

LUX ISLAND RESORTS LTD

COMMUNIQUE

The Board of Directors of Lux Island Resorts Ltd (LIR) wishes to inform its shareholders and the public in general that it has today disposed of its 100% shareholding in SAS Les Villas du Récif, which owns and operates hotel Le Récif in Reunion Island, to Asian Prosperous Holding Ltd a company incorporated in Hong Kong. Subsequent to the above disposal, LIR, has through its subsidiary LUX Hospitality Ltd (LHL), signed a long term Hotel Management Services agreement with the new owner of hotel Le Récif to market and manage the hotel. Following the sale, the results of hotel Le Récif will be excluded from LIR consolidated accounts and the debt will be reduced by Rs 200 million.

LHL has also signed a long term Management Services Agreement and a Technical Advisory Services Agreement with SAS Le Superbe, a company forming part of Asian Prosperous Holding Ltd, in connection with the design, development and management of a five star luxury resort comprising 82 pool villas at St Phillippe on the south coast of Reunion Island. Construction works have already started and the opening date of the resort, to be branded LUX*, is scheduled for 2016.

The disposal of hotel Le Récif and the signature of the two management contracts is consistent with our growth strategy which is focused on managing resorts & hotels rather than owning the assets in addition to increasing our brand presence globally.

The above disposal is not a notifiable transaction under Chapter 13 of the Listing Rules.

The shareholders and the investing public are therefore advised to exercise caution when dealing in the shares of the Company.

By order of the Board

Lux Hospitality Ltd
Company Secretary

1st April 2015

This communiqué is issued pursuant to Listing Rule 11.3

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