EGELİ & CO GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2015

(ORIGINALLY ISSUED IN TURKISH)

EGELİ & CO GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2015 ORIGINALLY ISSUED IN TURKISH

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CONVENIENCE TRANSLATION OF AUDITED BALANCE SHEET AT 31 DECEMBER 2015 ORIGINALLY ISSUED IN TURKISH

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	(Audited) Current Period 31 December 2015	Restated(*) (Audited) Previous Period 31 December 2014
ASSETS			
Current Assets			
Cash and cash equivalents	6	119.205	2.785.841
Financial investments	7	7.937.287	2.384.265
Other receivables	8	280.903	858.846
- Other receivables from related parties	8, 18	53.200	-
-Other receivables from non-related parties	8	227.703	858.846
Other current assets	9	22.557	96.853
Total current assets		**8.359.952**	**6.125.805**
Non-current assets			
Financial investments	7	21.371.209	27.424.591
Other receivables	8	294.877	-
Other receivables from related parties	8	294.877	-
Property and equipment	10	6.054	9.830
Total non-current assets		**21.672.140**	**27.434.421**
TOTAL ASSETS		**30.032.092**	**33.560.226**

The accompanying notes form an integral part of these audited financial statements.

CONVENIENCE TRANSLATION OF AUDITED BALANCE SHEET AT 31 DECEMBER 2015 ORIGINALLY ISSUED IN TURKISH

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	(Audited) Current Period 31 December 2015	(Audited) Previous Period 31 December 2014
LIABILITIES			
Current liabilities			
Trade payables		12.710	46.601
Due to third parties		12.710	46.601
Other payables	8	841.798	-
Due to related parties	8, 18	841.798	-
Short-term provisions		58.978	77.185
Short term provision for employee benefits	12	2.858	799
Other short term provisions	12	56.120	76.386
Other current liabilities	9	75.336	67.504
Total short-term liabilities		**988.822**	**191.290**
Long-term liabilities			
Long-term provisions	12	26.384	12.976
Provisions for employee benefits	12	26.384	12.976
Total long-term liabilities		**26.384**	**12.976**
Shareholders' equity			
Share capital	13	20.000.000	20.000.000
Adjustment to share capital		17.197.511	17.197.511
Costs arising from the capital increase		(67.383)	(67.383)
Share premiums		29.552	29.552
Other comprehensive income/expense not to be reclassified to profit or loss		5.833	4.617
Actuarial (loss) / gain		5.833	4.617
Other comprehensive income/expense to be reclassified to profit or loss	7	182.867	710.060
Revaluation gain of available for sale financial assets	7	182.867	710.060
Restricted reserves	13	3.604.255	3.604.255
Retained earnings/ (accumulated losses)	13	(8.122.652)	(191.744)
Net loss for the period		(3.813.097)	(7.930.908)
Total shareholders' equity		**29.016.886**	**33.355.960**
TOTAL LIABILITIES		**30.032.092**	**33.560.226**

The accompanying notes form an integral part of these audited financial statements.

CONVENIENCE TRANSLATION OF AUDITED BALANCE SHEET AT 31 DECEMBER 2015 ORIGINALLY ISSUED IN TURKISH

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

	Notes	*(Audited)* Current Period 31 December 2015	*(Audited)* Previous Period 31 December 2014
Portion of gain or losses			
Revenue	14	1.947.104	2.072.303
Cost of sales (-)	14	(2.384.265)	(1.457.719)
Gross profit		**(437.161)**	**614.584**
General administrative expenses (-)	15	(1.608.782)	(1.962.215)
Other operating income	16	92.489	2.287.110
Other operating expense (-)	16	(1.857.137)	(8.867.588)
Operating loss (-)		**(3.810.591)**	**(7.928.109)**
Financial expenses (-)	12	(2.506)	(2.799)
Loss before tax from continued operations		**(3.813.097)**	**(7.930.908)**
Tax income/ (expense) from continued operations			
Current period tax income/(loss)		-	-
Deferred tax income/(loss)		-	-
Loss for the period (-)	**19**	**(3.813.097)**	**(7.930.908)**
Loss per share (-) (Kr)	19	(0,1907)	(0,3965)
OTHER COMPREHENSIVE INCOME			
Items to be reclassified to profit or loss			
Revaluation gain of available for sale financial assets	7, 18	(527.193)	710.060
Items not to be reclassified to profit or loss			
Remeasureent gains of defined benefit plans	12	1.216	4.067
Total comprehensive loss (-)		**(4.339.074)**	**(7.216.781)**

The accompanying notes form an integral part of these audited financial statements.

CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2015 ORIGINALLY ISSUED IN TURKISH

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Shareholder's equity (Audited)										
	Paid in Capital	**Adjustment to share capital**	**Charges arising from capital increase**	**Securities increment valuation fund**	**The effect of asset mergers of entities or businesses under common control**	**Share premiums**	**Actuarial losses**	**Restricted reserves**	**Retained earnings/ (losses)**	**Net (loss)/profit for the period**	**Total equity**
Balances as of 1 January 2014	**20.000.000**	**17.197.511**	**(67.383)**	**-**	**-**	**29.552**	**550**	**3.518.928**	**324.687**	**(431.104)**	**40.572.741**
Transfers	-	-	-	-		-	-	85.327	(516.431)	431.104	-
Total Comprehensive loss (-)	-	-	-	710.060	-	-	4.067	-	-	(7.930.908)	(7.216.781)
Balances as of 31 December 2014 (previously reported)	**20.000.000**	**17.197.511**	**(67.383)**	**710.060**	**-**	**29.552**	**4.617**	**3.604.255**	**(191.744)**	**(7.930.908)**	**33.355.960**

	Shareholder's equity (Audited)										
	Paid in Capital	**Adjustment to share capital**	**Charges arising from capital increase**	**Securities increment valuation fund**	**The effect of asset mergersof entities or businesses under common control**	**Share premiums**	**Actuarial losses**	**Restricted reserves**	**Retained earnings/ (losses)**	**Net (loss)/profit for the period**	**Total equity**
Balances dated 1 January 2015 (previously reported)	**20.000.000**	**17.197.511**	**(67.383)**	**710.060**	**-**	**29.552**	**4.617**	**3.604.255**	**(191.744)**	**(7.930.908)**	**33.355.960**
Transfers	-	-	-	-	-	-	-	-	(7.930.908)	7.930.908	-
Total comprehensive income	-	-	-	(527.193)	-	-	1.216	-	-	(3.813.097)	(4.339.074)
Balances dated 31 December 2015 (period end)	**20.000.000**	**17.197.511**	**(67.383)**	**182.867**	**-**	**29.552**	**5.833**	**3.604.255**	**(8.122.652)**	**(3.813.097)**	**29.016.886**

CONVENIENCE TRANSLATION INTO ENGLISH OF STATEMENT OF CASH FLOWS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2015 ORIGINALLY ISSUED IN TURKISH

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

	Notes	*(Audited)* **Current Period 31 December 2015**	*(Audited)* **Previous Period 31 December 2014**
Cash flows from operating activities:			
Loss for the period		(3.911.571)	(7.930.908)
Adjustments to reconcile net loss to net cash from operating activities:			
Adjustments related to depreciation and amortisation expense	10	3.776	3.650
Adjustment related interest income accruals		299	217
Adjustments related to provisions		(3.583)	8.815.800
Adjustments related to the fair value gains	16	755.344	(107.537)
Adjustments related to profits from sales of securities and associates		437.161	(917.223)
Adjustments related to discounts of other receivables	16	1.101.179	(1.464.526)
Operating profit before changes in operating assets and liabilities:			
Adjustments related to decrease/(increase) in other receivables and assets related to operations		329.090	(2.124.310)
Adjustments related decrease in other payables and liabilities related to operations		915.990	33.336
Adjustments related to trade payables (decrease)/increase		(33.891)	(436.417)
Cash inflows obtained from sale of debt instruments or other businesses’ shares of the funds		1.947.104	5.376.062
Cash outflows obtained from acquisition of debt instruments or other businesses’ shares of the funds		(4.305.709)	(1.825.000)
Cash flows from operating activities		**(2.666.337)**	**(576.856)**
Cash flows from investing activities:			
Cash outflows from purchases of property, plant and equipment (-)	10	-	(4.957)
Cash flows from investing activities(-):		**-**	**(4.957)**
Change in blocked deposits		**88.850**	**(194.850)**
Net decrease in cash and cash equivalents		**(2.577.487)**	**(776.663)**
Cash and cash equivalents at beginning of year		**2.590.043**	**3.366.706**
Cash and cash equivalents at end of year	**6**	**12.556**	**2.590.043**

The accompanying notes form an integral part of these audited financial statements.

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

Egeli & Co Girişim Sermayesi Yatırım Ortaklığı A.Ş. ("the Company"), was incorporated and started its financial operations on 18 September 1998 in İstanbul under the name of Ak Yatırım Ortaklığı A.Ş.. Akbank, the main shareholder of the Company until the date of 3 July 2012, signed a letter of Intent to transfer a total of 12,607,326 Class A and Class B shares and started negotiations with Egeli & Co. Yatırım Holding A.Ş. As a result of the negotiations, on April 5, 2012 "Share Purchase Agreement" was signed and the share transfer was completed on the 3 July 2012 after taking the necessary legal permissions from the Capital Market Board and other authorities. The Company's transformation to Venture Capital Investment Trust was approved by the trade register on 31 December 2012. On 2 January 2013 the title of the company was declared as "Egeli & Co Girişim Sermayesi Yatırım Ortaklığı A.Ş."

