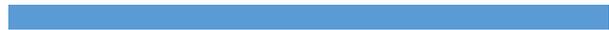


# **S.C. ROMCARBON S.A.**

Quarterly Report for the period ended  
March 31, 2017



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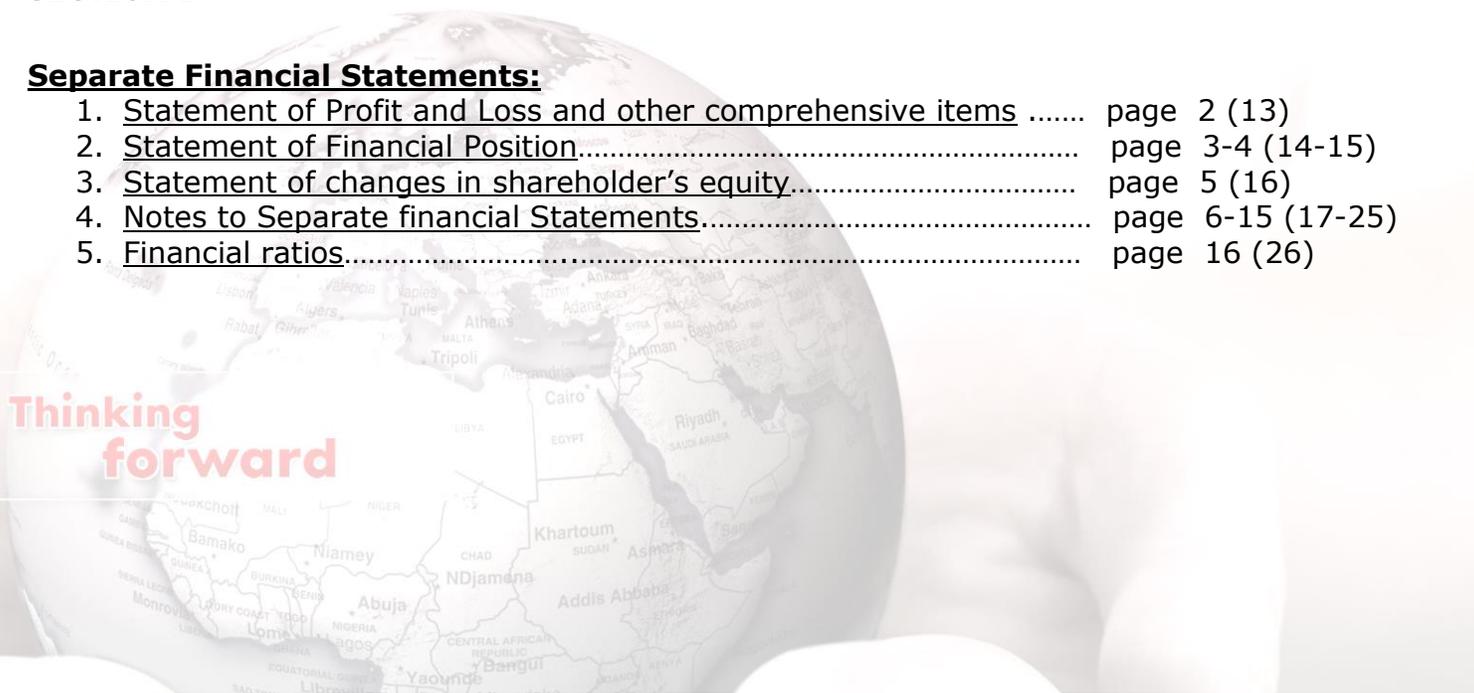
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**S.C. ROMCARBON S.A.**

## **Company Identification**

**Quarterly report according with CNVM regulation (1/2006)**

**Date of release:** 12.05.2017

**Reporting date:** 31.03.2017

**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.

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## 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.**



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A.1. During the reporting period there were no major events to affect the company's financial position.

A.2. A general description of the Financial position of the company and its financial performance.

### a) STATEMENT OF THE FINANCIAL POSITION

ITEM	31.03.2016	31.12.2016	31.03.2017	31.03.2017 vs. 31.12.2016		
Property, plant and equipment	146,747,241	147,005,912	146,741,774	-264,138	▼	-0.18%
Investment property	44,080,633	45,680,013	45,680,013	0	—	0.00%
Intangible assets	216,945	246,401	224,010	-22,391	▼	-9.09%
Financial assets	22,863,010	22,844,368	22,844,368	0	—	0.00%
<b>Total non-current assets</b>	<b>213,907,829</b>	<b>215,776,694</b>	<b>215,490,165</b>	<b>-286,529</b>	<b>▼</b>	<b>-0.13%</b>
Inventories	21,712,145	25,668,487	24,149,884	-1,518,603	▼	-5.92%
Trade and other receivables	35,931,005	26,553,753	32,716,146	6,162,393	▲	23.21%
Amounts to receive from affiliates (financial)	0	0	1,157,997	1,157,997	▲	n/a
Taxes receivables	55,991	447,239	447,239	0	—	0.00%
Other assets	375,542	294,011	157,683	-136,328	▼	-46.37%
Cash and bank balances	2,686,496	5,615,329	3,854,027	-1,761,302	▼	-31.37%
<b>Total current assets</b>	<b>60,761,179</b>	<b>58,578,819</b>	<b>62,482,977</b>	<b>3,904,158</b>	<b>▲</b>	<b>6.66%</b>
<b>Total assets</b>	<b>274,669,008</b>	<b>274,355,513</b>	<b>277,973,142</b>	<b>3,617,629</b>	<b>▲</b>	<b>1.32%</b>
Issued capital	26,412,210	26,412,210	26,412,210	0	—	0.00%
Share premium	2,182,283	2,182,283	2,182,283	0	—	0.00%
Reserves	53,327,894	54,506,299	54,298,229	-208,070	▼	-0.38%
Retained earnings	49,527,095	47,230,089	48,462,923	1,232,834	▲	2.61%
<b>Total equity</b>	<b>131,449,482</b>	<b>130,330,881</b>	<b>131,355,645</b>	<b>1,024,764</b>	<b>▲</b>	<b>0.79%</b>
Borrowings [Long-term]	30,948,410	36,104,275	35,076,768	-1,027,507	▼	-2.85%
Long term finance leases and other interest bearing obligations	768,664	84,588	38,169	-46,419	▼	-54.88%
Deferred tax liabilities	11,142,757	10,468,240	10,468,240	0	—	0.00%
Deferred income	21,706,059	19,939,642	19,373,533	-566,109	▼	-2.84%
<b>Total non-current liabilities</b>	<b>64,565,890</b>	<b>66,596,745</b>	<b>64,956,711</b>	<b>-1,640,034</b>	<b>▼</b>	<b>-2.46%</b>
Trade and other payables	34,654,811	26,896,495	32,467,425	5,570,930	▲	20.71%
Borrowings [Short - term]	37,623,472	45,337,135	43,616,499	-1,720,636	▼	-3.80%
Short term finance leases and other interest bearing obligations	1,674,910	1,107,270	737,315	-369,955	▼	-33.41%
Deferred revenue	2,359,915	2,293,920	2,312,990	19,070	▲	0.83%
Other liabilities	2,340,529	1,793,067	2,526,557	733,490	▲	40.91%
<b>Total current liabilities</b>	<b>78,653,636</b>	<b>77,427,887</b>	<b>81,660,786</b>	<b>4,232,899</b>	<b>▲</b>	<b>5.47%</b>
<b>Total liabilities</b>	<b>143,219,526</b>	<b>144,024,632</b>	<b>146,617,497</b>	<b>2,592,865</b>	<b>▲</b>	<b>1.80%</b>
<b>Total equity and liabilities</b>	<b>274,669,008</b>	<b>274,355,513</b>	<b>277,973,142</b>	<b>3,617,629</b>	<b>▲</b>	<b>1.32%</b>

