

**S.C. ROMCARBON S.A.**

**SEPARATE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED JUNE, 30 2016**

**PREPARED IN ACCORDANCE WITH  
INTERNATIONAL FINANCIAL REPORTING STANDARDS**

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**STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED June,30 2016**  
**(all amounts are expressed in lei, unless specified otherwise)**

	<u>30-Jun-15</u>	<u>30-Jun-16</u>
	RON	RON
Net sales	87,297,447	89,840,618
Investment income	7,107,180	2,134,841
Other gains or losses	141,675	92,364
Changes in inventories	1,416,718	2,105,127
Raw materials and consumables used	(67,285,612)	(66,993,133)
Depreciation and amortisation expense	(3,494,065)	(4,650,139)
Employee salaries and benefits	(8,963,851)	(10,910,708)
Social security expenses	(2,115,430)	(2,552,640)
Net finance cost	(1,012,120)	(1,148,989)
Income from subsidies	587,589	1,036,381
Other expenses	(5,501,988)	(6,463,236)
<b>Profit before taxation</b>	<b>8,177,543</b>	<b>2,490,486</b>
Income tax	(439,598)	(190,932)
<b>Net profit</b>	<b>7,737,945</b>	<b>2,299,554</b>
Other comprehensive income		
<b>Total comprehensive income</b>	<b>7,737,945</b>	<b>2,299,554</b>
Earnings per share	0.0293	0.0087
<b>Number of shares</b>	<b>264,122,096</b>	<b>264,122,096</b>

**ADMINISTRATOR**  
**HUNG CHING LING**

Signature\_\_\_\_\_

**General Manager**  
**ANDREI RADU**

Signature\_\_\_\_\_

PREPARED BY,  
**FINANCIAL MANAGER**  
**ZAINESCU VIORICA**

Signature\_\_\_\_\_

*For signature, please refer to the original Romanian version.*

**STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED JUNE,30 2016**  
 (all amounts are expressed in lei, unless specified otherwise)

	<u>01-Jan-16</u>	<u>30-Jun-16</u>
	RON	RON
<b>Non-current assets</b>		
Property, plant and equipment	147,831,285	150,354,264
Investment property	43,799,325	44,094,993
Intangible assets	189,900	226,318
Financial assets	22,863,010	22,863,010
<b>Total Non-current assets</b>	<b>214,683,520</b>	<b>217,538,585</b>
<b>Current assets</b>		
Inventories	20,499,859	21,309,987
Trade and other receivables	33,959,316	32,320,172
Amounts to received from Relatives parties (Financial)	-	619,116
Taxes receivable	439,598	69,197
Other assets	366,752	349,658
Cash and cash equivalents	12,888,836	2,412,253
<b>Total Current assets</b>	<b>68,154,361</b>	<b>57,080,383</b>
<b>TOTAL ASSETS</b>	<b>282,837,881</b>	<b>274,618,968</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	26,412,210	26,412,210
Share premiums	2,182,283	2,182,283
Reserves	53,375,509	53,281,020
Retained earnings	48,158,839	48,307,844
<b>Total equity</b>	<b>130,128,841</b>	<b>130,183,357</b>
<b>Non-current liabilities</b>		
Borrowings	32,432,440	31,456,630
Finance leases and other interest-bearing liabilities	1,195,151	388,904
Deferred tax liabilities	11,142,757	11,142,757
Deferred income	24,475,344	23,438,964
<b>Total Non-current liabilities</b>	<b>69,245,692</b>	<b>66,427,255</b>
<b>Current liabilities</b>		
Trade and other payables	30,928,649	32,447,925
Borrowings	49,411,862	41,729,498
Finance leases and other interest-bearing liabilities	1,709,000	1,643,626
Deferred income	16,798	84,079
Other liabilities	1,397,039	2,103,228
<b>Total current liabilities</b>	<b>83,463,348</b>	<b>78,008,356</b>
<b>Total liabilities</b>	<b>152,709,040</b>	<b>144,435,611</b>
<b>Total equity and liabilities</b>	<b>282,837,881</b>	<b>274,618,968</b>

ADMINISTRATOR  
 HUNG CHING LING  
 Signature \_\_\_\_\_

PREPARED BY,  
 FINANCIAL MANAGER  
 ZAINESCU VIORICA  
 Signature \_\_\_\_\_

General Manager  
 ANDREI RADU  
 Signature \_\_\_\_\_

*For signature, please refer to the original Romanian version.*

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED JUNE 30, 2016**

(all amounts are expressed in lei, unless specified otherwise)

	<u>Share capital</u>	<u>Share premiums</u>	<u>Revaluation reserves</u>	<u>Legal reserves</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total</u>
<b>01/Jan/2016</b>	<b>26,412,210</b>	<b>2,182,283</b>	<b>44,722,947</b>	<b>3,389,916</b>	<b>5,262,645</b>	<b>48,158,839</b>	<b>130,128,840</b>
Realised revaluation reserve	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	-	-	(2,245,038)	(2,245,038)
Net profit of the year	-	-	-	-	-	2,299,554	2,299,554
Transfer to reserves	-	-	(94,489)	-	-	94,489	-
<b>30/Jun/2016</b>	<b>26,412,210</b>	<b>2,182,283</b>	<b>44,628,459</b>	<b>3,389,916</b>	<b>5,262,645</b>	<b>48,307,844</b>	<b>130,183,357</b>

ADMINISTRATOR,  
**HUNG CHING LING**

FINANCIAL MANAGER,  
**VIORICA ZAINESCU**

GENERAL MANAGER,  
**RADU ANDREI**

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Signature\_\_\_\_\_

Signature\_\_\_\_\_

*For signature, please refer to the original Romanian version.*

**STATEMENT OF CASH FLOW FOR THE PERIOD ENDED JUNE 30, 2016**

(all amounts are expressed in lei, unless specified otherwise)

The cash and cash equivalent in the reporting period had registered a decrease of 10,476,582 lei as compared with 01.01.2016.

	<u><b>30/06/2015</b></u>	<u><b>31/12/2015</b></u>	<u><b>30/06/2016</b></u>
<b>CASH FLOWS FROM OPERATIONS</b>			
Cash generated from operations ( A )	859,573	5,306,193	4,401,220
<b>CASH FLOWS FROM INVESTMENT ACTIVITY</b>			
Net cash (used in)/generated by investing activities( B )	-8,445,314	-37,271,538	-6,218,822
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>			
Net cash generated/used by/in financing activities ( C )	7,615,879	35,293,969	-8,658,980
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS(A+B+C)</b>	<b>30,139</b>	<b>3,328,624</b>	<b>-10,476,582</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>9,560,212</b>	<b>9,560,212</b>	<b>12,888,835</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>9,590,350</b>	<b>12,888,835</b>	<b>2,412,253</b>

ADMINISTRATOR,  
**HUNG CHING LING**

FINANCIAL MANAGER,  
**VIORICA ZAINESCU**

GENERAL MANAGER,  
**RADU ANDREI**

Signature\_\_\_\_\_

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE, 30 2016

(all amounts are expressed in lei, unless specified otherwise)

## NET SALES

	<u>30-Jun-15</u>	<u>30-Jun-16</u>
	RON	RON
Sales of finished products	53,428,191	57,469,953
Sales of commodities	32,416,019	30,734,796
Services rendered	109,822	164,019
Other sales	1,343,415	1,471,850
<b>Total</b>	<b><u>87,297,447</u></b>	<b><u>89,840,618</u></b>

