



S.C. ROMCARBON S.A.

Buzău – Romania

J/10/83/1991; COD FISCAL 1158050
120012 Buzău, Str. Transilvaniei, nr. 132
Tel.: 0238/711.155; Fax: 0238/710.697
Internet: www.romcarbon.com



SHAREHOLDERS Q&A 18.12.2017

Regarding the questions sent by Mr.Sinescu Adrian-Sorin and Mr.Savu Victor Florin, shareholders of Romcarbon S.A. with a holding of 0.1297% and 0.0627% respectively, the company communicates the following:

The management of ROMCARBON SA thanks to all the shareholders for the interest shown towards the company's activity and its evolution, for the good intentions regarding the company, the recommendations and the entire support shown and transmitted below, the answer to the questions raised, in the form of question and answer.

1. **Q:** Considering that at 9 months the gross profit is 52%, do you consider that you will meet the budgeted indicators for 2017?

A: The gross profit for 9 months 2017 is RON 3.472.485,00 and the gross profit estimated in the Income and Expenditure Budget approved for 2017 is RON 5.781.501,00, resulting in an achievement of 60,06%. We estimate a degree of fulfillment of this indicator of 65% to 80% of the budgeted level.

2. **Q:**Do you estimate the receipt of dividends during the last semester from Recyplat LTD? If yes, what is the estimated value?

A:At this time, we do not have any information that would lead us to conclude that Recyplat LTD will distribute dividends.

3. **Q:**When does the Board estimate the adoption of the Policy regarding forecasts,according to the BSE requierments?

A: Developing a forecasting policy, as a mix of internal forecasts and external estimates made available by credible sources is a desirability of the Board of Directors of Romcarbon SA without advancing any estimate of time in this respect.

4. **Q:**When will you publish the Delloite Audit SRL report on the Company's financial exposure regarding transfer pricing files related affiliated party relationships?

A: Deloitte Audit SRL prepares a half-yearly insurance report on legal acts with affiliated parties with a minimum value of 50,000 euros reported by the company under Article 82 of L.24 / 2017. These reports are available on our website www.romcarbon.com, section, Shareholders, Semester Reports, Audit Reports.

In order to prepare the transfer price file for the period 2013-2015, respectively for 2016, SC Romcarbon SA contracted the services of a specialized company.

We specify that this file is not public, it being drafted in order to provide documentation that is in accordance with the Romanian transfer pricing regulations, with an exclusively fiscal purpose.

The file mentions that "it can reasonably be concluded that the prices of the transactions carried out by the Company with its related entities in the production activity are in accordance with the market value principle.

5. **Q:**Where can I find the minutes of the Board of Directors meetings on the site?

A:Currently Law No.24 / 2017 on issuers of financial instruments and market operations regulates expressly, in Title III, Cap. V, corporate events about which there is an obligation to inform, without making any mention of the minutes of Board of directors meetings, so they are not public.

6. **Q:**What was the value in lei of the contribution that Romcarbon SA had to make at Romgreen Universal Limited in order not to diminish the indirect holding from 25% to 17.58%?

A:Information on the share capital increase of Romgreen Universal Limited which had the effect of decreasing the indirect shareholding of Romcarbon SA in the share capital of this entity was included in the Annual Report on the Consolidated Financial Statements for the Financial Year ended 31.12.2016. Thus, in this report, it was mentioned that Romgreen Universal Limited's share capital increase was made with a premium of 624,7015 euro / share, which would have resulted in a Recyplat Limited stake of 1,845,819 euro. At this capital increase, Recyplat Limited Ltd, a 100% owned company by Romcarbon SA, did not participate as a consequence, the share held by this company in the share capital of Romgreen Universal Limited decreased to 17.5879%.

7. **Q:**Considering the multiples of P / BV of ROCE, the Board of Directors considers the acquisition of shares on the BSE market in order to consolidate the share price at the book value? Do you not think that shareholders would get a profit margin higher than that in current business?

A:Thank you for your proposal and we will specify that the Board of Directors will also analyze the possibility of applying this method of consolidating the share price by redeeming, under the law, by the company, of its own shares.

8. **Q:**Why there is not a wish for Romcarbon grup companies to be listed on the BSE?

