Spa Holdings Limited (the "Company") will be held at the Dynasty Club, 7th Floor, Board Room, South West Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 17 December 2008 at 9:00 a.m. for the following purposes:

1. To receive and approve the audited consolidated financial statements and the reports of the directors and the independent auditors of the Company for the year ended 30 June 2008;

2. To re-elect directors of the Company (the "Directors") and to authorise the board of Directors (the "Board") to fix the Directors' remuneration;

3. To re-appoint HLM & Co. as auditors of the Company and to authorise the Board to fix their remuneration;

4. To consider as special business and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

(1) "THAT

(a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

(b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the grant or exercise of any option under the share option schemes of the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares in accordance with the Memorandum of Association and Articles of Association of the Company in force from time to time; or (iv) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares of the Company, shall not exceed the aggregate of:

(i) 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution; and

(ii) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution), and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purpose of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Memorandum of Association and Articles of Association of the Company, the Companies Law of the Cayman Islands or any other applicable laws of the Cayman Islands to be held; and

(iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.

“Rights Issue” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares in the Company on the register on a fixed record date in proportion to their then holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

(2) "THAT

(a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase its shares on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited or any other stock exchange outside Hong Kong on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, The Stock Exchange of Hong Kong Limited, the Memorandum of Association and Articles of Association of the Company, the Companies Law of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of shares of the Company which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this Resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(c) for the purpose of this resolution, "Relevant Period" means the period from the date of the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Memorandum of Association and Articles of Association of the Company, the Companies Law of the Cayman Islands or any other applicable laws of the Cayman Islands to be held; and

(iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution."

(3) **"THAT** conditional on the passing of resolutions numbered 4(1) and 4(2) above, the unconditional general mandate granted to the Directors pursuant to resolution numbered 4(1) above be and it is hereby extended by the addition to the aggregate nominal amount of the shares of HK$0.10 each in the capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to or in accordance with the authority granted pursuant to resolution numbered 4(2) above."

By order of the Board
Blu Spa Holdings limited
Cheung Tsun Hin, Samson
Chairman

Executive Directors:
Cheung Tsun Hin, Samson *(Chairman)*
Chan Choi Har, Ivy *(Vice-Chairman)*

Non-executive Director:
Chan Shun Kuen, Eric

Independent Non-executive Directors:
Chan Sze Hon
Lam Wai Pong
Yeung Mario Bercasio

20 November 2008

Registered Office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head Office and Principal Place of Business:
Room 2303, 23/F., World-Wide House
19 Des Voeux Road Central
Central
Hong Kong

Notes:

(a) A shareholder entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy needs not to be a shareholder of the Company.

(b) To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or at any adjournment thereof.

(c) The register of members of the Company will be closed from Thursday, 11 December 2008 to Wednesday, 17 December 2008, both days inclusive, during which period no transfer of shares will be registered. In order to determine the identity of the shareholders who are entitled to attend and vote at the meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 10 December 2008.

(d) In relation to proposed resolutions nos. 4(1) and 4(3) above, approval is being sought from the shareholders of the Company for the grant to the Directors of a general mandate to authorise the allotment and issue of shares under the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

(e) In relation to proposed resolution no. 4(2) above, approval is being sought from the shareholders of the Company for a general mandate to be given to the Directors to repurchase shares of the Company.

(f) An explanatory statement containing the information with respect to resolution nos. 4(1) to 4(3) of the notice will be sent to the shareholders of the Company together this notice.