



Information Bulletin of Pandora Developments Public Ltd (The Company) with regard to the Extraordinary General Meeting dated 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 24th March 2016, to approve relevant resolutions necessary to facilitate the restructuring plan of its loans with the Bank of Cyprus Public Ltd (BOC) and informing the investors in general, announces the following subsequently to its announcement of 24th April 2015.
2. The Company and the groups of Leptos Calypso Hotels Public Ltd (LCH) and Private Company Armonia Estates Ltd (Armonia), holder of the majority of their shares (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 resolutions with regard to the agreed actions for the implementation of the restructuring plan.
3. The restructuring plan concerns Company liabilities of €148 million and 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 structure of the Company with the subsidiaries involved today, appears in the attached Table A.

The restructuring provides for the substitution of €100 million of loans by BOC (€70 million existing loans of the Company and its subsidiaries and €30 million transferred to Company's subsidiary by the transaction of p/ph 1 of Appendix 1 hereinafter) with long terms bonds to be issued to BOC or other entities (as per BOC instructions), by Neapolis Development Holdings Ltd (NTopCo) controlling shareholder of the Company of Neapolis Development Properties Ltd (NPropCo) ultimate owner of the project Neapolis Smart Eco City. The bond interest shall be capitalised every year and as from 2023 and 2027 may be converted with accrued interest into shares at a price reflecting the value of NTopCo or be paid and discharged without any accrued interest at the bond holder's option. The remaining loans of the Company's Group towards BOC are significantly reduced to €78 million with reduced interest and instalments and their repayment (according to their type) is envisaged in 2023 or 2025. In any case, such loans must be reduced to €65 million by 2018 and €47 million by 2021.

In parallel, significant immovable property will be released from mortgage.

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The implementation of the restructuring as provided herein shall be done through transactions with the groups of LCH and Armonia as described in p/phs 5,7 & 8 herein and intercompany transactions between the companies of the group of Company specified in Appendix 1 After the above transactions Karina main remain mortgagee on certain of its property to secure a loan of LCH of €1.930.500 plus interest and other cost to Alpha Bank Cyprus Ltd with simultaneous guarantee for the same amount by LCH to Pandora.

In this respect, the B.D. of the Company has taken into account considered valuations of the said immovable property by independent professional valuers and a fairness opinion of an International Firm of experts which reports that the transaction as described above if financially fair for the shareholders of the Company.

5. P.P. Irrigations and Systems Ltd (P.P. Irrigations) shall acquire from LCH:
 - (a) 1.066.378 ordinary issued shares in Karina Properties (being 1001% of the issued share capital) and
 - (b) 10.000 ordinary issued shares in Harbour Shore Estates (being 33.33% of the issued share capital) and
 - (c) €30.000.000 of LCH's existing indebtedness to BOC,and in consideration P.P.Irrigations & Systems shall issue and allot to Calypso one fully paid and participating ordinary share for a nominal paid-up amount of €1.

- 6(a) The Company shall transfer to Armonia about 22% of the shares of Linmar (Paphos) Developments Public Ltd (LDP) (in process to become private) and any other necessary consideration (if required) in consideration of Armonia transferring 79.999 ordinary shares in LDP amounting to 49% of the issued share capital of LTP as well as any other consideration (if required). Upon completion of the above transactions the Company and its subsidiary Avax Investment Public Ltd (Avax) (now in the process of becoming private company) shall hold 100% of the issued share capital of LDP.

- (b) LDP which today is debtor by mortgage on certain of its property to secure loan liabilities of the group of the Company shall become debtor by mortgage on its property to secure loan liabilities of Armonia and in exchange Armonia shall provide equal Guarantee to the Company (by an indemnity agreement).

In this respect, the B.D. of the Company has taken into account considered valuations of the said immovable property by independent professional valuers and a fairness opinion of an International Firm of experts which reports that the transaction as described above if financially fair for the shareholders of the Company.

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7. Neapolis Development Holdings Ltd (Neapolis Top Co) shall issue to BOC convertible bonds of €100 million in exchange of BOC discharging/releasing Neapolis Top Co of €100 million from liabilities undertaken by Neapolis Top Co on the basis of the intercompany reorganisation of the group of the Company.
8. 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.
9. The Board of Directors of the Company taking in account financial and business factors and land valuations by recognised professional valuers as well as a Report by International Experts in relation to transactions 5 and 6 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 for a business planning which will enhance the activities capabilities and prospects of the Company.
10. The Company and all its subsidiaries which are parties to loan agreements with BOC and the reorganisation, proceed through the Board of Directors or any Director of each Company, to the necessary actions and sign all relevant financing and other documents in order to complete the restructuring of loans and the reorganisation of the Company and its subsidiaries and to implement all terms of the financial document relating to the Company and its subsidiaries.
11. There should be a possibility to effect amendments to the above if necessary or required by the tax or other Authorities provided there are no significant additional liabilities for the Company and its Group as a whole, subject to the decision of the Company's Board of Directors which is hereby authorised to act accordingly.

