

**ICBC TURKEY PORTFÖY YÖNETİMİ
ANONİM ŞİRKETİ**

CONDENSED FINANCIAL STATEMENTS
FOR THE INTERIM THREE-MONTHS PERIOD
ENDED 31 MARCH 2023 AND
REVIEW REPORT

*(Convenience translation of the
financial information and related disclosures
and notes originally issued in Turkish)*

**(Convenience Translation of the Report on Review of Condensed Interim
Financial Information Originally Issued in Turkish)**

**REPORT ON REVIEW OF
INTERIM CONDENSED FINANCIAL INFORMATION**

To the Board of Directors of ICBC Turkey Portföy Yönetimi A.Ş.

Introduction

We have reviewed the accompanying condensed statement of financial position of ICBC Turkey Portföy Yönetimi A.Ş. (“the Company”) as at 31 March 2023, and the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in shareholders’ equity and condensed statement of cash flows for the three-months period then ended. The Company management is responsible for the preparation and fair presentation of the accompanying interim financial information in accordance with Turkish Accounting Standards 34 Interim Financial Reporting (“TAS 34”). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Independent Auditing Standard on Review Engagements (“ISRE”) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit conducted in accordance with Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with TAS 34 “Interim Financial Reporting”.

Additional paragraph for convenience translation to English

In the accompanying interim condensed financial statements, the accounting principles described in Note 2 (defined as Turkish Accounting Standards/Turkish Financial Reporting Standards) differ from International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board with respect to the application of inflation accounting. Accordingly, the accompanying interim condensed financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

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ICBC TURKEY PORTFÖY YÖNETİMİ ANONİM ŞİRKETİ**CONDENSED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2023***(All amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)*

| | | Reviewed | Audited |
|--|--------------|-------------------|--------------------|
| | | 31 March | 31 December |
| | <i>Notes</i> | 2023 | 2022 |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 3 | 10,046,730 | 10,309,594 |
| Trade receivables | 4 | 1,218,062 | 921,247 |
| - Trade receivables from related parties | 16 | 1,211,896 | 915,686 |
| - Trade receivables from third parties | | 6,166 | 5,561 |
| Other Receivables | | - | - |
| - Other receivables from related parties | | - | - |
| Prepaid expenses | 7 | 275,291 | 50,979 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 5 | 54,881 | 63,037 |
| Deferred tax asset | 17 | 141,848 | 145,121 |
| TOTAL ASSETS | | 11,736,812 | 11,489,978 |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Trade payables | 4 | 436,085 | 331,809 |
| - Trade payables to related parties | 16 | 436,085 | 331,809 |
| - Trade payables to third parties | | - | - |
| Current tax liability | 17 | 20,080 | 28,133 |
| Short-term provisions | 9 | 91,756 | 91,756 |
| - Short-term provisions for employee benefits | | 91,756 | 91,756 |
| Other payables | 10 | 332,238 | 1,377,381 |
| - Other current liabilities to related parties | 16 | - | 1,057,585 |
| - Other current liabilities to third parties | | 332,238 | 319,796 |
| NON-CURRENT LIABILITIES | | | |
| Non-current liabilities | 9 | 184,550 | 134,925 |
| - Long-term provisions for employee benefits | | 184,550 | 134,925 |
| EQUITY | | | |
| Paid-in capital | 11 | 10,000,000 | 8,500,000 |
| Accumulated other comprehensive income or expenses that will not be reclassified to profit or loss | | 53,802 | 53,802 |
| - Long-term provisions for employee benefits | | 53,802 | 53,802 |
| Restricted reserves appropriated from profit | | 53,138 | 23,285 |
| Prior periods' profit/losses | | 567,208 | 351,826 |
| Net profit / (loss) for the period | | (2,045) | 597,061 |
| TOTAL LIABILITIES AND EQUITY | | 11,736,812 | 11,489,978 |

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

ICBC TURKEY PORTFÖY YÖNETİMİ ANONİM ŞİRKETİ
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AS OF 1 JANUARY - 31 DECEMBER 2023
(All amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

| | <i>Notes</i> | Reviewed 1 January – 31 March 2023 | Reviewed 1 January – 31 March 2022 |
|--|--------------|---|---|
| PROFIT OR LOSS | | | |
| Revenue | <i>12</i> | 2,151,308 | 1,075,382 |
| GROSS PROFIT | | 2,151,308 | 1,075,382 |
| General administrative expenses | <i>13</i> | (2,745,049) | (1,668,953) |
| Other operating income | <i>14</i> | 639,592 | 418,009 |
| Other operating expenses | <i>15</i> | (18,186) | (47,413) |
| OPERATING PROFIT | | 27,665 | (222,975) |
| PROFIT BEFORE TAX FROM CONTINUING OPERATIONS | | 27,665 | (222,975) |
| Tax expense from continuing operations | | (29,710) | 30,007 |
| - <i>Current tax expense</i> | <i>17</i> | (26,437) | - |
| - <i>Deferred tax expense</i> | <i>17</i> | (3,273) | 30,007 |
| PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS | | (2,045) | (192,968) |
| Other Comprehensive Income / (Expense) | | -- | -- |
| TOTAL COMPREHENSIVE INCOME | | (2,045) | (192,968) |