## INVESTMENT INCOME

	<u>30-Jun-15</u>	<u>30-Jun-16</u>
	RON	RON
Income from renting investment property	1,309,258	1,257,448
Income from interest on bank deposits	8,567	8,277
Dividends received from participations	5,789,355	869,116
<b>Total</b>	<b><u>7,107,180</u></b>	<b><u>2,134,841</u></b>

## Alte castiguri sau pierderi si alte venituri

	<u>30-Jun-15</u>	<u>30-Jun-16</u>
	RON	RON
Income from penalties charged	8,424	594
Gain / (Loss) on sale of non-current assets	736	-
Gain / (Loss) on disposal of investment property	-	(9,240)
FOREX gain / (loss)	93,328	85,811
Gain / (Loss) on disposal of finance investments	(190)	-
Gain / (Loss) on changes of provisions	31,335	-
Other gains	8,042	15,199
Other losses	-	-
<b>Total</b>	<b><u>141,675</u></b>	<b><u>92,364</u></b>

## RAW MATERIALS AND CONSUMABLES USED

	<u>30-Jun-15</u>	<u>30-Jun-16</u>
	RON	RON
Raw materials	30,182,902	30,414,080
Commodities sold	31,870,247	30,132,153
Energy and water	3,806,444	4,038,788
Expenses with consumables	1,426,020	2,408,113
<b>Total</b>	<b><u>67,285,612</u></b>	<b><u>66,993,133</u></b>

## DEPRECIATION AND AMORTIZATION EXPENSES

	<u>30-Jun-15</u>	<u>30-Jun-16</u>
	RON	RON
<b>Total amortization expenses,</b>	<b>3,494,065</b>	<b>4,650,139</b>
of which:		
Depreciation of fixed assets	3,383,617	4,612,892
Amortization of intangible assets	110,448	37,247

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE, 30 2016

(all amounts are expressed in lei, unless specified otherwise)

<b>Total</b>	<b>3,494,065</b>	<b>4,650,139</b>
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**EXPENSES WITH SALARIES AND SOCIAL LEVIES**

	<b>30-Jun-15</b>	<b>30-Jun-16</b>
	<b>RON</b>	<b>RON</b>
Salaries	8,578,315	10,386,136
Social contributions	2,115,430	2,552,640
Meal tickets	385,536	524,572
<b>Total</b>	<b>11,079,281</b>	<b>13,463,348</b>

**NET FINANCE COST**

	<b>30-Jun-15</b>	<b>30-Jun-16</b>
	<b>RON</b>	<b>RON</b>
Bank interest and leases expenses	812,464	965,595
Bank commissions and assimilated charges	199,656	183,394
<b>Total</b>	<b>1,012,120</b>	<b>1,148,989</b>

**OTHER EXPENSES**

	<b>30-Jun-15</b>	<b>30-Jun-16</b>
	<b>RON</b>	<b>RON</b>
Expenses with transport and logistics	1,963,094	2,149,578
Other expenses with third party services	2,068,059	2,369,578
Protocol and marketing	218,153	307,065
Expenses with repairs	354,640	408,635
Taxes and levies	316,441	366,886
Losses from receivables	22,347	5,282
Expenses with insurances	117,570	124,132
Expenses with postal charges and telecommunications	68,625	69,195
Expenses with travels	122,465	76,811
Expenses with rents	213,509	222,158
Expenses with commissions and fees	12,428	6,153
Expenses with fines and penalties	4,475	9,883
Other expenses	20,182	347,880
<b>Total</b>	<b>5,501,988</b>	<b>6,463,236</b>

**INCOME TAX**

	<b>30-Jun-15</b>	<b>30-Jun-16</b>
	<b>RON</b>	<b>RON</b>
Current income tax expense	439,598	190,932
Deferred tax income expense	-	-
<b>Total</b>	<b>439,598</b>	<b>190,932</b>



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE, 30 2016

(all amounts are expressed in lei, unless specified otherwise)

PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant and equipment	Installations and furniture	Tangible assets in progress and advances	Total
	RON	RON	RON	RON	RON	RON
<b>COST</b>						
Balance as at January 1, 2016	54,489,512	18,255,036	102,377,658	1,328,119	5,638,339	182,088,664
Additions	0	772,113	2,204,096	42,124	7,870,715	10,889,048
Disposals	-	-	(61,201)	-	(3,744,530)	(3,805,731)
Balance as at June 30, 2016	54,489,512	19,027,149	104,520,553	1,370,243	9,764,524	189,171,981
<b>CUMULATED DEPRECIATION</b>						
Balance as at January 1, 2016	-	(3,234,367)	(30,412,063)	(610,948)	-	(34,257,378)
Expenses with depreciation		(609,290)	(3,954,398)	(49,204)		(4,612,893)
Decrease from sale of assets		-	52,554	-		52,554
Decrease from reevaluation						
Balance as at June 30, 2016	-	(3,843,657)	(34,313,907)	(660,152)	-	(38,817,717)
<b>NET BOOK VALUE</b> as at June 30, 2016	54,489,512	15,183,492	70,206,646	710,091	9,764,524	150,354,264

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2016**  
 (all amounts are expressed in lei, unless specified otherwise)

**INVESTMENT PROPERTY**

<b>Balance as at January 1, 2016</b>	<b>43,799,325</b>
Total additions, out of which:	304,907
Revaluation increases	-
Disposal, out of which:	(9,240)
Revaluation decreases	-
<b>Balance as at June 30, 2016</b>	<b>44,094,992</b>

**OTHER INTANGIBLE ASSETS**

	Licences	Other intangible assets	Intangible assets in progress	Total
<i>Cost</i>	RON	RON	RON	RON
<b>Balance as at January 1, 2016</b>	<b>615,547</b>	<b>513,971</b>	<b>76,094</b>	<b>1,205,612</b>
Additions	42,879	-	30,786	73,665
Transfers	-	-	-	-
Disposal	-	-	-	-
<b>Balance as at June 30, 2016</b>	<b>658,426</b>	<b>513,971</b>	<b>106,880</b>	<b>1,279,277</b>
<b>ACCUMULATED AMORTIZATION</b>				
<b>Balance as at January 1, 2016</b>	<b>(502,574)</b>	<b>(513,137)</b>		<b>(1,015,711)</b>
Expenses with depreciation	(36,415)	(834)		(37,248)
Decrease from sale of assets	-	-		-
<b>Balance as at June 30, 2016</b>	<b>(538,989)</b>	<b>(513,971)</b>	<b>-</b>	<b>(1,052,959)</b>
<b>NET BOOK VALUE as at June 30, 2016</b>	<b>119,437</b>	<b>-</b>	<b>106,880</b>	<b>226,318</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2016**  
 (all amounts are expressed in lei, unless specified otherwise)

**OTHER FINANCIAL ASSETS**

Details on the Company's investments in subsidiaries and associates are as follows:

