A UNIQUE INVESTMENT OPPORTUNITY WITH GUARANTEED RETURNS AND A LIFESTYLE TO GO WITH IT!

We are pleased to provide you with this executive summary which summarises the legal and operational structure which is to govern the LUX* Villas Ownership Scheme.

This executive summary only highlights issues which, we consider, would be of interest to any potential purchaser willing to consider this new investment scheme.

1 Disclaimer: This executive summary is intended as an overview. The form of the contemplated structures may be amended prior to the actual deed of sale stage, save that the substance thereof will remain the same. Furthermore, the complete terms and conditions applicable thereto will be contained in comprehensive agreements, which will be available before the deed of sale stage.
LUX* Island Resorts ("LIR"), a well established listed company which develops and operates renowned hotel resorts in Mauritius, Reunion Island and in Maldives, is offering for sale, through its wholly owned subsidiary Beau Rivage Co. Ltd, 12 exclusive villas forming part of the LUX* Belle Mare, a 5* resort on the East coast of Mauritius, through the Invest Hotel Scheme ("IHS"). The 12 Villas (the "Hotel Villas"), newly re-designed by celebrity designer, Kelly Hoppen, consist of the following:

- 8 One Bedroom Ocean View Villas of 181 square metres each;
- 2 One Bedroom Beachfront Villas of 232 square metres each;
- 2 Two Bedroom Prestige Villas of 302 square metres each.

Each will greet you with a private heated pool and garden with refreshing outdoor shower, as well as nothing-too-much-trouble butler service.
**THE INVEST HOTEL SCHEME (LHS)**

The IHS falls under the Investment Promotion (Real Estate Development Scheme) Regulations 2007 issued under the Investment Promotion Act. It is designed to allow hotel owners and developers to sell hotel rooms, villas, suites or any other part of a hotel to individual buyers. It offers individual buyers all the facilities of an exquisitely furnished new luxury resort hotel with amenities like F&B, full-service spas, health and fitness centres, resort-style pools, sophisticated business centres and maid service and the promise of rental income.

Beau Rivage Co. Ltd benefits from IHS Certificate for the sale of 12 villas under the scheme.

**OWNER USAGE RIGHTS**

With a view to enhance the lifestyle privileges, each Villa Owner will be entitled to 45 nights complimentary use of their villa, subject to an adequate pre-booking notice, per annum ("Complimentary Nights") within two reservation periods. Owners may transfer their Complimentary Nights to others so long as it does not constitute a commercial transaction.

The first reservation period is known as the High Season Days where each owner can use his premises or get any person designated by him to do so for 25 Complimentary Nights between the month of November to April. During the High Season Days, use of a Complimentary Night will be accounted as follows:

- between a check in on the 20th December and a check out on the 28th December one complimentary night reservation will count as two complimentary nights;
- between a check in on the 28th December and a check out on the 2nd January one complimentary night reservation will count as three complimentary nights;
- between a check in on the 2nd January and a check out on the 10th January one complimentary night reservation will count as two complimentary nights;
- for the week preceding Easter one complimentary night reservation will count as two complimentary nights;
- for the Easter week, one complimentary night reservation will count as three complimentary nights;
- for the week after Easter one complimentary night reservation will count as two complimentary nights;
- Any other nights outside these periods will count as one Complimentary Night.

The second reservation period is known as the Mid Season Days where each owner can use his premises or get any person designated by him to do so for 20 Complimentary Nights between the month of May to October.

In order to guarantee availability, bookings have to be made at least 2 months in advance.

For the avoidance of doubt, Complimentary Nights shall, subject to the Villa’s capacity, entitle the Owner and/or his guests to the room, to the standard facilities available to all other Villa guests and to a complimentary breakfast taken at designated restaurants. All other services used and / or food and beverage consumed are deemed to be payable items and shall be accordingly charged at the chargeable rate, less a 20 % discount as may be applicable under the LUX* President’s Club membership referred to below.
LUX* PRESIDENT’S CLUB MEMBERSHIP

From the date of execution of the deed of sale, each Owner of a Villa shall become a member of the LUX* President’s Club. Subject to such terms and conditions attached to this membership (and as may be amended from time to time by LIR), members are granted free access to all LRI’s hotels and benefit from exchange program facilities2 for their Complimentary Nights, together with a 20% discount on selected services, facilities and Food & Beverages in all other hotels which are owned and managed by LRI in Mauritius, Reunion Island and the Maldives.

GENERAL CONDITIONS OF SALE

The Hotel Villas will form part of a co-ownership scheme governed by co-ownership rules (Règlement de Copropriété) in accordance with the Mauritian Civil Code. Each Owner will be allocated a Hotel Villa in private parts along with a share of common parts including the leasehold rights in the land through the syndicate of Co-Owners. The land is leased from the Government of Mauritius for a 60 year period and is to be transferred to the Syndicate of Co-Owners.

Concurrently with execution of the deed of sale for the Hotel Unit, LRI and the Owner will execute a compulsory Hotel Unit Leaseback Agreement in accordance with the applicable legislation. The acquired Hotel Villa shall be leased back to LRI through the Hotel Villa Leaseback Agreement which shall be effective as from its date of signature. The Hotel Villa Leaseback Agreement will run concurrently with the Government lease over the land. If during the term of the lease or any applicable renewal period the Owner wishes to sell his/her Hotel Villa, LRI will have a pre-emptive right to purchase the Unit. Should LRI not exercise this pre-emptive right, the Hotel Unit can then be sold to the new Owner on whom the selling Owner will be bound to impose the same pre-emptive right as above in favour of LRI and subject further to the new owner being substituted under the aforesaid lease agreement and becoming bound under the terms and conditions thereof.