The company aims to provide financial capital to high-potential, high risk, growth startup companies in accordance with Capital Markets Board ("CMB") regulations on venture capital investment trusts. The Company is a public joint stock partnership.

The Company carries out the following procedures and transactions:

a. Invests in venture capital companies in line with the principles stated in CMB Communiqué Serial: III, No: 48.3;
b. Participates in the management of venture capital companies and gives them consultancy services,
c. Invests in capital market instruments and money market tools on secondary markets to diversify its portfolio; and
d. Invests in overseas venture capital funds that seek to invest in venture capital companies located in Turkey.

The Company's shares have been offered to public on May 1999 and Egeli & Co Yatırım Holding A.Ş. has 84,03% of the share of the total shares of the Company as of 31 December 2015 (31 December 2014: %84,03) (Note 13).

The Company's all preferred shares in the hands of Egeli & Co Yatırım Holding A.Ş as of 31 December 2015 and 31 December 2014. Egeli & Co Yatırım Holding has transferred preferred shares which has 250.000 nominal values to Tan Egeli on 11 March 2016 as explained in footnotes 13 and 21.

The Company is located in Istanbul, and the total number of personnel employed in the Company as of 31 December 2015 is 5 (31 December 2014: 5). The registered office address of the Company is as follows: Abdi İpekçi Caddesi, Azer İş Merkezi No:40 Kat: 3 Daire:10 Harbiye Şişli - Istanbul, Turkey.

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

The Company's long term investments marketable securities, subsidiaries and joint ventures, subject of operations basis, are as follows (Note:7)

Subsidiaries	**Nature of business**
EGC Enerji Çözümleri A.Ş. ("EGC Enerji") (*)	Energy

(*) EGC Energy's new title has been registered on 17 April 2015 on the basis of the decision taken on general assmbly date 31 March 2015. EGC Energy has subsidiaries, taken over all shares General Trading Systems LTD ("GTS") and Shelesby Limited ("Shelesby") as explained in Note 7.

Joint ventures	**Nature of business**
Karesi Jeotermal Enerji Üretim İnşaat San. ve Tic. A.Ş. ("Karesi")	Energy

Marketable securities	**Nature of business**
Enda Enerji Holding A.Ş. ("Enda")	Energy

The Company must take at least 51% of the rate of the investment of the partnership's total asset to venture capital investments regarding principles of venture capital investment partnership (III-48.3) in 22 Article issued by CMB

The financial statements as of 31 December 2015 have been approved by the Board of Directors on 30 March 2016. General Assembly and regulators has not power to amend the financial statements.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

The main accounting policies applied in the preparation of the financial statements of the Company are as follows:

2.1 Basis of Presentation of Financial Statements

2.1.1 Financial reporting standards applied and compliance to IAS/TAS

The accompanying interim financial statements are prepared in accordance with the Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, interim financial statements are prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") and its addendum and interpretations ("IFRIC") issued by Public Oversight Accounting and Auditing Standards Authority ("POAASA") Turkish Accounting Standards Boards.

The Company's financial statements and notes, as described by the CMB with the announcement dated 7 June 2013 and in accordance with the format by including the mandatory information.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1.1 Financial reporting standards applied and compliance to IAS/TAS (Continued)

In accordance with the CMB's resolution issued on 17 March 2005, companies operating in Turkey which prepare their financial statements in accordance with the CMB Accounting Standards (including the application of TFRS) are not subject to inflation accounting effective from 1 January 2005. The Company's financial statements are prepared in accordance with this decision.

The Company, the accounting records and the statutory financial statements in preparing the CMB issued by the principles and conditions of the Turkish Commercial Code ("TCC"), tax legislation and the Ministry of Finance issued by the Uniform Chart of Accounts complies with the requirements. The financial statements have been prepared on the basis of historical cost, to the legal records for the purpose of fair presentation in accordance with IAS adjustments and reclassifications are reflected.

2.1.2 Offsetting

Financial assets and liabilities are offset, as is the net amount reported in the financial statements when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.1.3 Going concern

The financial statements have been prepared in natural flow of business continuity and assumptions of the company will benefit from their presence and activities and fulfill its obligations in coming year.

BIST General Directorate has decided to stimulate on 19 February 2016 about to take measure to strengthen to financial position within Quotation Directive 35, paragraph 1 (d) because of the company's current term overdue public and staff debts as disclosed in Note 21. According to article 35 of the listing guidelines, shares of company may be taken to Close Monitoring Market with decision of BIST Board of Directors.

The company has not overdue personnel or public debt as the date of approval of these financial statements.

2.1.4 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("The functional currency"). The financial statements are presented in TRY, which is the Company's functional and presentation currency.

2.1.5 Comparative information and restatement of prior period financial statements

The financial statements of the Company include comparative financial information to enable the determination of the financial position and performance. The Company prepared its statement of current financial position in comparison with the statement of previous period financial position prepared. Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current period.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1.5 Comparative information and restatement of prior period financial statements (Continued)

The company has included funds in the amount of TRYY3.414.740 which has provided to EGC Energy to the cost of related subsidiaries under debt and equity mix financing contract issued as of 13 October 2015. In order to ensure the current year eligibility of presentation of the financial statements as of 31 December 2014, receivables in the amount of TRY533.131 from EGC Energy has also been included in the cost of the partnership under financial investments in the prior year financial statements (Note 7).

The company has added receivables which classified in other receivables from related parties in the amount of TRY817.701 to carrying cost of Karesi as of 31 December 2015 with the decison of Karesi Energy's Board of Directors on 11 February 2016.In order to ensure compliance with the presentation of financial statements , the company has added receivables in the amount of TRY532.869 to Karesi's carrying cost for prior year financial statements. as of 31 December 2014 (Note 7).

As explained in Note 7 and Note 8, Company fullfilled to EGC Energy's capital increase of TRY17.000.000 in 2014 by transferring cheques which related to receivables of financial investment sales in previous periods presented in current period cash flow statement in the comparative statement of cash flows at 31 December 2014. "Other company or debt instruments of the shares of the funds obtained from the sale or cash inflows and cash outflows of acquired of debt instruments items are reported under the same items and presented after net off of the balance of TRY17.000.000. There was no change in cash outflows from operating activities as a result of netting off on 31 December 2014.

2.2 Changes is IFRS

a) Changes in Turkish Accounting Standards

The Company adopted the standards, amendments and interpretations published by the POA and which are mandatory for the accounting periods beginning on or after 1 January 2015.

The new standards, amendments and interpretations which are effective for the financial statements as of 31 December 2015:

- Amendment to TAS 19 regarding defined benefit plans, effective from annual periods beginning on or after 1 July 2014. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Changes in TAS/CF (Continued)

- Annual improvements 2012; is effective for annual periods beginning on or after 1 July 2014. These amendments include changes from the 2010-2012 cycle of the annual improvements project, that affect 7 standards

  - TFRS 2, 'Share-based payment'
  - TFRS 3, 'Business Combinations'
  - TFRS 8, 'Operating segments'
  - TFRS 13, 'Fair value measurement'
  - TAS 16, 'Property, plant and equipment' and TAS 38,'Intangible assets'
  - Consequential amendments to TFRS 9, 'Financial instruments', TAS 37, 'Provisions, contingent liabilities and contingent assets'
  - TAS 39, Financial instruments – Recognition and measurement'

- Annual improvements 2013; is effective for annual periods beginning on or after 1 July 2014. The amendments include changes from 2011-12-13 cycle of the annual improvements project that affect 4 standards:

  - TFRS 1, 'First time adoption'
  - TFRS 3, 'Business combinations'
  - TFRS 13, 'Fair value measurement'
  - TAS 40, 'Investment property'

- TFRS 11, Amendment to TFRS 11, "Joint arrangements" on acquisition of an interest in a joint operation, effective from annual periods beginning on or after 1 January 2016. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.

- Amendment to TAS 16, "Property, plant and equipment" and TAS 38, 'Intangible assets', on depreciation and amortisation, effective from annual periods beginning on or after 1 January 2016. In this amendment the it has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. It is also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

- Amendment to IAS 16, "Property, plant and equipment" and IAS 38, 'Intangible assets', on depreciation and amortisation, effective from annual periods beginning on or after 1 January 2016. In this amendment the it has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. It is also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Changes in TAS/CF (Continued)

- Amendments to IAS 27, "Separate financial statements" on the equity method, effective from annual periods beginning on or after 1 January 2016. These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

- IFRS 14 "Regulatory deferral accounts", effective from annual periods beginning on or after 1 January 2016. IFRS 14, 'Regulatory deferral accounts' permits first–time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items

- Amendments to IFRS 10, "Consolidated financial statements" and IAS 28, 'Investments in associates and joint ventures, effective from annual periods beginning on or after 1 January 2016. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

- Annual improvements 2012, effective from annual periods beginning on or after 1 July 2014. These set of amendments impacts 4 standards:

  - TFRS 5, 'Non-current assets held for sale and discontinued operations regarding methods of disposal
  - TFRS 7, 'Financial instruments: Disclosures, (with consequential amendments to TFRS 1) regarding servicing contracts.
  - TAS 19, 'Employee benefits' regarding discount rates.
  - TAS 34, 'Interim financial reporting' regarding disclosure of information.

