

BI-ANNUAL REPORT SEMESTER I 2017

According to Regulation 1/2006 issued by the Romanian National Securities Commission

Name of the trading company: **SC TRANSILVANIA CONSTRUCTII SA**

Registered office: Cluj Napoca, 10 Orastie Street, Cluj county;

Telephone/fax number: 0264-416597 / 0264-592229;

Tax code: RO 199044;

Registration number with the Trade Registry: J12-8-1991;

Subscribed and paid up capital: RON 26,391,783;

Regulated market where the issued securities are admitted to trading: **Bucharest Stock Exchange, standard category.**

1. Economic and financial situation:

The economic and financial situation of the company, compared to the same period last year, is as follows:

a) Balance sheet

Item name	30.06.2016	31.12.2016	30.06.2017
Intangible assets	5,761	21,293	15,320
Tangible assets	169,148,458	171,064,866	181,236,205
Financial assets	4,794,095	13,527,593	16,288,603
Total fixed assets	173,948,314	184,613,752	197,540,128
Inventories	390,290	326,090	364,072
Receivables	4,031,581	9,181,618	4,338,829
Available cash	3,242,931	2,684,550	6,597,935
Accrued expenses	485,568	31,162	512,522
Total current assets	8,150,370	12,223,420	11,813,358
Short-term liabilities	9,423,521	15,918,838	14,858,008
Long-term liabilities	80,611,082	87,069,008	99,682,723
Total liabilities	90,034,603	102,987,846	114,540,731
Share capital	26,391,783	26,391,783	26,391,783
Share capital adjustments	27,019,805	27,019,805	27,019,805
Reserves	4,487,131	6,593,780	6,651,555
Retained earnings	34,269,906	33,948,502	34,854,156
Shareholders' equity	-104,544	-104,544	-104,544
Total shareholders' equity	92,064,081	93,849,326	94,812,755

Interpretation:

Note: the analysis refers to the information of June 30, 2017, compared to the information of June 30, 2016

A) Fixed assets

Overall, during the period analyzed, there is an increase in fixed assets.

Analyzing the evolution of fixed assets by groups, we can see the following:

Intangible assets: they are computer programs used by the company.

During the period analyzed their value increased due to the purchase of new management software.

Tangible assets:

Compared to the same period of 2016, tangible assets increased significantly.

Their gross value increased due to high value investments made by the company. The main investments made in the last 12 months are:

- the works at TRC Park Cluj were accepted, the logistic park developed by the company in TETAROM III Jucu. Currently, the first stage of development was accepted, consisting of 17,000 sqm of warehouses, and the second stage of development, consisting of 13,000 sqm of warehouses, will be accepted in the second half of 2017;
- various expansion and fitting works carried out in Transilvania Logistic Park
- the road and network rehabilitation program in Transilvania Logistic Park was continued.

Financial assets

On June 30, 2017, they consist of share ownership in other trading companies, as well as long-term loans granted to affiliated companies, as follows:

Shares in other companies:

- Melisa Prod SRL: the value of shares owned is of RON 172,774, the company holding 95% of the share capital;
- SC CFR 1907 Cluj SA: the value of the shares owned is of RON 4,360,891. Our company holds 4.60 % of the share capital;
- Mega Property for Rent SRL: the value of shares owned is of RON 45,790, the company holding 95% of the share capital;
- ABC Facility Management SRL: the value of shares owned is of RON 190, the company holding 95% of the share capital;
- Invincible Real Estate: the value of shares owned is of RON 190, the company holding 95% of the share capital;

Long-term loans granted to affiliated companies:

- The amount of RON 10,619,151.83 was granted to the company Mega Property for Rent;
- The amount of RON 620,000.00 was granted to the company ABC Facility Management;

Trade receivables due over a period of more than 1 year: RON 378,015;

Guarantees paid to suppliers: RON 91,601;

B) Current assets

During the period analyzed, the current assets increased compared to the same period of 2016 by the amount of RON 3,662,988.

The analysis of the evolution of the current assets by components is presented below:

Inventories



During the period analyzed, inventories did not fluctuate significantly. The value of inventories as at 30.06.2017 is RON 364,072. The company does not hold large inventories.

Available cash:

The available cash on 30.06.2017 is RON 6,597,935.

