

# LUX ISLAND RESORTS LTD

## COMMUNIQUE AND SUMMARY OF TRANSACTIONS

### CONSIDERATION ISSUE

Shareholders of Lux Island Resorts Ltd (“LIR”) and the public in general are hereby informed that the Listing Executive Committee of the Stock Exchange of Mauritius Ltd (“SEM”) has given its approval to the proposed issue and listing of up to 12,100,271 new ordinary shares of LIR, representing up to 9.59% of the share capital of LIR, at an issue price of Mur. 55.97 per share as consideration (“Consideration Issue”) for the acquisition of 122,526,298 shares of Océanide Limited (“OCL”) and 11,548,000 shares of Lux Island Resorts Maldives Ltd (“LRM”).

OCL is the holding company of Néréide Limited which operates Tamassa resort and LRM is the holding company of White Sand Resort & Spa Pvt Ltd which operates LUX\* Maldives resort.

Shareholders of LIR are hereby informed that the Information Memorandum has been filed with the SEM and can be consulted on their website, [www.stockexchangeofmauritius.com](http://www.stockexchangeofmauritius.com), pending receipt of the document by post.

The Consideration Issue does not require shareholders approval since the Board may increase the capital of LIR without the requirement of an ordinary resolution provided that any such increase does not exceed more than fifteen percent (15%) of the existing capital of LIR immediately prior to the said increase, pursuant to clause 3.1.2 of LIR’s constitution.

### SUMMARY OF TRANSACTIONS

The Board of Directors (“the Board”) of LIR has approved the transactions on 29 September 2014.

The acquisition by LIR of shares in OCL and LRM qualifies as a disclosable transaction under Chapter 13 of the Listing Rules of the SEM (“the Rules”). A Disclosable Transaction Circular has been prepared by LIR in accordance with Chapter 13 of the Rules and has been vetted by the SEM.

Shareholders of LIR are hereby informed that the Disclosable Transaction Circular has been filed with the SEM and can be consulted on their website, [www.stockexchangeofmauritius.com](http://www.stockexchangeofmauritius.com), pending receipt of the document by post.

### Rationale and benefits of the above transactions

The Board is of the opinion that the above transactions are in the best commercial interest of LIR and its shareholders for the reasons set out below:

- i. On the basis of forecast results of Tamassa resort and LUX\* Maldives resort, earnings per share for LIR Group going forward will improve after adjusting for the increased number of shares. As an indication, EPS of the Group will increase by five cents as a result of the acquisition for the financial year ending 30th June 2015.
- ii. Net assets per share for LIR Group which is currently at Mur 37.92 will grow to Mur 39.65 after the acquisition.
- iii. Gearing of LIR Group after the share exchange will remain at the current level of 50%.
- iv. Lux Hospitality Ltd, a wholly owned subsidiary of LIR has signed a Management Services Agreement for a period of 30 years to market and manage Tamassa resort. The unexpired term of the contract is now 23 years. In controlling the Board of OCL, LIR has secured a longer term management contract over the remaining period of the lease i.e until 2064.
- v. The share exchange will allow LIR Group to save on administrative costs in the medium to long term.

### Terms of Acquisition

The acquisition of shares in OCL and LRM will be funded through the issue of shares by LIR.

By order of the Board

LUX Hospitality Ltd  
Company Secretary

24 November 2014