Appendix 1

1. The Companies of limited liabilities Megabrand, Mulia Rocks, Refogen, Zelima, directly or indirectly owned by the Company shall novate to the Company at the time of implementation, the total liabilities each of them has to BOC, in consideration of the creation of an intercompany receivable by each of them, in favour of the Company.
2. The companies of limited liability Andreas Chapides & Sons and P.P.Iasis Holdings owned 100% by the Company shall novate to the Company the total liabilities each of them has to

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BOC in consideration of the creation of an intercompany receivable by each of them, in favour of the Company, less an amount of €175.000 and €341.721 respectively, attributable to ancillary facilities by BOC

3. P.P.Irrigations & Systems shall novate €30.000.000 of existing indebtedness owing to the Lender (assumed in accordance with the steps set out in clause 5(c) of the Information Bulletin above) together with any accrued and capitalised interest to Pandora, and in consideration, P.P.Irrigations & Systems shall issue and allot 100.000 fully paid and participating ordinary shares of a nominal paid-up amount of €1 to Pandora.
4. Pandora shall novate €100.000.000 of its existing indebtedness owing to the Lender to PPL, in consideration for the creation of an intercompany receivable of equal amount owing by Pandora to PPL.
5. PPL shall:
 - i. transfer full legal and beneficial ownership of the Neapolis Project; and
 - ii. novate €35.930.888 of its existing indebtedness owing to the Lender, to Neapolis Propco andin consideration Neapolis Propco shall issue and allot one fully paid and participating ordinary share for a nominal paid-up value of €1 to PPL.
6. PPL shall:
 - i. transfer full legal and beneficial ownership of 1.001 ordinary issued shares in Neapolis Prop Co (being 100% of the issued share capital); and
 - ii. novate €100.000.000 of its debt obligations owing to BOC, to Neapolis Propco andin consideration Neapolis Topco shall issue and allot one fully paid and participating ordinary share for a nominal paid-up amount of €1 to PPL.
7. PPL shall transfer to Sunpride full legal and beneficial ownership of 1.001 ordinary issued shares in Neapolis Topco (being 100% of the issued share capital and in consideration, Sunpride shall issue and allot one fully and participating ordinary share for a nominal paid-up amount of €1 to PPL.
8. PPL shall:
 - i. Transfer full legal and beneficial ownership of the Apollon Ilatis Project
 - ii. Novate €10.140.000 of its existing indebtedness owing to the Lender; and
 - iii. Novate €15.000.000 of its existing indebtedness owing to Pandora, to Ilatis Propco; and

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in consideration, Ilatis Propco shall issue and allot one fully paid ordinary share for a nominal paid-up amount of €1 to PPL.

9. PPL shall:

- i. transfer full legal and beneficial ownership of the rest of the land it owns; and
 - ii. novate €3.000.000 of its existing indebtedness owed to Pandora,
- to Neapolis Kangelli Properties Ltd (NKP) and in consideration of the transaction NKP shall issue and allot one fully paid and participating ordinary share for a nominal paid-up amount of €1 to PPL.

10. PPL shall:

- i. transfer full legal and beneficial ownership of 490.750 ordinary shares in P.P.Iasis Holdings (being 99.99% of the issued share capital); and
 - ii. novate €4.000.000 of its existing indebtedness owed to Pandora,
- to Neapolis Healthcare and in consideration Neapolis Healthcare shall issue and allot one fully paid and participating ordinary share for a nominal paid-up amount of €1 to PPL.

11. the Company and the company Avax Investments Public Ltd (Avax) which is wholly owned by the Company:

- (a) shall transfer the 66.66% and 33.34% respectively of the share capital, ie the total number of shares held in PPL, to the company Medihealth Medical Services Ltd (Medihealth), in exchange of the issuance by Medihealth of respective shares to the Company and Avax so that they remain shareholders of Medihealth with the same aforementioned percentages.
- (b) shall transfer to Medihealth €78 million and €22 million respectively, representing the amounts payable to PPL by each of them, so the above amounts are payable by Medihealth to PPL.
- (c) Medihealth will be absorbed

Board of Directors
Pandora Investments Public Ltd
6/3/2016

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