The existing available cash is sufficient to cover all current company liabilities.

Accrued expenses: consist mainly of:

- the amount of local taxes and fees for the second half of 2017;
- amounts paid for future periods;

C) Liabilities

The company's liabilities have the following structure:

Item name	SEMESTER I 2016	SEMESTER I 2017	Differences (2017- 2016)
Long-term liabilities	80,611,082	99,682,723	19,071,641
- bank credits	64,907,876	85,985,990	21,078,114
- finance lease	499,886	226,636	-273,250
- other loans	735,000	0	-735,000
- shareholder loan	1,652,610	0	-1,652,610
- performance bonds withheld	1,057,696	1,946,798	889,102
deferred income tax	11,674,888	11,440,173	-234,715
- provisions for performance bonds withheld	83,126	83,126	0
Short-term liabilities	9,423,521	14,858,008	5,434,487
- bank credits	1,174,168	5,903,908	4,729,740
- finance lease	607,794	216,636	-391,158
- other loans	246,410	833,832	587,422
- shareholder loan	241,511	0	-241,511
- trade payables	4,629,555	4,958,284	328,729
- payables to employees	153,119	146,685	-6,434
- taxes and duties	420,779	221,541	-199,238
- performance bonds withheld	971,380	1,203,064	231,684
-various creditors	978,805	1,374,058	395,253
Total General	90,034,603	114,540,731	24,506,128

As shown in the table, in Semester I of 2017, compared to the same period of the previous year, the company's liabilities have increased significantly. The highest increase is noted at long-term bank loans. The increase was determined by the contracting of investment loans, intended to finance the investment programs of the company.

There is also a decrease in the long-term liabilities to the shareholder, which was fully reimbursed in Semester I of 2017.

The amounts owed to credit institutions consist of credit lines as well as long-term bank loans taken out to finance the company's investments

- Investment loans taken out in EUR

No.	Bank	Destination	Amount granted	Balance as at 30.06.2016
1	CEC Bank SA	credit for investments	8,142,000	7,477,887
2	CEC Bank SA	credit for investments	493,160	426,323
3	CEC Bank SA	credit for investments	6,550,000	6,469,284
4	CEC Bank SA	warehouse development 10,000 sqm	3,900,000	3,884,802
5	CEC Bank SA	rehabilitation of the PLT infrastructure	1,078,129	931,827
Total General				19,190,123

Besides these investment loans, the company has also taken out from CEC Bank SA:

- line of credit in the amount of RON 4,500,000, not spent;

- ceiling for the issuance of letters of bank guarantee in the amount of RON 5,550,000.

These credits are secured by the company with real estate properties.

D) Shareholders' equity

The shareholders' equity increased during the period analyzed by the amount of RON 2,748,674.

The increase stems from registration of the accounting profit, between 01.07.2016-30.06.2017

b) Statement of comprehensive income

The financial income recorded in Semester I of 2017 compared to the same period last year is shown below:

Item	30.06.2017	30.06.2016
Turnover	12,061,841	10,419,016
Other operating income	80,298	93,091
Variation of inventories	0	221
Total operating income	12,142,139	10,512,328
Total operating expenses, of which	9,466,484	7,459,250
Raw materials and materials expenses	1,530,729	1,552,782
Personnel related expenses	1,036,775	740,620
Amortization related expenses	4,600,900	3,539,987
Operating income	2,675,655	3,053,078
Financial income	3,362	1,863,919
Financial expenses	1,489,064	1,305,088
Financial earnings	-1,485,702	558,831
Pre-tax earnings	1,189,953	3,611,909
Income tax expenses	226,526	492,118
Net earnings	963,427	3,119,791

The turnover recorded in Semester I of 2017 was RON 12,061,841, higher by RON 1,642,825 than the one recorded in the same period last year.

Total operating revenues were RON 12,142,139, higher than those recorded in Semester I of the previous year,

The operating income was RON 2,675,655.

The operating profit rate as at 30.06.2017 was 22.18%.

The financial loss was RON 1,485,702. The company recorded interest expenses in the amount of RON 1,200,397.