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

ICBC TURKEY PORTFÖY YÖNETİMİ ANONİM ŞİRKETİ

STATEMENT OF CHANGES IN EQUITY AS OF 1 JANUARY - 31 DECEMBER 2023

(All amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

| | | | Accumulated Other Comprehensive Income and Expenses that will not be Reclassified to Profit or Loss | | Retained Earnings | | |
|------------------------------------|-------|-------------------|---|--|------------------------------|---------------------------|-------------------|
| | | | (Gain)/Losses on Remeasurement of Defined Benefit Plans | Restricted Reserves Appropriated from Profit | Prior Years' Profit/(Losses) | Net Period Profit/ (Loss) | Total Equity |
| Prior Period | Notes | Paid-in Capital | | | | | |
| Balances as of 1 January 2022 | 11 | 8,500,000 | 53,802 | - | (113,943) | 489,054 | 8,928,913 |
| Capital increase | | - | - | - | - | - | - |
| Transfer | | - | - | 23,285 | 465,769 | (489,054) | - |
| Net profit for the period | | - | - | - | - | (192,968) | (192,968) |
| Balance as of 31 March 2022 | | 8,500,000 | 53,802 | 23,285 | 351,826 | (192,968) | 8,735,945 |
| | | | Accumulated Other Comprehensive Income and Expenses that will not be Reclassified to Profit or Loss | | Retained Earnings | | |
| | | | (Gain)/Losses on Remeasurement of Defined Benefit Plans | Restricted Reserves Appropriated from Profit | Prior Years' Profit/(Losses) | Net Period Profit/ (Loss) | Total Equity |
| Current Period | Notes | Paid-in Capital | | | | | |
| Balances as of 1 January 2023 | 11 | 8,500,000 | 53,802 | 23,285 | 351,826 | 597,061 | 9,525,974 |
| Transfer | | 351,826 | - | 29,853 | 215,382 | (597,061) | - |
| Capital increase | | 1,148,174 | - | - | - | - | 1,148,174 |
| Net profit for the period | | - | - | - | - | (2,045) | (2,045) |
| Balance as of 31 March 2023 | | 10,000,000 | 53,802 | 53,138 | 567,208 | (2,045) | 10,672,103 |

ICBC TURKEY PORTFÖY YÖNETİMİ ANONİM ŞİRKETİ**STATEMENT OF CASH FLOWS AS OF 1 JANUARY - 31 MARCH 2023***(All amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)*

| | | Reviewed | Reviewed |
|---|-------|------------------------------|------------------------------|
| | Notes | 1 January – 31 March 2023 | 1 January – 31 March 2022 |
| A. Cash flows from operating activities | | (946,458) | 2,878,307 |
| Profit/(loss) for the period | | (2,045) | (192,968) |
| Adjustments related to reconcile net profit/(loss) for the period: | | | |
| Adjustment related to depreciation and amortization | 5,6 | 8,156 | 4,440 |
| Adjustments related to provisions | | 59,939 | 156,779 |
| - Adjustment related to employment termination benefits | 9 | 49,625 | 82,858 |
| - Adjustment related to provision for unused vacation | 9 | - | 45,520 |
| - Adjustment related to provision for expected credit loss | 3 | 10,314 | 28,401 |
| Adjustment related to deferred tax expense/income | 17 | 29,710 | (30,007) |
| - Adjustment related to deferred tax (income)/expense | | 3,273 | - |
| - Current tax | | 26,437 | - |
| Adjustments related to interest income and expenses | 14 | (639,592) | (397,129) |
| Changes in working capital | | | |
| Adjustments related to increase/decrease in prepaid expenses | | (224,312) | 7,893 |
| Adjustments related to increase/decrease in trade receivables | | (296,815) | (106,634) |
| Adjustments related to increase/decrease in trade payables | | 104,276 | 24,275 |
| Adjustments related to increase/decrease in other operating liabilities | | (1,045,143) | (64,808) |
| Adjustments related to increase/decrease in other current assets | | -- | 13,813 |
| Adjustments related to increase/decrease in blocked deposits | | 1,093,858 | 3,509,581 |
| Cash flows from operating activities | | (911,968) | 2,925,235 |
| Tax payments | 17 | (34,490) | (46,928) |
| B. Cash flows from investing activities | | | |
| Cash outflows from acquisition of property, plant and equipment | 5 | - | - |
| C. Cash flows from financing activities | | 1,838,001 | 283,930 |
| Cash inflows related to capital increase | | 1,148,174 | - |
| Interest received | | 689,827 | 283,930 |
| Net increase / (decrease) in cash and cash equivalents | | 891,543 | 3,162,237 |
| D. Cash and cash equivalents at the beginning of the period | 3 | 9,416,117 | 5,444,471 |
| Cash and cash equivalents at the end of the period (A+B+C+D) | 3 | 10,307,660 | 8,606,708 |

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

ICBC TURKEY PORTFÖY YÖNETİMİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

(All amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

1. Organization and Operations of the Company

ICBC Turkey Portföy Yönetimi A.Ş. (“the Company”), formerly Tekstil Portföy Yönetimi A.Ş., was established on 21 April 2015. The Company was registered by the Istanbul Trade Registry Directorate on 21 April 2015 and announced in the Turkish Trade Registry Gazette in the issue 8809 dated 28 April 2015. The purpose of the Company is to manage portfolios consisting of Capital Market instruments in accordance with the provisions of the Capital Markets Law (“CMB”) and related legislation, by making portfolio management contracts with customers and as a proxy, and to engage in capital market activities specified in the Company's articles of association. The Company's trade name was registered by the Istanbul Trade Registry on 17 November 2015, announced in the Turkish Trade Registry Gazette dated 23 November 2015 and numbered 8952 and changed as ICBC Turkey Portföy Yönetimi A.Ş. The Company's address is Abdülhak Hamit Cad. No:25 Beyoğlu/İstanbul.

