

Report Number : YMM-06103759/292-16

Ankara, 28.04.2017

Appendices to Report: : Listed at the End of Report

OFFICE OF SWORN-IN PUBLIC ACCOUNTANT
Fiscal Period of 01.04.2016 - 31.03.2017
SPECIFIC-PURPOSE REPORT

**SWORN-IN
PUBLIC
ACCOUNTANT
THAT
PERFORMED
THE
CERTIFICATI
ON**

**Title (Name &
Surname)**

: BİLGİN YEMİNLİ MALİ MÜŞAVİRLİK DENETİM
VE DANIŞMANLIK LTD.ŞTİ.(ŞAKİR DORUKKAYA)

**Associated
Chamber**

: Chamber of Sworn-in Certified Public Accountants of Ankara

Office Address

: Tepe Prime Plaza Eskişehir Yolu 9. Km No:266 D:67
Çankaya / ANKARA

Phone Number

: 0312- 284 84 11

Fax Number

: 0312- 284 84 22

E-mail

: info@bilginymm.com

**REFERENCE
CONTRACT**

Date

: 24.04.2017

Number

: 2017/DKS/07 (D/708462)

**Name, Surname /
Title**

: SOLAR PATLAYICI MADDELER SAN. A.S.

Fields of Activity

: Manufacture of gunpowder and similar propellant powders and
other works set out in the company Articles of Incorporation

Address

: Eskişehir Yolu 9. Km. No: 266 Tepe Prime Plaza B Blok D:
78-83 Çankaya / ANKARA

**DETAILS of
TAXPAYER**

Tax Office

: Ulus Tax Office

Tax ID Number:

: 471 040 0592

Phone Number

: 0 312 286 24 25

Fax Number

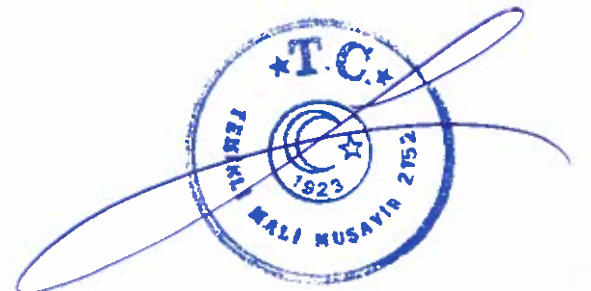
: 0 312 286 32 22

CERTIFICATION PERIOD

: 01.04.2016-31.03.2017

CONCLUSION

: Explained in the chapter Conclusion of this Report.



I- GENERAL INFORMATION

A- Introduction:

Being a taxpayer registered with the Ulus Tax Office under the tax identification number of 471 040 0592, Solar Patlayıcı Maddeler San. A.S. has been registered on 15.06.2007 and its registration and incorporation has been published on the Trade Registry Gazette of Turkey dated 20.06.2007 and numbered 6384.

The trade title of the Company has been changed from Ilci Patlayıcı Maddeler San. ve Tic. A.S. to Solar Patlayıcı Maddeler Sanayi A.S. pursuant to the resolution dated 21.08.2014 of company general assembly, and the subject amendment has been published on the Trade Registry Gazette dated 04.08.2014 and numbered 8623.

The address of the company has been changed to Eskişehir Yolu 9.Km. Mustafa Kemal Mahallesi Dumlupınar Bulvarı No:266 No:78-83 Çankaya /Ankara from Eskişehir Yolu 9. Km. Mustafa Kemal Mahallesi Dumlupınar Bulvarı No: 266 Tepe Prime B Blok 9.Kat No: 79 Cankaya / ANKARA and the subject change has been published on the Trade Registry Gazette of Turkey dated 25.12.2015 and numbered 8976.

Copies of the trade registry gazette of the company are given in the **appendix 1** to this Report.

The company was earlier registered with the Maltepe Tax Office as a taxpayer, and as of 01.08.2014, it is a taxpayer registered with the Ulus Tax Office. The letter concerning the change of Tax Office is given in the **appendix 2** to this Report.

The company is registered with the Ankara Trade Registry Office under the registration number of 239097. (**Appendix 3**).

B- Legal Basis:

This report herein has been prepared in line with the request of the Company officials and based on the income statements and balance sheets for the fiscal period of 01.04.2016-31.03.2017 furnished to this Office. The "Specific-Purpose Contract for Sworn-in Financial Consultancy" dated 24.04.2017 and numbered 2017-DKS-07 (D/708462) has been signed by and between the Company and this Office for the purposes of this report (**Appendix 4**).