In the first 3 months of 2017 **Non-currents assets** hold 77.52% of the company's assets, recording a decrease of RON 286,529 , i.e. 0.13%, as compared with the beginning of the year.

Non-current Assets	31.03.2017	% in total NCA	% in total Assets	31.03.17 vs. 31.12.16
Property, plant and equipment	146,741,774	68.10%	52.79%	-0.18%
Investment property	45,680,013	21.20%	16.43%	0.00%
Intangible assets	224,010	0.10%	0.08%	-9.09%
Financial assets	22,844,368	10.60%	8.22%	0.00%
<b>Total</b>	<b>215,490,165</b>	<b>100.00%</b>	<b>77.52%</b>	<b>-0.13%</b>

In the reporting period the main entries of Non-current assets are:

·	Plants (including rearrangements and improvement)	:	100,983 lei
·	Equipment and furniture	:	576,601 lei

The property investments have the following structure:

Investment property	Land	Plants	Total
Iasi	26,949,733	8,535,852	35,485,585
Buzau	2,018,814	3,309,647	5,328,461
Stefanesti	2,430,559	2,435,408	4,865,967
<b>Total</b>	<b>31,399,106</b>	<b>14,280,907</b>	<b>45,680,013</b>

**Financial Assets** hold 8.22% of Total Assets, and 10.60% of Non-current assets.

As at 31.03.2017, S.C. ROMCARBON S.A. held shares in other companies totalizing RON 26,208,512 , as follows:

Company	Total no. of shares	Nominal value (lei)	Capital (lei)	Capital held (lei)	No. of shares held	Acquisition value of the shares (lei)	Participation quota (%)
RECYPLAT LTD CIPRU ROMCARBON	26,000	4.3521	113,154	113,154	26,000	20,857,287	100.00%
DEUTSCHLAND GmbH			110,138	110,138		110,138	100.00%
RC ENERGO INSTALL SRL	200	10	2,000	2,000	200	15,112	100.00%
INFO TECH SOLUTIONS SRL	200	10	2,000	1,980	198	1,980	99.00%
LIVINGJUMBO INDUSTRY SA	200	4,032	806,400	798,336	198	1,639,232	99.00%
GRINFILD LLC UCRAINA						2,687,755	62.62%
YENKI SRL	32,800	10	328,000	109,340	10,934	100,000	33.34%
ASOCIATIA ECOLOGICA GREENLIFE (Non-Profit Organization)				0	1,200	400	33.33%
ECO PACK MANAGEMENT SA	144,600	10	1,446,000	366,700	36,670	586,625	25.36%
KANG YANG BIOTECHNOLOGY CO.LTD	2,889,993			0	139,000	203,963	4.81%
REGISTRUL MIORITA SA	10,500	10	105,000	3,980	398	5,000	3.79%
ARCH DEVELOPMENT ASSOCIATES SRL	45,200	10	452,000	1,020	102	1,020	0.23%
<b>TOTAL</b>						<b>26,208,512</b>	

The impairment of financial investments are presented in the following table:

Company	Participation Quota	Adjustment
ROMCARBON DEUTSCHLAND GmbH	100.00%	110,138
GRINFILD LLC UCRAINA	62.62%	2,687,755
YENKI SRL	33.34%	11,989
ECO PACK MANAGEMENT SA	25.36%	554,262
<b>Total</b>		<b>3,364,144</b>

**Current assets** hold 22.48% of total assets recording an increase of RON 3,904,158, i.e. 6.66% as compared with the beginning of the year.

<b>Current assets (CA)</b>	<b>31.03.2017</b>	<b>% in total CA</b>	<b>% in Total Assets</b>	<b>31.03.17 vs. 31.12.16</b>
Inventories	24,149,884	38.65%	8.69%	-5.92%
Trade and other receivables	32,716,146	52.36%	11.77%	23.21%
Amounts to receive from affiliates (financial)	1,157,997	1.85%	0.42%	n/a
Taxes receivables	447,239	0.72%	0.16%	0.00%
Other assets	157,683	0.25%	0.06%	-46.37%
Cash and bank balances	3,854,027	6.17%	1.39%	-31.37%
<b>Total</b>	<b>62,482,976</b>	<b>100.00%</b>	<b>22.48%</b>	<b>6.66%</b>

**Total Liabilities** hold 52.75% of the company's Equity&Liabilities recording an increase of RON 2,529,865, i.e. 1.80% as compared with the beginning of the year.