The Company continues its activities in accordance with the provisions of the Capital Markets Board's Communiqué III No: 55.1 “Portfolio Management Companies and Principles Regarding the Activities of These Companies.”

The Company engages in portfolio management, investment consultancy, and marketing and distribution of fund participation shares, including investment funds of which it is the founder, and the shares of investment trusts with variable capital.

The Company received an operating authorization certificate from the CMB on 17 June 2015. The actual field of activity of the Company is portfolio management.

The shares of the Company are not traded on stock exchange. As of 31 March 2023, the number of personnel of the Company is 7 (31 December 2022: 6).

The Company's statement of financial position dated 31 March 2023, statement of profit or loss and other comprehensive income and the notes to the financial statements for the period then ended were approved by the Board of Directors on 27 April 2023 and authorized for publication. The General Assembly and certain regulatory bodies have the right to amend the financial statements after publication.

The information regarding the shareholders and shares of the Company is as follows:

| | 31 March 2023 | 31 December 2022 |
|--|------------------|---------------------|
| ICBC Turkey Yatırım Menkul Değerler A.Ş. | 100% | 100% |
| Total | 100% | 100% |

2. Basis of Presentation of Financial Statements

2.1 Basis of Presentation

2.1.1 Statement of Compliance to Turkish Financial Reporting Standards (“TRFSs”)

The accompanying financial statements are prepared in accordance with the Communiqué numbered II-14.1, “Basis for Financial Reporting in Capital Markets”(“the Communiqué”) published in the Official Gazette numbered 28676 on 13 June 2013. According to the Article 5 of Communiqué, financial statements are prepared in accordance with Turkish Financial Reporting Standards (“TFRS”) which are published by the Public Oversight Accounting and Auditing Standards Authority (“POA”).

POA made an announcement on 20 January 2022 regarding the application of TAS 29 “Financial Reporting in Hyperinflationary Economies” (“TAS 29”) for entities adopting Turkish Financial Reporting Standards (“TFRS”) for the year ended 31 December 2021. The announcement stated that, entities that apply TFRS should not adjust their financial statements in accordance with TAS 29 for the year ended 31 December 2021. As of the date of this report, POA has not made any further announcements regarding the scope and application of TAS 29. As a result, no inflation adjustment was made to the accompanying financial statements as of 31 March 2023 in accordance with TAS 29.

ICBC TURKEY PORTFÖY YÖNETİMİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

(All amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (cont’d)

2.1 Basis of Presentation (cont’d)

2.1.1 Statement of Compliance to Turkish Financial Reporting Standards (“TRFSs”) (cont’d)

In addition, the financial statements are presented in accordance with the “Announcement on TFRS Taxonomy” published by the POA on 15 April 2019, and the formats specified in the Financial Statements Examples and User Guidelines published by the CMB.

2.1.2 Basis of Preparation of the Financial Statements

In the preparation of the financial statements and notes for the accounting period ending on 31 March 2023, the principles specified in the “Announcement on Financial Statement and Footnote Formats” announced by the CMB Decision Making Body dated 7 June 2013 and numbered 20/670 were used.

2.1.3 Currency Used

The accompanying financial statements are presented in Turkish Lira (“TL”), which is the current and reporting currency of the Company, and all financial information is presented in TL unless otherwise stated.

2.1.4 Measurement Principles

Financial statements have been prepared over historical costs, except for financial investments measured at fair value.

2.1.5 Comparative Information and Restatement of Prior Periods’ Financial Statements

The financial statements of the Company are prepared in comparison with the prior period in order to allow the determination of financial position and performance trends. In order to comply with the presentation of the current period financial statements, comparative information is reclassified when necessary and significant differences are explained.

2.1.6 Changes in Accounting Policies

Changes in accounting estimates are applied prospectively in the current period when the change is made, if the change is related to future periods, both in the period in which the change is made and in future periods. There has been no significant change in the Company's accounting in the current period.

ICBC TURKEY PORTFÖY YÖNETİMİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

(All amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (cont’d)

2.2 New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2023

| | |
|-----------------------|---|
| Amendments to TAS 1 | <i>Disclosure of Accounting Policies</i> |
| Amendments to TAS 8 | <i>Definition of Accounting Estimates</i> |
| Amendments to TAS 12 | <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> |
| Amendments to TFRS 17 | <i>Initial Application of TFRS 17 and TFRS 9 — Comparative Information (Amendment to TFRS 17)</i> |

Amendments to TAS 1 *Disclosure of Accounting Policies*

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 8 *Definition of Accounting Estimates*

With this amendment, the definition of “a change in accounting estimates” has been replaced with the definition of “an accounting estimate,” sample and explanatory paragraphs regarding estimates have been added, and the differences between application of an estimate prospectively and correction of errors retrospectively have been clarified.

Amendments to TAS 8 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TFRS 17 *Insurance Contracts* and *Initial Application of TFRS 17 and TFRS 9 — Comparative Information*

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before.

Amendments are effective with the first application of TFRS 17.

ICBC TURKEY PORTFÖY YÖNETİMİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

(All amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (cont'd)

2.2 New and Amended Turkish Financial Reporting Standards (cont'd)

b) New and revised TFRSs in issue but not yet effective

The Company has not yet adopted the following standards and amendments and interpretations to the existing standards:

| | |
|-----------------------|--|
| TFRS 17 | <i>Insurance Contracts</i> |
| Amendments to TFRS 4 | <i>Extension of the Temporary Exemption from Applying TFRS 9</i> |
| Amendments to TAS 1 | <i>Classification of Liabilities as Current or Non-Current</i> |
| Amendments to TFRS 16 | <i>Lease Liability in a Sale and Leaseback</i> |
| Amendments to TAS 1 | <i>Non-current Liabilities with Covenants</i> |

TFRS 17 Insurance Contracts

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes TFRS 4 *Insurance Contracts* as of 1 January 2024 for insurance and reinsurance and pension companies.