- Amendment to IAS 1, "Presentation of financial statements" on the disclosure initiative, effective from annual periods beginning on or after 1 January 2016, these amendments are as part of the IASB initiative to improvepresentation and disclosure in financial reports.

- Amendment to IFRS 10 "Consolidated financial statements" and IAS 28, 'Investments in associates and joint ventures', effective from annual periods beginning on or after 1 January 2016.These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.

- IFRS 15 "Revenue from contracts with customers", effective from annual periods beginning on or after 1 January 2018. IFRS 15, 'Revenue from contracts with customers' is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Changes in TAS/CF (Continued)

- TFRS 9 "Financial instruments", effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

The company will apply improvements after evaluating the effects of these improvements on operations. These standarts and interpretations above is not expected to create a significant impact on company'sfinancial statements.

2.3 Restatement and the Errors in the Accounting Estimates

The effect of changes in accounting estimates affecting the current period is recognized in the current period; the effect of changes in accounting estimates affecting current and future periods is recognized in the current and future periods. The accounting estimates used in the preparation of these consolidated financial statements for the period ended 1 January- 31 December 2015 are consistent with those used in the preparation of financial statements.

Material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period consolidated financial statements.

2.4 Summary of Significant Accounting Policies

The significant accounting policies followed in the preparation of financial statements are summarized below:

Subsidiary and joint ventures

A subsidiary is a company in which Egeli & Co Yatırım Holding A.Ş. has the power to control the financial and operating policies for the benefit of Egeli & Co Yatırım Holding A.Ş., either through the power to exercise more than 50% of voting rights relating to shares in the companies as a result of ownership interest owned directly and indirectly by itself, and/or as a result of agreements by certain related parties.

The Joint Venture has been created to to be managed jointly one or more joint venture partners in order to undertake an economic activity within a contract. The company provide to control with the autrhority of the right of shares owned by itself or shares owned by related parties.

To be valid after the annual reporting period started on December 31, 2013, in accordance with communique, published in Offical Gazette numbered 28932 on March 5, 2014 that updates IFRS 10 "Consolidated Financial Statements" communiques about Turkish Accounting standards, since the company management has identified that company meets the criteria of "investment business" in communique, subsidiaries and joint ventures have been accounted as financial assets at fair value through profit or loss as of 31 December 2015 and 2014 and has been classified under financial investment. The company's subsidiaries and joint ventures's applied valuation method's details are explained in Financial Instruments section in Note No: 2.4 and No: 7.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Revenue/cost of sales and operating income / expenses

Income and expenses are accounted for on an accruals basis. The Company recognizes the financial asset sales income when the sales charged, and the dividend income on the date of distrubution. Discount income / expenses is recorded as income / expense as of the date of the valuation. Interest income/expenses and commission expenses are recognized on an accrual basis. Interest income includes assurance accretions of interest rate related to money market transactions and reverse repurchase agreements (Notes 14 and 16).

Property and equipment

Property and equipment are carried at cost less accumulated depreciation. Depreciation is provided on restated amounts of property and equipment using the straight-line method based on the useful lives of such assets. The useful lives of tangible fixed assets ranged from 3 to 5 years (Note 10).

Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: "at fair value through profit or loss", "held until maturity", and "available for sale".

Regular purchases and sales of financial assets are recognised on the "trade date", the date on which the Company commits to purchase or sell the asset.

The classification of financial assets designated by the Company's management "market risk policies" in line by considering the purpose of purchasing management is determined at the time they were acquired.

Financial assets at fair value through profit or loss

Financial assets, which are classified as "fair value through profit or loss", are trading financial assets and are either acquired for generating profit from short term fluctuations in the price or dealer's margin, or are the financial assets included in a portfolio in which a pattern of short term profit making exists independently from the acquisition purpose.

Fair values are used for the purpose of registering financial assets whose fair value differential is reflected in the profit and loss, and they are appreciated with their fair values in the periods following their registration. Profits and losses resulting from the appraisal performed are included in the profit and loss accounts. Profits and losses obtained from trading marketable securities in the tradebook are included in "Profit and loss of trading marketable securities" in the real operating revenue account of the income statement. Interest and interest coupon revenues obtained from the marketable securities in the tradebook as well as the amounts resulting from unrealized appreciation and depreciation of their fair values were included in the "Other real operating revenue/(expenses)" account in the statement of profit and loss (Note 14 and 16).

2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Financial instruments (Continued)

Stock exchange securities classified as financial assets whose fair value differential is reflected in the profit and loss were appreciated over "the best outstanding buying exchange price" at Borsa İstanbul A.Ş. ("BIST") on the balance sheet date. Sales costs of the aforementioned financial assets are calculated using the weighted average cost method. In the case that the prices forming the basis of fair value for the financial assets whose fair value differential representing the ownership interest is reflected in the profit and loss are not applicable in the active market conditions, the purchasing cost of the aforementioned financial assets is transferred to the statement of financial position over the cost value by assuming that the purchasing cost of the aforementioned financial assets draws on the fair value of the acquired shares for situations when fair value cannot be measured safely for reasons such as a purchasing date close to the reporting date or inability to commence operations.

All regular way purchases and sales of trading securities are recognized at the "settlement date", which is the date that the asset is delivered to/from the Company (Note 7).

Debt and Equity Mix Financing

The company may obtain short term finance in matter that contrariety against to the government as a equity of company with hidden income. Except these conditions, within ''mix of debt and equity finance aggrement'' which has transferrred under resources to the company's subsidiaries and joint ventures, according to aggrements the payment can not paid by the related party in the period of determined, classified under the financial investments in debt and equity financing added to the cost of the company (Note 7).

Financial assets available for sale

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Available-for-sale financial assets are subsequently carried at fair value. In case that the fair value price is not formed in active market conditions it is accepted that the fair value of the asset has not been determined reliably and the discounted value which was calculated with the effective interest rate is taken into account as fair value. In the case that the prices forming the basis of fair value for the available-for-sale financial assets are not applicable in the active market conditions, the purchasing cost of the aforementioned financial assets are transferred to the statement of financial position over the cost value by assuming that the purchasing cost of the aforementioned financial assets draws on the fair value of the acquired shares for situations when the purchasing date is close to the reporting date.

Changes in the fair value of securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'Changes in the fair value of available-for-sale financial investments'.

When these securities are disposed of or impaired, the fair value differences accumulated in the shareholders' equity are transferred to the profit or loss statement.

The fair value of these assets in the event of detection of a non-temporary impairment, such impairment losses are recognized in the profit or loss of effect (Note 7).

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Financial instruments (Continued)

Impairment of financial assets

Financial assets except trading financial assets are evaluated each period to determine whether they have indicators of impairment. The financial instruments are accepted as impaired in case that the expected collectable amount calculated by discounting of expected future cash flows by an effective interest rate or the amount accounted in accordance with the fair value of the instrument are lower than the book value of the instrument. The financial instruments are accepted as impaired in case that the expected collectable amount calculated by discounting of expected future cash flows by an effective interest rate or the amount accounted in accordance with the fair value of the instrument are lower than the book value of the instrument.

When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written of fare credited against allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of Available for sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been the impairment not been recognized.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts and highly liquid reverse repurchase and other short-term investments which do not have the risk of significant value change (Note 6).

Earnings per share

Earnings per share disclosed in the accompanying statement of income are determined by dividing net income by the weighted average number of shares in existence during the year concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period. (Note 19).

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Subsequent events

Subsequent events cover any events which arise between the reporting date and the balance sheet date, even if they occurred after any declaration of the net profit for the period or specific financial information publicly disclosed.

The Company adjusts its financial statements if such subsequent events arise which require an adjustment to the financial statements. Subsequent events which effect the Company are explained in Note 21.

Provisions, contingent assets and liabilities

Provision are recognized when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to the settle the present obligation at the balance sheet date, taking into accounts the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party; receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

The liabilities and assets arising from previous events which can be confirmed with the realization of one or more uncertain events whose presence is beyond full control of the enterprise are not included in the financial statements and they are regarded as contingent liabilities and assets (Notes 10 and 11).

Taxes on income

According to the current tax law, the company's corporate tax rate is 0% (31 December 2014: 0%).
Corporate income taxes are described in Note 17.

Employee benefits/ provisions for employee termination benefits

The Company accounts liabilities related to severance pay, vacation rights and other benefits for employees according to the clause "Employee Benefits" ("TAS 19") and classifies them as "Provisions for Employee Benefits" at the balance sheet.

Employee termination benefits, as required by the Turkish Labour Law, are recognized in these financial statements as they are earned. The total provision represents the present value of the future probable obligation of the Company arising from the retirement of its employees regarding the actuarial projections.

Provision for employment termination is the discounted amount of the calculated value within the case of retirement of employees of the Company's estimated future liability that will occur within the framework of the Turkish Labour Law (Note 12).