The pre-tax profit recorded in Semester I of 2017 was RON 1,189,953 and the net profit was RON 963,427.

c) Cash-flow analysis

in RON

SEMESTER I 2017

Cash flows from operating activities

Collections from clients	20,103,606
Payments to suppliers	-21,583,287
Payments to employees	-613,108
Payments to the state budget	-1,249,767
Other payments related to operating activities	0
Interests paid	-18,721
Income tax paid	-59,102

Net cash from (used in) operating activities

-3,420,379

Cash flows from investing activities

Interests collected	0
collections from the sale of tangible assets	0
Payments for financing affiliated companies	-2,685,050
Payments for the purchase of tangible assets	-1,203,558

Net cash from (used in) investing activities

-3,888,608

Cash flows from financing activities

Collections from long-term bank loans contracted	13,349,897
Payment of liabilities related to bank credits	-1,601,950
Payment of liabilities related to finance lease	-342,569
Payment of other liabilities related to financing activities	-158,327

Net cash from (used in) financing activities

11,247,051

Net increase of cash and cash equivalents

3,938,064

Effect of exchange rate fluctuations on cash

-24,679

Cash and cash equivalent at the beginning of the financial year

2,684,550

Cash and cash equivalent at the end of the financial year

6,597,935

At the beginning of the period the available cash was RON **2,684,550**.

The operating activity generated a cash deficit of RON 3,420,379. This deficit derives from the specificity of the company's activity. As the company operates in the field of industrial real estate and carries out investments made by its own, the payments related to these developments (financed by bank loans) are found in the exploitation activity.

The **investment activity** of the company generated payments in the amount of RON 3,888,608.

The **financing activity** generated cash inflows in the amount of RON 13,349,897 lei, cash outflows amounting to RON 2,102,846, resulting in a surplus in the amount of RON 11,247,051. The cash inflows from the financing activity were used to finance the payments related to the development activity.

At the end of the period the available cash was RON 6,597,935, on the increase compared to the beginning of the year. The available cash at the company's disposal is enough for the company to carry out its activity under the best conditions and to honor all the due obligations.

2 Analysis of the trading company's activity

2.1. Analysis of uncertainty factors that could affect the company's liquidity

Currently, the main activity of the company is the logistic and industrial space rental activity, materialized in the management of the Transilvania Logistic Park, as well as TRC Park Cluj, located in TETAROM III Jucu.

This activity shows an increasing trend, reflected in the increase of rentable spaces area. This positive trend is also found in revenues, which have steadily increased in Semester I of 2017, from a turnover of RON 10,419,016 in Semester I of 2016 to a turnover of RON 12,061,841 in Semester I of 2017.

Also, the company records requests for additional spaces, a phenomenon that has been the premise for the development of a new logistic park in TETAROM III Jucu.

The company has further plans to expand and develop new industrial spaces.

Thus, the company currently develops a logistic park on a 16 ha land, leased from TETAROM SA for a period of 99 years. The new park is developed in TETAROM III Jucu. The development is carried out in stages, in two phases of development. The first phase of development will end in the second semester of 2017.

Upon completion of the first phase of development, 30,000 sqm of warehouses will be built, and upon final completion the logistic park will have 80,000 sqm of warehouses. The total value of the investment will amount to approximately EUR 28,000,000, of which the value of the first phase will amount to EUR 10,000,000.

The company will also develop industrial parks in other parts of the country. At present the company carries out the initial steps, and in 2018 it will begin the construction stages for the new warehouses.

The company has easy access to financing sources, the costs being in the normal margins of the market.

As regards the risk of non-collection of receivables, the company has implemented clear and effective client relationship management policies, so that it does not record major delays in collecting receivables.

2.2 The Company made the following investments in Semester I of 2016:

Group of assets	SEMESTER I 2016	SEMESTER I 2017
Computer programs	2,274	0
Constructions	21,483,827	0
Machines and equipment	657,138	0
Means of transport	765,730	815,193
Furniture, office supplies	7,809	15,756
Tangible assets in progress	3,761,842	14,268,662
Total	26,678,620	15,099,611

In Semester I of 2017 the company financed its investments both through bank loans and own sources. The main real estate investments were:

- the continuation of the works at TRC PARK Cluj logistic park (to be developed in TETAROM III Jucu), Phase I, stage 2. At the end of this stage, 13,000 sqm of warehouses will be built, which will be added to the already completed 17,000 sqm. The investment is financed by bank credit and by its own sources.

