

INTERIM MANAGEMENT STATEMENT 9/5/2017 - 1/12/2017

Nicosia 4/12/2017

Please find attached the Interim Management Statement.

The main point is the Company's intention to request the CSE not to proceed with the delisting of its shares and the court proceedings. Regarding Asrtrobank Ltd the information provided is inadequate in order to protect the Company's interests. The Central Bank of Cyprus has been informed of the actions which have been or will be taken, always within the law, and it is up to it to take any measures deemed fit in order to safeguard financial stability. The Company, its Board of Directors and its Chairman have responsibility to serve the interests of the shareholders alone.

Constantinos Hatzioannou

Chairman of the Board of Directors

Attachment:

1. **Management**

Regulated

Publication Date: 12/12/2017

RENOS HATZIOANNOU FARM PUBLIC COMPANY LTD

INTERIM MANAGEMENT STATEMENT FOR THE PERIOD 9/5/2017 - 1/12/2017

The Board of Directors of Renos Hatzioannou Farm Public Company Ltd has approved the Interim Management Statement of the Company and its subsidiary for the period 9/5/2017 - 1/12/2017, prepared in accordance with the provisions of Article 11 of the Transparency Requirements (Securities Admitted to Trading on a Regulated Market) Law of 2007 (L. 190(I)/2007). The Statement has not been audited by the Company's external auditors.

The most material events and transactions in the period under review are as follows:

1. The Company is exclusively engaged in the negotiations and court proceedings with banks and the management of its immovable property.
2. The Company has no sales and.
3. There is no extraordinary income or expense in the period under review while the value of the Company's immovable property is decreasing due to normal wear and tear and adverse market conditions. In addition, there is a rise in thefts of zinc sheets and machinery from certain closed buildings of the Company, situated in remote areas. The wear and tear in certain buildings and premises makes repairing impossible. The Company has immovable property in areas where their value has disproportionately decreased compared to urban areas, but some of that property can be exploited or is very near residential or industrial areas.
4. The Company filed lawsuits against banks since 2011 while there are also lawsuits and court decisions against it. Although it has very strong cases and will reasonably benefit millions from the lawsuits it has filed, due to the significant delays in the hearing of the cases it is uncertain that the Company will be able to hold out until the final judgments. Moreover, there are also court decisions against it by banks for large amounts and by other creditors for smaller amounts. The main court proceedings are described in the following paragraphs.
5. On 8/8/2007, the Company reached an agreement with Popular Bank for the restructuring of its loans and the grant of new loans. The Agreement included the sale of plots to the Bank. As established following research in the records of the Department of Lands and Surveys, the Instrument of Sale deposited with the District Department of Lands and Surveys in Nicosia on 18/8/2015 was transferred in favour of the Bank of Cyprus. Given that one of the plots was government land the Bank awaited the acceptance of the transfer by the Council of Ministers before executing the Agreement. When the approval was finally obtained, the Bank unilaterally executed part of the Agreement and attempted to re-negotiate the part of the Agreement that concerned fresh borrowing. It never questioned the purchase of the plots at the agreed price. In April 2011, the Company filed a lawsuit against Popular Bank and reached a compromise in 2012, but before the declaration of the Court, the Bank interrupted its operations. The lawsuit was undertaken by Bank of Cyprus on behalf of Popular Bank and the hearing was postponed for September 2018 despite the Company's efforts to fix a hearing on an earlier date. On 19/1/2017, completely unexpectedly, the Company was sued by Bank of Cyprus for an alleged debt to Popular Bank, with the claim being founded on balances of 2005, long before the

Agreement, which is not disclosed. The Company denies that it owes or owed at any time the specific amounts to Popular Bank but Bank of Cyprus has refused and continues to refuse to present the statements and the loan agreements, if any, on which the action is based.

6. The Company has reached an agreement with Societe Generale which was declared in Court on 24/11/2017. The agreement resulted in an accounting profit of a few million which concerns previous exercises and will be included in the financial results of 2016.
7. Hellenic Bank, the Company's second largest creditor, has orally proposed an arrangement which has been accepted by the Company on condition that the Company would be entitled to promote its action against Pancyrian Insurance which is pending before the Court. To date, Hellenic Bank has not informed the Bank in writing whether it will proceed to an agreement.
8. Applications for liquidation have been filed, at times, by various creditors and rejected. The Cyprus Stock Exchange, one of the creditors that failed to obtain a Liquidation Order in the past, filed a new Application, fixed for hearing in February. Based on a legal opinion, the Company considers that the new Application does not have prospects of success. Astrobank Limited filed an application for liquidation against the Company for a disputed debt before the Supreme Court, fixed for instructions on 11/1/2018. Due to the fact that after the Company announced in September that based on a legal opinion the Application will be dealt with successfully, as we are informed by our lawyers, the Bank's lawyers informed the Court that they will attempt to file a new statement, the Company will not comment on this case again. The Company understands the need to inform shareholders, especially as its share is suspended, but it cannot give information that may be used against it. The Chairman of the Company has sent a letter to the CEO of Piraeus Bank, cc'ed to the Governor of the Bank of Greece. As the Company is informed from reliable financial websites, the Bank of Greece will soon announce fines to 40 executives of Piraeus Bank. The Company or its Chairman will take action, if deemed fit, after the official announcement of the Bank of Greece. The Chairman of the Company has assured the Central Bank of Cyprus that any measures taken will concern exclusively Astrobank Ltd and possibly Piraeus Bank and no other Cypriot bank.
9. The Company notes that in view of the lawsuits filed by Bank of Cyprus, there is a real risk that the Company will not be able to hold out financially until the completion of court proceedings. Despite the fact that the Company deems that in case its lawsuit against Popular Bank, undertaken by Bank of Cyprus, is completed the verdict will be positive, it is not in a position to assure its shareholders that the compensation to be awarded in such an event will be such as to allow the survival of the Company. While its debts are burdened with interest capitalised twice a year, the interest (logically from 2007) foreseen in any decision may be simple and not capitalised. The Agreement was made in 2007 under different circumstances, at a time when the Company's immovable property had great value and the sale of only part of that property would help settle all of the Company's debts.
10. If no information is given by Bank of Cyprus no auditor can express an opinion on the financial statements as there is a difference between the amounts that Bank of Cyprus claims that the Company owes to Popular Bank and the amounts that the Company recognises as debts and no audited financial statements can be published. An Independent Auditor's report which does not express an opinion on the accuracy of the financial results is of no value to anyone. For the

purposes of informing the shareholders, the Company will publish within the next few days the unaudited balance sheet for 2016 and unaudited results for the period 1/1/2017 – 30/6/2017.

11. The Company has replied to a letter of the Securities and Exchange Commission on the violation of the deadlines for publishing the financial results and has explained the reasons. The content of the letter is confidential and it is not in the interest of the shareholders to publish it, at least not at this stage. The Company will ask the CSE and the Securities and Exchange Commission not to start the process of delisting its shares. The Company has orally stated to the competent CSE officer that a change of circumstances may soon allow it to publish its financial results.