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Trade payables

Trade payable is an amount billed to a company by its suppliers for goods delivered to or services consumed by the Company in the ordinary course of business. Company has not determined interest rate on the trade payables which are short term therefore interest accrual effect is not considered to be big impact and trade receivables are presented according to original invoice balances

Other Payables

Other payables express except for the usual trade operations of the Company and Company's overall financial debt which are carried at cost and amortized using the effective interest method. Financial income is calculated with using interest rate of state bonds and is considered interest rate of other organized market. Rediscount income / expense which accrued in the period is shown in financial income / expense from main operations (Note 8 and 18).

Cash flow statement

In statement of cash flow, cash flows are classified according to operating, investment and finance activities. Cash flows from operating activities reflect cash flows generated from petroleum products sales of the Company. Cash flows from investment activities express cash used in investment activities (direct investments and financial investments) and cash flows generated from investment activities of the Company. Cash flows relating to finance activities express sources of financial activities and payment schedules of the Company (Note 6).

Trade Receivables

The Company recognise it's trade receivable related to directly trade operations with invoice amounts and reflect after deducting impairment losses. Due to company has not determined interest rate and there is only short term trade receivable, accrual effect is not considered to be too big impact and trade receivables are presented according to invoice balances.
The Company estimates doubful receivable provision when there is no possibility to collectibility for trade receivable. When doubtful receivable is identified, provision is book for the Company. If there is no possibility for collectibility, the Company totally write off to whole receivables. Provision is amount that estimatation of the Company's management or the possible losses due to risk.

Other Receivables

Other receivables express receivables except ordinary trade operations receivables and are deducted carried cost by using effective interest method. Financial income is calculated with using interest rate of state bonds and is considered interest rate of other organized market. Rediscount income / expense which accrued in the period is shown in financial income / expense from main operations (Notes 8 and 18).

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Capital and dividends

Share capital is recognized at the nominal amount and amounts received in excess of the part value are recognized in a share premium account. Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction.

Related Parties

For the purpose of the accompanying financial statements, shareholders, key management and board members, in each case together with companies controlled by or affiliated with them, and associated companies, are considered and referred to as related parties (Note 18).

Portfolio limitation, financial debt and total expense limit adaptation control

The information presented under the additional note and derived according to the Principles of Financial Reporting in Capital Markets comminique are brief informations that has been prepared in accordance with Invests in venture capital companies in line with the principles stated in CMB Communiqué.

2.5 Critical Accounting Estimates and Judgements

Preparation of financial statements requires balance sheet assets and liabilities as of the date reported or described in the relevant period, and the amounts of contingent assets and liabilities consists of estimates and assumptions that affect the reported amounts of revenues and expenses.

These estimates are based on management's best knowledge of current circumstances, and actual results may differ from those estimates These estimates and assumptions are regularly reviewed and in the event that adjustments are required to be made, they are reflected in the operating results of the related period.

İn the future financial reporting period,the most important prediction and hypothesis could be caused of important adjustments for book value of assets and liabilities is determining fair value of joint ventures,subsidiary and other financial assets.(Note 6).

NOTE 3 - BUSINESS COMBINATION

None (31 December 2014: None).

NOTE 4 - INTERESTS IN OTHER ENTITIES

Explained in Note 7.

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 5 - SEGMENT REPORTING

The company was established to operate venture capital to create a portfolio; mainly invests in companies in the energy sector. Due to the company operates in one geographical region (Turkey) and in one segment (capital market activities and initiatives to generate capital partnership portfolio), segmental reporting has not been made in the financial statements ended the period as of 31 December 2015.

NOTE 6 - CASH AND CASH EQUIVALENTS

	31 December 2015	31 December 2014
Time deposits at banks	109.948	2.785.545
Demand deposits at banks	9.257	296
	119.205	**2.785.841**

As of 31 December 2015, TRY106.000 portion of deposits are blocked for letters of guarantee issued in favor of governmental agencies.(31 December 2014: TRY194.850).

As of 31 December 2015, maturity of time deposits which are all in TRY is 4 January 2016 (31 December 2014: 2 January - 16 January 2015) and the interest rate is between 6,75% (as at 31 December 2014: 5,25 -8,20%). As of of 31 December 2014, interest accrual at the amount of TRY649 (31 December 2014: TRY948) is shown in the cash flow statement by deducting from cash and cash equivalents.

For the purpose of regulating cash flow statements, details of cash and cash equivalents' breakdown is as follows:

	31 December 2015	31 December 2014
Time deposits at banks	109.948	2.785.545
Demand deposits at banks	9.257	296
Minus - Interest accrual (-)	(649)	(948)
Minus - Compensatory balance (-)	(106.000)	(194.850)
	12.556	**2.590.043**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 7 - FINANCIAL INVESTMENTS

Short term financial investments

Financial assets held for trading	31 December 2015	31 December 2014
Quotated share certificates (*)		
Related party share certificates (Note 18)	-	1.554.265
Other shares	-	830.000
	-	**2.384.265**

(*) All of the share certificates are belong to related parties and are traded on Borsa İstanbul. TRY164.719 sales losses were incurrred from sales of related party shares and TRY272.442 sales losses were incurred from sales of other shares in 2015 (Note 14).

Financial assets - Available for sale

	31 December 2015		31 December 2014	
Type/Company name	**Amount (TRY)**	**Share (%)**	**Amount (TRY)**	**Share (%)**
Unquoted investments				
Available for sale (Long term securities)				
Enda (1)	7.937.287	5,34	-	-
	7.937.287		**-**	

Long term financial assets

	31 December 2015		31 December 2014	
Type/Company name	**Amount (TRY)**	**Share (%)**	**Amount (TRY)**	**Share (%)**
Unquoted investments				
Subsidiary				
EGC Enerji (2)	20.490.740	100,00	17.633.131	100,00
Joint ventures				
Karesi (3)	880.469	50,00	1.326.980	50,00
Available for sale (Long term securities)				
Enda (1)	-	-	8.464.480	5,34
	21.371.209		**27.424.591**	

NOTE 7 - FINANCIAL INVESTMENTS (Continued)

(1) The company has acquired the shares of Enda Energy Holding A.Ş. with the total cost of TRY7.754.420 within the framework of creating venture capital portfolio at various dates prior to 2015. The company has sold the all shares of Enda Energy to Verusa Holidng A.Ş. with TRY7.937.287 on 17 February 2016. Egeli Girşim has collected the first installment in the amount of TRY1.519.101 on 4 March 2016.The second installment of TRY1.690.300 has been collected on 11 March 2016. Latest installment of the sales in the amount of TRY4.727.886 are due on 1 April 2016. Enda shares has been classified under short term financial assets available for sale in the balance sheet as of 31.12.2015 with appraising sales price on share transfer agreement signed on 17 February 2016. which has been classified in financial asset available for sales under long term financial investments in the prior periods as explained in footnote 21. In this context, the results of the valuation of the Company's shares consisting of TRY182.867 (31 December 2014: TRY710.060) has occurred in the amount of fair value gains under shareholders' equity "revaluation gains of available for sale financial assets" in equity as of 31 December 2015. All of the shares of Enda Energy has been formed in the financial statements with the last act of the determined purchase price at this date as the value of TRY8.464.480 as of 31.12.2015 (Note 18 and 21).

(2) Company management has classified - EGC Energy investment which was established 100% ownership form with the capital amounting of TRY100.000 according to decision of Board of Directors on 17 June 2014, registered on 26 June 2014 and unlisted shares in BIST – at fair value through profit or loss projected as financial asset under long term financial investment EGC Energy's capital has been increases from TRY100.000 to TRY17.100.000 according to decision in extraordinary general meeting on 18 August 2014, company has decided that increasing amount of capital has been meet the receivables from EGC Energy. The company classified in the cost of financial investments within provided mix and equity financing amounts for current and prior periods under the contract date of 13 October 2015. Debt and equity mix balances as shown in the cost of financing amount is TRY3.414.740 as of 31 December 2015. Receivables from EGC Energy in the amount of TRY533.131 as of 31 December 2014 are also presented in comparison to the cost of related subsidiaries in prior period financial statements. EGC Energy was established to carry on operating leasing to fixed and /or mobile power plants in national and international markets. EGC Energy has started to sale of generators and operating leases of mobile generators in only national market.

EGC Energy has taken over all of the shares of UK based GTS and Shelesby company in British Virgin Islands respectively TRY16.976.000 (8.000.000 US Dollars) and TRY24.000 from Kenan Onak with the signing of a share purchase aggreement on 30 June 2014. Company has taken over the companies (GTS and Shelesby) with offsetting totally TRY17.000.000 receivables caused sales of investment of KRC Gayrimenkul Yatırım LTD. STI. which is explained Note 8. EGC Energy has targeted mobile power plant leasing activity in international markets under the aggreement of acquisition of 2 mobile gas türbine (25 MW) which has signed 13 May 2013, however company couldn't purchase mobile gas tribunes and could not operate leases due to lack of necessary market condition in 2015. Company continue seeking eligible customer for operating leases in international markets and also they evaluate the company can be sold in the next periods. GTS is carried at cost of TRY16.960.000 in the financial statements because of there is no operation as of 31 December 2015, realistic estimate of sales price could not be measured reliably. Company divided provision for impairment for Shelesby invesmtent becuase of there is no recoverable amount of entire cost of the invesment in the amount of TRY24.000 as of 31.12.2015 (Note 2, 4).

For the reason stated above, company's GTS and Shelesby are carried remainig cost TRY20.490.740 in financial statement after added funds about debt and equity mix and deducted impairment of Shelesby investment because of fair values couldn't be measured reliaby, generator sales and mobile generator leases started in 2015.