Amendments to TFRS 4 Extension of the Temporary Exemption from Applying TFRS 9

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 *Insurance Contracts* from applying TFRS 9, so that insurance and reinsurance and pension companies would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2024 with the deferral of the effective date of TFRS 17.

Amendments to TAS 1 Classification of Liabilities as Current or Non-Current

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted.

Amendments to TFRS 16 Lease Liability in a Sale and Leaseback

Amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in TFRS 15 to be accounted for as a sale.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

Amendments to TAS 1 Non-current Liabilities with Covenants

Amendments to TAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

The Company evaluates the effects of these standards, amendments and improvements on the financial statements.

ICBC TURKEY PORTFÖY YÖNETİMİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

(All amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

2. Basis of Presentation of Financial Statements (cont'd)

2.3 Significant Accounting Evaluations, Estimates and Assumptions

The preparation of financial statements in accordance with TAS requires management to apply the policies and make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected from these revisions.

There has been no change in the estimates and assumptions of the Company management used in the application of the accounting policies used in the preparation of the financial statements compared to the accounting period ending on 31 March 2023.

3. Cash and Cash Equivalents

As of 31 March 2023 and 31 December 2022, the details of cash and cash equivalents are as follows:

| | 31 March 2023 | 31 December 2022 |
|--|-------------------|-------------------|
| Cash at bank | 10,315,928 | 10,568,478 |
| <i>Demand deposit</i> | 95,841 | 41,267 |
| <i>Time deposit</i> | 10,220,087 | 10,527,211 |
| Provision for expected credit loss (-) | (269,198) | (258,884) |
| Total | 10,046,730 | 10,309,594 |

As of 31 March 2023, the Company has no blocked deposits (31 December 2022: TL 1,093,858). As of 31 March 2023 and 31 December 2022, the interest and maturity details of time deposits in banks are as follows:

| Currency Type | Interest Rate | Maturity | 31 March 2023 |
|---------------|---------------|-----------------|-------------------|
| TL | 8.40% | 3.04.2023 | 211,868 |
| TL | 30.00% | 2.05.2023 | 10,008,219 |
| | | | 10,220,087 |
| Currency Type | Interest Rate | Maturity | 31 December 2022 |
| TL | 8.90% | 2 January 2023 | 3,705,032 |
| TL | 26.00% | 24 January 2023 | 9,057,699 |
| TL | 10.37% | 2 January 2023 | 1,094,480 |
| | | | 10,527,211 |

In the cash flow statement of the Company as of 31 March 2023, cash and cash equivalents are shown by deducting interest accruals from cash and cash equivalents:

| | 31 March 2023 | 31 March 2022 |
|------------------------------------|-------------------|------------------|
| Cash and cash equivalents | 10,046,730 | 8,654,773 |
| Interest accruals | (8,268) | (124,755) |
| Provision for expected credit loss | 269,198 | 76,690 |
| Total | 10,307,660 | 8,606,708 |

ICBC TURKEY PORTFÖY YÖNETİMİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

(All amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

4. Trade Receivables and Payables

As of 31 March 2023 and 31 December 2022, the details of trade receivables are as follows:

| Trade Receivables | 31 March 2023 | 31 December 2022 |
|--|----------------------|-------------------------|
| Trade receivables from related parties (Note 16) | 1,211,896 | 915,686 |
| Trade receivables from third parties | 6,166 | 5,561 |
| Total | 1,218,062 | 921,247 |

As of 31 March 2023 and 31 December 2022, the details of trade payables are as follows:

| Trade Payables | 31 March 2023 | 31 December 2022 |
|---|----------------------|-------------------------|
| Trade payables to related parties (Note 16) | 436,085 | 331,809 |
| Total | 436,085 | 331,809 |

5. Property, Plant and Equipment

| Cost | 1 January 2023 | Additions | Disposals | 31 March 2023 |
|---------------------------------|-----------------------|------------------|------------------|----------------------|
| Machinery, Plant and Equipment | 127,250 | - | - | 127,250 |
| Furniture and Fixtures | 8,640 | - | - | 8,640 |
| Total | 135,890 | - | - | 135,890 |
| Accumulated Depreciation | 1 January 2023 | Additions | Disposals | 31 March 2023 |
| Machinery, Plant and Equipment | (66,675) | (7,853) | - | (74,528) |
| Furniture and Fixtures | (6,178) | (303) | - | (6,481) |
| Total | (72,853) | (8,156) | - | (81,009) |
| Net book value | 63,037 | (8,156) | - | 54,881 |

| Cost | 1 January 2022 | Additions | Disposals | 31 March 2022 |
|--------------------------------|-----------------------|------------------|------------------|----------------------|
| Machinery, Plant and Equipment | 65,737 | - | - | 65,737 |
| Furniture and Fixtures | 8,641 | - | - | 8,641 |
| Total | 74,378 | - | - | 74,378 |

| Accumulated Depreciation | 1 January 2022 | Additions | Disposals | 31 March 2022 |
|---------------------------------|-----------------------|------------------|------------------|----------------------|
| Machinery, Plant and Equipment | (35,262) | (4,008) | - | (39,270) |
| Furniture and Fixtures | (4,543) | (432) | - | (4,975) |
| Total | (39,805) | (4,440) | - | (44,245) |
| Net book value | 34,573 | - | - | 30,133 |

All depreciation expenses of the Company on 31 March 2023 and 31 March 2022 are included in general administrative expenses. There is no mortgage, pledge or collateral on property, plant and equipment. As of 31 March 2023 and 31 December 2022, the Company has no assets acquired through financial leasing.