- modernization of existing warehouses at the request of the tenants. These works have been financed from own sources;

- continuation of the road and network rehabilitation program within Transilvania Logistic Park. This investment program is financed by long-term bank credit;

2.3 Events affecting the operating income:

Composition of turnover

Activity	Semester I 2016		Semester I 2017	
	Value	% of total	Value	% of total
Transilvania Logistic Park	9,871,172	94.74	9,934,761	82.37
TRC Park Cluj	0	0.00	1,587,323	13.16
Sport centre	468,184	4.49	470,135	3.90
Various activities	79,660	0.76	69,622	0.58
Total	10,419,016	100.00	12,061,841	100.00

The main activity of the company is space rental, the company owning and operating 2 logistic parks.

The company also has a mounting-construction division, which it uses to ensure the maintenance of the Logistic Park operated by the company and to support the company's investment activity.

As far as the income from the spaces are concerned, they increased compared to Semester I of 2016, as compared to the same period last year, the company increased the volume of the spaces for rent. Also, a number of older spaces have been rehabilitated, the company increasing the rent level for those spaces

3. Changes affecting the capital and management of the company:

During the period analyzed, the company was not in a position to be unable to meet its financial obligations.

Regarding the changes in the shareholding of the trading company, no significant changes took place in Semester I of 2016.

In Semester I of 2017, the company increased its share ownership in Mega Property for Rent, from the amount of RON 190 to the amount of RON 45,790. The percentage held in the share capital remained unchanged, namely 95%.

Note: The financial statements for Semester I of 2017 have not been audited.

GENERAL MANAGER
TIMOFTE ANDREI

CHIEF FINANCIAL OFFICER
BARZ LUCIAN

S.C. Transilvania Construcții S.A.

Financial statements
as at June 30, 2017

Prepared according to the International
Financial Reporting Standards adopted by the
European Union

SC TRANSILVANIA CONSTRUCTII SA
**Statement of financial position
as at 30.06.2017**

in RON	June 30, 2017	December 31, 2016
ASSETS		
Tangible assets	12,837,851	13,187,643
Investment properties	168,398,354	157,877,223
Intangible assets	15,320	21,293
Held-to-maturity investments	4,579,835	4,534,235
Long-term trade and similar receivables	11,708,768	8,993,358
Total fixed assets	197,540,128	184,613,752
Inventories	364,072	326,090
Short-term trade receivables	2,165,460	4,662,219
Other receivables	2,173,369	4,519,399
Accrued expenses	512,522	31,162
Cash and cash equivalents	6,597,935	2,684,550
Total current assets	11,813,358	12,223,420
TOTAL ASSETS	209,353,486	196,837,172
SHAREHOLDERS' EQUITY		
Share capital	26,391,783	26,391,783
Share capital adjustments	27,019,805	27,019,805
Reserves	6,651,555	6,593,780
Retained earnings	34,854,156	33,948,502
Shareholders' equity	-104,544	-104,544
Total shareholders' equity	94,812,755	93,849,326
LIABILITIES		
Long-term loans	88,159,424	75,506,191
Deferred income tax liabilities	11,440,173	11,479,691
Long-term provisions	83,126	83,126
Total long-term liabilities	99,682,723	87,069,008
Trade payables	4,958,284	6,290,618
Short-term loans	8,157,440	8,156,211
Short-term provisions	0	0
Other payables	1,742,284	1,472,009
Total current liabilities	14,858,008	15,918,838
TOTAL LIABILITIES	114,540,731	102,987,846
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	209,353,486	196,837,172

**Statement of comprehensive income
as at 30.06.2017**

	June 30, 2017	June 30, 2016
	RON	RON
Income from turnover	12,061,841	10,419,016
Other income	80,298	93,091
Changes in inventories of finished goods and work in progress	0	221
Total operating income	12,142,139	10,512,328
Expenses related to raw materials and consumables	1,530,729	1,552,782
Expenses related to services provided by third parties	1,794,166	1,089,212
Personnel related expenses	1,036,775	740,620
Amortization and depreciation expenses	4,600,900	3,539,987
Provision expenses	0	-43,705
Goods-related expenses	48,344	53,636
Other expenses	455,570	526,718
Total operating expenses	9,466,484	7,459,250
Operating income	2,675,655	3,053,078
Financial income	3,362	1,863,919
Interest expenses	1,200,397	1,305,088
Other financial expenses	288,667	0
Total Financial expenses	1,489,064	1,305,088
Financial earnings	-1,485,702	558,831
Profit before tax	1,189,953	3,611,909
Income tax expenses	266,044	532,488
Deferred tax revenue	39,518	40,370
Net profit of the period	963,427	3,119,791
Other items of comprehensive income	0	0
COMPREHENSIVE INCOME OF THE PERIOD	963,427	3,119,791
Earnings per share		
Basic	1.20	3.90
Diluted	1.20	3.90