### **Borrowings**

As at 31.03.2017 the loans contracted by S.C. ROMCARBON S.A. have the following structure :

<b>Bank</b>	<b>Type</b>	<b>Initial amount</b>	<b>Balance as at 31.03.2017</b>		<b>Tenor</b>
			<b>in euro</b>	<b>in lei</b>	
UniCredit Bank	Credit line(Eur)	€ 3,450,000	€ 3,276,512	14,911,732 lei	02/07/2017
UniCredit Bank*	Credit line(Eur)	€ 2,500,000	€ 2,000,000	9,102,200 lei	04/07/2017
BRD GSG	Credit line(Eur)	€ 2,550,000	€ 2,344,118	10,668,315 lei	30/10/2017
UniCredit Bank	Investment loan (III)(Eur)	€ 442,500	€ 195,650	890,420 lei	19/09/2021
BRD GSG	Investment loan (I)(Eur)	€ 2,058,000	€ 481,660	2,192,081 lei	01/03/2018
BRD GSG	Investment loan (II)(Eur)	€ 1,000,000	€ 661,216	3,009,261 lei	03/09/2022
BRD GSG	Investment loan (III)(Eur)	€ 3,153,160	€ 2,177,182	9,908,572 lei	03/02/2022
UniCredit Bank	Investment loan - CCE 2015(Eur)	€ 3,042,240	€ 2,908,670	13,237,647 lei	04/12/2023
<b>TOTAL borrowings in euro</b>			<b>€14,045,006</b>	<b>63,920,229 lei</b>	
Eximbank SA	Investment loan (Lei)	6,142,500 lei		5,374,688 lei	20/06/2022
UniCredit Bank	Investment loan (I)(Lei)	3,200,000 lei		3,164,000 lei	11/07/2023
UniCredit Bank	Investment loan (II)(Lei)	2,500,000 lei		1,114,427 lei	19/09/2021
UniCredit Bank	Investment loan (IV)(Lei)	5,400,000 lei		5,119,923 lei	01/12/2021
<b>TOTAL borrowings in lei</b>			<b>17,242,500 lei</b>	<b>14,773,037 lei</b>	
<b>Total</b>				<b>78,693,266 lei</b>	

Short term loans have the following structure :

<b>Bank</b>	<b>Type</b>	<b>CCY</b>	<b>Initial amount</b>	<b>Balance as at 31.03.2017</b>	
				<b>in euro</b>	<b>in lei</b>
UniCredit Bank SA	Credit line(Eur)	euro	€ 3,450,000	€ 3,276,512	14,911,732 lei
UniCredit Bank SA*	Credit line(Eur)	euro	€ 2,500,000	€ 2,000,000	9,102,200 lei
BRD	Credit line(Eur)	euro	€ 2,550,000	€ 2,344,118	10,668,315 lei
<b>Total</b>				<b>€7,620,629</b>	<b>34.682.247 lei</b>

Long term loans have the following structure :

Bank	Type	CCY	Balance as at 31.03.2017		Short term < 12 Months	Long term >12 Months
			in euro	in lei		
UniCredit Bank	Credit inv.(III)	euro	€ 195,650	890,420 lei	251,733 lei	638,688 lei
BRD GSG	Credit inv.(I)	euro	€ 481,660	2,192,081 lei	2,192,081 lei	0 lei
BRD GSG	Credit inv. (II)	euro	€ 661,216	3,009,261 lei	402,815 lei	2,606,446 lei
BRD GSG	Credit inv.(III)	euro	€ 2,177,182	9,908,572 lei	2,050,050 lei	7,858,523 lei
UniCredit Bank SA	Credit inv.CCE2015	euro	€ 2,908,670	13,237,647 lei	1,297,063 lei	11,940,584 lei
UniCredit Bank	Credit Inv.( I)	Lei		3,164,000 lei	499,579 lei	2,664,421 lei
UniCredit Bank	Credit Inv.(II)	Lei		1,114,427 lei	139,303 lei	975,123 lei
UniCredit Bank	Credit Inv. (IV)	Lei		5,119,923 lei	1,077,878 lei	4,042,045 lei
Eximbank	Credit investitii	Lei		5,374,688 lei	1,023,750 lei	4,350,938 lei
<b>Total</b>				<b>44,011,019 lei</b>	<b>8,934,252 lei</b>	<b>35,076,767 lei</b>

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

**\* Subsequent events:**

In April 2017, the company signed with UniCredit Bank SA an addendum to the credit line having an initial ceiling of EUR 3,450,000, through which the credit line ceiling was increased with the amount of EUR 2,000,000, and in the same time the 2<sup>nd</sup> credit line signed with UniCredit having an initial value of EUR 2,500,000 had been closed. Also in April 2017 it was signed with UniCredit Bank SA a credit contract for investment for a period of 60 months from the date of signing having a value of RON 2,250,000 (equivalent of EUR 500,000).

**Current liabilities of the Company**, representing 55.70% of the Total Liabilities and 29.38% of Total Equity & Liabilities have increased by RON 4,232,899 as compared with 31.12.2016, i.e. 5.47%, have the following structure:

Current liabilities (CL)	31.03.2017	% in total liabilities	% in Total CL	% in Equity& Liabilities	31.03.17 vs. 31.12.16
Trade and other payables	32,467,425	22.14%	39.76%	11.68%	20.71%
Borrowings [Short – term]	43,616,499	29.75%	53.41%	15.69%	-3.80%
Short term finance leases and other interest bearing obligations	737,315	0.50%	0.90%	0.27%	-33.41%
Deferred revenue	2,312,990	1.58%	2.83%	0.83%	0.83%
Other liabilities	2,526,557	1.72%	3.09%	0.91%	40.91%
<b>Total</b>	<b>81,660,786</b>	<b>55.70%</b>	<b>100.00%</b>	<b>29.38%</b>	<b>5.47%</b>

**Non-current Liabilities** representing 23.37% of the company's Equity&Liabilities were registered in the reporting period a decrease of RON 1,640,034.

Non-current liabilities (NCL)	31.03.2017	% in total liabilities	% in Total NCL	% in Equity& Liabilities	31.03.17 vs. 31.12.16
Borrowings [Long-term]	35,076,768	23.92%	54.00%	12.62%	-2.85%
Long term finance leases and other interest bearing obligations	38,169	0.03%	0.06%	0.01%	-54.88%
Deferred tax liabilities	10,468,240	7.14%	16.12%	3.77%	0.00%
Deferred income	19,373,533	13.21%	29.83%	6.97%	-2.84%
<b>Total</b>	<b>64,956,710</b>	<b>44.30%</b>	<b>100.00%</b>	<b>23.37%</b>	<b>-2.46%</b>

**Total Equity** holds **47.25%** of Total Equity&Liabilities having the following structure:

Equity	31.03.2017	% in Total Equity & Liabilities
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	54,298,229	-0.38%
Retained earnings	48,462,923	2.61%
<b>Total Equity</b>	<b>131,355,645</b>	<b>0.79%</b>