ICBC TURKEY PORTFÖY YÖNETİMİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

(All amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

6. Intangible Assets

As of 31 March 2023, the Company has no intangible assets (31 December 2022: None).

For the period ended 31 March 2023, there is no amortization expense for intangible assets (31 December 2022: TL None).

As of 31 March 2023, the Company has no assets acquired through financial leasing (31 December 2022: TL None).

All depreciation expenses are included in general administrative expenses.

7. Prepaid Expenses

As of 31 March 2023 and 31 December 2022, the details of the Company's prepaid expenses are as follows:

| | 31 March 2023 | 31 December 2022 |
|------------------|----------------|------------------|
| Prepaid expenses | 275,291 | 50,979 |
| Total | 275,291 | 50,979 |

8. Disclosures on Other Current Assets

As of 31 March 2023, the Company has no other current assets (31 December 2022: None).

9. Short-Term and Long-Term Provisions

The short-term provisions of the Company as of 31 March 2023 and 31 December 2022 are as follows:

| | 31 March 2023 | 31 December 2022 |
|-------------------------------|---------------|------------------|
| Provision for unused vacation | 91,756 | 91,756 |
| Total | 91,756 | 91,756 |

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9. Short-Term and Long-Term Provisions (cont'd)

The movement table of the Company's leave provisions as of 31 March 2023 and 31 March 2022 is as follows:

| | 1 January- 31 March 2023 | 1 January- 31 March 2022 |
|--------------------------------|-----------------------------|-----------------------------|
| As of 1 January | 91,756 | 82,715 |
| Provision made during the year | - | 45,520 |
| As of 31 December | 91,756 | 128,235 |

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

Employee termination benefits to be paid as of 31 March 2023 is subject to a monthly ceiling of TL 19,982.83 (31 March 2022: TL 10,848.59).

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. TAS 19 *Employee Benefits* stipulates the development of company's liabilities by using actuarial valuation methods under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

The main assumption is that the maximum liability amount for each year of service will increase in line with inflation. Consequently, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Therefore, provisions in the accompanying financial statements as of 31 March 2023 are calculated by estimating the present value of the future probable obligation arising from the retirement of the employees. Provisions at the relevant balance sheet dates are calculated using the real discount rate, which is approximately 3.48% (31 March 2022: 3.09%), based on the assumptions of an annual inflation rate of 18.28 % and an interest rate of 22.40%. Voluntary dismissal rates are 80.16% for those working for 0-15 years and 0% for 16 years or more. The maximum amount of TL 19,982.83 effective from 1 January 2023 has been taken into account in the calculation of the severance pay provision of the Group (1 April 2022: TL 10,848.59).

As of 31 March 2023 and 31 March 2022, the details of long-term employee benefits are as follows:

| | 1 January- 31 March 2023 | 1 January- 31 March 2022 |
|--------------------------------|-----------------------------|-----------------------------|
| As of 1 January | 134,925 | 93,763 |
| Provision made during the year | 49,625 | 82,858 |
| As of 31 March | 184,550 | 176,621 |

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10. Other Payables

| | 31 March 2023 | 31 December 2022 |
|--|----------------|------------------|
| Income tax deducted from fees | 120,979 | 85,402 |
| SSI premium employer share | 69,516 | 48,836 |
| SSI premium employee share | 62,788 | 44,110 |
| Fund Management BSMV | 39,084 | - |
| Fund management fee rediscount | 20,548 | 93,578 |
| Advances received from related parties (Note 16) (*) | - | 1,057,585 |
| Stamp duty deducted from fees | 4,151 | 2,203 |
| VAT payable | 1,399 | 6,758 |
| Other | 13,774 | 38,909 |
| Total | 332,239 | 1,377,381 |

(*) In the Board of Directors dated 09.08.2022, it was decided to increase the capital of the Company. Advances received from related parties include the amount to be used for capital increase.

11. Equity

As of 31 March 2023 and 31 December 2022, the paid-in capital structure is as follows:

| | Share Rate(%) | 31 March 2023 | Share Rate(%) | 31 December 2022 |
|---|---------------|-------------------|---------------|-------------------|
| <i>ICBC Turkey Yatırım Menkul Değerler A.Ş.</i> | 100.00 | 10,000,000 | 100.00 | 10,000,000 |
| Total | 100.00 | 10,000,000 | 100.00 | 10,000,000 |

The Company's share capital consists of 10,000,000 shares having a nominal value of TL 1 each (31 December 2022: 8,500,000 shares having a nominal value of TL 1).

Restricted reserves appropriated from profit

According to the Regulation of Dividend No II-19.1 which came into force from the date of 1 February 2014 by Capital Market Board dividend rate for shares of unquoted subsidiaries cannot be less than twenty percent of net distributable profit including donations. According to the same regulation, dividend of shares of unquoted subsidiaries is required to be distributed in cash and fully and cannot be taken advantage of dividend installments application granted to public companies.

In line with the provisions of the notification, partnerships shares of which are not traded on the stock exchange, in case the calculated profit share amount is less than five percent of the capital according to the last annual financial statements to be submitted to the general assembly or the net distributable profit for the period is below TL 100,000 according to the financial statements may not distribute dividends for the relevant accounting period, and in this case, the undistributed dividend is distributed in subsequent periods.