Statement of changes in equity

<i>in RON</i>	Share capital	Share capital adjustments	Merger premium	Shareholders' equity	Reserves	Retained earnings	Retained earnings resulting from the adoption of IFRS, less IAS 29	Retained earnings resulting from the adoption for the first time of IAS 29	Total shareholders' equity
Balance as at January 2017	26,391,783	27,019,805	-	(104,544)	6,593,782	599,012	60,369,295	(27,019,805)	93,849,328
Share capital issue	-	-	-	-	-	-	-	-	-
Cancellation of own shares	-	-	-	-	-	-	-	-	-
Total comprehensive income of the period									
Net income of the period	-	-	-	-	-	963,427	-	-	963,427
Other items of comprehensive income									
Allocation to the legal reserve	-	-	-	-	57,774	(57,774)	-	-	-
Allocation to other reserves	-	-	-	-	-	-	-	-	-
Allocation to dividend payment	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2017	26,391,783	27,019,805	-	(104,544)	6,651,556	1,504,665	60,369,295	(27,019,805)	94,812,755
Balance as at January 2016	26,391,783	27,019,805	-	(104,544)	4,305,486	(2,017,730)	60,369,295	(27,019,805)	88,944,290
Share capital issue	-	-	-	-	-	-	-	-	-
Cancellation of own shares	-	-	-	-	-	-	-	-	-
Total comprehensive income of the period									
Net income of the period	-	-	-	-	-	3,119,791	-	-	3,119,791
Other items of comprehensive income									
Allocation to the legal reserve	-	-	-	-	181,645	(181,645)	-	-	-
Allocation to other reserves	-	-	-	-	-	-	-	-	-
Allocation to dividend payment	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2016	26,391,783	27,019,805	-	(104,544)	4,487,131	920,416	60,369,295	(27,019,805)	92,064,081

Statement of Cash Flows

as at 30.06.2017

in RON

in RON
Cash flows from operating activities

	SEMESTER I 2017	SEMESTER I 2016
Collections from clients	20,103,606	13,203,248
Payments to suppliers	-21,583,287	-7,439,931
Payments to employees	-613,108	-419,583
Payments to the state budget	-1,249,767	-2,025,232
Other payments related to operating activities	0	-1,231,591
Interests paid	-18,721	0
Income tax paid	-59,102	-320,681
Net cash from (used in) operating activities	-3,420,379	1,766,230

Cash flows from investing activities

Interests collected	0	1,118
collections from the sale of tangible assets	0	18,791
Payments for financing affiliated companies	-2,685,050	
Payments for the purchase of tangible assets	-1,203,558	-18,917,203
Net cash from (used in) investing activities	-3,888,608	-18,897,294

Cash flows from financing activities

Collections from long-term bank loans contracted	13,349,897	19,697,026
Payment of liabilities related to bank credits	-1,601,950	-1,739,342
Payment of liabilities related to finance lease	-342,569	-364,078
Payment of other liabilities related to financing activities	-158,327	-944,801
Net cash from (used in) financing activities	11,247,051	16,648,805

Net increase of cash and cash equivalents

	3,938,064	-482,259
Effect of exchange rate fluctuations on cash	-24,679	21,941

Cash and cash equivalent at the beginning of the financial year

	2,684,550	3,703,249
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Cash and cash equivalent at the end of the financial year

	6,597,935	3,242,931
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Explanatory notes selected to the financial statements

For Semester I 2017

1. Reporting entity

S.C. Transilvania Construcții S.A. („Company”) is a joint-stock company trading operating in Romania in compliance to Law 31/1990 on trading companies. It was set up on November 30, 1990, based on Decision no. 54 of the Prefect’s Office in Cluj County, through the reorganisation of TRCL Cluj.