The Certificate of Activity of the Sworn-in Financial Consultancy is given in the appendix to this report. (**Appendix 5**).

C- Information about Communication Equipment:

The communication equipment available in the assets of the balance sheet of the Company are as follows:

Head Office:

COMMUNICATION EQUIPMENT			REGISTERED IN THE ASSETS
Description	Number	Address	
Telephone	312 286 24 25	Eskişehir Yolu 9. Km Tepe Prime Plaza No:266 B Blok Kat:9 No: 78-83 Çankaya/ANKARA	REGISTERED
Fax	312 286 32 22	Eskişehir Yolu 9. Km Tepe Prime Plaza No:266 B Blok Kat:9 No: 78-83 Çankaya/ANKARA	REGISTERED

Factories:



COMMUNICATION EQUIPMENT			REGISTERED IN THE ASSETS
Description	Number	Address	
Telephone	0222 671 33 55	Derebenek Mah. Üryan Cad. No:74/1 Seyitgazi / ESKISEHIR	REGISTERED
Fax	0222 671 33 56	Derebenek Mah. Üryan Cad. No:74/1 Seyitgazi / ESKISEHIR	REGISTERED
Telephone	0388 237 54 29	Cumhuriyet Mah. Şehit Zekai Çamur Cad. No: 30/B Aktaş Belediyesi / Merkez / NIGDE	REGISTERED

D- Information about Registered Capital, Shareholders and Legal Representatives of Company:

The registered capital of the company is TRY 8,050,000.00 in the fiscal period of 01.04.2016 - 31.04.2017, and the entire amount of the registered capital has been paid in.

Names and surnames, addresses, share percentages, tax offices and numbers and National Identification Numbers of Shareholders of the company are as given below:

NAME, SURNAME / TITLE	SHARE PERCENT AGE	NATIONAL IDENTIFICATION NO	ADDRESS
Solar Overseas Netherlands B.V.	73.89%	--	THE NETHERLANDS
Ilknur SIRMAN	20.50%	22489415106	Kardelen Mah. Başkent Blv. 224 B/49 Yenimahalle / ANKARA
Mustafa Sinan MURATHANOĞLU	5.00%	45661355342	Abdi İpekçi Cad. No: 5/3 Nişantaşı / İSTANBUL
NUWAL MANISH	0.3%	--	INDIA
NUWAL SATYANARYAN	0.3%	--	INDIA

E- Information about Activities of Company:

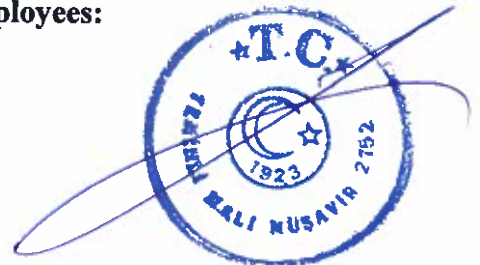
The Company engages in manufacture and sales of any type of explosive materials and substances needed in the construction and mining sector, manufacture and sales of non-electrical ignition systems, storage and transport services for explosive materials and substances, complete drilling and blasting services, supply of blasting accessories, engineering services, technical consultancy and specific blasting applications.

F- Head Office and Branches of Company:

Information about the workplaces of the company is as given below.

Pos. No	Name	Address
1	Head Office	Eskişehir Yolu 9. Km Tepe Prime Plaza No:266 B Blok Kat:9 No: 78-83 Çankaya/ANKARA
2	Factory	Derebenek Mah. Üryan Cad. No:74/1 Seyitgazi / ESKISEHIR
3	Factory	Cumhuriyet Mah. Şehit Zekai Çamur Cad. No: 30/B Aktaş Belediyesi / Merkez / NIGDE
4	Warehouse	Dere Ağılı Mezrası Mezra Köy Sk. 8 B B Yüzbeyi Köyü/ Merkez BUCAĞI/ SULLUOVA AMASYA

G- Information about Volume of Business and Number of Employees:



- a) Net sales revenue of the Company for the fiscal period of 01.04.2016-31.03.2017 is TRY 100,842,712.80.
- b) The monthly number of employees hired by the Company for the fiscal period of 01.04.2016-31.03.2017 is given in the table below.