Name of investment	Core activity	Place of establishment and operations	30-iunie-16	
			%	<i>lei</i>
Recyplat LTD Cipru	Business and other management consultancy activities	Nicosia	100%	20,857,287
RC Energo Install SRL	Plumbing, heat and air conditioning installation (NACE code 4322)	Buzau	100%	15,112
Info Tech Solutions SRL	Data processing, hosting and related activities (NACE code 6311)	Buzau	99%	1,980
Living Jumbo Industry SA	Manufacture of plastic packing goods (NACE code 2222).	Buzau	99%	1,639,232
Eco Pack Management SA	Other business support service activities n.e.c. (NACE code 8299)	Bucuresti	25.36%	586,625
Asociatia Ecologica Greenlife (Non-Profit Organization)	The scope of the association is to represent, promote and support the employer and professional interests of its members	Buzau	33.33%	400
Yenki SRL	Activities of sports facilities (NACE code 9311)	Buzau	33.34%	100,000
Greensort Recycling SRL	NACE code 3832 - Recovery of sorted materials	Bucuresti	51%	20,400
Registrul Miorita SA		Cluj	3.79%	5,000
Romcarbon Deutschland GmbH	Trade with plastic finished products, recycling of plastic materials and purchase of plastic waste	Germania	100%	110,138
Kang Yang Biotechnology CO. LTD	Manufacture of products beneficial for human health	Taiwan	4.81%	203,963
<b>TOTAL</b>				<b><u>23,540,137</u></b>
<b>Financial assets impairment</b>				<b><u>(677,127)</u></b>
<b>Total</b>				<b><u>22,863,010</u></b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2016**  
**(all amounts are expressed in lei, unless specified otherwise)**

**INVENTORIES**

	<u>01-Jan-16</u>	<u>30-Jun-16</u>
Raw materials	12,099,300	11,172,376
Consumables	2,334,141	2,159,378
Items of inventory	133,552	131,826
Packaging	130,235	153,011
Finished products	3,310,115	4,268,547
Unfinished products	1,354,887	1,678,823
Semi-finished products	1,426,881	1,795,363
Residual products	4,004	488
Commodities	371,988	633,859
Advances for purchases of inventory	110,082	91,642
Provisions for obsolete inventories	(775,326)	(775,326)
<b>Total</b>	<b><u>20,499,859</u></b>	<b><u>21,309,987</u></b>

**TRADE AND OTHER RECEIVABLES**

	<u>01-Jan-16</u>	<u>30-Jun-16</u>
Trade receivables	34,271,865	33,019,193
Provisions for doubtful clients	(1,539,112)	(1,539,112)
Taxes to recover	94,959	824,319
Other receivables	7,921	15,771
Subsidies receivable	1,123,683	-
<b>Total</b>	<b><u>33,959,316</u></b>	<b><u>32,320,172</u></b>

**CASH ON HAND AND AT BANKS**

	<u>01-Jan-16</u>	<u>30-Jun-16</u>
Cash at banks	12,864,940	2,250,881
Cash on hand	23,346	38,605
Cash equivalents	550	122,767
<b>Total</b>	<b><u>12,888,836</u></b>	<b><u>2,412,253</u></b>

**OTHER CURRENT ASSETS**

	<u>01-Jan-16</u>	<u>30-Jun-16</u>
Prepaid expenses	366,752	338,735
Advances to services suppliers	-	10,923
<b>Total</b>	<b><u>366,752</u></b>	<b><u>349,658</u></b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2016**  
(all amounts are expressed in lei, unless specified otherwise)

**ISSUED CAPITAL**

	<u>01-Jan-16</u>	<u>30-Jun-16</u>
264,122,096 fully paid ordinary shares (2013: 264,122,096). The value of one share is RON 0.1	26,412,210	26,412,210
<b>Total</b>	<b>26,412,210</b>	<b>26,412,210</b>

**RESERVES**

	<u>01-Jan-16</u>	<u>30-Jun-16</u> RON
Legal reserves	3,389,916	3,389,916
Other reserves	5,262,645	5,262,645
Revaluation reserves	44,722,948	44,628,459
<b>Total</b>	<b>53,375,509</b>	<b>53,281,020</b>

**BORROWINGS****Borrowings – short-term**

	<u>01-Jan-16</u>	<u>30-Jun-16</u>
Creditline Euro – BRD	9,741,940	10,443,703
Investment loan Euro I - BRD	2,377,384	2,375,545
Investment loan Euro II - BRD	47,275	188,955
Investment loan Euro III - BRD	2,038,068	2,036,491
Unicredit Bank (overdraft)	14,136,626	14,713,220
Unicredit Bank (overdraft)	10,212,665	10,495,221
UniCredit Bank- Bridge loan - CCE 2015	9,383,827	-
UniCredit Bank- Investment loan - CCE 2015	-	531,217
UniCredit Bank – VAT Facility - CCE 2015	1,219,562	-
Eximbank SA (investment loan)	254,515	945,146
<b>Total</b>	<b>49,411,862</b>	<b>41,729,498</b>

**Borrowings – long-term**

	<u>01-Jan-16</u>	<u>30-Jun-16</u>
Investment loan Euro I - BRD	2,773,615	1,583,697
Investment loan Euro II - BRD	3,072,900	2,928,806
Investment loan Euro III - BRD	10,360,176	9,333,917
UniCredit Bank- Investment loan - CCE 2015	13,426,091	12,884,487
Eximbank SA (investment loan)	2,799,659	4,725,723
<b>Total</b>	<b>32,432,440</b>	<b>31,456,630</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2016**

(all amounts are expressed in lei, unless specified otherwise)

**BORROWINGS (continued)**

As at 30.06.2016 the loans contracted by S.C. ROMCARBON S.A. have the following structure :

Bank	Type	CCY	Initial amount	Balance as at 30.06.2016		Tenor
				in euro	in lei	
UniCredit Bank	Creditline (OD)	EUR	€ 3,450,000	€ 3,254,417	14,713,220 lei	02/07/2017
UniCredit Bank	Creditline (OD)	EUR	€ 2,500,000	€ 2,321,438	10,495,221 lei	04/07/2017
BRD GSG	Creditline (OD)	EUR	€ 2,550,000	€ 2,310,043	10,443,703 lei	30/09/2016
BRD GSG	Investment loan Euro I - BRD	EUR	€ 2,058,000	€ 875,745	3,959,242 lei	01/03/2018
BRD GSG	Investment loan Euro II - BRD	EUR	€ 1,000,000	€ 689,618	3,117,762 lei	03/09/2022
BRD GSG	Investment loan Euro III - BRD	EUR	€ 3,153,160	€ 2,515,020	11,370,407 lei	03/02/2022
UniCredit Bank	UniCredit Bank- Investment loan - CCE 2015	EUR	€ 3,042,240	€ 2,967,420	13,415,705 lei	04/12/2023
<b>TOTAL Credits in euro</b>			<b>€ 17,753,400</b>	<b>€ 14,933,700</b>	<b>67,515,260 lei</b>	
Eximbank SA	Investment loan	RON	6,142,500 lei		5,670,868 lei	20/06/2022
<b>Total credits in lei</b>			<b>6,142,500 lei</b>		<b>5,670,868 lei</b>	
<b>Total</b>					<b>73,186,128 lei</b>	

In January 2016 SC Romcarbon SA reimbursed the Bridge loan in amount of 2,074,003 Eur and the VAT facility in amount of 1,219,561 Lei both contracted with UniCredit Tirioc SA for financing the investment project co-financed by European Fund for Regional Development « Development of the company Romcarbon SA by purchasing new equipment » .

In July 2016, the Company has signed with UniCredit Bank SA the addendums to the credit contracts for prolongation the availability of the credit with 12 months, i.e. July 2017.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2016**

(all amounts are expressed in lei, unless specified otherwise)

In July 2016, the Company has signed with UniCredit Bank SA a long term loan (the final maturity : July 2023) in amount of 3,200,000 lei for financing the acquisition of an asset (land+construction) in a surface of 1,312.48 sqm including a construction of 1,504.48 sqm located in Iasi, Calea Chisinaului, nr.27-29.