As of 31 March 2023, the Company's restricted reserves appropriated from profit is TL 53,138 (31 December 2022: TL 23,285).

ICBC TURKEY PORTFÖY YÖNETİMİ ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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12. Revenue

The revenue details of the Company for the accounting periods ending on 31 March 2023 and 31 March 2022 are as follows:

| | 1 January- 31 March 2023 | 1 January- 31 March 2022 |
|-----------------------------------|-----------------------------|-----------------------------|
| Fund management commission income | 2,151,308 | 875,893 |
| Portfolio management commissions | - | 199,489 |
| Total | 2,151,308 | 1,075,382 |

13. General Administrative Expenses

The general administrative expenses of the Company for the accounting periods ending on 31 March 2023 and 31 March 2022 are as follows:

| | 1 January- 31 March 2023 | 1 January- 31 March 2022 |
|---|-----------------------------|-----------------------------|
| Personnel fees and expenses | 2,005,965 | 1,009,297 |
| Taxes, fees and registration fees | 198,239 | 194,291 |
| Audit and consultancy expenses | 80,412 | 159,676 |
| Membership expenses | 209,066 | 136,173 |
| Computer usage expenses | 115,463 | 63,701 |
| Building expenses | 82,131 | 36,106 |
| Maintenance and repair expenses | 13,653 | 26,551 |
| Transportation expenses | 14,690 | 16,678 |
| Stationery expenses | 2,655 | 7,793 |
| Depreciation expenses | 8,156 | 4,440 |
| Non-deductible expenses | 1,170 | 2,877 |
| Representation and hospitality expenses | 3,012 | 1,242 |
| Communication expenses | 655 | 512 |
| Other | 9,783 | 9,616 |
| Total | 2,745,050 | 1,668,953 |

14. Other Income from Operating Activities

The Company's other income from operating activities for the interim accounting periods ending on 31 March 2023 and 31 March 2022 is as follows:

| | 1 January- 31 March 2023 | 1 January- 31 March 2022 |
|-------------------------|-----------------------------|-----------------------------|
| Deposit interest income | 639,592 | 397,129 |
| Other income | - | 20,880 |
| Total | 639,592 | 418,009 |

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15. Other Expenses from Operating Activities

The Company's other expenses from operating activities for the accounting periods ending on 31 March 2023 and 31 March 2022 are as follows:

| | 1 January- 31 March 2023 | 1 January- 31 March 2022 |
|-------------------------|-----------------------------|-----------------------------|
| Fund overdraft expenses | 2,682 | 9,440 |
| Other service expenses | 10,314 | 36,282 |
| Prior year payments | 5,190 | 1,691 |
| Total | 18,186 | 47,413 |

16. Related Party Disclosures

ICBC Turkey Yatırım Menkul Kıymetler A.Ş., established in Turkey, is the main shareholder and ultimate controlling party of the Company.

| ICBC Turkey Bank | 31 March 2023 | 31 December 2022 |
|----------------------------------|----------------|------------------|
| Cash and cash equivalents | | |
| - Demand deposit | - | 491 |
| - Time deposit | 211,868 | 3,705,032 |
| Total | 211,868 | 3,705,523 |

| ICBC Turkey Portföy Yatırım Fonları | 31 March 2023 | 31 December 2022 |
|-------------------------------------|------------------|------------------|
| Trade receivables | | |
| - Fund management commissions | 1,211,896 | 915,686 |
| Total | 1,211,896 | 915,686 |

| ICBC Turkey Yatırım Menkul Değerler | 31 March 2023 | 31 December 2022 |
|-------------------------------------|---------------|------------------|
| Other payables | | |
| - Other payables to related parties | - | 1,057,585 |
| | - | 1,057,585 |

| ICBC Turkey Yatırım Menkul Değerler | 31 March 2023 | 31 December 2022 |
|-------------------------------------|----------------|------------------|
| Trade payables | | |
| - Trade payables to related parties | 128,115 | 134,631 |
| Total | 128,115 | 134,631 |

| ICBC Turkey Bank | 31 March 2023 | 31 December 2022 |
|-------------------------------------|----------------|------------------|
| Trade payables | | |
| - Trade payables to related parties | 307,970 | 197,178 |
| Total | 307,970 | 197,178 |

| | 1 January- 31 March 2023 | 1 January- 31 March 2022 |
|--|-----------------------------|-----------------------------|
| ICBC Turkey Yatırım Menkul Değerler | | |
| Commission income | | |
| - Fund management service expenses | 386,304 | 146,850 |
| Total | 386,304 | 146,850 |

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16. Related Party Disclosures (cont'd)

| | 1 January- 31 March 2023 | 1 January- 31 March 2022 |
|---|-----------------------------|-----------------------------|
| ICBC Turkey Yatırım Menkul Değerler | | |
| Portfolio management commission income | | |
| - Individual portfolio management commission income | - | 197,468 |
| | - | 197,468 |
| ICBC Turkey Yatırım Menkul Değerler | | |
| General administrative expenses | | |
| - Fund management support service expense | 6,300 | 6,300 |
| | 6,300 | 6,300 |
| ICBC Turkey Bank | | |
| Commission expenses | | |
| - Fund management service expenses | 806,932 | 321,565 |
| | 806,932 | 321,565 |
| ICBC Turkey Bank | | |
| Other income from operating activities | | |
| - Time deposit interest income | 18,827 | 250,908 |
| | 18,827 | 250,908 |

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17. Income Taxes (Including Deferred Tax Assets and Liabilities)

The details of the Company's current tax liability as of 31 March 2023 and 31 December 2022 are as follows:

| | 31 March 2023 | 31 December 2022 |
|-------------------------------|---------------|------------------|
| Provision for corporate tax | 26,437 | 256,178 |
| Less: Prepaid taxes and funds | (6,357) | (228,045) |
| Total | 20,080 | 28,133 |

Tax expense in the profit or loss statement

| The tax expense consists of the following: | 31 March 2023 | 31 March 2022 |
|--|---------------|-----------------|
| Tax expense for the period | 26.437 | - |
| Deferred tax expense | 3.273 | (30.007) |
| Total tax expense | 29.710 | (30.007) |

Corporate Tax

The Company is subject to corporate tax valid in Turkey. Necessary provisions have been made in the accompanying financial statements for the estimated tax liabilities of the Company regarding the current period operating results.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and other incentives (prior year's losses if any and investment incentives used if preferred) utilized.

