

LUX ISLAND RESORTS LTD

COMMUNIQUE

In a Communiqué dated August 22, 2016, the Board of Directors of Lux Island Resorts Ltd (“LIR”) informed its shareholders and the public in general that its 100% subsidiary company, Néréide Limited (“the Vendor”), had executed the sale and purchase agreement (“SPA”) with Mara Delta (Mauritius) Property Limited, a wholly owned subsidiary of Mara Delta Property Holdings Limited, a company registered in the Republic of Mauritius and listed on the Official market of the Stock Exchange of Mauritius Ltd (“SEM”), for the sale of the hotel buildings known as Tamassa Resort, located in Bel Ombre, Mauritius, as well as its rights, title, and interests in the lease agreement between the Vendor and the Republic of Mauritius (“Head Lease”) in relation to the land on which the Tamassa Resort is located (collectively “the Property”)(“the Transaction”). The Transaction qualifies as a Disclosable transaction for LIR under Chapter 13 of the Listing Rules.

As the transaction has now been completed, a Disclosable Transaction Circular has been prepared by LIR in accordance with Chapter 13 of the Listing Rules and has been vetted by SEM.

Rationale behind the Disposal

LIR’s assets light strategy is focused on managing hotels rather than owning them which will enable the Group to grow at an accelerated pace with limited capital investment. LIR takes a disciplined approach to capital allocation, by allocating its limited cash resources to project which will yield higher returns, whilst focusing on building the LUX* brand. It is in line with this strategy that LIR has disposed of the property of Tamassa hotel and entered into a lease back agreement with the new owner for a period of ten years based on agreed terms and conditions.

The net proceeds from the sale of the property will be used to partly finance the redevelopment projects in the pipeline, namely the renovation of LUX* Grand Gaube.

Price Consideration

The price consideration of USD 40,000,000 has been settled on the 23rd March 2017 for an equivalent amount of Euro 37,209,398.

By order of the Board

LUX Hospitality Ltd
Company Secretary

11th April 2017

Copies of the Disclosable Transaction Circular are available, during normal working hours, at the registered office of the company, 58, Pierre Simonet Street, Floréal.

This Communiqué is issued pursuant to Listing Rules 13.15(b) and the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007.

The Board of Directors of Lux Island Resort Ltd accepts full responsibility for the accuracy of the information contained in this communiqué.