A:In the sense given to the notion of "group" by Law no.24 / 2017, the Romcarbon S.A. group would consist of the following resident companies: Romcarbon S.A. - mother company,

Livingjumbo Industry S.A., RC Energo Install SRL, Info Tech Solutions SRL and Yenki SRL - subsidiaries.

Of these affiliated companies that constitute the group, Romcarbon S.A. represents the company with the highest development potential, a criterion that was also considered at the time of listing. Therefore, at this time, the option to list on a regulated market the other companies controlled by Romcarbon S.A. has not been analysed.

9. **Q:**Considering that on August 3, 2017, at a meeting of the Buzau Local Council, the mayor Constantin Toma mentioned Romcarbon as making a donation of 5500 sqm land to the Rotary Club Buzau, please tell me what the land is about and what was the act by which it was approved by the Board of Directors the donation.According to <http://www.newsbuzzau.ro/images/stories/04.09.2017/PV%203%20August%202017.pdf>).

A:Romcarbon SA has not signed a donation agreement with Buzau Rotary Club, but for a determined period until December 31, 2018, it granted a superficies on a surface area of 5500 m.p. land located in Buzau, DN - 2B, land that remained the property of the company, for the development of a local public interest.

10. **Q:**Please let me know if during the semester 1 any entity affiliated to Romcarbon SA has purchased land or buildings on the Sarma Industry Campia Turzii platform. If so, why does not report in the Half-Year Report?

A:During the first semester of 2017, one of the Romcarbon S.A affiliated companies acquired assets on the Sarma Industry Campia Turzii. Regarding the reporting of such an operation, we specify that the reporting obligations on significant asset acquisitions are explicitly regulated by the issuer and not the entities affiliated with it. Thus, according to art.113 B lit.b, acquisitions of assets will be considered substantial if the assets represent at least 10% of the total value of the assets of the company after the respective transaction.

11. **Q:**Where is mentioned in the 9-month report the sale of land and building from Iasi to ITO Industries International, worth approx. 180000 euros? How about the selling of the plot of Transylvania Street to the Buzau Municipality worth approx. 45000 euro?

A:In the Quarterly Report for the period ending on September 30, 2017, page 4 lists the entries and exits of long-term assets without showing each transaction individually. In drafting the quarterly report, SC Romcarbon SA complied with L.24 / 2017, and in the presentation of the information contained in the report we took into account the significance threshold. The first transaction mentioned by you refers to the sale of an asset located in Iasi in the area of 698 sqm, and the second transaction represents the sale of land to Buzau City Hall with an area of 905 sqm. We consider that both assets that have been the subject of these transactions do not represent productive assets.

12. **Q:**Please tell me what is the final goal of dismantling the land plot in Iasi, for which CU 3040 was obtained from 14.09.2017.

A:The urbanism certificate you are referring to was requested for the purpose of dismantling the parcel it refers to in order to better capitalize it.

13. **Q:**Because of the questions of May 26, 2017, I did not get an answer to the question as to who were all True Silver BV shareholders at the time of Arch Development Associates SRL, please answer me now. From the data I obtained from True Silver BV, I am involved in the production of communications equipment (not real estate development), and their address is a mailbox at an address where other hundreds of companies are registered. Please give me examples from the "rich real estate experience" of the shareholders of this company. I hope this rich experience is not Asia Bliss Limited in the Saleufi town of West Samoa, one of the shareholders I find.

A:Regarding Arch Development Associates SRL, the True Silver BV shareholder is indeed the main activity of the production of communication equipment, as Romcarbon SA has as its main activity the manufacture of plastic plates, foils, tubes and profiles. Also, as we mentioned in the previous answer on this topic, the real estate project for Arch Development Associates SRL was aimed at developing real estate assets for the IT sector, both associates considering this development direction as a good investment opportunity. We also mention that, as mentioned in the previous replies, due to the implementation difficulties and the lacunae legislation in the development sector covered by the investment project, it was stopped, with the consequence that Arch Development Associates SRL, as a vehicle of this development, was liquidated and removed from the public registers.

Finally assuring you of our full consideration, we thank you for the support and attention paid to the company's activity and perspectives.

ROMCARBON S.A. Management