The effective tax rate in 2023 is 25% (2022: 25%).

The Law numbered 7061 on "Amendment of Certain Taxes and Laws and Other Acts" was published on the Official Gazette dated 5 December 2017 and numbered 30261. Article 5 entitled "Exceptions" of the Corporate Tax Law has been amended in Article 89 of the Law. In accordance with (a) clause in the first paragraph of the Article, the exemption of 75% applied to gains from the sales of lands and buildings held by the entities for two full years has been reduced to rate of 50%. This regulation has been effective from 5 December 2017.

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17. Income Taxes (Including Deferred Tax Assets and Liabilities) (cont'd)

Deferred tax

As of 31 March 2023 and 31 December 2022, the items giving rise to the Company's deferred tax assets and liabilities are as follows:

| | 31 March 2023 | 31 December 2022 |
|--|-------------------------------------|-------------------------------------|
| <i>Deferred tax assets/liabilities</i> | | |
| Provisions for other debt and expense | 5,137 | 23,394 |
| Provision for employment termination benefits | 46,137 | 33,731 |
| Vacation provision expense | 22,939 | 22,939 |
| Provision for expected credit loss | 67,299 | 64,721 |
| Economic life differences of property, plant and equipment | 336 | 336 |
| Total deferred tax asset (net) | 141,848 | 145,121 |
| | 1 January- 31 March 2023 | 1 January- 31 March 2022 |
| <i>Movements of deferred tax assets</i> | | |
| 1 January opening balance | 145,121 | 62,310 |
| Deferred tax income /(expense) recognized in the statement of income | (3,273) | 30,007 |
| Total deferred tax asset (net) | 141,848 | 92,317 |

18. Earnings Per Share

According to TAS 33 "Earnings Per Share" standard, since companies whose stocks are not traded on the stock exchange are not required to disclose earnings per share, earnings/loss per share are not calculated for the Company whose shares are not traded on the stock exchange.

19. Foreign Currency Position

The Company has no foreign currency assets and liabilities as of 31 March 2023 (31 December 2022: None).

20. Nature and Level of Risks Arising from Financial Instruments and Capital Risk Management and Capital Adequacy Requirements

The Company manages its financial risk in accordance with the Communiqué Serial: V, No: 34 "Communiqué on Capital and Capital Adequacy of Brokerage Companies" ("Serial: V, No: 34") promulgated by CMB. According to the Communiqué, portfolio management companies are also subject to the provisions of this communiqué, and the equities of these companies constitute the group that includes the amounts included in the balance sheets prepared as of the valuation date and the total amount of net assets expressed by the partnership, within the framework of the valuation provisions introduced in Communiqué Serial: V No: 34.

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20. Nature and Level of Risks Arising from Financial Instruments and Capital Risk Management and Capital Adequacy Requirements (cont'd)

Pursuant to Article 25 of the CMB's Communiqué Serial: V No: 34 on Principles Regarding the Capital and Capital Adequacy of Intermediary Institutions Portfolio Management Companies are obliged to calculate their capital adequacy according to the regulations of the same communiqué and notify them to the CMB. Capital adequacy base of portfolio management companies in accordance with Article 4 of Communiqué Serial: V No: 34, net amount of tangible and intangible assets from their own capital calculated in accordance with Communiqué Serial: V No: 34, article 3, excluding those traded on stock exchanges and other organized markets, financial fixed assets and other non-current assets after deducting the provision for impairment and capital commitments, even if in the capacity of customers, means unsecured receivables from personnel, partners, affiliates, subsidiaries and persons and institutions that are directly or indirectly related in terms of capital, management and audit and the amount found by deducting the amounts of capital market instruments issued by these individuals and institutions that are not traded in stock exchanges and other organized markets. As of 31 March 2023 and 31 December 2022, the Company fulfills the relevant capital adequacy requirements. Since the Company only carries out portfolio management activities, the total minimum equity amount is TL 10,000,000 (31 December 2022: TL 8,500,000).

Financial Risk Factors

The Company's activities expose it to market risk (currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management programme generally focuses on uncertainty in financial markets and minimizing potential negative effects on the Company's financial performance.

Risk management is conducted by a treasury department with policies approved by the Board of Directors. Treasury department of the Company defines and evaluates the financial risk, and by working with the operation units by using tools to decrease the risk. Board of Directors maintains generates a written procedure about foreign exchange risk, interest rate risk, credit risk, usage of derivative instruments and other non-derivative financial instruments and evaluating excess liquidity or other various risks.