<u>Months</u>	<u>Number of Employees</u>	<u>Months</u>	<u>Number of Employees</u>
April / 2016	126	October / 2016	149
May / 2016	126	November / 2016	154
June / 2016	125	December / 2016	151
July / 2016	127	January / 2017	149
August / 2016	126	February / 2017	158
September / 2016	134	March / 2017	162

H- Information about Investment Incentive Certificate:

The company is the holder of the Investment Incentive Certificated dated 27.10.2014 and numbered B 105411 issued in replacement of the incentive certificate dated 25.05.2012 and numbered 105411 A issued by the General Directorate of Incentive Practices and Foreign Capital of the Turkish Ministry of Economy. The completion visa was made for the relevant certificate and it was closed down on 13.04.2016 **Appendix: 6).**

I- Information about Bank Loans and Credits Used in the Certification Period:

The year-end balance of the loans used by the Company for the fiscal period of 01.04.2016-31.03.2017 and before is TRY 8,500,265.32.

J- Information about Financial Statements:

The Balance Sheet and Income Statements dated for the fiscal period of 01.04.2016-31.03.2017 of the Company are attached to this Report (**Appendix: 7).**

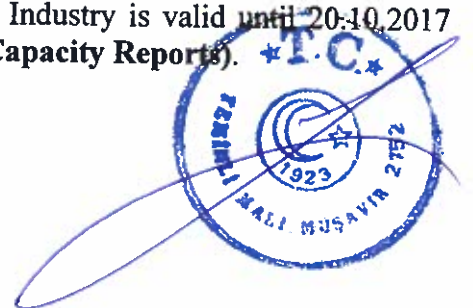
K- Information about Accounting Manager:

The information about the accounting manager of the Company is as follows.

Name Surname	Function	Title as per Law No. 3568
Ercan GÜRSOY	Accounting Manager	Independent Accountant & Financial Consultant

L- Information about Industry Registration Certificate and Capacity Report:

The taxpayer Company is registered with the Ankara Chamber of Trade under the registration number of 239097. The company holds Industry Registration Certificates, issued by the General Directorate of Industry of the Ministry of Science, Industry and Technology, as registered with the Eskisehir Chamber of Trade, dated 29.09.2014 and numbered 609124 and with the Nigde Chamber of Trade and Industry, dated 02.04.2014 and numbered 617598. The company also holds one Capacity Report dated 08.09.2016 and numbered 2016/122 issued by the Eskisehir Chamber of Trade and another Capacity Report dated 16.10.2015 and numbered 529 issued by the Nigde Chamber of Trade and Industry. The Capacity Report issued by the Eskisehir Chamber of Trade is valid until 08.09.2018 and the Capacity Report issued by the Nigde Chamber of Trade and Industry is valid until 20.10.2017 (**Appendix 8: Industry Registration Certificates, Appendix 9: Capacity Reports).**



M- Accounting System:

The Company keeps its books and accounts on computer media as per the 7/A system specified in the General Communiqué on Accounting System Practices.

II- PROCEDURAL AUDITS

A) INFORMATION ABOUT DOCUMENT AND RECORD ARRANGEMENT OF TAXPAYER:

1- Information about Certification of Legal Books:

The company has used e-book practice in the year 2016. The legal books of the taxpayer company for the fiscal period of 01.04.2016-31.03.2017 subject to the audit have been kept in the format of e-book. The application form and letter of commitment for e-book practice of the Company are in the appendix (**Appendix: 10**).

2- Whether Documents that Constitute a Basis for Book Records Comply with Procedures and Reflect the Accurate Data (whether such documents are forged or misleading in terms of their content):

The documents taken as basis for the book records do comply with the procedures, and reflect the accurate data. Detailed explanations about this point will be given in the following chapters of the Report.

3- Whether the Book Records Comply with the Ordinance of Records, General Communiqués on Accounting System Practices and General Accounting Rules:

The Book Records comply with the Ordinance of Records, General Communiqués on Accounting System Practices and General Accounting Rules.

4- Whether Declarations and Returns for Added Value, Withholding and Similar Taxes to be Submitted within the Year have been Submitted with the Stipulated Period of Time and whether such Declarations and Returns Comply with the Taxation Legislation:

The corporate tax return of the company has been submitted to the Ulus Tax Office within the legal period of time.

In addition, the added value, withholding taxes and similar declarations and returns to be submitted within the year have also been submitted within the stipulated period of time and prepared in accordance with the taxation legislation.