The company’s registered office is located in Cluj-Napoca, 47 Taietura Turcului Street, 3rd Floor, Cluj county, tax ID RO 199044, registration number with the Trade Register J12/8/1991.

The company’s object of activity, recorded at Cluj Trade Registry Office, is the construction of residential and non-residential buildings;

The main activity actually carried out by the company is the renting and sub-renting of own or leased real estate.

The Company’s shares are listed on Bucharest Stock Exchange, standard category, with the indicative COTR, since August 2008.

As at June 30, 2017, the company had the following composition of the share capital:

No.	Name of Shareholder	No. of shares	%	Value
1	Timofte Andrei-Iancu	461,635	57.72	15,233,955
2	Timofte Mircea	285,072	35.65	9,407,376
3	Natural persons	46,437	5.81	1,532,421
4	Legal persons	6,607	0.83	218,031
	Total	799,751	100.00	26,391,783

The Register of shares and shareholders is kept under the law by S.C. Depozitarul Central S.A. Bucharest.

2. Bases of preparation

a) Declaration of conformity

The Separate Financial Statements are drawn up by the Company according to the International Financial Reporting Standards (“IFRS”) endorsed by the European Union. The Company applies the regulations included in the Order of the Minister of Public Finance no. 2844 of December 12, 2016 approving the Accounting Regulations that are according to the International Financial Reporting Standards

The date of transition to the International Financial Reporting Standards was January 1, 2011.

Starting with the financial year 2012, trading companies whose securities are admitted to trading on a regulated market are obliged to apply the IFRS to the preparation of the financial statements.

b) Presentation of the financial statements The Separate Financial Statements are presented according to the requirements of IAS 1 *Presentation of Financial Statements*. The Company adopted a presentation based on liquidity in the statement of financial position and a presentation of the income and expenses by their nature in the statement of comprehensive income, considering that these methods of presentation provide information that are reliable and more relevant than those presented based on other methods of presentation permitted by IAS 1.

When preparing the financial statements for semester I of 2017, account was taken of the provisions of IAS 34 on Interim Financial Reporting.

(c) Functional and presentation currency

The Company's management considers that the functional currency, as defined in IAS 21 *Effects of Changes in Foreign Exchange Rates*, is the Romanian Leu (RON). The Separate Financial Statements are presented in Ron, rounded to the nearest Leu, the currency chosen by the Company as presentation currency.

(d) Measurement bases

The Separate Financial Statements were prepared based on historical cost except for land and buildings which are measured by using the deemed cost model. The accounting policies defined below have been consequently applied for all the periods presented in these financial statements, respectively in preparing the situation of the financial positions as at January 1, 2011 for the transition to IRFS. These financial statements were prepared based on the going-concern principle.

(e) Use of estimations and judgements

The preparation of the separate financial statements according to the International Financial Reporting Standards ("IFRS") assumes that the management uses some estimations, judgements and assumptions which affect the application of accounting policies as well as the reported value of assets, liabilities, revenue and expenses. The judgements and assumptions related to these estimations are based on historic experience as well as on other factors considered reasonable in the context of these estimates. The results of these estimations constitute the basis of the judgements related to the book value of assets and liabilities which cannot be obtained from other sources of information. The results obtained may vary from the values of estimations.

The judgments and assumptions on which these are based are periodically revised by the Company. The revisions of accounting estimations are recognized in the period in which the estimations are revised if the revisions affect only that period or in the period in which the estimations are revised and in the future periods if the revisions affect both the current and the future periods.

The preparation of the separate financial statements according to the IFRS assumes that the management uses certain professional judgments, estimations and assumptions which affect the application of accounting policies and reported value of assets, liabilities, revenue and expenses. The actual results may vary from the estimated values.

The estimations and assumptions on which these are based are periodically revised. The reviews of accounting estimations are recognized in the period in which the estimation was revised and in the future affected periods.

The accounting policies did not change compared to the accounting policies used to prepare the financial statements as at 31.12.2016.

The company's activity is carried out in a continuous manner, having an uniform evolution during the financial exercise. The only accounting treatment that does not apply in the case of interim reports is the analysis of the uncertain or disputed clients. This operation is done at the closure of the financial exercise when the depreciation of receivables is estimated.