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 7 - FINANCIAL INVESTMENTS (Continued)

(3) The company has acquired 50% of the shares of Karesi Energy with TRY794.111 price. (480.000 piece) with nominal value of 1 TRY per share on 20 February 2013. Receivables from Karesi in the amount of TRY817.701 is classified in carried cost of Karesi classified in other receivables from related parties in prior periods with Karesi 's board of directors decision as of 31 December 2015 In terms of ensuring compliance with the presentation of the financial statements receivables in the amount of TRY532.869 has been included in carrying cost in prior period financial statements. Karesi was established to operate in geothermal energy production. As a result of the agreement signed on 6 April 2011 with General Directorate of Mineral Research and Expoloration, geothermal business licenses to be purchased is to keep the right to open the geothermal exploration. There was no operations as of December 31, 2015. Starting Karesi Energy's operation is possible with understanding favorable as a result of geothermal analyzses the situation, required permits received from relevanty authorities for were opened or will be opened as regards the operation, the receipt of the approval or licences from relevant authorities. Karesi is carried at cost deducted total expenses in financial statements due to partnership's (not quoted in the stock market have not yet started to operate) value could not be measured at fair value as of 31 December 2015. It has decided to be entitled to act on behalf of chairman of company and general manager of company for the sale of all the shares of Karesi on the meeting in 15 February 2016 (Note 2.4 and 2.5).

NOTE 8 - OTHER RECEIVABLES, OTHER PAYABLES

a. Other receivables

	31 December 2015	31 December 2014
Receivables from sale of subsidiaries (*)	126.852	750.000
Other doubtful receivables (**)	*8.748.880*	*8.748.880*
Provision for doubtful receivables (-) (1)	*(8.748.880)*	*(8.748.880)*
Other receivables from related parties (Note 18)	53.200	-
Other	100.851	108.846
	280.903	**858.846**

(1) Information on the provision for doubtful receivables is as follows;

	2015	2014
Opening balance - 1 January	8.748.880	-
Provision for doubtful receivable from sale of participation - KRC (**)	-	8.748.880
Period End - 31 December	**8.748.880**	**8.748.880**

(*) In the extent of, creating a venture capital portfolio, the company has became partners of JKS which has TRY200.000 issued capital at the amount of 50% by paying TRY750.000 (with TRY200.000 share premium) In the extent of the decision of Board of Directors numbered 80 on 26 December 2014, company sells shares of JKS to Andaç Tulgarlar and Eber Samat at the amount of TRY750.000. The amount is decided to ve collected in 5 installments. Company has realized the sales of shares of JKS to ones of company partners Andaç Tulgarlar and Eber Samat with TRY750.000 according to number 80 decision of Board of directors on 26 December 2014.It has decided to be collected the mentioned price in 5 installment until 29 May 2015. Company has taken cheques in amount of TRY300.000 and transferred to subsidiaries EGC Energy. Remaining TRY450.000 could not be collected at maturity and Company JKS, Andaç Tulgarlar and Eber Samat restructured the installments as 22 monthly installment and total amount of TRY500.000 last installment date is 31 December 2017 according to debt settlement aggrement. TRY126.852 was taken to the statement of the financial position on 31 December 2015 from the relevant amount receivables will be collected within one year from the date taking into account the expected collection date and after deducting discounts were calculated using a discount rate of %11.19.

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 8 - OTHER RECEIVABLES, OTHER PAYABLES (Continued)

(**) With the decision taken on Egeli Girişim Board of Directors meeting on 29 April 2013, which is one of the subsidiaries of the Company, has decided to contribute to the capital increase of KRC Gayrimenkul Yatırım Ltd. Şti., engaged in investment and development activities in urban hotel management, by TRY 10.000.000, and become a shareholder, as well as to sign a Share Purchase and Shareholders Agreement with Kenan Onak and Ayten Onak. In addition to this decision, with the decision taken by Egeli Girişim Board of Directors on 9 May 2013, it is decided that; an additional TRY12.500.000 should be paid in order to increase the shareholders share to 36% and in total, TRY22.500.000 of contribution should be made to the capital increase. Company's Board of Directors has decided to sell shares of KRC Gayrimenkul Yatırım A.Ş. to Kenan Onak and Ayten Onak with TRY25.750.000 and taken cheques with regard to the collection of price of sales encash the cheques in 30 June 2014, 30 September 2014 and 30 December 2014 and sales aggreement was signed on 3 December 2013. Two of the receivable cheques which balances TRY17.000.000 are returned back to Kenan Onak for taking over the all shares of GTS and Shelesby's price.as explained in footnote Company has divided doubtful receivable provision in the amount of TRY8.748.880 bacause of not collected in time and due to low expectation of future collection (Note 16).

b. Other long term assets

	31 December 2015	31 December 2014
Other long term other receivables	294.877	-
	294.877	**-**

(*) As explained in Note 8 according to debt settlement aggrement between Ccompany, JKS, Andaç Tulgarlar and Eber Samat on 14 March 2016, receivables will be restructured as 22 monthly installment and total amount of TRY500.000 last installment date is 31 December 2017. Receivables which balance of TRY294.877 were taken in 31.12.2015 financial statement after deducting rediscount amount in other long term trade receivables

c. Other short-term liabilities

	31 December 2015	31 December 2014
Receivables from joint ventures (**)	908.158	-
Other short-term receivables discounts (-) (**)	(66.360)	-
Other short-term liabilities, net	**841.798**	**-**

(**) Company's other short term payables to related parties TRY839.290 consist of debts from Egeli & Co Yatırım Holding A.Ş. in the scope of financing needs, considering the payment date and using % 11,19 (31 December 2014: None) discount rate for calculation and after deducting TRY66.360 (31 December 2014: None) it was taken statement of financial position (Note 18).

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 9 - OTHER CURRENT ASSETS AND OTHER SHORT TERM LIABILITIES

Other current assets	**31 December 2015**	**31 December 2014**
Advance payment	10.593	37.442
Prepaid expense	7.274	13.902
Witholding and tax paid	4.690	43.855
Other	-	1.654
	22.557	**96.853**

Other short term liabilities	**31 December 2015**	**31 December 2014**
Taxes, fees and other deductions	75.336	67.504
	75.336	**67.504**

NOTE 10 - PROPERTY AND EQUIPMENT

	1 January 2015	**Additions**	**Disposals**	**31 December 2014**
Cost	66.706	-	-	66.706
Accumulated depreciation	(56.876)	(3.776)	-	(60.652)
Net book value	**9.830**			**6.054**

	1 January 2014	**Additions**	**Disposals**	**31 December 2013**
Cost	61.749	4.957	-	66.706
Accumulated depreciation	(53.226)	(3.650)	-	(56.876)
Net book value	**8.523**			**9.830**

NOTE 11 - CONTINGENT ASSETS AND LIABILITIES

	31 December 2015	**31 December 2014**
Blocked deposits (Note: 6) (*)	106.000	194.850
	106.000	**194.850**

(*) It contains blocked amounts for letters of guarantee given to the government.

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 11 - CONTINGENT ASSETS AND LIABILITIES (Continued)

	31 December 2015	31 December 2014
Guarentees Given (**)	312.500	-
	312.500	**-**

(*) It contains the Company's given guarentees for EGC Energy's vehicle purchases

NOTE 12 - SHORT-TERM AND LONG-TERM PROVISIONS

	31 December 2015	31 December 2014
Short-term provisions		
Portfolio management fee provision (Note 18)	37.620	76.386
General Administrative expense provision	18.500	-
	56.120	**76.386**

	31 December 2015	31 December 2014
Short-term employee benefits provision		
Provision for unused vacation	2.858	799
	2.858	**799**
Long term employee benefits provision		
Provision for employment termination benefits	26.384	12.976
	26.384	**12.976**

Provision for employee termination benefit is calculated as explained below:

Under Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women), or reaches the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of TRY3.828,37 (31 December 2014: TRY3.438,22) for each period of service as of 31 December 2015. The liability is not funded, as there is no funding requirement.

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 12 - SHORT-TERM AND LONG-TERM PROVISIONS (Continued)

The provision has been calculated by estimating the present value of the future probable obligation arising from the retirement of employees. TFRS requires actuarial valuation methods to be developed to estimate the provision for employment termination benefits. Accordingly the following actuarial assumptions were used in the calculation of the total liability:

	31 December 2015	31 December 2014
Discount rate (%)	3,79	3,79
Turnover rate to estimate the probability of retirement (%)	100,00	100,00

Additionally, the principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Since maximum termination benefits of company is calculated once a year, it is calculated by using TRY4.092,53 which is effective from 1 January 2016 (1 January 2015: TRY3.541,37)

As of 31 December 2015 and 2014, movements in the reserve for employment termination benefits during the current year are as follows:

Long term employee benefits provision

	2015	2014
Opening balance - 1 January	**12.976**	**4.711**
Service cost	12.118	9.533
Interest cost (*)	2.506	2.799
Actuarial gain (-) (**)	(1.216)	(4.067)
Period End - 31 December	**26.384**	**12.976**

(*) Interest cost is accounted in financial expenses.
(**) Actuarial loss has been recognised in the "Other income and expenses which cannot be re-classified regarding profits and losses" account" in equity capital, including tax effects.