Short term loans have the following structure :

Bank	Type	Initial amount	Balance as at 30.06.2016		Tenor
			in euro	in lei	
UniCredit Bank SA	Creditline (OD)	€ 3,450,000	€ 3,254,417	14,713,220 lei	02/07/2017
UniCredit Bank SA	Creditline (OD)	€ 2,500,000	€ 2,321,438	10,495,221 lei	04/07/2017
BRD	Creditline (OD)	€ 2,550,000	€ 2,310,043	10,443,703 lei	30/09/2016
<b>Total</b>		<b>€ 8,500,000</b>	<b>€ 7,885,898</b>	<b>35,652,144 lei</b>	

Long term loans have the following structure :

Bank	Type	Initial amount	Balance as at 30.06.2016		<12 months	> 12 months
			in euro	in lei		
BRD GSG	Investment loan Euro I - BRD	€ 2,058,000	€ 875,745	3,959,242 lei	2,375,545 lei	1,583,697 lei
BRD GSG	Investment loan Euro II - BRD	€ 1,000,000	€ 689,618	3,117,762 lei	188,955 lei	2,928,806 lei
BRD GSG	Investment loan Euro III - BRD	€ 3,153,160	€ 2,515,020	11,370,407 lei	2,036,491 lei	9,333,917 lei
UniCredit Bank SA	UniCredit Bank- Investment loan - CCE 2015	€ 3,042,240	€ 2,967,420	13,415,705 lei	531,217 lei	12,884,487 lei
Eximbank SA	Credit investitii			5,670,868 lei	945,145 lei	4,725,723 lei
<b>Total</b>			<b>€ 7,047,803</b>	<b>37,533,983 lei</b>	<b>6,077,353 lei</b>	<b>31,456,630 lei</b>

These loans are guaranteed by mortgages on land and plants, pledges on equipment, security mortgage on current bank accounts, receivables assignments.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2016**  
 (all amounts are expressed in lei, unless specified otherwise)

**Other liabilities**

	<u>01-Jan-16</u>	<u>30-Jun-16</u>
Liabilities to employees	596,667	811,001
Liabilities related to social contributions	635,389	707,411
Other tax liabilities	164,983	584,816
Payable interests	-	-
<b>Total</b>	<b><u>1,397,039</u></b>	<b><u>2,103,228</u></b>

**Trade payables and Other payables**

	<u>01-Jan-16</u>	<u>30-Jun-16</u>
Trade payables	28,977,812	28,599,484
Other payables	1,255,293	2,956,749
Suppliers invoices not received	508,525	738,504
Advances from clients	187,019	153,188
<b>Total</b>	<b><u>30,928,649</u></b>	<b><u>32,447,925</u></b>

**FINANCE LEASE OBLIGATIONS**

	<u>01-Jan-16</u>	<u>30-Jun-16</u>
Amounts due within one year	1,709,000	1,643,626
Amounts due in more than one year	1,195,151	388,904
<b>Total</b>	<b><u>2,904,151</u></b>	<b><u>2,032,530</u></b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2016**  
 (all amounts are expressed in lei, unless specified otherwise)

**RELATED PARTY TRANSACTIONS (continued)**

Company	Sales of goods and services		Purchases of goods and services		Receivables from related parties		Payables to related parties	
	6 months 2015	6 months 2016	6 months 2015	6 months 2016	01-Jan-16	30-Jun-16	01-Ian-16	30-Iun-16
ECO PACK MANAGEMENT SA	41,214	44,966	26,167	0	16,519	0	0	0
INFO TECH SOLUTION SRL BUZAU	19,727	11,569	247,570	278,732	0	0	69,549	137,449
LIVING JUMBO INDUSTRY SA	16,108,666	12,112,047	303,135	580,131	7,454,929	4,963,036	43,710	256,423
ROMCARBON DEUTSCHLAND EURO	0	0	760,498	33,476	0	0	0	0
RC ENERGO INSTALL SRL BUZAU	59,112	51,991	914,600	1,237,802	0	3,000	288,507	460,442
TAIPEI CIMEO SRL	11,401	0	0	0	0	0	0	0
YENKI SRL BUZAU	7,856	707	0	0	0	205	0	0
NEXT ECO RECICLYNG S.A.	0	64,893	0	74,260	0	1,975	0	17,235
<b>TOTAL</b>	<b>16,247,974</b>	<b>12,286,171</b>	<b>2,251,971</b>	<b>2,204,401</b>	<b>7,471,448</b>	<b>4,968,215</b>	<b>401,766</b>	<b>871,549</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2016**

(all amounts are expressed in lei, unless specified otherwise)

**Indicatori economico-financiar**

In the reporting period the company registered the following ratios.

**1 Profitability**

No	Ratio	Formula	30.06.2015	30.06.2016
a)	EBITDA to Turnover	$\frac{\text{EBITDA}}{\text{Turnover}} \times 100$	13.43%	7.76%
b)	EBITDA to Total Equity	$\frac{\text{EBITDA}}{\text{Total Equity}} \times 100$	9.05%	5.43%
c)	Gross profit ratio	$\frac{\text{Gross profit}}{\text{Turnover}} \times 100$ $\frac{\text{Gross profit}}{\text{Total Equity}}$	9.23%	2.73%

**2 Liquidity Analysis**

No	Ratio	Formula	30.06.2015	30.06.2016
a)	Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	0.81	0.73
b)	Quick ratio	$\frac{\text{Current assets}-\text{Inventories}}{\text{Current liabilities}}$	0.59	0.46

**3 Risk Analysis**

No	Ratio	Formula	30.06.2015	30.06.2016
a)	Non-current liabilities to Equity	$\frac{\text{Non-current liabilities}}{\text{Total Equity}}$	0.18	0.24
b)	Interest coverage ration	$\frac{\text{EBIT}}{\text{Interest expenses}}$	11.07	3.58

**4 Activity Analysis**

No	Ratio	Formula	30.06.2015	30.06.2016
a)	Account receivable turnover ratio	$\frac{\text{Average receivable balance}}{\text{Turnover}} \times 180$	68	65
b)	Account payable turnover ratio	$\frac{\text{Average payable balance}}{\text{Turnover}} \times 180$	66	63

**5 Profitability ratios**

No	Ratio	Formula	30.06.2015	30.06.2016
a)	Return on assets	$\frac{\text{Net profit}}{\text{Total Assets}} \times 100$	2.96%	0.84%
b)	Return on equity	$\frac{\text{Net profit}}{\text{Total Equity}} \times 100$	5.89%	1.77%
c)	Return on sales	$\frac{\text{Net profit}}{\text{Turnover}} \times 100$	8.73%	2.52%

**ADMINISTRATOR  
HUNG CHING LING**

Signature \_\_\_\_\_

**PREPARED BY,  
FINANCIAL MANAGER  
ZAINESCU VIORICA**

Signature \_\_\_\_\_

**General Manager  
ANDREI RADU**

Signature \_\_\_\_\_

*For signature, please refer to the original Romanian version.*



# S.C. ROMCARBON S.A.



## COMPANY IDENTIFICATION

**Half Year report according with CNVM regulation (1/2006)**

**Date of release:** 12.08.2016

**Reporting date:** 30.06.2016

**Name of the Company:** SC ROMCARBON SA

**Headquarters:** Buzau , Str. Transilvaniei, nr.132

**Tel / fax:** 0238/711155; 0238/710697

**Sole registration code:** RO 1158050

**Registered business number:** J10 / 83/1991

**Subscribed and paid up share capital:** 26,412,209.60 lei

**Regulated market where the issued securities are traded:** Bucharest Stock Exchange,  
Standard category

**The main characteristics of the securities issued by the company:** 264,122,096 registered shares, dematerialized, with a nominal value of 0.1 lei.