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20. Nature and Level of Risks Arising from Financial Instruments and Capital Risk Management and Capital Adequacy Requirements (cont'd)

Financial Risk Factors (cont'd)

| Credit risk of financial instruments | Receivables | | | | | |
|---|-------------------|-------------|-------------------|-------------|---------------|-----------------------|
| | Trade Receivables | | Other Receivables | | Bank Deposits | Financial Investments |
| 31 March 2023 | Related Party | Other Party | Related Party | Other Party | | |
| As of reporting date, credit risk exposure (*) | 1,211,896 | 6,166 | - | - | 10,046,730 | - |
| The part of maximum risk under guarantee with collateral | - | - | - | - | - | - |
| A. Net book value of financial assets that are neither past due nor impaired | 1,211,896 | 6,166 | - | - | 10,046,730 | - |
| B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired | - | - | - | - | - | - |
| C. Net book value of assets that are past due but not impaired | - | - | - | - | - | - |
| - The part under guarantee with collateral etc. | - | - | - | - | - | - |
| D. Net book value of impaired assets | - | - | - | - | - | - |
| - Past due (gross carrying amount) | - | - | - | - | - | - |
| - Impairment (-) | - | - | - | - | - | - |
| - The part under guarantee with collateral etc. | - | - | - | - | - | - |
| - Not past due (gross carrying amount) | - | - | - | - | - | - |
| - Impairment (-) | - | - | - | - | - | - |
| - The part under guarantee with collateral etc. | - | - | - | - | - | - |
| E. Off-balance sheet items with credit risk | - | - | - | - | - | - |
| F. 12-month expected credit losses | - | - | - | - | - | - |

(*) In determining the amount, factors that increase credit reliability, such as guarantees received, were not taken into account.

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20. Nature and Level of Risks Arising from Financial Instruments and Capital Risk Management and Capital Adequacy Requirements (cont'd)

Financial Risk Factors (cont'd)

| | Credit risk of financial instruments | | Receivables | | | |
|---|--------------------------------------|-------------|---------------|-------------|---------------|-----------------------|
| | | | Trade | | Other | |
| | | | Receivables | | Receivables | |
| 31 December 2022 | Related Party | Other Party | Related Party | Other Party | Bank Deposits | Financial Investments |
| As of reporting date, credit risk exposure (*) | 915,686 | 5,561 | - | - | 10,309,594 | - |
| The part of maximum risk under guarantee with collateral | - | - | - | - | - | - |
| A. Net book value of financial assets that are neither past due nor impaired | 915,686 | 5,561 | - | - | 10,309,594 | - |
| B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired | - | - | - | - | - | - |
| C. Net book value of assets that are past due but not impaired | - | - | - | - | - | - |
| - The part under guarantee with collateral etc. | - | - | - | - | - | - |
| D. Net book value of impaired assets | - | - | - | - | - | - |
| - Past due (gross carrying amount) | - | - | - | - | - | - |
| - Impairment (-) | - | - | - | - | - | - |
| - The part under guarantee with collateral etc. | - | - | - | - | - | - |
| - Not past due (gross carrying amount) | - | - | - | - | - | - |
| - Impairment (-) | - | - | - | - | - | - |
| - The part under guarantee with collateral etc. | - | - | - | - | - | - |
| E. Off-balance sheet items with credit risk | - | - | - | - | - | - |
| F. 12-month expected credit losses | - | - | - | - | - | - |

(*) In determining the amount, factors that increase credit reliability, such as guarantees received, were not taken into account.

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20. Nature and Level of Risks Arising from Financial Instruments and Capital Risk Management and Capital Adequacy Requirements (cont’d)

Credit Risk

Receivables contain an element of risk that the counterparties may be unable to meet the terms of the agreements. Since the Company's receivables are mostly from group companies, this risk is considered to be at a minimum level.

The Company does not have any loans extended.

Interest Rate Risk

The fact that changes in market interest rates cause fluctuations in the prices of financial instruments necessitates the Company to cope with interest rate risk. The Company's sensitivity to interest rate risk is related to the mismatch in the maturities of asset and liability accounts. This risk is managed by covering the assets affected by interest rate changes with the same type of liabilities.

Interest Rate Sensitivity

The financial assets of the Company are fixed interest instruments.

Market Risk

Any change that may occur in the Stock Market indices of Borsa Istanbul (“BIST”) does not pose a risk that will affect the net profit/loss of the Company since there are no stocks in the Company portfolio as of 31 March 2023 and 31 December 2022.

Liquidity Risk

Liquidity risk is the risk that a Company cannot meet its funding needs. The occurrence of events that result in a decrease in fund resources, such as deterioration in the markets or a decrease in the credit score, causes the formation of liquidity risk. The Company management manages the liquidity risk by allocating funds and keeping sufficient cash and similar resources to fulfill its current and potential liabilities.

As of 31 March 2023 and 31 December 2022, the Company does not have any derivative financial assets and liabilities.

21. Financial Instruments

| | 31 March 2023 | | 31 December 2022 | |
|---------------------------|---------------|----------------|------------------|----------------|
| | Fair value | Carrying value | Fair value | Carrying value |
| Financial assets | | | | |
| Cash and cash equivalents | 10,046,730 | 10,046,730 | 10,309,594 | 10,309,594 |
| Trade receivables | 1,218,062 | 1,218,062 | 921,247 | 921,247 |
| Trade payables | 436,085 | 436,085 | 331,809 | 331,809 |

The Company management believes that the recorded values of financial instruments reflect their fair values due to their short-term nature.

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21. Financial Instruments (cont'd)

Fair Values of Financial Assets

The fair values of financial assets and liabilities are determined by the Company as follows:

- Level 1: The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- Level 2: The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.
- Level 3: The fair value of the financial assets and financial liabilities are determined where there is no observable market data.

As of 31 March 2023 and 31 December 2022, the Company has no financial assets recorded at fair value.

22. Subsequent events

None.