

Claridge Public Limited

Office of the Secretary

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ANNOUNCEMENT

SIGNING OF A CONTRACT FOR THE SALE OF AMATHUS BEACH HOTEL PAPHOS

Claridge Public Ltd announces that on 02/04/2015 a sales contract has been signed for the sale of Amathus Beach Hotel Paphos to K.A. Olympic Lagoon Resort Ltd. The conclusion of the said contract, which was concluded on an arm's length basis, is subject to the following conditions precedent:

1. That the structural and mechanical due diligence for the hotel shall be successful.
2. That the legal due diligence for the hotel shall be successful.
3. That Bank of Cyprus shall provide its written consent, accepting the restructuring of the loans of the selling company and shall confirm that upon settlement of the balances of all loans secured by mortgage over the plot on which the said hotel was built, it shall release such plot from any encumbrances.
4. That there will be an application to the Republic of Cyprus for transferring the license for the use of a piece of land of an extent of 7.100 sq. m. which is located in front of the hotel to the part that is adjacent to the sea.
5. That there will be a positive decision as regards this transaction by the Competition Committee.
6. That all the shares held by Claridge Public Ltd in Olympic Lagoon Hotels Ltd shall be transferred, free from any burden, to K.A. Olympic Lagoon Resort Ltd.
7. That a tax clearance certificate by the tax authorities will be secured by Claridge Public Ltd proving settlement of all tax liabilities.

The consideration for the sale of Amathus Beach Hotel Paphos, as it was previously announced, amounts to €34.450.00, out of which €32.900.000 relate to the sale of the land and buildings, €1.510.000 to the sale of the furniture and fittings of the hotel and €40.000 to the stock. When calculating the consideration of the sale no goodwill was taken into account.

Possession of the hotel will pass to the purchaser on the 26th of May 2015 or on the date of transferring the plot to the purchaser through the District Lands Office, whichever shall be the earlier. As a date of transfer of the hotel, it has been fixed to be the 15th day following the completion of all conditions precedent as mentioned above.

It is reminded that Amathus Beach Hotel Paphos commenced its operation in 1992 and comprises of 273 rooms. It was a 5 star hotel and belonged to the chain of the Leading Hotels of the World. Recently, following the signing of the management agreement with

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Olympic Lagoon Hotels Ltd it was decided to convert the hotel to an Olympic Lagoon Resort and is currently undergoing extensive renovations. The cost of the renovations is estimated to be around €13,5 million which will be fully paid by K.A. Olympic Lagoon Resort Ltd.

The results of the hotel for the last few years were loss making and its occupancies were in descending mode. The Company has a high debt, of approximately €32,1 million, and since December 2013 was unable to fulfill its obligations under the loan agreements, and as a result the auditors of the Company included an emphasis of matter in their report for the year 2013. It is noted that since the end of 2014 the Company has not paid to the bank an amount of €2 million against its borrowings, as it should, while by the end of 2015 there is an obligation to pay to the Bank an amount of approximately €22 million, which the Company is unable to do so under the current circumstances. These data as well as everything else that was mentioned in previous announcements of the Company on this matter, did not leave any other option to the Board of Directors but to proceed with the sale of the said hotel, a decision which was ratified by the Extraordinary General Meeting of the shareholders on 17/02/2015.

The Board of Directors of the Company expects that from the receipt of the consideration from the sale of the hotel, the Company will settle the total borrowings, the tax obligations to the Tax Authorities as well as all the other trade creditors. Following the sale of the hotel, the investments in Leisure Holding S.A., owner of the Amathus Beach Hotel Rhodes, and in Amathus Vacation Ownership Ltd, owner of 27 apartments at Apollo Heights which is located at Aphrodite Hills Resort in Kouklia Paphos, will remain to the assets of the Company. The investment in Leisure Holding S.A. could be realised if the due diligence process of the hotel in Rhodes is successful, a matter on which a previous announcement was made by the Company. The apartments at Apollo Heights are for sale. When all of the above are concluded, the Board of Directors will examine and take decisions on the future of the Company.

The following are noted:

- A. There was no any mediation of any broker for the sale of the hotel and therefore no commission has been paid.
- B. Amathus Public Ltd which holds 40,53% of the issued share capital of Claridge Public Ltd participates with a holding of 48% in the issued share capital of K.A. Olympic Lagoon Resort Ltd, purchaser of the hotel in Paphos.

Limassol, 3 April 2015