## LANGUAGE DISCLAIMER

**This document represents the English version of the original official Romanian document. The English version has been created for English readers' convenience. Reasonable efforts have been made to provide an accurate translation, however, discrepancies may occur. The Romanian version of this document is the original official document. Any discrepancies or differences created in the translation are not binding. If any questions arise related to the accuracy of the information contained in the English version, please refer to the Romanian version of the document which is the official version.**

# 1. FINANCIAL STATEMENTS

## 1.1a) STATEMENT OF FINANCIAL POSITION

Item	30.06.2015	31.12.2015	30.06.2016	in total Assets [June.16]	30.06.2016 vs.31.12.2015		
Property, plant and equipment	123,542,313	147,831,285	150,354,265	54.75%	2,522,979	▲	1.71%
Investment property	46,322,184	43,799,325	44,094,993	16.06%	295,667	▲	0.68%
Intangible assets	134,873	189,900	226,318	0.08%	36,417	▲	19.18%
Financial assets	22,932,608	22,863,010	22,863,010	8.33%	0	—	0.00%
<b>Total non-current assets</b>	<b>192,931,978</b>	<b>214,683,520</b>	<b>217,538,585</b>	<b>79.21%</b>	<b>2,855,065</b>	<b>▲</b>	<b>1.33%</b>
Inventories	18,892,366	20,499,859	21,309,987	7.76%	810,129	▲	3.95%
Trade and other receivables	37,693,127	33,959,316	32,320,172	11.77%	-1,639,144	▼	-4.83%
Amounts to received from Relaties parties (Financial)	1,090,579	0	619,116	0.23%	619,116	▲	0.00%
Taxes receivables	77,750	439,598	69,197	0.03%	-370,401	▼	-84.26%
Other assets	880,947	366,752	349,659	0.13%	-17,093	▼	-4.66%
Cash and bank balances	9,590,350	12,888,836	2,412,253	0.88%	-10,476,583	▼	-81.28%
<b>Total current assets</b>	<b>68,225,119</b>	<b>68,154,361</b>	<b>57,080,383</b>	<b>20.79%</b>	<b>-11,073,978</b>	<b>▼</b>	<b>-16.25%</b>
<b>Total assets</b>	<b>261,157,097</b>	<b>282,837,881</b>	<b>274,618,968</b>	<b>100.00%</b>	<b>-8,218,913</b>	<b>▼</b>	<b>-2.91%</b>
Issued capital	26,412,210	26,412,210	26,412,210	9.62%	0	—	0.00%
Share premium	2,182,283	2,182,283	2,182,283	0.79%	0	—	0.00%
Reserves	49,184,125	53,375,509	53,281,020	19.40%	-94,489	▼	-0.18%
Retained earnings	53,696,255	48,158,839	48,307,845	17.59%	149,005	▲	0.31%
<b>Total Equity</b>	<b>131,474,873</b>	<b>130,128,841</b>	<b>130,183,357</b>	<b>47.41%</b>	<b>54,516</b>	<b>▲</b>	<b>0.04%</b>
Borrowings [Long-term] Long term finance leases and other interest bearing obligations	21,903,860	32,432,440	31,456,630	11.45%	-975,810	▼	-3.01%
Deferred tax liabilities	11,041,869	11,142,757	11,142,757	4.06%	0	—	0.00%
Deferred income	10,464,617	24,475,344	23,438,964	8.54%	-1,036,381	▼	-4.23%
<b>Total non-current liabilities</b>	<b>45,428,822</b>	<b>69,245,692</b>	<b>66,427,255</b>	<b>24.19%</b>	<b>-2,818,437</b>	<b>▼</b>	<b>-4.07%</b>
Trade and other payables	36,092,659	30,928,649	32,447,925	11.82%	1,519,276	▲	4.91%
Borrowings [Short – term] Short term finance leases and other interest bearing obligations	44,571,655	49,411,862	41,729,498	15.20%	-7,682,365	▼	-15.55%
Deferred revenue	1,694,633	1,709,000	1,643,627	0.60%	-65,373	▼	-3.83%
Other liabilities	31,676	16,798	84,079	0.03%	67,281	▲	400.52%
Other liabilities	1,862,779	1,397,039	2,103,228	0.77%	706,189	▲	50.55%
<b>Total current liabilities</b>	<b>84,253,402</b>	<b>83,463,348</b>	<b>78,008,356</b>	<b>28.41%</b>	<b>-5,454,992</b>	<b>▼</b>	<b>-6.54%</b>
<b>Total liabilities</b>	<b>129,682,224</b>	<b>152,709,040</b>	<b>144,435,611</b>	<b>52.59%</b>	<b>-8,273,429</b>	<b>▼</b>	<b>-5.42%</b>
<b>Total equity and liabilities</b>	<b>261,157,097</b>	<b>282,837,881</b>	<b>274,618,968</b>	<b>100.00%</b>	<b>-8,218,913</b>	<b>▼</b>	<b>-2.91%</b>

In the 1st Semester of 2016 Non-currents assets hold 79.21% of the company's assets, recording an increase of 2,855,065 lei, i.e. 1.33%, as compared with december, 2015.

Non-current assets	30.06.2016	% in total NCA	% in total Assets	30.06.2016 vs.31.12.2015
Property, plant and equipment	150,354,265	69.12%	54.75%	1.71%
Investment property	44,094,993	20.27%	16.06%	0.68%

Intangible assets	226,318	0.10%	0.08%	19.18%
Financial assets	22,863,010	10.51%	8.33%	0.00%
<b>Total Non-current assets</b>	<b>217,538,585</b>	<b>100.00%</b>	<b>79.21%</b>	<b>1.33%</b>

In the reporting period the main entries of Non-current assets (except the downpayments and investment on progress) are:

· Plants (including rearrangements and improvement)	:	772,112 lei
· Equipment	:	2,625,386 lei
· Office supplies	:	42,124 lei

The entries of Non-current assets have the following destinations: CP7-Compounds : 2,316,213 lei; CP3 – Polyethylene: 881,883 lei; CP5- Polystyrene: 66,819 lei; Administrative and other sections: 174,709 lei.

The outputs of Non-current assets (dismantles), in the reporting period were as per registration cost in amount of 61,201 lei and as per net accounting value in amount of 8,646 lei.