NOTE 13 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS

Net book value of issued and paid capital as of 31 December 2015 and 2014 as below:

	Share (%)	31 December 2015 TRY	Share (%)	31 December 2014 TRY
Egeli & Co Yatırım Holding A.Ş.	84,03	16.806.499	84,03	16.806.499
Publicly held	15,97	3.193.501	15,97	3.193.501
	100,00	**20.000.000**	**100,00**	**20.000.000**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 13 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

The Company's paid-in capital TRY20.000.000 (31 December 2014: TRY20.000.000) has been divided number of shares 2.000.000.000 (31 December 2014: TRY2.000.000.000) to give each share a nominal value of TRY0,01. The company is in an authorized capital subject system, the amount of authorized capital being TRY300.000.000.The company owns TRY25.000.000 privileged shares registered in the name of shareholders with the nominal value of 0,01 TRY. These shares are entitled to vote, two-thirds of Board of Directors members. Its not granted any concession to preferred shares other than the election of board members. The said preferred shares is held by Egeli Yatırım Holding A.Ş. as of 31 December 2015 as explained in Note 1 and Note 21 Egeli & Co. Yatırım Holding has transferred preferred shares in nominal balance of TRY250.000 to Tan Egeli. It has not changed the company's ultimate management control.

Reserves, retained earnings:

	31 December 2015	31 December 2014
Restricted reserves	3.604.255	3.604.255
Retained earnings / (losses)	(8.122.652)	(191.744)
Total	**(4.518.397)**	**3.412.511**

Retained earnings in the statutory books can be distributed except for reserves ralated the provisions of the legal reserves.

In accordance with the CMB regulations effective until 01 January 2008, the inflation adjustment differences arising at the initial application of inflation accounting which are recorded under "Accumulated losses" could be netted off from the profit to be distributed based on CMB profit distribution regulations. In addition, the aforementioned amount recorded under "accumulated losses" could be netted off with net income for the period, if any, undistributed prior period profits, and inflation adjustment differences of extraordinary reserves, legal reserves and capital, respectively.

However, the application that is valid until 01 January 2008, corrected for the inflation in accordance with the regulation of the financial statements as a result of the first equity "capital, share premium, legal reserves, statutory reserves, special reserves and extraordinary reserves, "presented at their historical amounts of these items are given and the corrected values in such accounts' equity inflation adjustment differences" account. For all equity accounts "equity inflation adjustment differences" could be used free of charge for share capital increase, the extraordinary values, free capital increase, cash dividend distribution or to offset losses.

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is appropriated at the rate of at least 10% of distributions in excess of 5% of issued and fully paid-in share capital, without limit. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 13 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

In accordance with the Communiqué Serial: XI, No. 29 which became effective as of 1 January 2008and according to the CMB’s announcements clarifying the said Communiqué, Share capital”,“Restricted reserves allocated from profit” and “Share premiums” need to be recognized over the amounts contained in the legal records. The valuation differences (such as inflation adjustmentdifferences) shall be disclosed as follows:

- If the difference is arising from the valuation of “Paid-in capital” and has not yet been transferred to capital, it should be classified under the “Inflation adjustment to share capital”;
- If the difference is arising from valuation of “Restricted reserves” and “Share premium” and the amount has not been subject to dividend distribution or capital increase, it shall be classified under “Retained earnings”.

Other equity items shall be carried at the amounts calculated based on CMB Financial Reporting Standards.

Capital adjustment differences have no other use other than being transferred to share capital.

Dividend Distribution

Public limited companies distribute dividends due form of Capital Markets Board of Turkey as follows:

Dividend distributions for public companies are made according to CMB’s dividend notification II-19 1 which is became valid as of 1 February 2014.

Partnerships distributes profit in accordance with frofit distribution policy determined by General Assembly and relevant legislation. In the extent of mentioned declaration there ‘s not any minimum distribution rate determined. Companies distributes profit in accordance their profit distribution policy or principles of contract. In addition, dividens can be paid by equal amounted installments or different amounted installments and cash dividend advances can be distributed from profit on interim financial statements.

NOTE 14 - REVENUE AND COST OF SALES

	1 January - 31 December 2015	1 January - 31 December 2014
Revenue:		
Share sales revenue (*)	1.947.104	1.322.303
Participation sales	-	750.000
	1.947.104	**2.072.303**
Cost of good sold:		
Cost of stock sales(-)	(2.384.265)	(707.719)
Cost of participation sales (-)	-	(750.000)
	(2.384.265)	**(1.457.719)**
Gross Porift	**(437.161)**	**614.584**

(*) Share sales price TRY1.250.389 and TRY139.157 (1 January-31 December 2014: TRY229.791 and TRY1.092.512) cost of shares TRY1.382.994 and TRY171.271 (1 January- 31 December 2014: TRY554.141 and TRY153.578) respectively were arised from Egeli & Co Yatırım and Egeli & Co Tarım sales of shares

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 15 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES

a) General administrative expenses

	1 January - 31 December 2015	**1 January - 31 December 2014**
Personnel expenses	924.192	614.589
Portfolio management expense (Note 18)	273.923	837.113
Taxes and duty expenses	81.238	63.149
Rent expenses	73.628	39.592
Audit and other consultancy expense	61.500	207.068
Insurance expenses	16.089	12.143
IT support expenses	12.127	7.897
Depreciation expenses (Note 10)	3.776	3.650
Other	162.309	177.014
	1.608.782	**1.962.215**

NOTE 16 - OTHER OPERATING INCOME/(EXPENSES)

	1 January - 31 December 2015	**1 January - 31 December 2014**
Other operating income		
Interest income	88.455	594.790
Discount revenue	-	1.583.234
Unrealized increase in fair value of securities	-	107.537
Other	4.034	1.549
Other operating income	**92.489**	**2.287.110**
Discount expenses	(1.101.179)	(118.708)
Unrealized impairment in securities	(755.344)	-
Provision for doubtful receivables (Note 8)	-	(8.748.880)
Other	(614)	-
Other operating expenses	**(1.857.137)**	**(8.867.588)**
Other operaing expenses, net (-)	**(1.764.648)**	**(6.580.478)**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

17 - TAXES ON INCOME

According to CMB's Corporate Tax Declaration Law, article 5/d, dividends paid to non-resident corporations that have business in Turkey or to resident corporations are not subject to withholding tax. Corporate Tax Law, paragraph 3 of Article 15 and of the Council of Ministers with portfolio management of venture capital investment partnership gains to be made over the withholding tax rate to 0% (zero), respectively.

Withholding Tax Declaration Law No. 193, 67th article of the amendment by Law No. 5527 on 7 July 2006 and published in the framework of this change in the Official Gazette No. 26237 and with the Capital Market in accordance with the decision established securities investment funds (funds and exchange traded funds and housing finance funds, including asset finance) and securities portfolio management, investment partners over the earnings until the date of 1 October 2006 date of the change rate of withholding tax is amended to 15% from 1 October 2006.

However, shares acquired before 01 January 2006, with treasury bills and bonds issued before that date, or the maintenance of a process arising from the disposals of the portfolio and gains exempt from corporation tax are subject to the provisions that are valid from 31 December 2006. Accordingly, allowance has been made to the portion of the portfolio in the formation of at least 25% of the shares from the portfolio in this part of the portfolio gains of 0%, otherwise of 10%.

Withholding Tax Declaration Law No. 193, 67th article of the amendment by Law No: 5527 on 7 July 2006 and published in the framework of this change in the Official Gazette No. 26237 dated 23 July 2006, and with the Capital Market in accordance with the decision established securities investment funds (funds and exchange traded funds and housing finance funds, including asset finance) and securities portfolio management, investment partners over the earnings until the date of 1 October 2006 date of the change rate of withholding tax is amended to 10% and 0% from 1 October 2006.

As of 31 December 2015 and 31 December 2014 tax provision is not reserved, as the above mentioned regulations of GVK.

NOTE 18 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

a. As of 31 December 2015 and 31 December 2014 balances of related parties are as follows:

Held for trading securities (Note 7)

	31 December 2015		31 December 2014	
	Cost	Fair Value	Cost	Fair Value
Egeli & Co. Yatırım Holding A.Ş.	-	-	1.872.636	1.382.994
Egeli & Co Tarım Girişim Sermayesi Yatırım Ortaklığı A.Ş.	-	-	153.473	171.271
	-	**-**	**2.026.109**	**1.554.265**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 18 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

Other recaivables from related parties

	31 December 2015	31 December 2014
EGC Enerji (Note 8)	53.200	-
	53.200	**-**

Other recaivables from subsidiaries and business partnerships (Discount deducted) (Note 8)	31 December 2015	31 December 2014
Egeli & Co Yatırım Holding A.Ş.	839.290	-
Other	2.508	-
	841.798	**-**

Provisions for portfolio management commission payables to related parties

	31 December 2015	31 December 2014
Egeli & Co Portföy Yönetimi A.Ş. (Note 12)	37.620	76.386
	37.620	**76.386**

b. As of 1 January - 31 December 2015 and 2014 transactions with related parties are as follows:

	1 January - 31 December 2015	1 January - 31 December 2014
Support services and rental and usage costs		
Egeli & Co Finansal Yatırımlar A.Ş.	(132.605)	(324.350)
Egeli & Co Kurumsal Destek Hizmetleri A.Ş.	(32.114)	938.934
	(164.719)	**614.584**
The portfolio management commissions and fees paid to related parties		
Egeli & Co Portföy Yönetimi A.Ş.	273.923	837.113
	273.923	**837.113**

The amount includes portfolio management commissions and fees paid to related parties.

