

Information Bulletin of Leptos Calypso Hotels Public Ltd (The Company)  
to the shareholders of the Company in view of the Extraordinary General Meeting of 24/3/2016

1. The Company within the framework of informing its shareholders with regard to the calling of an Extraordinary General Meeting on Thursday 24<sup>th</sup> March 2016, to approve relevant resolutions necessary to facilitate the restructuring plan of its loans and of its subsidiaries with the Bank of Cyprus Public Ltd (BOC) and their reorganisation (all together referred to as restructuring), announces the following:
2. The Company and the groups of Pandora Investments Public Ltd (Pandora) and the Private Company Armonia Estates Ltd (Armonia) which together hold the majority of shares in the Company (Larger Leptos Group) concluded together on 22/12/2015 a joint agreement with BOC regarding the restructuring of all their liabilities towards the said financial institution. According to the said agreement, the Company must execute a series of actions including the calling of an Extraordinary General Meeting to approve ordinary resolutions with regard to the agreed actions for the implementation of the restructuring plan.
3. The restructuring plan concerns Company liabilities of €55 million and liabilities of Karkavatsos & Co Tourist SA (Karkavatsos) of €5 million transferred to the Company, as well as of liabilities of the other Groups referred to in 2 above, towards BOC and it includes changes in the structure of the larger Leptos Group, between the Company and the other Groups necessary for the restructuring :
4. The present structure of the Company with the subsidiaries involved in the restructuring is reflected on the attached Schedule A.  
The basis provisions of the restructuring require that the Company transfers own assets of €30 million and €25 million own liabilities to BOC plus €5 million liabilities towards BOC acquired from Karkavatsos as explained in p/ph 5(a), to the Company named P.P. Irrigations and Systems Ltd (P.P. Irrigations) subsidiary of Pandora.  
By this deal
  - (a) The loans of the Company towards BOC shall be reduced to about €30 million scheduled to be paid in full by 30<sup>th</sup> June 2028, the Company being also obliged to accelerate repayment so that the said loans are reduced to €25 million by the 30<sup>th</sup> June 2018 and to €18 million by the 30<sup>th</sup> of June 2021.
  - (b) The Karkavatsos liabilities are significantly reduced.
  - (c) The relevant interest and repayment instalments of the loans of the Company and Karkavatsos are reduced significantly.
5. For the implementation of p/ph 4 above:
  - (a) Karkavatsos & Co Tourist SA owned 50% by the Company and 50% by Armonia shall novate at the time of implementation to the Company €5 million of its existing liabilities towards BOC in consideration of the creation of an intercompany receivable in favour of the Company and  
Provide guarantee secured by mortgage on company property as security for loan liabilities of Armonia towards BOC amounting to €2,4 million including and interest and other cost and in consideration, Armonia will provide equal security by guarantee to the Company.
  - (b) The Company shall:
    - (i) Transfer full legal and beneficial ownership of 1.066.378 ordinary issued shares in Karina Properties Ltd (Karina) (being 1001% of the issued share capital) and

- (ii) Transfer full legal and beneficial ownership of 10.000 ordinary issued shares in Harbour Shore Estates (being 33.33% of the issued share capital) and
- (iii) Transfer to P.P. Irrigations €30.000.000 of its existing indebtedness to BOC

to P.P.Irrigations and in consideration P.P. Irrigations shall issue and allot to LCH one fully paid and participating ordinary paid-up share of a nominal value of €1.

- (c) That Karina may remain mortgagee on certain of its property to secure a loan of the Company of €1.930.500 plus interest and other cost to Alpha Bank Cyprus Ltd with simultaneous guarantee for the same amount by the Company to Pandora.

The Board of Directors of the Company taking into account land valuations by recognised valuers and a Report by International Experts, has evaluated that the dealings of (b) and (c) above are favourable for the shareholders of the Company.

6. The Company structure with the subsidiaries involved after restructuring is reflected in the attached Schedule B.
7. The conclusion of the restructuring is subject to the fulfilment of certain conditions including the final approval of the restructuring plan by the Tax Authorities. The restructuring plan of the Larger Leptos Group including the Group of the Company has been submitted to the Tax Authorities and initially approved and the relevant applications for final approval have been submitted which will save the Company various expenses.
8. The Board of Directors of the Company taking in account financial and business factors and land valuations by recognised valuers as well as a Report by International Experts in relation to transactions 5(b) requested, has evaluated that the above, within the restructuring plan, are favourable for the Company as it will reduce significantly the financial requirement and liabilities of the Company and will create the financial framework allowing a business planning which will enhance the activities capabilities and prospects of the Company.
9. It is essential that the Company and all subsidiaries involved in the loan agreements with BOC through their respective Directors of the Board or any Director proceed with the necessary actions and sign all relevant financing and other documents to implement all terms of the financial documents concerning each of them.
10. There should be a possibility to effect amendments to the above if necessary or required by the tax or other Authorities or BOC provided there are no significant additional liabilities for the Company or/and the general framework of the restructuring plan is maintained, according to the opinion of the Board of Directors which is authorised to act accordingly.

Board of Directors  
Leptos Calypso Hotels Public Ltd  
6/3/2016