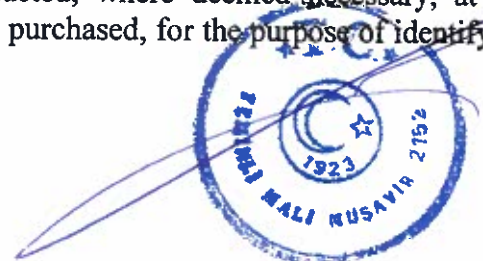
B- INFORMATION ABOUT THE AUDIT METHODS

1- Information about Audit Planning in accordance with the Article 13 of the Regulation on Certification:

In the audits performed for the fiscal period of 01.04.2016-31.03.2017, first of all, the field of activity, accounting system and adequacy of the accounting department were taken into account and the scope of surveys and examinations were determined with this framework.

2- Techniques Employed in Collection of Evidence:

During the audit works, counter-examinations were conducted, where deemed necessary, at the entities and companies, from which goods and services were purchased, for the purpose of identifying



the compliance of the specified documents. While specifying such documents, issues such as the fact that whether there is a business relationship with the person or company issuing the document, relevance of the document content to the field of activity, etc. were taken into consideration.

3- Audit Tests Applied, Audit Methods and Techniques Followed:

The audit work was conducted, first of all, in terms of book records and the compliance of the same with the documents that constitute their basis. The status of records and transactions before the taxation laws was also taken into consideration.

III- AUDITS ON ACCOUNTS

A- MANNER of AUDIT

This Sworn-in Financial Accounting Office;

- continuously audited the accounts and transactions of the taxpayer.
- conducted the audit for the current period.
- instantly corrected any error found.
- There are not any issue that was in contradiction with the Taxation Legislation and that was not corrected by the taxpayer.
- No issue that was in contradiction with the taxation legislation was found in the counter-examinations and audits.

The audits and examinations were conducted, by this Office, pursuant to the Law No. 3568 on Public Accountancy, Public Accountancy & Financial Consultancy and Sworn-in Financial Consultancy and the related General Communiqué with respect to the accounts and transactions of this company.

In this framework, purchase invoices and documents of expense were reviewed during the continuous audits in monthly periods including the past months. It was seen that the purchase and sales invoices of goods and services reflect the truth and that cash payments and payables and receivables relationships are consistent with the purchases of goods and services. No inconsistency and omission was detected in the transfer of sales invoices to the accounting records. It was seen that the revolving balance from the previous fiscal period and the opening balance of the current fiscal period are the same.

1- Whether Purchase and Sales Invoices of Goods and Services Reflect the Accurate Data (Whether such invoices are forged or misleading in terms of their content):

When we examine the movement of goods and the associated monetary movements altogether, we reached the conclusion that the purchase and sales invoices of the goods and services of the company reflect the truth and accurate data.

2- Whether Cash Payments and Payable-Receivable Relationship are Consistent with the Flows of Goods and Services, Content and Nature of Relationship with Banks and Other Finance Institutions:

Cash payments and payables-receivables relations are consistent with the flows of goods and services and reflect the actual situation. Payments and collections in the amount of TRY 7,000.00 and over were made through banks and intermediary institutions within the framework of principles set out in the communiqués numbered 320, 323, 324, 332 and 459 of the Tax Procedural Law. In addition, some of the payments and collections below this threshold amount were made through banks and checks or money transfers.



a- Cash Payments are Consistent with Purchase of Goods and Services:

The fact that the cash payments of the Company are accurate was seen and understood from the audit conducted on the Cash Account.

b- Payables-Receivables Relationships are Consistent with Flow of Goods and Services:

In the audits made on the current accounts kept in conformity with the General Communiqués on Accounting System Practices, it was found out that the payables-receivables relationships are consistent with the flows of goods and services and that these accounts are in reconciliation as of the year-end.

c- Nature and Content of Relationships with Banks and Other Finance Institutions:

The audit performed on the bank records of the company revealed that all of the banking transactions were transferred to and made available in the records. The Company has credit, loan, letter of credit, commercial saving, etc. relationships with the banks.

3- Whether Depreciation, Investment Allowance, Any Type of Exemption and Similar Amounts Were Calculated Correctly:

a- Depreciations:

The company allocated depreciation over the economic assets registered in its assets within the framework of relevant provisions on depreciation of the Tax Procedural Law no. 213. Depreciations of economic assets that entered into the assets in the subject fiscal period was calculated according to the useful life principle (Tax Procedural Law Communiqués No. 333, 339, 365, 389, 399, 439 and 458). All of the depreciation accounts calculated by the Company were checked by this Office.

b- Investment Allowance:

There is not an investment allowance exemption for the fiscal period of 01.04.2016-31.03.2017.