3. Significant events.

In Semester I of 2017, the company increased its share ownership in Mega Property for Rent, from the amount of RON 190 to the amount of RON 45,790. The percentage held in the share capital remained unchanged, namely 95%.

4. Acquisitions and disposals of tangible assets.

During the first semester, the Company made a series of investments in tangible, intangible and real estate assets. The investment situation is as follows:

Assets purchased and alienated:

In the first six months of 2017, the company made the following acquisitions of fixed assets (purchased from third parties or self-made)

1. Fixed assets received:

Asset type	Asset name	Value-Ron	Operation
Equipment and machines	Vehicle	804,878	new investment
Total investments made		804,878	

During the period 01.01.2017-30.06.2017 a series of fixed assets (1 vehicle and IT equipment) were removed from the company's patrimony by decommissioning. The inventory value of the vehicle that was removed from the patrimony was RON 850,574, the unamortized value amounting to RON 326,402.93.

The value of the IT equipment decommissioned was RON 12,550.

Besides these investments, on 30.06.2017 the balance included the following investments in progress:

Investment type in progress	Name	Value-RON
Real estate asset	Logistic Park Tetarom III - stage 2	12,347,939
Real estate asset	Rehabilitation of the Logistic Park infrastructure	5,691,532
Real estate asset	Warehouse 35	1,105,755
Real estate asset	Warehouse 29-32	341,200
Real estate asset	Warehouse 3	179,556
Real estate asset	Various set-up works	140,627
Total General		19,806,609

The most important investments in progress in Semester I of 2017 were:

- continuation of the program for rehabilitation of Transilvania Logistic Park infrastructure, by restoring some access roads, together with the sewerage networks;
- starting the development of the second stage of TRC PARK Cluj logistic park, to be built in the industrial park TETAROM III Jucu, on a 16 ha land area;
- modernization of existing warehouses at the request of the tenants.

5. Transactions with related parties:

The Company has as related parties the following companies:



1. SC Melisa Prod SRL, with office in Cluj-Napoca, 10 Orastiei Street, Cluj county, tax ID: RO 17597400, J12/1857/2005.

The share capital of the company consists of 20 shares of which 19 shares are held by SC Transilvania Constructii SA and one share is held by Mr. Timofte Andrei.

Starting from 2011, this company did not carry out any activity.

In Semester I 2017 the company did not carry out transactions with SC Melisa Prod SRL.(0 transactions in semester I 2016);

2. SC Brieta Industrial Com SRL, with office in Cluj, 27 Meseriilor Street, Cluj county, tax ID RO 6839037, J12/4795/1994. The company has a share capital in the amount of RON 17,480 consisting of 1748 shares held as follows:

874 shares: Mrs. Timofte Gabriela;

874 shares: Mr. Timofte Mircea

The company carried out the following transactions with SC Brieta Industrial COM:

Semester I 2017 - the company did not carry out transactions with Brieta Industrial Com.

Semester I 2016

Transilvania Constructii paid the interest on the loan amounting to RON 980,000, taken out from Brieta Industrial Com in 2013. The interest paid was RON 11,464.54.

3. The company took out a loan from Mr. Timofte Andrei Iancu, shareholder holding 55.53% of the share capital.

The situation of this credit in the first half of 2017 was the following:

Original credit balance:	RON 4,071;
Debit cash flow:	RON 4,071 (credit repayment);
Credit cash flow:	RON 0;
Final credit balance:	RON 0

The shareholder loan is not interest-bearing.

4. Other related parties:

- ABC Facility Management, tax ID: 35226834, with office in Cluj Napoca, 10 Orastiei Street;
- Invincible Real Estate, tax ID: 35226842, with office in Cluj Napoca, 10 Orastiei Street;

In these companies Transilvania Constructii holds 95% of the share capital (19 shares).

The previously mentioned companies did not carry out any activity from establishment to the date of this report.

In the first half of 2017 Transilvania ConstrucȚii granted a long-term loan to ABC Facility Management, amounting to RON 620,000;

- Mega Property for Rent, tax ID: 35226850, with office in Cluj Napoca, 47 Taietura Turcului Street, 3rd Floor;

In this company Transilvania Constructii holds 95% of the share capital (19 shares).