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

Items	31.03.2016	31.03.2017		31.03.2017 vs. 31.03.2016	
Net sales	46,961,359	49,365,872	▲	2,404,513	5%
Investment income *	624,671	1,820,641	▲	1,195,970	191%
Other gains and losses	866,123	-88,338	▼	- 954,461	-110%
Changes in inventories of finished goods and work in progress	1,327,458	262,109	▼	- 1,065,349	-80%
Raw materials and consumables used	-36,548,217	-36,047,876	▼	- 500,341	-1%
Depreciation and amortisation expenses	-2,224,221	-2,679,408	▲	455,187	20%
Employee salaries and benefits	-5,194,324	-6,749,618	▲	1,555,294	30%
Social security expenses	-1,150,341	-1,513,540	▲	363,199	32%
Net finance costs	-570,570	-435,937	▼	- 134,633	-24%
Income from subsidies	468,449	566,109	▲	97,660	21%
Other expenses	-3,076,201	-3,475,250	▲	399,049	13%
<b>Profit (loss) before taxation</b>	<b>1,484,186</b>	<b>1,024,764</b>	▼	<b>- 459,422</b>	<b>-31%</b>
Profit tax	-163,546	0	▼	- 163,546	-100%
<b>Profit (loss) of the year</b>	<b>1,320,640</b>	<b>1,024,764</b>	▼	<b>- 295,876</b>	<b>-22%</b>
Net loss on revaluation of tangible assets	0	0	—	-	
Adjustment of deferred tax on fiscally non-deductible revaluation reserves	0	0	—	-	
<b>Total comprehensive income</b>	<b>1,320,640</b>	<b>1,024,764</b>	▼	<b>- 295,876</b>	<b>-22%</b>

\*Investment income – details:

Indicator	31.03.2016	31.03.2017
Rental and royalty income	621,784	662,200
Interest income	2,887	444
Investment income (dividends) - Recyplat	0	0
Investment income (dividends) - Infotech Solutions SRL	0	157,997
Investment income (dividends) - Energo Install SRL	0	1,000,000
<b>Total</b>	<b>624,671</b>	<b>1,820,641</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 3 months of 2017 the company registered revenues in amount of RON 655,266 and expenses in amount of RON 814,841 , resulting a net profit of RON 159,575.

## Turnover (Sales)

Sales	3 Months of 2015		3 Months of 2016		3 Months of 2017		Trim.I 2017 vs. Trim.I 2016
	Value	% in total	Value	% in total	Value	% in total	
Sales of finished goods	26,475,618	61.73%	27,122,634	57.00%	34,579,494	69.12%	▲ 27.49%
Sales of intermediary goods	104,556	0.24%	16,534	0.03%	15,136	0.03%	▼ -8.45%
Services rendered	51,972	0.12%	92,083	0.19%	90,101	0.18%	▼ -2.15%
Sale of commodities	14,902,551	34.75%	18,985,041	39.90%	13,908,195	27.80%	▼ -26.74%
Rental and royalty	677,863	1.58%	621,784	1.31%	662,200	1.32%	▲ 6.50%

income								
Revenues from sundry services	677,051	1.58%	745,067	1.57%	772,947	1.55%	▲	3.74%
<b>Total, din care:</b>	<b>42,889,612</b>	<b>100.00%</b>	<b>47,583,143</b>	<b>100.00%</b>	<b>50,028,073</b>	<b>100.00%</b>	<b>▲</b>	<b>5.14%</b>
~domestic market	35,665,728	83.16%	38,344,077	80.58%	36,480,346	72.92%	▼	-4.86%
~exports	7,223,884	16.84%	9,239,066	19.42%	13,547,727	27.08%	▲	46.64%

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

## B. Financial ratios :

Ratio	Formula	Result		
		31/03/16	31/12/16	31/03/17
1.Current ratio	Current assets/Current Liabilities	0.77	0.76	0.77
2.Debt ratios	Long term Borrowings and leases/Total Equity x100	24.13%	27.77%	26.73%
	Long term Borrowings and leases /Engaged capital x100	19.44%	21.73%	21.09%
3. Account receivable turnover ratio (days)	Average receivable balance /Sales x days	66	60	53
4. Account payable turnover ratio (days)	Average payable balance /Sales x days	62	57	53
5.Assets turnover ratio	Sales/Non-current assets	0.22	0.84	0.23

Borrowed capital = Long term borrowings + long term leasing

Engaged capital = Total Equity + Long term Borrowings and leases

Please note that the Financial Statements for the period ended March 31,2017 have not been audited.

Chairman of the Board,

**Hung Ching Ling**  
forward

General Manager: eng.Andrei Radu

Financial Manager :ec. Zainescu Viorica Ioana

**S.C. ROMCARBON S.A.**  
**SEPARATE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MARCH 31, 2017**  
**PREPARED IN ACCORDANCE WITH**  
**INTERNATIONAL FINANCIAL REPORTING STANDARDS**



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forward

**STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED MARCH 31, 2017**

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

	<b>31-Mar-16</b>	<b>31-Mar-17</b>
Net sales	46,961,359	49,365,872
Investment income	624,671	1,820,641
Other gains or losses	866,123	(88,338)
Changes in inventories	1,327,458	262,109
Raw materials and consumables used	(36,548,217)	(36,047,876)
Depreciation and amortization expense	(2,224,221)	(2,679,408)
Employee salaries and benefits	(5,194,324)	(6,749,618)
Social security expenses	(1,150,341)	(1,513,540)
Net finance cost	(570,570)	(435,937)
Income from subsidies	468,449	566,109
Other expenses	(3,076,201)	(3,475,250)
<b>Profit (loss) before taxation</b>	<b>1,484,186</b>	<b>1,024,764</b>
Incoe tax	(163,546)	-
<b>Net profit</b>	<b>1,320,640</b>	<b>1,024,764</b>
Other comprehensive income		
<b>Total comprehensive income</b>	<b>1,320,640</b>	<b>1,024,764</b>
Earnings per share	0.0050	0.0039
<b>Number of shares</b>	<b>264,122,096</b>	<b>264,122,096</b>

Thinking  
forward**CHAIRMAN OF THE BOARD  
HUNG CHING LING**

Signature\_\_\_\_\_

**GENERAL MANAGER  
ANDREI RADU**

Signature\_\_\_\_\_

**PREPARED BY,  
FINANCIAL MANAGER  
ZAINESCU VIORICA**

Signature\_\_\_\_\_

**STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED MARCH 31, 2017**  
(all amounts are expressed in lei, unless specified otherwise)

