



LONG BEACH

A SUN RESORT · MAURITIUS

INVEST HOTEL SCHEME

**LONG BEACH INVEST HOTEL SCHEME
EXECUTIVE SUMMARY**

LONG BEACH HOTEL OWNERSHIP SCHEME A SUN RESORTS LIMITED RESORT AT BELLE MARE, MAURITIUS

SUMMARY MEMORANDUM¹

We are pleased to provide you with this Executive Summary which summarises the legal and operational structure which is to govern the Long Beach Hotel Ownership Scheme.

This Executive Summary only highlights issues which, we consider, would be of interest to existing owners and any potential purchaser willing to consider this lifestyle and 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.



THE HOTEL

Sun Resorts Limited ("SRL"), a well-established listed company which develops and operates renowned resorts in Mauritius and in the Maldives, has developed a prestigious hotel along the east coast of Mauritius – 'Long Beach' – which comprises a total of 255 rooms consisting of the following:

- 28 Standard Garden View rooms
- 88 Standard Ocean View rooms
- 28 Superior Garden View rooms
- 44 Superior Ocean View rooms
- 36 Superior Beach Front rooms
- 29 Family Rooms
- 2 Deluxe Beachfront Suites



THE SCHEME

Pursuant to the policy of our decision makers to create new opportunities and open up the Mauritian economy to the world at large, one is now able to reconcile lifestyle and investment returns through new regulations like the Invest Hotel Scheme (“IHS”) which has, subject to conditions, been devised to extend the right to hotel property acquisition and ownership in Mauritius.

As one of the leaders of the hotel industry in Mauritius, SRL is most pleased to be the first company to have offered, under the IHS, opportunities of hotel property acquisition and ownership in its prestigious hotel development project, Long Beach.

In this regard, the following number and categories of rooms (“Hotel Units”) have been made available for sale in the said project:

- 44 Standard Rooms of approximately 58 sq/m each;
- 33 Superior Rooms of approximately 62 sq/m each; and
- 13 Family Rooms of approximately 86 sq/m each;



With a view to optimise hotel operations and owner's investment returns, owners ("Owners") of the Hotel Units shall, in aggregate in any calendar year, be entitled to 30 nights entitlement calculated on a pro-rata basis from the date upon which the Owner acquires his rights in the IHS ("Nights Entitlement"), subject to certain terms and conditions including, but not limited to, the following:

- For bookings in the Christmas, New Year and Easter period (in respect of which exact dates shall be advised in writing on a yearly basis) ("Peak Period"), one Night Entitlement will count as three Nights Entitlement.
- The maximum stay for this Peak Period will be restricted to three nights and reservation being made at least two months in advance. Reservations thereafter are subject to the Hotel Unit availability and prior reservation.
- Notwithstanding the above, the Owner, his spouse and children may extend their stay during the Peak Period, subject to a Special Rate which will apply.
- Bookings will have to be made in the same or in a superior type of room as acquired by the Owner.
- Any other nights outside the Peak Period will count as one Night Entitlement.
- Any Nights Entitlement unused shall automatically expire and shall not be carried forward to the next calendar year. However, during unused Nights Entitlement, Owner of a Hotel Unit would be entitled to his share of daily revenue.

The Nights Entitlement which accrues to Owners may, at the owner's discretion and request, be extended to the Owner's designated family and friends provided such guests are made aware of and strictly comply with all the conditions attached to their stay under the Nights Entitlement. For the avoidance of doubt, Nights Entitlement shall, subject to the Hotel Unit's capacity, entitle the Owner and/or his guests to the room, to the standard facilities available to all other Hotel guests and to a complimentary breakfast (and dinner in respect of the period up to 31st May 2019) taken at designated restaurants. Furthermore, Owners shall benefit from a 35% discount on food and beverages consumed as well as on a selected number of items and services payable at the resorts.