OWNER’S REVENUES

The Leaseback Agreement is the document whereby the owner leases back his Villa to LRI. Owner’s share of the Villas Revenues will be based on the total of the 12 Villas and calculated as per steps 1 to 4 below:

1. Step 1: Pooled Villas Revenues less 5% of Capital Replacement Reserve equals Total Adjusted Pooled Villas Revenues,
2. Step 2: Total Adjusted Pooled Villas Revenues split 60% to LRI and 40% to the Villa Owners Revenues,

For the avoidance of doubt, Pooled Villas Revenues is the revenue generated from the renting of the Villas only and does not include taxes or revenues generated from room service, food and beverage, spa treatments, dry cleaning, shops, payable activities and dry cleaning.

The 60% share of the Total Adjusted Pooled Villas Revenues retained by LRI covers the operating expenses, fixed expenses and management fees share of the IHS Villas for the running of the resort. The owner does not have to pay additional charges to maintain his Villa.

The Capital Replacement Reserve Fund is set up to repair and maintain the IHS Villas (inclusive of FF&E replacement and repair save for damage caused by Owner and Owner’s guests) and Villas common areas to maintain the five star standard of the resort for its proper operations.

LRI shall provide Owner with a quarterly Hotel Villas Revenue report in electronic format (“the Hotel Villas Revenue Report”). The Hotel Villas Revenue Report shall provide details of the Pooled Villas Revenue in the preceding quarter in relation to the Hotel Villas and shall specify Owner’s Share of the Pooled Villas Revenue.

Should the cash return to the villa owners, as per the above parameters be less than 5%, LUX* Resorts will guarantee a return of 5% for the first five years based on amount invested by the owner.

All payments to Owner shall be in Euro currency and by way of bank transfer to Owner’s bank account, details of which shall be provided to LRI, and shall be paid within twenty one (21) days of the issue of the Hotel Villas Revenue Report.

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2 Exchange Program Facilities: Owners may exchange their Nights Entitlement with other LRI hotels. The exchange is subject to availability and different terms of Complimentary Nights use is to be determined by LRI in each resort.

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LUX* VILLAS INVEST HOTEL SCHEME (IHS)

The properties will be sold on an individual ownership basis which brings the benefit of an annual income and the use of the villa 45 nights a year, or equivalent accommodation at any other hotel in LUX* Island Resorts.

<table>
<thead>
<tr>
<th>Villa Type</th>
<th>Area</th>
<th>Number of Villas</th>
<th>Bedrooms</th>
<th>Price per unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prestige Villas</td>
<td>255 m²</td>
<td>2</td>
<td>2</td>
<td>USD 1.350 m</td>
</tr>
<tr>
<td>Ocean View Villas</td>
<td>160 m²</td>
<td>8</td>
<td>1</td>
<td>USD 875 k</td>
</tr>
<tr>
<td>Beach Front Villas</td>
<td>180 m²</td>
<td>2</td>
<td>1</td>
<td>USD 1.250 m</td>
</tr>
</tbody>
</table>

Permits
The IHS Accreditation has been received from the Board of Investment.

Contracts
Contracts are available for review.

Tenure
The tenure (basis of ownership) will be based on a pro-rata share of the unexpired term of the industrial lease for the site. This is currently 60 years.

Renewal
The renewal of ownership after the expiry of the current lease term will be conditional to the ability of LUX* to renew the lease with the Government of Mauritius. In the case that LUX* is able to renew then the owner will be entitled to the new term of the lease subject to the owner paying his share of all costs relating to the renewal of the lease.

Room Nights
The owners will be entitled to the free use of the property, subject to availability, for 45 Room Nights. These Room Nights will be freely transferable, subject to availability, to any property within LUX* Island Resorts and will be transferable to any family member of the owner.

• Owners will be entitled to 45 Room Nights per year on bed and breakfast basis.
• These Room Nights can be freely transferable to any property within the LUX* Island Resorts group, subject to agreed periods and on the same meal plan basis. As an indication, 1 (one) Room Night at LUX* Belle Mare Villas is equivalent to the following Room Nights at our properties within the group:

<table>
<thead>
<tr>
<th>Property</th>
<th>Room Night</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merville</td>
<td>5</td>
</tr>
<tr>
<td>Tamassa</td>
<td>4</td>
</tr>
<tr>
<td>LUX* Le Morne</td>
<td>2</td>
</tr>
<tr>
<td>LUX* Grand Gaube</td>
<td>3</td>
</tr>
<tr>
<td>LUX* Belle Mare</td>
<td>2</td>
</tr>
<tr>
<td>LUX* Maldives</td>
<td>2</td>
</tr>
<tr>
<td>LUX* Ile de La Reunion</td>
<td>3</td>
</tr>
<tr>
<td>Hotel Le Recif</td>
<td>4</td>
</tr>
</tbody>
</table>

• These Room Nights can also be transferable by the owner but the latter will not be allowed to sell them.
• Villa owners will be given 20% discount on Food and Beverages and other retail outlets at the hotel during their stay.

Estimated Fees
It should be noted that the purchaser will be liable for the following fees:

Notary Fees                  1.15% (including 15% VAT)
Property Transfer Tax        5%
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