	<u>01-Jan-17</u>	<u>31-Mar-17</u>
<b>Non-current assets</b>		
Property, plant and equipment	147,005,912	146,741,774
Investment property	45,680,013	45,680,013
Intangible assets	246,401	224,010
Financial assets	22,844,368	22,844,368
<b>Total</b>	<b>215,776,694</b>	<b>215,490,165</b>
<b>Current assets</b>		
Inventories	25,668,487	24,149,885
Trade and other receivables	26,553,753	32,716,146
Amounts to receive from affiliates (financial)	-	1,157,997
Taxes receivables	447,239	447,239
Other assets	294,011	157,683
Cash and bank balances	5,615,329	3,854,027
<b>Total</b>	<b>58,578,819</b>	<b>62,482,977</b>
<b>Total assets</b>	<b>274,355,513</b>	<b>277,973,142</b>
<b>Equity and Liabilities</b>		
<b>Capital and reserve</b>		
Share capital	26,412,210	26,412,210
Share premiums	2,182,283	2,182,283
Reserves	54,506,299	54,298,229
Retained earnings	47,230,089	48,462,923
<b>Total</b>	<b>130,330,881</b>	<b>131,355,645</b>
<b>Non-current liabilities</b>		
Borrowings	36,104,275	35,076,768
Long term finance leases and other interest-bearing liabilities	84,588	38,169
Deferred tax liabilities	10,468,240	10,468,240
Deferred income	19,939,642	19,373,534
<b>Total</b>	<b>66,596,745</b>	<b>64,956,711</b>

**STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED MARCH 31, 2017**  
 (all amounts are expressed in lei, unless specified otherwise)

	<u>01-Jan-17</u>	<u>31-Mar-17</u>
<b>Current liabilities</b>		
Trade and other payables	26,896,495	32,467,425
Borrowings	45,337,135	43,616,499
Short term finance leases and other interest-bearing liabilities	1,107,270	737,315
Deferred income	2,293,920	2,312,990
Other liabilities	1,793,067	2,526,557
<b>Total current liabilities</b>	<b>77,427,887</b>	<b>81,660,786</b>
<b>Total liabilities</b>	<b>144,024,632</b>	<b>146,617,497</b>
<b>Total equity and liabilities</b>	<b>274,355,513</b>	<b>277,973,142</b>

**CHAIRMAN OF THE BOARD  
HUNG CHING LING**

Signature \_\_\_\_\_

**GENERAL MANAGER  
ANDREI RADU**

Signature \_\_\_\_\_

PREPARED BY,  
**FINANCIAL MANAGER  
ZAINESCU VIORICA**

Signature \_\_\_\_\_

Thinking  
forward

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED MARCH 31, 2017**

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

	<b>Issued capital</b>	<b>Share premiums</b>	<b>Revaluation reserves</b>	<b>Legal reserves</b>	<b>Other reserve</b>	<b>Retained earnings</b>	<b>Total</b>
<b>01/Jan/2017</b>	<b>26,412,210</b>	<b>2,182,283</b>	<b>42,349,946</b>	<b>3,635,090</b>	<b>8,521,262</b>	<b>47,230,089</b>	<b>130,330,880</b>
Realised revaluation reserve	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	-	-	-	-
Net profit of the year	-	-	-	-	-	1,024,764	1,024,764
Transfers between capital accounts	-	-	(208,070)	-	-	208,070	-
<b>31/Mar/2017</b>	<b>26,412,210</b>	<b>2,182,283</b>	<b>42,141,877</b>	<b>3,635,090</b>	<b>8,521,262</b>	<b>48,462,923</b>	<b>131,355,645</b>

Thinking  
forwardCHAIRMAN OF THE BOARD  
HUNG CHING LING

Signature \_\_\_\_\_

FINANCIAL MANAGER  
ZAINESCU VIORICA

Signature \_\_\_\_\_

GENERAL MANAGER  
ANDREI RADU

Signature \_\_\_\_\_

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2017****(all amounts are expressed in lei, unless specified otherwise)**

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**Net sales**

	<u>31-Mar-16</u>	<u>31-Mar-17</u>
Sales of finished goods	27,159,287	34,688,640
Sales of commodities	18,964,922	13,814,184
Services rendered	92,083	90,101
Other sales	745,067	772,947
<b>Total</b>	<b><u>46,961,359</u></b>	<b><u>49,365,872</u></b>

**INVESTMENT INCOME**

	<u>31-Mar-16</u>	<u>31-Mar-17</u>
Income from renting investment property	621,784	662,200
Income from interest on bank deposits	2,887	444
Dividends received from participations	-	1,157,997
<b>Total</b>	<b><u>624,671</u></b>	<b><u>1,820,641</u></b>

**OTHER GAINS AND LOSSES**

	<u>31-Mar-16</u>	<u>31-Mar-17</u>
Income from penalties charged	206	2,598
Gain / (Loss) on disposal of investment property	(9,240)	-
FOREX gain / (loss)	871,443	(130,609)
Gain / (Loss) on changes of provisions	-	20,105
Other gains	3,714	19,568
Other losses	-	-
<b>Total</b>	<b><u>866,123</u></b>	<b><u>(88,338)</u></b>

**RAW MATERIALS AND CONSUMABLES USED**

	<u>31-Mar-16</u>	<u>31-Mar-17</u>
Raw materials	14,582,436	18,859,503
Commodities sold	18,591,558	13,613,948
Energy and water	2,160,469	2,476,503
Expenses with consumables	1,213,755	1,097,923
<b>Total</b>	<b><u>36,548,217</u></b>	<b><u>36,047,876</u></b>

**DEPRECIATION AND AMORTIZATION EXPENSES**

	<u>31-Mar-16</u>	<u>31-Mar-17</u>
<b>Total amortization expenses,</b>	2,224,221	2,679,408
of which:		
Depreciation of fixed assets	2,205,834	2,649,397
Amortization of intangible assets	18,387	30,011
<b>Total</b>	<b><u>2,224,221</u></b>	<b><u>2,679,408</u></b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2017****(all amounts are expressed in lei, unless specified otherwise)**