The property investments have the following structure:

Investment property	Land	Plants	Total
Iasi	27,233,467	8,547,293	35,780,760
Buzau	2,026,350	1,883,666	3,910,016
Stefanesti	1,935,851	2,468,365	4,404,216
<b>Total</b>	<b>31,195,668</b>	<b>12,899,325</b>	<b>44,094,993</b>

**Financial Assets** hold 8.33% of Total Assets, and 10.51% of Non-current assets.

As at 30.06.2016,, S.C. ROMCARBON S.A. held shares in other companies totalizing 23,540,137 lei, as follows :

Company	Total number of shares	Nominal Value (lei)	Social capital (lei)	No. of shares held by RCB	Acquisition value of the shares (lei)	Participation quota (%)
RECYPLAT LTD CIPRU	26,000	4.3521	113,154	26,000	20,857,287	100.0000%
ROMCARBON DEUTSCHLAND GmbH			110,138		110,138	100.0000%
RC ENERGO INSTALL SRL	200	10	2,000	200	15,112	100.0000%
INFO TECH SOLUTIONS SRL	200	10	2,000	198	1,980	99.0000%
LIVINGJUMBO INDUSTRY SA	200	4,032	806,400	198	1,639,232	99.0000%
GREENSORT RECYCLING SRL	4,000	10	40,000	2,040	20,400	51.0000%
YENKI SRL	32,800	10	328,000	10,934	100,000	33.3354%
ASOCIATIA ECOLOGICA GREENLIFE (Non-Profit Organization)				1,200	400	33.3333%
ECO PACK MANAGEMENT SA	144,600	10	1,446,000	36,670	586,625	25.3596%
KANG YANG BIOTECHNOLOGY CO.LTD	2,889,993			139,000	203,963	3.0889%
REGISTRUL MIORITA SA	10,500	10	105,000	398	5,000	3.7905%
<b>TOTAL</b>					<b>23,540,137</b>	

As at 31.12.2014 it was acknowledged an impairment of financial assets and consequently it were made the value adjustments. As at 31.12.2015 remained registered the following adjustments:

Company	Participation	
	quota	Adjustment
ROMCARBON DEUTSCHLAND GmbH	100.00%	110,138
GREENSORT RECYCLING SRL	51.00%	738
YENKI SRL	33.34%	11,989
ECO PACK MANAGEMENT SA	25.36%	554,262
<b>Total</b>		<b>677,127</b>

**Current assets** hold 20.79% of total assets recording a decrease of 11,073,978 lei, i.e. 16.25 % as compared with the beginning of the year.

Current Assets	30.06.2016	% in total CA	% in Total Assets	30.06.2016 vs.31.12.2015
Inventories	21,309,987	37.33%	7.76%	3.95%
Trade and other receivables	32,320,172	56.62%	11.77%	-4.83%
Amounts to received from Relatives parties (Financial)	619,116	1.08%	0.23%	0.00%
Taxes receivables	69,197	0.12%	0.03%	-84.26%
Other assets	349,659	0.61%	0.13%	-4.66%
Cash and bank balances	2,412,253	4.23%	0.88%	-81.28%
<b>Total</b>	<b>57,080,383</b>	<b>100.00%</b>	<b>20.79%</b>	<b>-16.25%</b>

**Total Liabilities** hold 52.59% of the company's Equity&Liabilities recording a decrease of 8,273,429 lei, i.e. 5.42% as compared with the beginning of the year.

As at 30.06.2016 the loans contracted by S.C. ROMCARBON S.A. have the following structure :

Bank	Type of credit	CCY	Initial value	Balance as at 30.06.2016		Tenor
				in euro	in lei	
UniCredit Bank	Creditline (OD)	EUR	€ 3,450,000	€ 3,254,417	14,713,220 lei	02/07/2017
UniCredit Bank	Creditline (OD)	EUR	€ 2,500,000	€ 2,321,438	10,495,221 lei	04/07/2017
BRD GSG	Creditline (OD)	EUR	€ 2,550,000	€ 2,310,043	10,443,703 lei	30/09/2016
BRD GSG	Investment credit (I)	EUR	€ 2,058,000	€ 875,745	3,959,242 lei	01/03/2018
BRD GSG	Investment credit (II)	EUR	€ 1,000,000	€ 689,618	3,117,762 lei	03/09/2022
BRD GSG	Investment credit (III)	EUR	€ 3,153,160	€ 2,515,020	11,370,407 lei	03/02/2022
UniCredit Bank	Investment credit - CCE 2015	EUR	€ 3,042,240	€ 2,967,420	13,415,705 lei	04/12/2023
<b>TOTAL Credits in euro</b>			<b>€ 17,753,400</b>	<b>€ 14,933,700</b>	<b>67,515,260 lei</b>	
Eximbank SA	Investment credit	RON	6,142,500 lei		5,670,868 lei	20/06/2022
<b>Total credits in lei</b>			<b>6,142,500 lei</b>		<b>5,670,868 lei</b>	
<b>Total bank exposure</b>					<b>73,186,128 lei</b>	

In January 2016 SC Romcarbon SA reimbursed the Bridge loan in amount of 2,074,003 Eur and the VAT facility in amount of 1,219,561 Lei both contracted with UniCredit Tiriac SA for financing the

investment project co-financed by European Fund for Regional Development « Development of the company Romcarbon SA by purchasing new equipment » .

In July 2016, the Company has signed with UniCredit Bank SA the addendums to the credit contracts for prolongation the availability of the credit with 12 months, i.e. July 2017.

In July 2016, the Company has signed with UniCredit Bank SA a long term loan (the final maturity : July 2023) in amount of 3,200,000 lei for financing the acquisition of an asset (land+construction) in a surface of 1,312.48 sqm including a construction of 1,504.48 sqm located in Iasi, Calea Chisinaului, nr.27-29.

Short term loans have the following structure :

Bank	Type of credit	Initial amount	Balance as at 30.06.2016		Tenor
			in euro	in lei	
UniCredit Bank SA	Creditline (OD)	€ 3,450,000	€ 3,254,417	14,713,220 lei	02/07/2017
UniCredit Bank SA	Creditline (OD)	€ 2,500,000	€ 2,321,438	10,495,221 lei	04/07/2017
BRD	Creditline (OD)	€ 2,550,000	€ 2,310,043	10,443,703 lei	30/09/2016
<b>Total Credite pe termen scurt</b>		<b>€ 8,500,000</b>	<b>€ 7,885,898</b>	<b>35,652,144 lei</b>	

Long term loans have the following structure :

Bank	Type of credit	Initial amount	Balance as at 30.06.2016		< 12 months	> 12 months
			in euro	in lei		
BRD GSG	Investment credit (I)	€ 2,058,000	€ 875,745	3,959,242 lei	2,375,545 lei	1,583,697 lei
BRD GSG	Investment credit (II)	€ 1,000,000	€ 689,618	3,117,762 lei	188,955 lei	2,928,806 lei
BRD GSG	Investment credit (III)	€ 3,153,160	€ 2,515,020	11,370,407 lei	2,036,491 lei	9,333,917 lei
UniCredit Bank SA	Investment credit - CCE 2015	€ 3,042,240	€ 2,967,420	13,415,705 lei	531,217 lei	12,884,487 lei
Eximbank SA	Investment credit			5,670,868 lei	945,145 lei	4,725,723 lei
<b>Total Long Term Loans</b>			<b>€ 7,047,803</b>	<b>37,533,983 lei</b>	<b>6,077,353 lei</b>	<b>31,456,630 lei</b>

These loans are guaranteed by mortgages on land and plants, pledges on equipment, security mortgage on current bank accounts, receivables assignments.

