

BLU SPA HOLDINGS LTD :
NOW, THIS IS CALLED PURE CHUTZPAH !

It may be interesting to learn the reasons that the Founders/Principal Shareholders of Blu Spa Holdings Ltd would want to sell a sizeable proportion of their shareholdings in this recent addition to the rolls of The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd because it stands to reason that, if it is good enough for them to sell out, then, that is a good-enough reason for others not to buy in.

Blu Spa Holdings, GEM Stock Code Number 8176, a company engaged in the sales of its own brand of cosmetics, mainly for ladies, Placed 143.50 million, one-cent shares at a Premium of 29 cents per share.

Of the total number of shares to be Placed, 66.67 million shares, or about 46 percent of the total number of shares on offer, were shares that belonged to XO-Holding Ltd, East Point Resources Ltd, and All Rich Pacific Ltd.

These companies are known as the Vendors of the shares.

The Vendors are owned as to:

Name of Vendor	Beneficial Ownership		Relationship to Blu Spa Holdings Ltd
All Rich Pacific Ltd	Ms Ivy Chan Choi Har	50 percent	Vice Chairman Office Administration Manager
	Ms Vivian Chan Yuen Ling	50 percent	
East Point Resources Ltd	Ms Natalie N. Rajewski (also known as Natasha Rajewski)	100 percent	Chairman
XO-Holdings Ltd	Ms Ivy Chan Choi Har	65 percent	Vice Chairman
	Wah Hing Consultants Ltd	35 percent	
Wah Hing Consultants Ltd	Ms Angela Heung See Wai	100 percent	None

In spite of the vendors, selling sizeable proportions of their shareholdings in Blu Spa, they still, together, maintain absolute voting control of the publicly listed company, with All Rich Pacific, having 7.56 percent of the Issued and Fully Paid-Up Share Capital, East Point Resources, having 20.51 percent of the Issued and Fully Paid-Up Share Capital, and XO-Holdings, having 25.77 percent of the Issued and Fully Paid-Up Share Capital.

The Vendors took their \$HK20 million, gross, to their respective bankers, and Blu Spa was endowed with a cash injection of about \$HK18 million, net of expenses.

The use of the Placing Proceeds, the Prospectus states at Page 88, is:

1. \$HK4.90 million to pay off some of the Company's creditors;
2. \$HK3.80 million to expand the Company's business;
3. \$HK2.80 million to be used for research and development;
4. \$HK1.80 million to be used to purchase some raw materials and packaging materials;
5. \$HK1.50 million to be used for market development;
6. \$HK1.20 million to purchase some assets, presently owned by a Canadian company; and,
7. \$HK2 million to be used as General Working Capital.

Blu Spa's history, really, goes back to June 1998 when it was decided by the Founders that there should be a determined effort to market Blu Spa products ... [CLICK TO ORDER FULL ARTICLE](#)

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