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 18 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

Support services and rental and usage costs

Egeli & Co Finansal Yatırımlar A.Ş. (*)	44.816	39.592
Egeli & Co Kurumsal Destek Hizmetleri A.Ş. (**)	-	73.344
	44.816	**112.936**

(*) The amount includes rent and usage costs.
(**) The amount includes expenses for accounting, operations, administration, technical services, corporate support and reporting.

Interest income from related parties

	1 January - 31 December 2015	1 January - 31 December 2014
Egeli & Co Yatırım Holding A.Ş. (*)	-	302.639
	-	**302.639**

(*) Pre-purchase agreement regarding the transfer of EGC shares was terminated on 6 February 2014 as a result of mutual reconciliation with Egeli & Co Yatırım Holding A.Ş., and it was agreed that Egeli & Co Yatırım Holding A.Ş. should repay the TRY3.000.000, including its legal interest, which was the advance payment made for the purchase of the shares. TRY3.302.639 has been collected from Egeli & Co Yatırım Holding A.Ş, which includes and legal interest. Interest revenue received TRY302.639 is classified in other operating income.

c. Unrealized appreciation in the stock of related parties / (decreases)

	1 January - 31 December 2015	1 January - 31 December 2014
Egeli & Co Yatırım Holding A.Ş.	-	165.134
Egeli & Co Tarım Girişim Sermayesi Yatırım Ortaklığı A.Ş.	-	87.419
	-	**252.553**

d. Unrealized value of financial assets available for sale (decrease)/increase

	1 January - 31 December 2015	1 January - 31 December 2014
Enda Enerji Holding A.Ş.	(527.193)	710.060
	(527.193)	**710.060**

e. High level executives benefits

The sum of the fees and short-term benefits provided to high level executives are TRY355.730 for the fiscal year ending on 31 December 2014 (31 December 2014: TRY342.568).

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 19 - EARNING/(LOSS) PER SHARE

Earnings per share stated in the income statement are being calculated by dividing the net profit for the current period by the weighted average number of ordinary shares.

In Turkey, companies can increase their share capital by distributing “bonus shares” of earnings to existing shareholders from retained earnings and revaluation funds. This type of “bonus shares”, comprised of a certain amount of retained earnings per share, are regarded as issued shares. The weighted average number of shares used for earnings per share, is derived by giving retroactive effect of previous transactions.

Earnings per share are calculated by dividing the net profit distributed to shareholders by the weighted average number of shares issued:

	1 January - 31 December 2015	**1 January - 31 December 2014**
Net loss related to shareholders (-)	(3.813.097)	(7.930.908)
Weighted average number of issued shares	2.000.000.000	2.000.000.000
Loss per share (-) (Income/ (loss) (per share is TRY0.01)	**(0,1907)**	**(0,3965)**
Total comprehensive loss (-)	(4.339.074)	(7.216.781)
Loss per share (-) for comprehensive loss (per share is TRY0.01)	**(0,2170)**	**(0,3608)**

The Company owns TRY25.000.000 privileged shares registered in the name of shareholders with the nominal value of TRY0,01. Each of these equities are voting stock which has a million voting securities in order to elect members of board of directors. These type of shares has been devoid of privilege to profit distribution. Earnings per share is the same for privileged and common share.

NOTE 20 - NATURE AND LEVEL OF RISK DERIVIED FROM FINANCIAL INSTRUMENTS

20.1 Financial risk management

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to meet regarding the terms of their agreements as foreseen and which causes the other party to incur a financial loss.

As of 31 December 2014, the most important credit risk is consist of deposits held at the bank and other receivables. All of the Company’s bank deposits are in Turkish banks. Other receivables related to credit risk is managed by the guarantees.

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 20 - NATURE AND LEVEL OF RISK DERIVIED FROM FINANCIAL INSTRUMENTS (Continued)

The Company's maximum credit risk exposure:

31 December 2015	**Bank deposits (Note 6)**	**Other receivable from related party (Note 8)**	**Other receivable from third party (Note 8)(*)**
As of reporting date Max, credit risk exposed	**119.205**	**53.200**	**522.580**
Part of maximum risk under guarentee with collateral	-	-	-
Net book value of not-due or not-impaired financial assets	119.205	53.200	522.580
Net book value of impaired financial assets	-	-	-
- Overdue (The gross book value)	-	-	8.748.880
- Impairment (-) (*)	-	-	(8.748.880)

(*) As explained in number 8 footnote, TRY421.729 of the other receivables consist of restructured receivables from sales of shares of JKS.

31 December 2014	**Bank deposits (Note 6)**	**Other receivable from related party (Note 8)**	**Other receivable from third party (Note 8)(*)**
As of reporting date max, credit risk exposed	**2.785.841**	**-**	**858.846**
Part of maximum risk under guarentee with collateral	-	-	-
Net book value of not-due or not-impaired financial assets	2.785.841	-	858.846
The net book value of the impaired asset	-	-	-
- Overdue (gross book value)	-	-	8.748.880
- Impairment (-) (Note 8)	-	-	(8.748.880)

b) Liquidity risk disclosures

Liquidity risk is the inability of the Company to match the net funding requirements with sufficient funds. A decrease in funding sources mainly due to market instability or a decrease in credit risk results in liquidity risk. The Company manages the liquidity risk by maintaining sufficient cash and other liquid assets in order to fund the current and prospective debt requirements.

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 20 - NATURE AND LEVEL OF RISK DERIVIED FROM FINANCIAL INSTRUMENTS (Continued)

The Company does not have any derivative financial liabilities. The following table presents the cash flows payable by the Company under other financial liabilities according to their remaining contractual maturities as of 31 December 2014 and 31 December 2013.The tables have been drawn up based on the discounted cash flows:

	31 December 2015						
	Book Value	**Up to 1 month**	**Between 1-3 months**	**Between 3 months-1year**	**Between 1-5 years**	**Demand**	**Total cash outflows in accordance with agreement**
Trade payables	12.710	-	-	12.710	-	-	12.710
Other payables	841.798		-	841.798	-	-	841.798
Provisions for employee Benefits	2.858	-	-	2.858	-	-	2.858
Other short-term provisions	56.120	-	-	56.120	-	-	56.120
Other short-term liabilities	75.336	281	75.055	-	-	-	75.336
Long-term dated provisions for employees	26.384	-	-	-	26.384	-	26.384
Total	**1.015.206**	**281**	**75.055**	**913.486**	**26.384**	**-**	**1.015.206**

	31 December 2014						
	Book Value	**Up to 1 month**	**Between 1-3 months**	**Between 3 months-1year**	**Between 1-5 years**	**Demand**	**Total cash outflows in accordance with agreement**
Trade payables	46.601	-	46.601	-	-	-	46.601
Provisions for employee Benefits	799	-	-	799	-	-	799
Other short-term provisions	76.386	-	76.386	-	-	-	76.386
Other sher-term liabilities	67.504	-	67.504	-	-	-	67.504
Long-term provisions for Employees	12.976	-	-	-	12.976	-	12.976
Total liabilities	**204.266**	**-**	**190.491**	**799**	**12.976**	**-**	**204.266**

c) Market Risk

i. Foreign exchange risk

Transactions in foreign currencies expose the Company to foreign currency risk. Since The Company does not have material assets and liabilities denominated in foreign currency as of 31 December 2015 and 31 December 2014, the company was not exposed to currency risk.

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 20 - NATURE AND LEVEL OF RISK DERIVIED FROM FINANCIAL INSTRUMENTS (Continued)

ii. Interest rate risk

Market interest rate changes on financial instruments lead to price fluctuations, the Company's interest rate risk coping leads to the need. This risk is affected by interest rate changes usually a short-term assets or managed to keep in reserve.

As of 31 December 2015 and 31 December 2014, there is no interest risk since the company owns no variable interest rated financial assets.

As of 31 December 2015 and 31 December 2014, average interest rates on financial instruments.

Assets (TRY)	**31 December 2015 TRY (%)**	**31 December 2014 TRY (%)**
Bank deposits untill 1 months	6,75	5,42

As of 31 December 2015 and 31 December 2014, financial assets and liabilities by re-pricing according to the remaining contractual maturities is as follows:

iii. Share certificate price risk

All the shares that are classified as financial assets in the Company’s balance sheet reflect the fair value differences of profits/losses and are traded on the Istanbul Stock Exchange. As of 31 December 2014, if the Istanbul Stock Exchange index increases/decreases by 5%, with all other variables held constant net loss for the year would have been by TRY1.465.425 (31 December 2014: TRY1.490.443).

d) Capital management

The Company’s objectives when managing capital is to decrease the investment risk through portfolio diversification. The Company aims to provide returns for shareholders by preserving and increasing the value of its portfolio. In order to add value to its portfolio, the Company invests in high-yielding marketable securities and other financial instruments, monitors the developments in capital markets and other financial institutions and modifies its portfolio strategy accordingly (Note 2.1.3 and 21).

20.2 Fair value of the financial instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented here are not necessarily indicative of the amounts the Company could realise in a current market exchange.