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**EXPENSES WITH SALARIES AND SOCIAL SECURITY SERVICES**

	<u>31-Mar-16</u>	<u>31-Mar-17</u>
Salaries	4,917,701	6,410,591
Social contributions	1,150,341	1,513,540
Meal tickets	276,623	339,027
<b>Total</b>	<b><u>6,344,665</u></b>	<b><u>8,263,158</u></b>

**NET FINANCE COSTS**

	<u>31-Mar-16</u>	<u>31-Mar-17</u>
Bank interest and leases expenses	495,718	398,864
Bank commissions and assimilated charges	74,852	37,073
<b>Total</b>	<b><u>570,570</u></b>	<b><u>435,937</u></b>

**OTHER EXPENSES**

	<u>31-Mar-16</u>	<u>31-Mar-17</u>
Expenses with transport and logistics	991,015	1,227,173
Other expenses with third party services	1,080,963	1,379,080
Protocol and marketing	144,784	173,375
Expenses with repairs	187,695	226,395
Taxes and levies	180,545	209,307
Losses from receivables	-	15,915
Expenses with insurances	73,918	74,826
Expenses with postal charges and telecommunications	34,441	43,140
Expenses with travels	22,604	51,624
Expenses with rents	108,759	41,257
Expenses with commissions and fees	1,905	2,200
Expenses with fines and penalties	1,229	2,356
Other expenses	248,343	28,602
<b>Total</b>	<b><u>3,076,201</u></b>	<b><u>3,475,250</u></b>

**INCOME TAX**

	<u>31-Mar-16</u>	<u>31-Mar-17</u>
Current income tax expense	163,546	-
Deferred tax income expense	-	-
<b>Total</b>	<b><u>163,546</u></b>	<b><u>-</u></b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2017****(all amounts are expressed in lei, unless specified otherwise)**

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	<b>Land</b>	<b>Buildings</b>	<b>Plant and equipment</b>	<b>Installations and furniture</b>	<b>Tangible assets in progress and advances</b>	<b>Total</b>
<b>COST</b>						
<b>Balance as at January 01, 2017</b>	<b>48,123,284</b>	<b>19,401,581</b>	<b>108,762,199</b>	<b>1,316,557</b>	<b>8,118,629</b>	<b>185,722,251</b>
Additions	-	100,983	552,473	24,129	2,385,261	3,062,846
Disposals	-	-	(15,314)	(13,496)	(677,584)	(706,394)
<b>Balance as at March 31, 2017</b>	<b>48,123,284</b>	<b>19,502,564</b>	<b>109,299,358</b>	<b>1,327,190</b>	<b>9,826,306</b>	<b>188,078,702</b>
<b>CUMULATED DEPRECIATION</b>						
	<b>Land</b>	<b>Buildings</b>	<b>Plant and equipment</b>	<b>Installations and furniture</b>	<b>Tangible assets in progress and advances</b>	<b>Total</b>
<b>Balance as at January 01, 2017</b>	-	-	<b>(38,050,372)</b>	<b>(665,967)</b>	-	<b>(38,716,339)</b>
Expenses with depreciation	-	(426,229)	(2,198,009)	(25,161)	-	(2,649,399)
Decrease from sale of assets	-	-	15,314	13,496	-	28,810
<b>Balance as at March 31, 2017</b>	-	<b>(426,229)</b>	<b>(40,233,067)</b>	<b>(677,632)</b>	-	<b>(41,336,928)</b>
<b>NET BOOK VALUE</b>						
<b>as at March 31, 2017</b>	<b>48,123,284</b>	<b>19,076,335</b>	<b>69,066,291</b>	<b>649,558</b>	<b>9,826,306</b>	<b>146,741,774</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2017**  
(all amounts are expressed in lei, unless specified otherwise)

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**INVESTMENT PROPERTY**

<b>Balance as at January 01, 2017</b>	<b>45,680,013</b>
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Total additions, out of which:	-
Revaluation increases	-
Disposal, of which:	-
Revaluation decreases	-

<b>Balance as at March 31, 2017</b>	<b>45,680,013</b>
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**INTANGIBLE ASSETS**

	Licences	Other intangible assets	Intangible asstes in progress	Total
<b>Cost</b>				
<b>Balance as at January 01, 2017</b>	<b>748,032</b>	<b>594,676</b>	-	<b>1,342,708</b>
Additions	7,619	-	-	7,619
Transfers	-	-	-	-
Disposal	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>755,651</b>	<b>594,676</b>	-	<b>1,350,327</b>
<b>ACCUMULATED AMORTIZATION</b>				
<b>Balance as at January 01, 2017</b>	<b>(577,853)</b>	<b>(518,453)</b>		<b>(1,096,306)</b>
Expenses with depreciation	(23,285)	(6,726)		(30,011)
Decrease from sale of assets	-	-		-
<b>Balance as at March 31, 2017</b>	<b>(601,138)</b>	<b>(525,179)</b>	-	<b>(1,126,317)</b>
<b>NET BOOK VALUE</b>				
<b>as at March 31, 2017</b>	<b>154,513</b>	<b>69,497</b>	-	<b>224,010</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2017****(all amounts are expressed in lei, unless specified otherwise)**

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**FINANCIAL ASSETS**

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

	<b>Core activity</b>	<b>Place of establishment and operations</b>	<b>%</b>	<b>March 31, 2017 RON</b>
RECYPLAT LTD CIPRU	Business and other management consultancy activities	Nicosia	100.00%	20,857,287
ROMCARBON DEUTSCHLAND GmbH	Trade with plastic finished products, recycling of plastic materials and purchase of plastic waste	Germany	100.00%	110,138
RC ENERGO INSTALL SRL	Plumbing, heat and air conditioning installation (NACE code 4322)	Buzau	100.00%	15,112
INFO TECH SOLUTIONS SRL	Data processing, hosting and related activities (NACE code 6311)	Buzau	99.00%	1,980
LIVING JUMBO INDUSTRY SA	Manufacture of plastic packing goods (NACE code 2222).	Buzau	99.00%	1,639,232
GRINFILD LTD	Comertul cu ridicata	Odessa	62.62%	2,687,755
ECO PACK MANAGEMENT SA	Other business support service activities n.e.c. (NACE code 8299)	Bucharest	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
KANG YANG BIOTECHNOLOGY CO. LTD	Manufacture of products beneficial for human health	Taiwan	4.81%	203,963
Registrul Miorita SA	Other financial service activities n.c.a (NACE code 6499)	Cluj	3.79%	5,000
ARCH DEVELOPMENT ASSOCIATES SRL	Development (promoting) of building projects (NACE code 4110)	Buzau	0.23%	1,020
		<b>TOTAL</b>		<b><u>26,208,512</u></b>
<b>Financial assets impairment</b>				<b><u>(3,364,144)</u></b>
<b>Net value</b>				<b><u>22,844,368</u></b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2017**  
**(all amounts are expressed in lei, unless specified otherwise)**