***Current liabilities of the Company***, representing 54.01% of the Total Liabilities and 28.41% of Total Equity & Liabilities have decreased by 5,454,992 lei as compared with 31.12.2015, i.e. 6.54%, have the following structure:

<b>Current Liabilities (CL)</b>	<b>30.06.2016</b>	<b>% in Total CL</b>	<b>% in total Liabilities</b>	<b>30.06.2016 vs.31.12.2015</b>
Trade and other payables	32,447,925	41.60%	22.47%	4.91%
Loans received from related parties	41,729,498	53.49%	28.89%	-15.55%
Borrowings ST	1,643,627	2.11%	1.14%	-3.83%
Short term finance leases and other interest bearing obligations	84,079	0.11%	0.06%	400.52%
Deferred revenue	2,103,228	2.70%	1.46%	50.55%
<b>Total</b>	<b>78,008,356</b>	<b>100.00%</b>	<b>54.01%</b>	<b>-6.54%</b>



**Non-current Liabilities** representing 24.19% of the company's Equity&Liabilities were registered in the reporting period a decrease of 2,818,437 lei, i.e. 4.07%, as compared with 31.12.2015, have the following structure:

<b>Non-current liabilities</b>	<b>30.06.2016</b>	<b>% in Total NCL</b>	<b>% in Total Liabilities</b>	<b>30.06.2016 vs.31.12.2015</b>
Borrowings – Long Term	31,456,630	47.36%	21.84%	-3.01%
Long term finance leases and other interest bearing obligations	388,904	0.59%	0.27%	-67.46%
Deferred tax liabilities	11,142,757	16.77%	7.74%	0.00%
Deferred income	23,438,964	35.29%	16.27%	-4.23%
<b>Total Non-current liabilities (NCL)</b>	<b>66,427,255</b>	<b>100.00%</b>	<b>46.12%</b>	<b>-4.07%</b>

**Total Equity** holding 47.41% of Total Equity&Liabilities, increased with 54,516 lei as compared with the beginning of the year, have the following structure:

<i>Equity</i>	<b>30.06.2016</b>	<b>30.06.2016 vs.31.12.2015</b>
Issued capital (264,122,096 shares at 0.10 lei per share)	26,412,210	0.00%
Share premium	2,182,283	0.00%
Reserves	53,281,020	-0.18%
Retained earnings	48,307,845	0.31%
<b>Total Equity</b>	<b>130,183,357</b>	<b>0.04%</b>

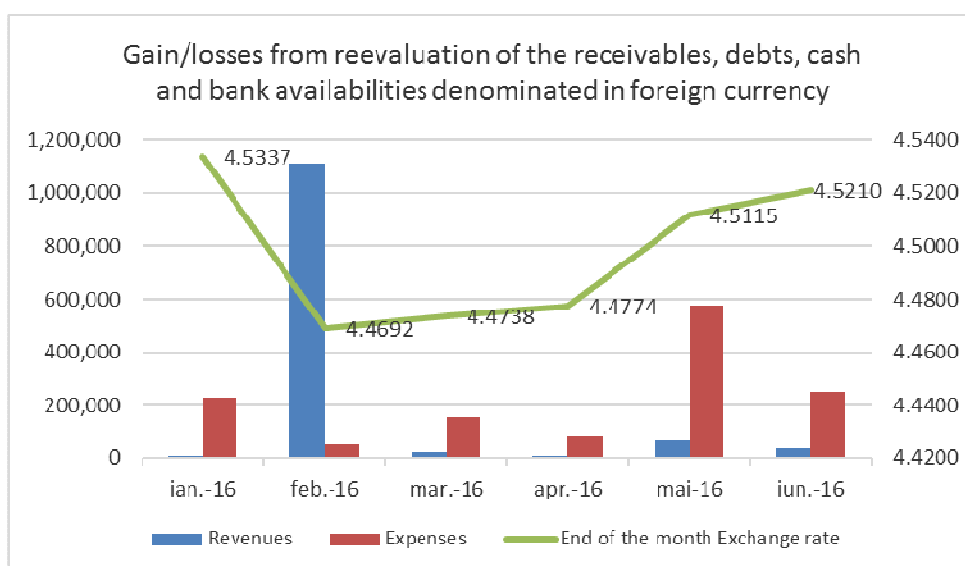
#### ***b) STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE ITEMS***

<b>Item</b>	<b>30.06.2014</b>	<b>30.06.2015</b>	<b>30.06.2016</b>		<b>2016 vs.2015</b>
Revenue	80,160,431	87,297,447	89,840,618	▲	2,543,171
Investment income *	33,247,081	7,107,180	2,134,841	▼	- 4,972,339
Other gains and losses	1,528,331	141,675	92,365	▼	- 49,310
Changes in inventories of finished goods and work in progress	1,259,922	1,416,718	2,105,127	▲	688,410
Raw materials and consumables used	-63,880,313	-67,285,612	-66,993,132	▼	- 292,480
Depreciation and amortisation expenses	-3,662,306	-3,494,065	-4,650,139	▲	1,156,074
Employee benefits expenses and social charges	-7,281,108	-8,963,851	-10,910,708	▲	1,946,857
Tax contributions related to employee benefits	-2,099,049	-2,115,430	-2,552,640	▲	437,210
Finance costs	-1,420,984	-1,012,120	-1,148,989	▲	136,869
Other income	590,734	587,589	1,036,381	▲	448,792
Other expenses	-4,892,596	-5,501,988	-6,463,237	▲	961,249
<b>Profit (loss) before tax</b>	<b>33,550,143</b>	<b>8,177,543</b>	<b>2,490,486</b>	▼	- 5,687,057
Income tax expense	-65,857	-439,598	-190,932	▼	- 248,666
<b>Profit (loss) of the year</b>	<b>33,484,286</b>	<b>7,737,945</b>	<b>2,299,554</b>	▼	- 5,438,391
Other comprehensive income	0	0	0	—	-
<b>Total comprehensive income</b>	<b>33,484,286</b>	<b>7,737,945</b>	<b>2,299,554</b>	▼	- 5,438,391

\*Investment income – details:

Item	30.06.2014	30.06.2015	30.06.2016
Rental and royalty income	1,266,269	1,309,258	1,257,448
Interest income	34,695	8,567	8,277
Investment income (dividends) - Recyplat	30,459,240	4,698,777	0
Investment income (dividends) - Yenki	1,877	0	0
Investment income (dividends) - Energo Install SRL	0	0	250,000
Investment income (dividends) - Infotech Solutions	0	100,579	124,116
Investment income (dividends) - LivingJumbo Industry	1,485,000	990,000	495,000
<b>Total</b>	<b>33,247,081</b>	<b>7,107,180</b>	<b>2,134,841</b>

Note : In accordance with Order no. 1286/2012 the company bank availabilities, the receivables and the liabilities expressed in a foreign currency are evaluated each month at the closing exchange rate communicated by NBR. From this evaluation for the first 6 months of 2016 the company registered revenues in amount 1,263,798 lei and expenses in amount of 1,356,781 lei, resulting a net loss of 92,982 lei.



## TURNOVER (Sales)

Sales	6 Months of 2014		6 Months of 2015		6 Months of 2016		2016 vs.2015
	Valoare	% in total	Valoare	% in total	Valoare	% in total	
Sales of finished goods	47,991,609	58.94%	53,285,894	60.14%	57,383,209	62.99%	▲ 7.69%
Sales of intermediary goods	320,741	0.39%	108,756	0.12%	44,281	0.05%	▼ -59.28%
Services rendered	45,630	0.06%	107,901	0.12%	164,019	0.18%	▲ 52.01%
Sale of goods purchased for resale	30,477,754	37.43%	32,451,480	36.62%	30,777,259	33.78%	▼ -5.16%
Rental and royalty income	1,266,269	1.56%	1,309,258	1.48%	1,257,448	1.38%	▼ -3.96%
Revenues from sundry services	1,324,696	1.63%	1,343,415	1.52%	1,471,850	1.62%	▲ 9.56%
<b>Total, from which:</b>	<b>81,426,700</b>	<b>100.00%</b>	<b>88,606,704</b>	<b>100.00%</b>	<b>91,098,066</b>	<b>100.00%</b>	<b>▲ 2.81%</b>
~domestic market	70,671,017	86.79%	74,327,818	83.89%	72,320,856	79.39%	▼ -2.70%
~export	10,755,682	13.21%	14,278,885	16.11%	18,777,209	20.61%	▲ 31.50%

Note: Turnover comprises the item Revenue from Profit and Loss Account, plus Rental and royalty income which is comprised in Investment income.