NOTE 20 - NATURE AND LEVEL OF RISK DERIVIED FROM FINANCIAL INSTRUMENTS (Continued)

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value.

a) Financial assets

Financial assets which carried at fair value in the financial statements related to estimates and assumptions used in determining the fair value of asset are disclosed in Note 7.

Receivables from cash and banks and other financial assets which carried at cost and short term nature. Its thought to be a negligible amount of probable addition losses will be occurred and it is assumed that fair value of the asset come closer to cost of financial asset.

b) Finansal liabilities

The Company assumes that the carrying values of financial assets and liabilities are close to their fair values are due to their short term maturity.

The fair value measurement hierarchy table

The Company measures the fair value of each class of financial instruments according to the source, using a three-level hierarchy, are classified as follows

The fair value of financial assets and liabilities are determined as follows

- First level: Financial assets and liabilities are valued at the stock exchange price in an active market for exactly the same assets and liabilities
- Second level: Financial assets and liabilities are valued with the inputs used to determine a directly or indirectly observable price other than the stock market price of the relevant asset or liability mentioned in the first level.
- Third level: Financial assets and liabilities are valued with inputs can not be based on the data observed in the market and used to determine the fair value of the asset or liability.

31 December 2015

Fair value through financial assets in the balance sheet	**Level 1**	**Level 2**	**Level 3**
- Unquoted financial investments	-	7.937.287	21.371.209

31 December 2014

Fair value through financial assets in the balance sheet	**Level 1**	**Level 2**	**Level 3**
- Unquoted financial investments	-	-	27.424.591
- Stock exchange securities	2.384.265	-	-

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 20 - NATURE AND LEVEL OF RISK DERIVIED FROM FINANCIAL INSTRUMENTS (Continued)

The company's portfolio of financial assets measured at fair value the carrying values are as follows:

31 December 2015	**Cost**	**Fair Value**	**Book value**
Unquoted financial investments	25.648.531	29.308.496	29.308.496
	25.648.531	**29.308.496**	**29.308.496**

31 December 2014	**Cost**	**Fair Value**	**Book value**
Unquoted financial investments	25.648.531	27.424.591	27.424.591
Stock exchange securities	3.001.108	2.384.265	2.384.265
	28.649.639	**29.808.856**	**29.808.856**

(*) The fair value calculation methods are described in Note 7.

NOTE 21 - SUBSEQUENT EVENTS

Subsequent events after the balance sheet date of 31 December 2015 were as follows:

a) Board of Directors have decided to authorize chairman of the company Tan Egeli and General Manager Akın Aydın to act behalf of the company for sales of all of the shares of Karesi Geothermal Energy which is subsidiary of 50% and sales of all of shares or part of shares of Enda Energy which is subsidiary of 3.17%.

b) Company has sold all of shares of Enda Energy to Verusa Holidng A.Ş. with TRY7.754.420 nominal value on 17 February 2016. According to share transfer aggrement with Verusa Holidng A.Ş. sales price will be charged with 3 installments until 1 April 2016. TRY3.209.401 of the receivables wihch is expired as of the date of approval of the financial statements have been collected (Note 7).

NOTE 21 - SUBSEQUENT EVENTS (Continued)

Subsequent events after the balance sheet date of 31 December 2014 were as follows:

a) BIST General Directorate has decided to warn about taking measure to strengthen financial position because of having overdue public and personnel payables within Quatation Directive Article 35, pragraph 1 (d) on 19 February 2016 (Note 2 1 3).

b) Company has increased Karesi’s capital from TRY960.000 to TRY2.260.000 with the number 2016/1 decision of board of directors on 11 February 2016. Company has met by offset capital increases amount of TRY650.000 with receivables in the amount of TRY325.000 from emission premium relying on Shareholders/Partnership agreement on 17 March 2013.

c) One of company’s shareholder’s Egeli & Co Yatırım Holding A.Ş. has transferred 25.000.000 pieces of (each piece is TRY1 nominal value) totally nominal values of TRY250.000. A Group preferred shares of Egeli & Co Girişim Sermayesi Yatırım Ortaklığı A.Ş. to Tan Egeli. Board of Directors have decided to register share transfer to share ledger of the company on 11 March 2016 (Note 1 and 13).

NOTE 22 - OTHER ISSUES

Company’s old subsidiaries KRC’s guarentee creditor Seker Finansal Kiralama has sued personal liability case to board of directors of company with regard to the period in which it participates on 11 December 2014 and that case continues as of the date of publication of these financial statement.

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

ADDITIONAL NOTE: PORTFOLIO RESTRICTIONS, CONSISTENCY CHECK TO THE FINANCIAL LIABILITIES AND CUMULATIVE EXPENSES LIMITS

	PORTFOLIO RESTRICTIONS, CONSISTENCY, CHECK TO THE FINANCIAL LIABILITIES AND CUMULATIVE EXPENSES LIMITS			
	Individual Financial Statement Main Account Name	Notified Relevant Regulation	31.12.2015 (TRY)	31.12.2014 (TRY)
A	Money and Capital Instruments	Md.20/1 – (b)	119.205	4.998.835
B	Venture Fund Instruments	Md.20/1 – (a)	29.308.496	26.529.862
C	Assets Management Consulting Company's Associate	Md.20/1 – (d) ve (e)	-	-
D	Other Assets		604.391	2.031.529
E	Partnership Total Assets	Md.3/1-(a)	30.032.092	33.560.226
F	Financial Debts	Md.29	-	-
G	Provisions, Contingent Assets and Liabilites	Md.20/2 – (a)	-	-
H	Equity		29.016.886	33.355.960
I	Other Liabilities		1.015.206	204.266
E	Partnership Total Liability	Md.3/1-(a)	30.032.092	33.560.226
	Individual Other Financial Informations	Notified Relevant Regulation	31.12.2015 (TRY)	31.12.2014 (TRY)
A1	Investment of Capital Market Instruments	Md.20/1 – (b)	-	2.384.265
	1. Capital Market Instruments		-	2.384.265
	A- Shares		-	2.384.265
	EGCYH E		-	1.382.994
	EGCYO E		-	171.271
	YAPRAK E		-	830.000
A2	TRY and Foreign Currency Time and Demand Deposits	Md.20/1 – (b)	119.205	2.785.841
B1	Established Abroad Investment Firm	Md.21/3 – (c)	-	-
B2	Debt and Equity Financing Mix	Md.21/3 – (f)	-	-
B3	Public Venture Company Shares OFF-Exchange	Md.21/3 – (e)	-	-
B4	Special Purpose Company	Md.21/3 – (g)	-	-
C1	Associate Asset Management Company	Md.20/1 – (e)	-	-
C2	Associate Consulting Company	Md.20/1 – (d)	-	-
F1	Short-Term Debt Borrowings	Md.29/1	-	-
F2	Long-Term Debt Borrowing	Md.29/1	-	-
F3	Short-Term Debt Instruments	Md.29/1	-	-
F4	Long-Term Debt Instruments	Md.29/1	-	-
F5	Other Short-Term Debt Instruments	Md.29/1	841.798	-
F6	Other Long-Term Debt Instruments	Md.29/1	-	-
G1	Pledge	Md.20/2 – (a)	-	-
G2	Guarantees	Md.20/2 – (a)	312.500	-
G3	Mortgages	Md.20/2 – (a)	-	-
I	Outsourced Services Costs	Md.26/1	335.424	999.563

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

ADDITIONAL NOTE: PORTFOLIO RESTRICTIONS, CONSISTENCY CHECK TO THE FINANCIAL LIABILITIES AND CUMULATIVE EXPENSES LIMITS (Continued)

	Portfolio Restrictions	Notified Relevant Regulation	31.12.2015 (TRY)	31.12.2014 (TRY)	Minimum/Maximum Rate
1	Money and Capital Instruments	Md.22/1 – (b)	0,40%	14,90%	≤ %49
2	Capital Market Instruments	Md.22/1 – (c)	0,00%	7.10%	≤ %10
	A - Shares		0,00%	4.63%	≤ %10
	EGCYH E		0,00%	4.12%	
	EGCYO E		0,00%	0.51%	
	YAPRAK E		0,00%	2.47%	
3	Venture Fund Investments	Md.22/1 – (b)	97.59%	79.05%	≥ %51
4	Assets Management Consulting Company's Associates	Md.22/1 – (ç)	0,00%	0,00%	≤ %10
5	Established Abroad Investment Firm	Md.22/1-(e)	0,00%	0,00%	≤ %49
6	Debt and Equity Financing Mix	Md.22/1-(h)	0,00%	0,00%	≤ %25
7	Public Venture Company Shares OFF-Exchange	Md.22/1-(f)	0,00%	0,00%	≤ %25
8	TRY and Foreign Currency Time and Demand Deposits	Md.22/1-(ı)	0.40%	8.30%	≤ %20
9	Short-Term Borrowings and Debt Instruments Nominal Value	Md.29	2.90%	0,00%	≤ %50
10	Long-Term Borrowings and Debt Instrments Nominal Value	Md.29	0,00%	0,00%	≤ %200
11	Pledge, Guarantees and Mortgages	Md.22/1 – (d)	1.04%	0,00%	≤ %10
12	Outsourced Services Costs	Md.26/1	1.12%	2.97%	≤ %2,5

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