

0089/00017390/en

General Meeting

ALKIS H. HADJIKYRIACOS (FROU-FROU BISCUITS) PUBLIC LTD

FBI

**Request for decrease in the earnings of the members of the Board of
Directors of Rolandos Enterprises Public Ltd - Extraordinary
General Meeting of the shareholders of Rolandos Enterprises Public
Ltd**

Please see attached.

Attachment:

1. **FROU-FROU Announcement**

Non Regulated

Publication Date: 19/09/2016

ALKIS H. HADJIKYRIACOS (FROU FROU BISCUITS) PUBLIC LTD

ANNOUNCEMENT

Dear Sirs,

The Extraordinary General Meeting of the shareholders of ROLANDOS ENTERPRISES PUBLIC LTD was held on 14 September 2016, at 6:00 p.m. at the Hilton Park Hotel, Dionyssos Hall, Nicosia.

The Extraordinary General Meeting was attended by representatives of Alkis H. Hadjikyriacos (Frou Frou Biscuits) Public Ltd, Frou Frou Investments Ltd and Mr. Michalis (Alkis) H. Hadjikyriacos as well as other shareholders controlling in total 11%.

As the total percentage of shareholders attended amounted to 11% of the share capital (5.807.212 shares), there was no quorum present, pursuant to Article 51 of the Articles of Association and, therefore, the meeting was compulsorily considered as having no object and was terminated.

However, the representatives of the shareholders attended agreed to proceed with voting the following resolutions, which were requested by Alkis H. Hadjikyriacos (Frou Frou Biscuits) Public Ltd together with the other shareholders, Frou Frou Investments Ltd and Michalis (Alkis) H. Hadjikyriacos, with the notice sent to all shareholders on July 2016 in order to set the percentage of the shareholders in favour of the said requests.

ORDINARY RESOLUTION NO. 1

“That the total annual earnings of the members of the Management (Rolandos Loizou, Yiola Loizou, Andreas Loizou and Zoe Loizou) be decreased from €411.000 in 2015 to €237.000, adjusted to 2012 levels (€289.471=-18%) so that the same percentage decrease as that of the remaining staff of the Company applies”.

ORDINARY RESOLUTION NO. 2

“That the members of the Management referred to hereinabove return to the Company the increased earnings they received during the years 2013 (€81.000 + €7.400 proportion of contributions + €15.900 interest), 2014 (€121.000 + €13.000 proportion of contributions and €16.000 interest) and 2015 (€174.000 + €14.000 proportion of contributions and €11.300 interest), totaling **€453.600**.”

ORDINARY RESOLUTION NO. 3

“That the earnings of the staff and Management be restored to 2012 levels (€289.471 for the Management) only after results are restored to previous profitability levels of 2009, i.e. a profit of €625.000 before taxation.”

The resolutions were based on the following reasoning:

Following the events of March 2013 with the deposits haircut, the temporary closing of the banks, capital controls and the signing by Cyprus of the Memorandum of Understanding, the Company's Management decided to decrease the staff's earnings and proceed with staff redundancies considering them to be two measures, which would help overcome the economic crisis and the descending course of the Group's results. More specifically:

1. The Management decreased employees' earnings by approximately 10% and cut the 13th salary, which corresponds to a decrease of total staff earnings of 18%. Until the end of 2015, these cuts were not restored.
2. A large number of staff became redundant and from 71 employees in 2012, staff was reduced to 51 employees in 2015, i.e. a decrease of 28%.
3. Contrary to the above, the Management and members of the family of the majority shareholder Mr. Rolandos Loizou, instead of reducing in the same manner their total yearly earnings from €289.000 in 2012 to €237.000 (i.e. -18% like the remaining staff), they increased their earnings in 2013 to €318.000 (+10%), in 2014 to €358.000 (+12.5%) and in 2015 to €411.000 (+14.8%), i.e. to a total increase of 42.2% in three years, or 73.4% higher than where they should have rationally been had they been aligned with the earnings of the remaining staff.

It should be noted that during the years 2012-2015 (like for all previous years), no dividend was paid to the shareholders.

The above increases in the Management's earnings are unjustified, unfair and unacceptable and, therefore, should be annulled since they were effected:

- despite the reduction in the earnings of the remaining staff;
- despite a large number of employees being redundant;
- despite the non-payment of dividends to the shareholders;
- despite the fact that during the 2011-2015 period, sales were significantly decreased;

- despite the fact that during the 2011-2015 period, consecutive record losses were registered.

All the aforementioned resolutions were unanimously supported by all those present, i.e. 65% of the minority shareholders.

It is noted that the majority shareholder, Mr. Rolandos Loizou, who controls 84% of the share capital was not present at the Extraordinary General Meeting, thereby preventing the lawful holding of the Extraordinary General Meeting and ignoring the position of minority shareholders.

Yours,

FOR ALKIS H. HADJIKYRIAKOS

(FROU FROU BISCUITS) PUBLIC LTD

(sgd)

Andreas Theocharides

CFO

cc. Cyprus Securities and Exchange Commission