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**INVENTORIES**

	<b>01-Jan-17</b>	<b>31-Mar-17</b>
Raw materials	15,430,998	14,232,267
Consumables	2,592,551	2,864,696
Items of inventory	119,801	112,635
Packaging	181,025	152,568
Finished products	4,257,316	4,068,184
Unfinished products	1,946,570	2,032,265
Semi-finished products	1,878,358	1,733,196
Residual products	2,224	1,413
Commodities	286,154	161,337
Advances for purchases of inventory	231,531	49,365
Provisions for obsolete inventories	(1,258,041)	(1,258,041)
<b>Total</b>	<b>25,668,487</b>	<b>24,149,885</b>

**TRADE AND OTHER RECEIVABLES**

	<b>01-Jan-17</b>	<b>31-Mar-17</b>
Trade receivables	26,953,550	33,327,721
Provisions for doubtful clients	(1,393,976)	(1,373,871)
Taxes to recover	82,756	263,272
Other receivables	911,423	499,023
Subsidies to receive	-	-
Advances received from clients	-	-
<b>Total</b>	<b>26,553,753</b>	<b>32,716,146</b>

**CASH ON HAND AND AT BANKS**

	<b>01-Jan-17</b>	<b>31-Mar-17</b>
Cash at banks	5,444,690	3,591,634
Cash on hand	46,765	59,492
Cash equivalents	123,874	202,901
<b>Total</b>	<b>5,615,329</b>	<b>3,854,027</b>

**OTHER CURRENT ASSETS**

	<b>01-Jan-17</b>	<b>31-Mar-17</b>
Prepaid expenses	89,731	131,196
Advances to services suppliers	204,280	26,487
<b>Total</b>	<b>294,011</b>	<b>157,683</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2017**  
**(all amounts are expressed in lei, unless specified otherwise)**

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**ISSUED CAPITAL**

	<b>01-Jan-17</b>	<b>31-Mar-17</b>
264,122,096 fully paid ordinary shares (2016: 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**

	<b>01-Jan-17</b>	<b>31-Mar-17</b>
Legal reserves	3,635,090	3,635,090
Other reserves	8,521,262	8,521,262
Revaluation reserves	42,349,947	42,141,877
<b>Total</b>	<b>54,506,299</b>	<b>54,298,229</b>

**BORROWINGS**

**Borrowings – short-term**

	<b>01-Jan-17</b>	<b>31-Mar-17</b>
BRD-Credit line(Eur)	11,061,421	10,668,315
BRD-Credit inv. (I)(Eur)	2,386,107	2,192,081
BRD- Credit inv. (II)(Eur)	331,001	402,815
BRD- Credit inv. (III)(Eur)	2,045,545	2,050,050
UniCredit- Credit inv. (I)(Lei)	401,684	499,579
UniCredit- Credit inv. (II)(Lei)	156,250	139,303
UniCredit- Credit inv. (III)(Eur)	-	251,733
UniCredit- Credit inv. (IV)(Lei)	1,022,779	1,077,878
UniCredit- Credit line (Eur)	15,488,569	14,911,732
UniCredit- Credit line (Eur)	10,441,801	9,102,200
UniCredit-Credit inv.CCE 2015(Eur)	978,228	1,297,063
Eximbank-Credit inv (Lei)	1,023,750	1,023,750
<b>Total</b>	<b>45,337,135</b>	<b>43,616,499</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2017**  
**(all amounts are expressed in lei, unless specified otherwise)**

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**BORROWINGS (continued)**  
**Borrowings – long-term**

	<b>01-Jan-17</b>	<b>31-Mar-17</b>
BRD-Credit inv. (I)(Eur)	397,684	-
BRD-Credit inv. (II)(Eur)	2,742,577	2,606,446
BRD-Credit inv. (III)(Eur)	8,352,642	7,858,523
UniCredit-Credit inv. - CCE 2015(Eur)	12,497,121	11,940,584
UniCredit-Credit Inv.(I)(Lei)	2,789,316	2,664,421
UniCredit-Credit Inv. (II)(Lei)	626,948	975,123
UniCredit-Credit Inv. (III)(Eur)	-	638,688
UniCredit-Credit Inv. (IV)(Lei)	4,091,112	4,042,045
Eximbank-Credit inv.(Lei)	4,606,875	4,350,938
<b>Total</b>	<b>36,104,275</b>	<b>35,076,768</b>

As at 31.03.2017 the loans contracted by S.C. ROMCARBON S.A. have the following structure :

Bank	Type	Initial amount	Balance as at 31.03.2017		Tenor
			in euro	in lei	
UniCredit Bank	Linie de credit(Eur)	€ 3,450,000	€ 3,276,512	14,911,732 lei	02/07/2017
UniCredit Bank*	Linie de credit(Eur)	€ 2,500,000	€ 2,000,000	9,102,200 lei	04/07/2017
BRD GSG	Linie de credit(Eur)	€ 2,550,000	€ 2,344,118	10,668,315 lei	30/10/2017
UniCredit Bank	Credit Investitii (III)(Eur)	€ 442,500	€ 195,650	890,420 lei	19/09/2021
BRD GSG	Credit investitii (I)(Eur)	€ 2,058,000	€ 481,660	2,192,081 lei	01/03/2018
BRD GSG	Credit investitii (II)(Eur)	€ 1,000,000	€ 661,216	3,009,261 lei	03/09/2022
BRD GSG	Credit investitii (III)(Eur)	€ 3,153,160	€ 2,177,182	9,908,572 lei	03/02/2022
UniCredit Bank	Credit investitii - CCE 2015(Eur)	€ 3,042,240	€ 2,908,670	13,237,647 lei	04/12/2023
<b>TOTAL borrowings in euro</b>		<b>€ 18,195,900</b>	<b>€14,045,006</b>	<b>63,920,229 lei</b>	
Eximbank SA	Credit investitii(Lei)	6,142,500 lei		5,374,688 lei	20/06/2022
UniCredit Bank	Credit Investitii (I)(Lei)	3,200,000 lei		3,164,000 lei	11/07/2023
UniCredit Bank	Credit Investitii (II)(Lei)	2,500,000 lei		1,114,427 lei	19/09/2021
UniCredit Bank	Credit Investitii (IV)(Lei)	5,400,000 lei		5,119,923 lei	01/12/2021
<b>Total borrowings in lei</b>		<b>17,242,500 lei</b>		<b>14,773,037 lei</b>	
<b>Total</b>				<b>78,693,266 lei</b>	

