



THE STOCK EXCHANGE OF HONG KONG LIMITED

(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)
(the “Exchange”)

18 April 2007

The GEM Listing Committee of The Stock Exchange of Hong Kong Limited (the “GEM Listing Committee”)

- **censures Ms Chan Choi Har, Ivy (“Ms Chan”), an executive director of Blu Spa Holdings Limited (the “Company”) (stock code: 8176); Mr Law Kin Ming, Alfred (“Mr Law”), a former executive director of the Company, resigned effective 12 November 2002; and Ms Rajewski, Natalie N (“Ms Rajewski”), a former executive director of the Company, resigned effective 26 May 2003; and**
- **criticises Ms Loo Peck Hwee, Celene (“Ms Loo”), a former executive director of the Company, resigned effective 10 August 2002**

for breaching the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GLR”) and the Director’s Declaration, Undertaking and Acknowledgement (Form A) signed by a director of a listed issuer in the form set out in Appendix 6A of the GLR (the “Director’s Undertaking”).

On 17 November 2006, the GEM Listing Committee conducted a consolidated disciplinary hearing into the conduct of, among others, Ms Chan, Mr Law, Ms Rajewski and Ms Loo (collectively “the Relevant Directors”) in relation to the their obligations under Rules 14.23 and 2.18 of the GLR and the Director’s Undertaking.

Facts

The Company stated in its prospectus dated 4 February 2002 (the “Prospectus”) that “The Group has obtained all the required licences and registrations in respect of the production, sales and distribution of the Group’s products in each of the markets where the Group or its distributors operate.” (the “Statement”)

The Listing Division made enquiries after receiving a complaint in relation to the Statement. It appeared from the Listing Division's investigation that the Group had not obtained all required licences in respect of distribution of the Group's products in each market where the distributors operated. The Company published an announcement dated 28 June 2002 (the "Announcement") disclosing that, among other things: (i) the Group's distributors in the PRC (the "PRC Distributors") were responsible for the distribution of the Group's products which included shipping and importing the products into the PRC and the relevant health inspection permits; (ii) the PRC Distributors accounted for approximately 74 per cent and 70 per cent of the Group's total sales for the year ended 30 June 2001 and the nine months ended 31 March 2002 respectively; and (iii) the PRC Distributors had yet to obtain all the health inspection permits for the sale and distribution of the Group's products in the PRC.

The facts emerging from the Announcement and omitted from the text of the Prospectus rendered the Statement inaccurate and incomplete in all material respects and misleading to shareholders and investors.

Decision

The GEM Listing Committee concluded that each of the Relevant Directors breached:

1. Rules 14.23 and 2.18 of the GLR which require directors of a listing candidate to collectively and individually (among other things) confirm that the information contained in the Prospectus was accurate and complete in all material respects and there were no matters the omission of which would make any statement misleading; and
2. the Director's Undertaking to comply to the best of his/her ability with the GLR or use his/her best endeavours to procure the Company's compliance with the GLR.

The GEM Listing Committee decided to impose a public censure on each of Ms Chan, Mr Law and Ms Rajewski and a public statement which involves criticism on Ms Loo for their respective breaches mentioned in paragraphs (1) and (2) above.

For the avoidance of doubt the Exchange confirms that the public censure and the public statement which involves criticism only apply to the Relevant Directors and not to the Company or any other past or present member of the Board of Directors of the Company.

Richard Williams, Head of Listing, said, "The decision of the Committee in this case gives me the opportunity to comment on the importance of ensuring the accuracy and completeness in all material respects of a listed issuer's listing documents, circulars and regulatory announcements, and the responsibility of directors in this regard.

First, it is of utmost importance that all listing documents, circulars and regulatory announcements are accurate and complete in all material respects, and are not misleading or deceptive, as required by GLR17.56(2).

Secondly, the directors of a listed issuer are responsible for the accuracy of such documents, and this is particularly so for those directors who are actively involved in their preparation and had knowledge of the relevant matters. The involvement of sponsors or professional advisers does not exonerate the directors' responsibilities for accuracy and completeness of such documents. As set out in Note 3 to GLR2.18, all the directors of a listed issuer must, so far as reasonably practicably, participate in approving such documents so as to be able to provide the statement of responsibility and confirmation required to be included in each of such documents.”