

EXPLANATORY NOTES

To the Financial notification As at 31.03.2017

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 31.03.2017</i>	<i>Machinery and equipment</i>	<i>Fixtures</i>	<i>Others</i>	<i>Total</i>
Acquired	4	15	4	22
Depreciation	4	11	0	14
Closing balance	0	4	4	8

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
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1. Subsidiaries

Hydraulic elements and systems Plc, Yambol	2 331	61 051	64,53	2 331	0
Elhim - Iskra Plc, Pazardzhik	8 323	16 261	51,40	8 323	0
Fazan Plc, Ruse	1 604	787	88,25	1 604	0
Slavyana Jsc, Slavyanovo	3 512	3 512	98,74	0	3 512
SPH Trans Ltd, Sofia	33	33	65,00	0	33
Total 1	15 803	81 644		12 258	3 545

II. Associates

M+C Hydraulic Plc, Kazanluk	5 409	94 218	30,91	5 409	0
Bulgarian Rose Plc	1 903	7 090	49,99	1 903	0
Boryana Jsc, Cherven Briag	429	429	50,00		429
Total 2	7 741	101 737		7 312	429

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)	26 556	186 393		19 570	6 986

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 31.03.2017 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

Short-term receivables from related parties	31.03.2017	31.12.2016
Loans	1130	1130
Interest on loans	134	121
Receivables from dividends	348	348
Closing balance	1612	1599

Note 4

Trade and other receivables	31.03.2017	31.12.2016
Loans	3025	3025
Interest on loans	223	199
Prepayments	6	8
Prepaid expenses	4	4
Closing balance	3258	3236

Note 5

Cash and cash equivalents	31.03.2017	31.12.2016
Cash	7	6
Cash in current accounts	2005	2283
Cash deposits	6407	6407
Closing balance	8419	8696

Note 6

Equity	31.03.2017	31.12.2016
Share capital	21000	21000
Bought own shares	-121	-121
Reserves	9448	9448
Discounts of bought own shares	-118	-118
Retained earnings	7435	2289
Net result for the period	-221	5146
Closing balance	37423	37644

Note 7

Dividends payables	31.03.2017	31.12.2016
Dividends payables	2207	2221
Closing balance	2207	2221

Note 8

Trade and other liabilities	31.03.2017	31.12.2016
Obligations bonuses	208	208
Contributions	5	5
Income tax on individuals	10	14
Tax expenses		2
Closing balance	223	229

Note 9

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 10

Other financial income/expenses	31.03.2017	31.03.2016
Interest income from loans	37	27
Interest income on deposits	1	4
Closing balance	38	31

Note 11

Cost of materials	31.03.2017	31.03.2016
Cost of office supplies	1	
Expenses for office furniture	1	1
Maintenance costs for office equipment	1	5
Costs for sanitation	1	1
Closing balance	4	7

Note 12

Cost of hired services	31.03.2017	31.03.2016
Legal expenses	9	9
Advertising costs		6
Subscription costs	1	1
Maintenance of computers	4	2
Fees for state institutions	3	3
Civil contracts	11	11
Other	4	7
Closing balance	32	39

Note 13

Employee expenses	31.03.2017	31.03.2016
Management salaries	142	142
Staff salaries	44	47
Social security costs	7	8
Closing balance	193	197

Note 14

Other expenses	31.03.2017	31.03.2016
Entertainment expenses	3	2
Seminars		1
Membership fee	16	3
Donations	4	
Medical service	4	1
Other	1	
Closing balance	28	7

Chief Accountant: Kremena Dulgerova

Executive Director: Vasil Velev