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

**\* Subsequent events:**

In April 2017, the company signed with UniCredit Bank SA an addendum to the credit line having an initial ceiling of EUR 3,450,000, through which the credit line ceiling was increased with the amount of EUR 2,000,000, and in the same time the 2<sup>nd</sup> credit line signed with UniCredit having an initial value of EUR 2,500,000 had been closed. Also in April 2017 it was signed with UniCredit Bank SA a credit contract for investment for a period of 60 months from the date of signing having a value of RON 2,250,000 (equivalent of EUR 500,000).

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2017**  
**(all amounts are expressed in lei, unless specified otherwise)**

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**OTHER LIABILITIES**

	<b>01-Jan-17</b>	<b>31-Mar-17</b>
Liabilities to employees	829,684	914,815
Liabilities related to social contributions	719,629	821,698
Other tax liabilities	243,754	790,044
Payable interests	-	-
<b>Total</b>	<b>1,793,067</b>	<b>2,526,557</b>

**TRADE PAYABLES AND OTHER PAYABLES**

	<b>01-Jan-17</b>	<b>31-Mar-17</b>
Trade payables	25,961,111	31,273,684
Other payables	81,133	186,235
Suppliers invoices not received	694,669	856,615
Advances from clients	159,582	150,891
<b>Total</b>	<b>26,896,495</b>	<b>32,467,425</b>

**FINANCE LEASE OBLIGATIONS**

	<b>01-Jan-17</b>	<b>31-Mar-17</b>
Amounts due within one year	1,107,270	737,315
Amounts due in more than one year	84,588	38,169
<b>Total</b>	<b>1,191,858</b>	<b>775,484</b>

**RELATED PARTY TRANSACTIONS**

COMPANY	Sales of goods and services		Purchases of goods and services		Receivables from related parties		Payables to related entities	
	3 Months of 2016	3 Months of 2017	3 Months of 2016	3 Months of 2017	31.12.16	31.03.17	31.12.16	31.03.17
ECO PACK MANAGEMENT SRL	44,966	0	0	0	0	0	0	0
INFO TECH SOLUTION SRL	5,734	6,203	117,051	75,473	0	0	46,388	58,613
LIVING JUMBO INDUSTRY S.A.	6,165,958	7,596,791	235,361	337,030	8,127,914	8,253,247	391,502	292,000
NEXT ECO RECICLYNG S.A.	29,015	0	16,392	0	0	0	0	0
ROMCARBON DEUTSCHLAND	0	0	33,476	0	0	0	0	0
RC ENERGO INSTALL SRL	29,098	27,054	667,114	618,680	0	0	132,499	589,622
YENKI SRL	321	74	0	0	0	0	0	0
<b>TOTAL</b>	<b>6,275,092</b>	<b>7,630,122</b>	<b>1,069,393</b>	<b>1,031,183</b>	<b>8,127,914</b>	<b>8,253,247</b>	<b>570,389</b>	<b>940,234</b>

**Note :** Starting with July 2016, Next Eco Reciclyng SA is no longer an affiliate of Romcarbon SA. In the above table are presented only the tranzactions from the 1st Quarter of 2016.

**Financial ratios**

The performance of SC Romcarbon SA in the reporting period could be assessed through the evolutions of the following ratios:

**1 Profitability**

Nr.Crt.	Ratio	Formula	31.03.16	31.12.16	31.03.17
a)	EBITDA to Turnover	$\frac{\text{EBITDA}}{\text{Turnover}} \times 100$	7.85%	7.37%	7.08%
b)	EBITDA to Total Equity	$\frac{\text{EBITDA}}{\text{Total Equity}} \times 100$	2.84%	10.25%	2.70%
c)	Gross profit ratio	$\frac{\text{Gross profit}}{\text{Turnover}} \times 100$	3.12%	2.33%	2.05%

**2 Liquidity Analysis**

Nr.Crt.	Ratio	Formula	31.03.16	31.12.16	31.03.17
a)	Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	0.77	0.76	0.77
b)	Quick ratio	$\frac{\text{Current assets} - \text{Inventories}}{\text{Current liabilities}}$	0.50	0.43	0.47

**3 Risk Analysis**

Nr.Crt.	Ratio	Formula	31.03.16	31.12.16	31.03.17
a)	Non-current liabilities to Equity	$\frac{\text{Non-current liabilities}}{\text{Total Equity}}$	0.49	0.51	0.49
b)	Total Liabilities to total assets	$\frac{\text{Total liabilities}}{\text{Total assets}}$	0.52	0.52	0.53
c)	Interest coverage ration	$\frac{\text{EBIT}}{\text{Interest expenses}}$	3.99	3.42	3.55

**4 Activity Analysis**

Nr.Crt.	Ratio	Formula	31.03.16	31.12.16	31.03.17
a)	Account receivable turnover ratio	$\frac{\text{Average receivable balance}}{\text{Turnover}} \times \text{no. of days}$	66	60	53
b)	Account payable turnover ratio	$\frac{\text{Average payable balance}}{\text{Turnover}} \times \text{no. of days}$	62	57	53

**5 Profitability ratios**

Nr.Crt.	Ratio	Formula	31.03.16	31.12.16	31.03.17
a)	Return on assets (ROA)	$\frac{\text{Net profit}}{\text{Total Assets}} \times 100$	0.4808%	1.7873%	0.3687%
b)	Return on equity (ROE)	$\frac{\text{Net profit}}{\text{Total Equity}} \times 100$	1.0047%	3.7623%	0.7801%
c)	Return on sales (ROS)	$\frac{\text{Net profit}}{\text{Turnover}} \times 100$	2.7754%	2.7062%	2.0484%

Please note that the Financial Statements for the period ended March 31, 2017 have not been audited.

**CHAIRMAN OF THE BOARD**  
**HUNG CHING LING**  
Signature\_\_\_\_\_

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

**GENERAL MANAGER**  
**ANDREI RADU**  
Signature\_\_\_\_\_