CLUB MEMBERSHIP

From the date of execution of the deed of sale, each Owner of a Hotel Unit shall become a member of the Sun Owners Club. Subject to such terms and conditions attached to this membership (and as may be amended from time to time by SRL), whereby members of the Sun Owners Club are granted free access to all SRL's hotels. Owners who are holders of the Sun Owners Club membership shall, in addition, benefit from exchange program facilities² for their Nights Entitlement, which includes complimentary breakfast (and dinner in respect of the period up to 31st May 2019) for the Owner and his family and friends, together with a 35% discount on selected services, facilities (such as golf) and food and beverages in all other hotels which are owned and managed by SRL. Nights Entitlement shall however not be exchangeable at other SRL's hotels during "Black Out Nights" (being periods notified beforehand by SRL from time to time).

Owners of Hotel Units shall, during their Nights Entitlement, have the right to enjoy the same paid or complimentary facilities and services available, as well as benefit from the same level of service like any other guests staying at the Hotel, subject to the Owner's usage rights referred to above.

² Exchange Program Facilities

Owners may exchange their Nights Entitlement with other SRL hotels including Le Touessrok, Ambre, Sugar Beach, La Pirogue in Mauritius and Kanuhura in the Maldives. The exchange is subject to availability and different terms of Nights Entitlement use is to be determined by SRL in each resort.



OWNER'S REVENUES

The Owner shall be entitled to the greater of the Owner's Share of Hotel Units Revenue³ ("Exhibit A") or a "Minimum Guaranteed Return" (as set out below) as part of the rental program incorporated under the Lease Agreement.

The Minimum Guaranteed Return means, for the periods ranging from 1st January 2014 to 30th Jun 2015, 1st July 2015 to 30th June 2016 and 1st July 2016 to 30th June 2017, Owners will be guaranteed a minimum of 5% return yearly (or pro rata portion as may be applicable) over the price of the Hotel Unit (building price plus FF&E price excluding registration duties, notary fees and VAT) as reflected in the initial first contract of sale for the Hotel Unit and payable in Euros. For the period 1st July 2017 to 30th June 2018 and thereafter for all subsequent financial years (ending 30th June each year) a guaranteed return to the Owner calculated at 3% yearly of the sale price for the Hotel Unit (inclusive of amounts paid for the FF& E, but excluding registration duties, notary fees and VAT) as reflected in the initial first contract of sale for the Hotel Unit.

3 Hotel Units Revenue

Means that portion of the Hotel revenue (less the Fund for FF&E) apportioned to the Hotel Units based on the number of Hotel Units that make up the Hotel Units under declaration that

- (a) Twenty Five percent (25%) of Hotel Units Revenue shall be payable to the owners of Hotel Units in accordance with each individual Owner's Share of Hotel Units Revenue; and*
- (b) Seventy Five percent (75%) of Hotel Units Revenue shall be retained by SRL. For the avoidance of doubt, Hotel Units Revenue is a proportion of the revenue generated from the renting of the Hotel Units only and does not include any taxes or any revenue generated from guest use of ancillary services such as in-room movies, room service, food and beverage, spa treatments, dry cleaning and telephone.*



An Owner's individual share of the Hotel Unit's Revenue will be calculated daily for each day that the Owner has not reserved his/her Hotel Unit for personal use and will be determined by reference to a "Unit Factor" established for that Owner's Hotel Unit. The Unit Factor assigned to a Hotel Unit will generally be determined by reference to the size of a Hotel Unit in relation to the sum total of the sizes of all the Hotel Units included in the IHS only. All room revenues (255 Rooms) will be pooled and the split of Hotel Units Revenue is based on a ratio of 90:165 IHS Units: SRL Units. Should that ratio differ as a result of SRL constructing additional SRL Units then the Hotel Units Revenue split between Hotel Units and SRL Units shall be adjusted accordingly on the basis that such recalculated split shall not unfairly prejudice the financial return to Owners of Hotel Units.

An Owner's Share of Hotel Units Revenue or a Minimum Guaranteed Return (as the case may be) is calculated on a daily basis over the year in question, save that any such daily revenue shall not be paid to the Owner in respect of those days where the Owner utilises or otherwise reserves his Nights Entitlement.



A Fund for Furniture, Fixtures and Equipment (FF&E) shall be established and funded by SRL setting aside not less than five percent (5%) of all Hotel Units Revenue.

