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Annual Financial Report

RENOS HATZIOANNOU FARM PUBLIC COMPANY LTD

FRH

**Delay in the Publication of the Audited Financial Statements for
2016**

Please see attached

Attachment:

1. **Announcement**

Regulated

Publication Date: 26/10/2017

Delay in the publication of the Audited Financial Statements for 2016

Nicosia, 19 October 2017

On the recommendation of the Cyprus Stock Exchange, Renos Hatzioannou Farm Public Company Ltd wishes to inform investors about the ongoing delay in the publication of its Financial Statements for 2016 and the first half of 2017 in violation of its ongoing obligations.

1. The Company took legal action against Popular Bank in 2011 for violation of an agreement of 2007 and damages. The Bank of Cyprus has transferred the Agreement which is deposited with the Nicosia District Land Office in its name, refuses to implement it and has filed proceedings for alleged loans due by the Company pending in 2005. The Company has asked to see the grounds on which Bank of Cyprus bases its lawsuits but the Bank refuses. In addition, the Bank is late in submitting its defence in an amended Statement of Claim in the lawsuit against it. The case is fixed for hearing again on 30/10/2017 and the Company has asked its lawyer to contact the lawyers of Bank of Cyprus and request them to submit their defence within the deadline. In case Bank of Cyprus fails to do so, the Company will apply to the Supervisory Authorities as the delay entails the ongoing impairment of its assets. The outcome of the court procedure is in favour of Bank of Cyprus and, irrespective of the result, the Company will suffer damages from the ongoing delay. If it loses the lawsuit it will pay more damages, if it wins it will again lose because the value of its collateral will have been impaired even more. In addition to Bank of Cyprus other banks are also affected since, based on the Agreement with Popular Bank, the Company has undertaken commitments with other banks which it cannot fulfill. Without the evidence from Bank of Cyprus, no auditor can express an opinion on the Company's accounts since the claim is approximately 20 million euros while Bank of Cyprus is the Company's main lender. The Company notes that it has applied to other banks in which it has mortgaged property in order to take measures to contain the impairment of the value of the mortgaged assets, for their mutual benefit, but in vain. All of the Company's loans date back to 2006 and prior to that, and most of them are charged with illegal excessive charges. In the last 11 years, the Company has not concluded new loans but has repaid loans worth millions of euros.
2. The Company has been informed by its lawyer that an agreement has been reached with Societe Generale Bank Cyprus but has received no confirmation from the Bank. The Company is delaying the publication of its results as it is waiting to incorporate this agreement which materially affects its financial situation. The Company cannot prepare and announce its financial results for the first half of 2017 before completing the financial statements of 2016.
3. The Company intends, if necessary, to use the time until the commencement of the procedures for the delisting of its titles from the Stock Exchange, in the hope that Bank of Cyprus will make second wiser thoughts.
4. The Company understands the need to comply with its ongoing obligations vis-à-vis the Stock Exchange but deems that, under these particular circumstances, the delay in the submission of its Financial Statements for 2016 is in the interest of its shareholders.

Constantinos Hatzioannou
Chairman of the Board of Directors