

EXPLANATORY NOTES
To the Financial notification
As at 30.09.2017

NOTES ON THE STATEMENT OF FINANCIAL POSITION

(In all applications amounts are shown in thousands BGN unless otherwise stated)

Note 1

Property, plant and equipment

<i>Reporting period to 30.09.2017</i>	<i>Machinery and equipment</i>	<i>Fixtures</i>	<i>Others</i>	<i>Total</i>
Acquired	5	17	4	26
Depreciation	4	13	0	17
Closing balance	1	4	4	9

Note 2

Investments in subsidiaries, associates and other investments

Name and domicile of the companies	Amount	Fair value	Percenta ge of the capital	Investment in securities listed on a stock exchange	Investment in securities not accepted for trading on a stock exchange
1. Subsidiaries					
Hydraulic elements and systems Plc, Yambol	2 331	64 045	64,53	2 331	0
Elhim - Iskra Plc, Pazardzhik	8 323	17 423	51,40	8 323	0
Fazan Plc, Ruse	2 408	1608	92,39	2 408	0
Slavyana Jsc, Slavyanovo	3 512	3 512	98,74	0	3 512
SPH Trans Ltd, Sofia	33	33	65,00	0	33
Vinprom Jsc, Veliko Tarnovo	1 954	1 954	95,69	0	1 954
Dionisii Jsc, Nikopol	99	99	68,99	0	99
Total 1	18 660	88 674		13 062	5 598
II. Associates					
M+C Hydraulic Plc, Kazanluk	5 409	98 395	30,91	5 409	0
Bulgarian Rose Plc	1 903	8 561	49,99	1 903	0
Boryana Jsc, Cherven Briag	429	429	50,00		429
Ustrem Ltd, Svishtov	331	331	45,00	0	331
Total 2	8 072	107 716		7 312	760
III. Other companies					
Asset Insurance Jsc, Sofia	2 709	2 709	20,00	0	2 709

Leasing Company Jsc, Sofia	13	13	5,00	0	13
Ptici & Ptichi produkti Jsc, Pleven	287	287	24,20	0	287
Forsan Bulgaria Ltd, Sofia	0	0	50,00	0	0
Medical Center "Center for Prevention of the health" Ltd, Sofia	3	3	25,00	0	3
Total 3	3 012	3 012		0	3 012
TOTAL (1+2+3)	29 744	199 402		20 374	9 370

Data for the current period related to subsidiaries and associates such as name, seat, investment volume, fair value of traded stocks, as per the bulletin of the Bulgarian Stock Exchange - Sofia as at 30.09.2017 and the share interest are presented in the following table. The historical cost of investments which are not traded on the Bulgarian Stock Exchange is accepted as their fair value.

Note 3

Long-term receivables from related parties	30.09.2017	31.12.2016
Additional cash contribution under Art. 134 of the Commercial Act	185	

Note 4

Short-term receivables from related parties	30.09.2017	31.12.2016
Loans	970	1130
Interest on loans	81	121
Receivables from dividends	2286	348
Closing balance	3337	1599

Note 5

Trade and other receivables	30.09.2017	31.12.2016
Loans	7235	3025
Interest on loans	289	199
Prepayments	4	8
Prepaid expenses	2	4
Closing balance	7530	3236

Note 6

Cash and cash equivalents	30.09.2017	31.12.2016
Cash	11	6
Cash in current accounts	1314	2283
Cash deposits	8	6407
Blocked cash balances for dividends payments	57	
Closing balance	1390	8696

Note 7

Equity	30.09.2017	31.12.2016
Share capital	21000	21000
Bought own shares	-121	-121
Reserves	9448	9448
Discounts of bought own shares	-118	-118
Retained earnings	2492	2289
Net result for the period	5764	5146
Closing balance	38465	37644

Note 8

Dividends payables	30.09.2017	31.12.2016
Dividends payables	3426	2221

Note 9

Trade and other liabilities	30.09.2017	31.12.2016
Obligations bonuses	294	208
Contributions	4	5
Income tax on individuals	5	14
Tax expenses	1	2
Closing balance	304	229

Note 10

Between Stara Planina Hold Plc and Asset Insurance Jsc has been contracted to take subject to a contingent liability. Under this contract Stara Planina Hold Plc undertakes to provide Asset Insurance Jsc upon request and upon the occurrence of an activating event amount to BGN 294 thousand.

NOTES ON THE STATEMENT OF COMPREHENSIVE INCOME

(In all applications amounts are shown in thousands BGN unless otherwise stated)

Note 11

Dividend income	30.09.2017	30.09.2016
Dividend income	6227	5609

Note 12

Other financial income/expenses	30.09.2017	30.09.2016
Interest income from loans	134	88
Interest income on deposits	38	71
Revenue from investment operations	13	
Other	-1	-1
Closing balance	184	158

Note 13

Other income	30.09.2017	30.09.2016
Derecognition of liabilities with expired limitation period	78	78

Note 14

Cost of materials	30.09.2017	30.09.2016
Cost of office supplies	1	1
Expenses for office furniture	2	3
Maintenance costs for office equipment	5	7
Costs for sanitation	1	2
Closing balance	9	13

Note 15

Cost of hired services	30.09.2017	30.09.2016
Legal expenses	30	30
Auditing services	4	4
Advertising costs	5	7
Subscription costs	3	3
Postage	1	1
Maintenance of computers	7	6
Fees for state institutions	6	5
Civil contracts	28	28
Other	27	21
Closing balance	111	105

Note 16

Employee expenses	30.09.2017	30.09.2016
Management salaries	356	355
Staff salaries	108	112
Social security costs	21	22
Closing balance	485	489

Note 17

Other expenses	30.09.2017	30.09.2016
Entertainment expenses	9	7
Seminars	9	121
Membership fee	47	27
Donations	4	9
Medical service	35	3
Other	13	33
Closing balance	117	200

Executive Director: Vasil Velev