



香港交易所

## **THE STOCK EXCHANGE OF HONG KONG LIMITED**

(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

12 July 2004

### **CENSURE**

**Blu Spa Holdings Limited**

**(the "Company")**

**and**

**Ms. Chan Choi Har, Ivy**

**Mr. Chan Kei Kon**

**Mr. Kam Kin Yat**

**(collectively, the "Relevant Directors")**

The Exchange hereby publicly censures the Company and the Relevant Directors in relation to the failure of the Company to inform the Exchange and make an announcement when informed of the presentation of a petition for the winding up of its major subsidiary on 9 May 2003. The failure constituted breaches of the then Rule 17.27(2) of the GEM Listing Rules and the Director's Undertaking.

At a disciplinary hearing held on 6 April 2004 (the "Disciplinary Hearing"), the GEM Listing Committee of The Stock Exchange of Hong Kong Limited (the "Exchange") conducted a hearing into the conduct of, among others, the Company and the Relevant Directors, namely Ms. Chan Choi Har, Ivy (an executive director of the Company), Mr. Chan Kei Kon (an executive director of the Company) and Mr. Kam Kin Yat (an independent non-executive director of the Company).

The Company was required under the then Rule 17.27(2) of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited ("GEM Listing Rules") to inform the Exchange and make an announcement on the happening of, inter alia, the presentation of any winding-up petition against or in respect of the Company, its holding company or any major subsidiary as soon as it shall come to the attention of the Company.

The petition against Blu Spa Canada Inc., a major subsidiary of the Company, was presented to the Supreme Court of Ontario on 8 May 2003 and it came to the attention of the Company on 9 May 2003. The Listing Division was not informed of the petition until 29 May 2003, i.e. a delay of 20 days. The date of receipt of the petition was only made public in the Company's announcement of 25 July 2003, i.e. a delay of 76 days.

The Disciplinary Hearing was conducted into, among other things, the following issues:

- Possible breach by the Company of its obligations under the then Rule 17.27(2) of the GEM Listing Rules; and
- Possible breaches by the Relevant Directors of their obligations under the Director's Declaration, Undertaking and Acknowledgement given by them to the Exchange in the form set out in Appendix 6A of the GEM Listing Rules (the "Director's Undertaking").

The GEM Listing Committee concluded, among other things, that:

- (1) the Company was in breach of the then Rule 17.27(2) of the GEM Listing Rules; and
- (2) the Relevant Directors had breached their Director's Undertaking to act to the best of their ability or use their best endeavours to procure that the Company complied with the GEM Listing Rules.

Accordingly, the GEM Listing Committee hereby publicly censures the Company and each of the Relevant Directors for their respective breaches mentioned in (1) and (2) above.

For the avoidance of doubt, the Exchange confirms that this public censure applies only to the Company and the Relevant Directors named herein and not to any other past or present member of the Board of Directors of the Company.