## Financial Ratios

In the reporting period the company registered the following ratios.

Indicator	30.06.2015	30.06.2016
Net profit	7,737,945	2,299,554
Profit tax (+)	439,598	190,932
Expenses with interests (+)	812,464	965,595
<b>EBIT</b>	<b>8,990,007</b>	<b>3,456,081</b>
Depreciation(+)	3,494,065	4,650,139
Revenues from subsidies for investment (-)	587,589	1,036,381
<b>EBITDA</b>	<b>11,896,482</b>	<b>7,069,839</b>

### 1 Profitability

No	Ratio	Formula	30.06.2015	30.06.2016
a)	EBITDA to Turnover	$\frac{\text{EBITDA}}{\text{Turnover}} \times 100$	13.43%	7.76%
b)	EBITDA to Total Equity	$\frac{\text{EBITDA}}{\text{Total Equity}} \times 100$	9.05%	5.43%
c)	Gross profit ratio	$\frac{\text{Gross profit}}{\text{Turnover}} \times 100$	9.23%	2.73%
		$\frac{\text{Gross profit}}{\text{Total Equity}}$		

### 2 Liquidity Analysis

No	Ratio	Formula	30.06.2015	30.06.2016
a)	Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	0.81	0.73
b)	Quick ratio	$\frac{\text{Current assets}-\text{Inventories}}{\text{Current liabilities}}$	0.59	0.46

### 3 Risk Analysis

No	Ratio	Formula	30.06.2015	30.06.2016
a)	Non-current liabilities to Equity	$\frac{\text{Non-current liabilities}}{\text{Total Equity}}$	0.18	0.24
b)	Interest coverage ration	$\frac{\text{EBIT}}{\text{Interest expenses}}$	11.07	3.58

### 4 Activity Analysis

No	Ratio	Formula	30.06.2015	30.06.2016
a)	Account receivable turnover ratio	$\frac{\text{Average receivable balance}}{\text{Turnover}} \times 180$	68	65
b)	Account payable turnover ratio	$\frac{\text{Average payable balance}}{\text{Turnover}} \times 180$	66	63

### 5 Profitability ratios

No	Ratio	Formula	30.06.2015	30.06.2016
a)	Return on assets	$\frac{\text{Net profit}}{\text{Total Assets}} \times 100$	2.96%	0.84%
b)	Return on equity	$\frac{\text{Net profit}}{\text{Total Equity}} \times 100$	5.89%	1.77%
c)	Return on sales	$\frac{\text{Net profit}}{\text{Turnover}} \times 100$	8.73%	2.52%

### **1.1c) STATEMENT OF CASH FLOW**

The cash and cash equivalent in the reporting period had registered a decrease of 10,476,582 lei as compared with 01.01.2016.

	<u>30/06/2015</u>	<u>31/12/2015</u>	<u>30/06/2016</u>
<b>CASH FLOWS FROM OPERATIONS</b>			
Cash generated from operations ( A )	859,573	5,306,193	4,401,220
<b>CASH FLOWS FROM INVESTMENT ACTIVITY</b>			
Net cash (used in)/generated by investing activities( B )	-8,445,314	-37,271,538	-6,218,822
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>			
Net cash generated/used by/in financing activities ( C )	7,615,879	35,293,969	-8,658,980
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS(A+B+C)</b>	<b>30,139</b>	<b>3,328,624</b>	<b>-10,476,582</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>9,560,212</b>	<b>9,560,212</b>	<b>12,888,835</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>9,590,350</b>	<b>12,888,835</b>	<b>2,412,253</b>

## **2. Analyses of company's activity**

2.1 Nothing to mention.

2.2 Nothing to mention.

2.3 Nothing to mention.

## **3. Changes in the reporting period with a major impact on the Company' Equity and Company' s Management**

3.1. In the reporting period the company hadn't faced any difficulty for paying its financial, commercial, bank, and tax debts within the tenor.

3.2. Nothing to mention.

As at 30.06.2016 SC Romcarbon SA has the following major shareholders according to the information from Depozitarul Central SA:

<b>Shareholder</b>	<b>No. of shares</b>	<b>% Participation quota</b>
LIVING PLASTIC INDUSTRY S.R.L.	86,774,508	32.85%
JOYFUL RIVER LIMITED	54,195,089	20.52%

ROMANIAN INVESTMENT FUND	20,337,983	7.70%
BRAICONF SA	15,000,000	5.68%
STICHTING BEWAARDER OVERLEVINGSFONDS	13,500,000	5.11%
FONDUL DE PENSII ADMINISTRAT PRIVAT NN/NN PENSII		
S.A.F.P.A.P. S.A.	7,610,000	2.88%
Alte persoane Juridice	15,796,070	5.98%
Alte persoane fizice	50,908,446	19.27%
<b>Total</b>	<b>264,122,096</b>	<b>100.00%</b>

#### 4. Significant tranzactions

In the 1st Semester of 2016 the tranzactions with Relaties Parties are presented in the following table:

Company	Sales 6M 2016 (w/o VAT)	Acquisitions 6M 2016 (w/o VAT)
ECO PACK MANAGEMENT SRL	44,966 RON	- RON
INFO TECH SOLUTION SRL BUZAU	11,569 RON	278,732 RON
LIVINGJUMBO INDUSTRY SA	12,112,047 RON	580,131 RON
NEXT ECO RECICLYNG S.A.	64,893 RON	74,260 RON
ROMCARBON DEUTSCHLAND EURO	- RON	33,476 RON
RC ENERGO INSTALL SRL BUZAU	51,991 RON	1,237,802 RON
YENKI SRL BUZAU	707 RON	- RON
<b>Total</b>	<b>12,286,171 RON</b>	<b>2,204,401 RON</b>

Please note that the Financial Statements as at June, 30 2016 have not been audited.

**Chairman of the Board,**  
**Hung Ching Ling**

**General Manager: eng.Andrei Radu**  
**Financial Manager :ec. Zainescu Viorica Ioana**

*For signatures, please refer to the original Romanian version.*

## Declaration of the management

Undersigners, **HUNG CHING LING- the Chairman of the Board, ANDREI RADU-** the Chief Executive Officer and **ZĂINESCU VIORICA-IOANA**, the Chief Financial Officer of ROMCARBON S.A. Buzau, a company located in Buzau, 132 Transilvaniei street, registered with Buzau Trade Register under the number J10/83/91, having the sole registration number RO1158050, hereby declare that, to the best of our knowledge, the Half-Year Financial Statement prepared in accordance with International Financial Reporting Standards (IFRS) as it were adopted by European Union provide a fair and accurate view of the assets, liabilities, financial position, income statement and statement of comprehensive income and the report of the Board of Directors drawn in accordance with the appendix 31 of the C.N.V.M. Regulation no. 1/2006 provides fairly and comprehensively the information regarding ROMCARBON S.A

Given today,  
12/08/2016

HUNG CHING LING

ANDREI RADU

ZĂINESCU VIORICA IOANA

\_\_\_\_\_  
L.S.

\_\_\_\_\_  
L.S.

\_\_\_\_\_  
L.S.

***For signatures, please refer to the original Romanian version.***

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