In the first half 2017 the company carried out the following transactions:

- In the first quarter of 2017, the company increased its share ownership in Mega Property for Rent, from the amount of RON 190 to the amount of RON 45,790. As the minority shareholder increased its share ownership, the share held in Mega Property for Rent remained unchanged, i.e. 95%.

- loan to Mega Property for Rent:

Original debit balance account 4511: RON 8,599,701.83;
 Debit cash flow account 4511: RON 2,019,450.00;
 Credit cash flow account 4511: RON 0.00;
 Final debit balance account 4511: RON 10,619,151.83

- service purchases made from Mega Property for Rent (space rent and re-invoicing expenses):

Original credit balance account 401: RON 28,021.87;
 Credit cash flow account 401: RON 351,403.35;
 Debit cash flow account 401: RON 317,490.45;
 Final credit balance account 401: RON 61,934.77

- provision of services to Mega Property for Rent

Original debit balance account 4111: RON 3,439,474.84;
 Debit cash flow account 4111: RON 44,139.49;
 Credit cash flow account 4111: RON 2,417,490.45;
 Final debit balance account 4111: RON 1,066,123.88

In the first quarter of 2016 the company did not carry out transactions with the 3 companies mentioned above.

7. Segment reporting

In the first half of 2017, the Company achieved a turnover of RON 12,061,841.

The composition of the turnover is presented below:

Activity	Semester I 2016		Semester I 2017	
	Value	% of total	Value	% of total
Transilvania Logistic Park	9,871,172	94.74	9,934,761	82.37
TRC Park Cluj	0	0.00	1,587,323	13.16
Sport centre	468,184	4.49	470,135	3.90
Various activities	79,660	0.76	69,622	0.58
Total	10,419,016	100.00	12,061,841	100.00

The results of the company's business segments are presented below:

Item	Business segments									
	Transilvania Logistic Park		TRC Park Cluj		Construction-mounting works		Other segments		Total segments	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenues from external clients	9,934,761	9,871,172	1,587,387	0	0	0	539,693	547,844	12,061,841	10,419,016
Revenues from transactions with other segments	0	0	0	0	13,949,889	5,423,565	458,106	389,003	14,407,995	5,812,568
Profit per segment	3,092,690	2,925,267	258,981	0	366,562	201,302	-161,708	100,080	3,556,525	3,226,649

Reconciliation of income, profit or loss related to reportable segments

**Income
in RON**

	2017	2016
Total income related to the reportable segments	25,472,037	15,294,737
Income related to other segments	997,799	936,847
Elimination of income from transactions with other segments	-14,407,995	-5,812,568
Consolidated income	12,061,841	10,419,016

**Profit or loss
in RON**

	2017	2016
Total profit or loss related to the reportable segments	3,718,233	3,126,569
Profit or loss from other segments	-161,708	100,080
Subtotal profit	3,556,525	3,226,649
Elimination of profit from transactions with other segments		
Unallocated amounts:		
Other income	36,167	1,976,886
Other expenses	-2,402,739	-1,591,626
Profit or loss before tax	1,189,953	3,611,909

The financial statements for semester I of 2017 have not been subject to statutory audit.

General Manager
Timofte Andrei Iancu

Chief Financial Officer
Barz Lucian

DECLARATION

in compliance with the provisions of art. 30 of Accounting Law no. 82/1991

The semester individual financial statements as at 30.06.2017 were prepared for:

Entity: SC TRANSILVANIA CONSTRUCTII S.A.

County: 12-: Cluj;

Address: Cluj-Napoca, 47 Taietura Turcului Street, 3rd floor

Telephone: 0264-416597;

Registration number with the Trade Register: J12-8-1991;

Form of organization: 34 - Joint-stock company

Principal business activity: 4120-Construction of residential and non-residential buildings;

VAT number: RO 199044

The company's director, TIMOFTE MIRCEA, assumes the responsibility for the preparation of the semestrial individual financial statements as at 30.06.2017 and confirms that:

- a) The accounting policies used in the preparation of the semester financial statements are in line with the applicable accounting regulations;
- b) The half-yearly financial statements provide a fair image of the financial position, financial performance and other information related to the business;
- c) The legal entity is a going concern;

Chairman of the Board of Directors

Eng. Timofte Mircea