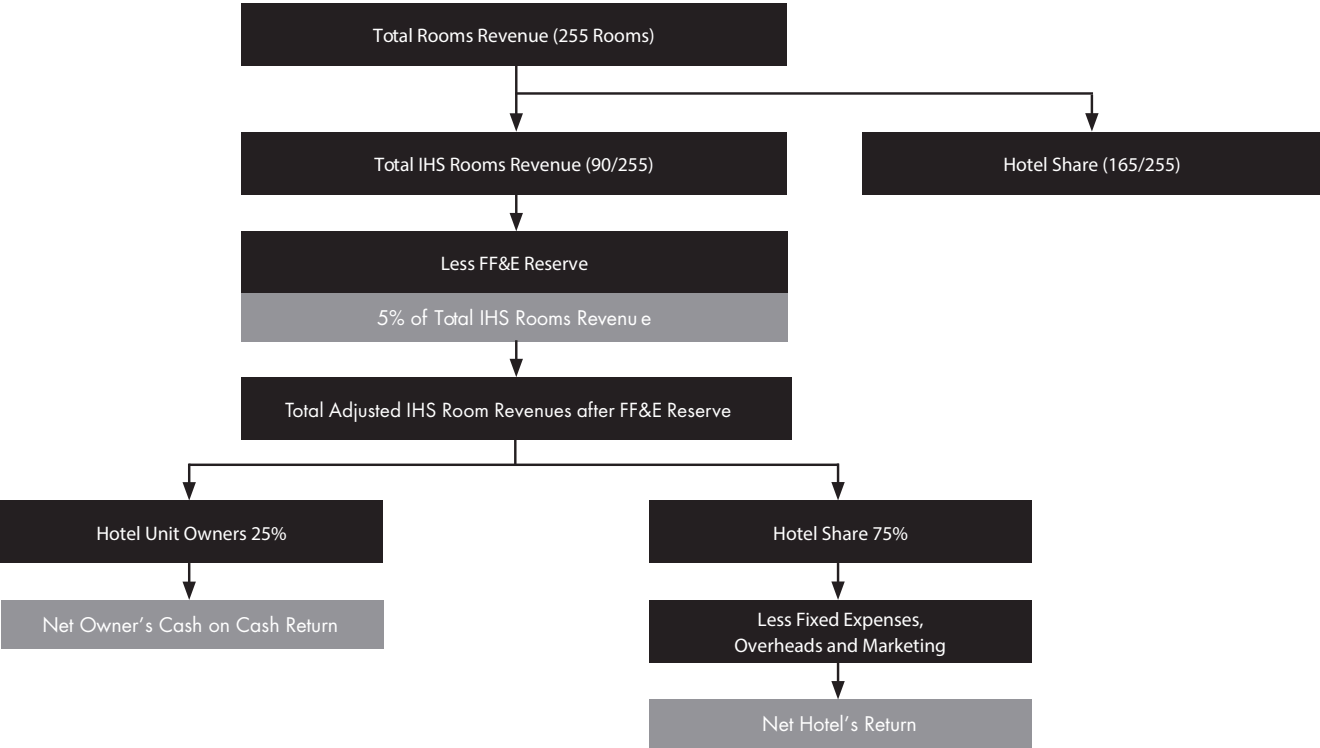
SRL shall make usage of the Fund for FF&E to repair and maintain the Hotel Unit (inclusive of applicable common areas), as well as to repair, maintain and replace, as necessary, the Hotel Units FF&E, save for damage caused by Owner, or Owner's guests, to ensure the continuing operation of the Hotel as a five star hotel.

SRL shall provide Owner with a quarterly Hotel Units Revenue report in electronic format ("Hotel Units Revenue Report"). The Hotel Units Revenue Report shall provide details of the Hotel Units Revenue in the preceding quarter in relation to the Hotel Units and shall specify Owner's Share of the Hotel Units Revenue.

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 SRL, and shall be paid within twenty one (21) days of the issue of the Hotel Units Revenue Report.



EXHIBIT "A" – REVENUE SPLIT STRUCTURE





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