4- Whether the Items in the Balance Sheet Reflect the Book Records in Complete and Accurately, whether such Items Comply with the Principles Set out in the General Communiqués on Accounting System Practices:

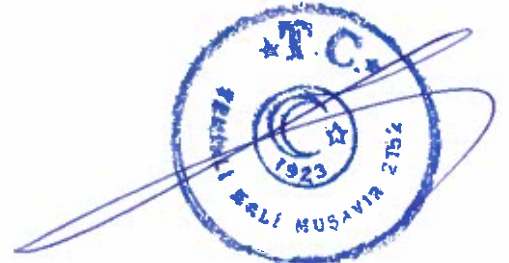
The balance sheet items of the company was subjected to individual audit within the fiscal period and at the end of the accounting period, and it was found out that the records made in the balance sheet accounts are accurate. In addition, it was also found out that the items in the balance sheet completely and accurately reflect the book records and in compliance with the principles set out in the General Communiqués on Accounting System Practices.

5- Whether income and expenses in the Income Tables comply with the book records, the principles set out in the general communiqués on accounting system practices and the generally accepted accounting principles:

Income-expense items in the income statement of the company underwent audits at all times within the year and based on the end-of-period transactions in the year-end.

It was seen that the income and expense items in the Income Statement comply with the book records and the General Communiqués on Accounting System Practices.

a- Depreciations:



Depreciations were correctly calculated pursuant to the provisions of the Tax Procedural Law. Detailed explanations about depreciations were given in the previous chapters of the Report.

b- Provision Expenses for Doubtful Receivables:

The company allocated provisions for doubtful receivables in the amount of TRY 820,000.37 in the fiscal period of 01.04.2016-31.03.2017. The provision was allocated for the doubtful receivables in accordance with the provisions of the Article 323 of the Tax Procedural Law, and the letters from the lawyer are given in the appendix to this Report. (Appendix: 11).

c- Rediscounts:

No Rediscount practice was applied in the fiscal period of 01.04.2016-31.03.2017.

c- Other Provisions:

The provisions for the Severance Pay calculated in the 2015 calendar year were added up to the tax assessment as legally non-allowable expenses in accordance with the provisions of the Tax Procedural Law.

6- Detailed Information about How Valuation of Economic Assessts subject to Valuation was Made and the Associated Calculation Method:

a- Valuation of Commodities:

The goods purchased and/or manufactured were valued by means of the weighted average cost formula.

Expenses such as transport used in the delivery of goods purchased and manufactured, interest and exchange rate differences that occurred until the date of entry into assets were included in the cost as per the relevant legal provisions and the communiqué No. 238 of the Tax Procedural Law.

The period-end inventory of the company is TRY 12,228,930.82 in the the fiscal period of 01.04.2016-31.03.2017 and the details of which are given below.

Raw Materials and Supplies	:	5,556,532.65
Finished Goods	:	1,942,701.23
Trade Goods	:	1,701,883.46
Other Inventories	:	199,995.58
<u>Advances for Purchase Orders</u>	:	<u>2,827,817.90</u>
TOTAL	:	12,228,930.82

b- Compliance of Finished Goods Quantity Balances and the Capacity Report:

The company also holds one Capacity Report dated 08.09.2016 and numbered 2016/122 issued by the Eskisehir Chamber of Trade and another Capacity Report dated 16.10.2015 and numbered 529 issued by the Nigde Chamber of Trade and Industry. It was found out that the calculations made are in consistency with the financial statements and the capacity report.

In addition, pursuant to the Article 275 of the Tax Procedural Law,

- Price of primary and raw materials used and spent in manufacturing of the finished goods,
- Workmanship corresponding to the finished products,
- Percentage corresponding to the finished goods from the general manufacturing expenses,



- Price of packaging materials for the finished goods that are required to be placed on the market in packages were included in the costs.

General administrative expenses were directly written off as expenses.

c- Valuation of Period-End Available Foreign Currency and Receivables and Payables in Foreign Currency:

The foreign currencies available as the cash and in the foreign exchange accounts as of the period-end as well as the receivables and payables in foreign currency were valued in accordance with the foreign currency rates announced by the Ministry of Finance.

d- Valuation of Other Economic Assets:

Other economic assets in the assets and liabilities of the company were valued with their cost prices and/or carrying values and purchase prices.

In this respect;

- Tangible fixed assets were valued with their cost prices,
- Provisions with their carrying/registered values, and
- Expenses-income for future years with their carrying values.

In short, each of the economic assets was subjected to valuation according to the valuation method specified in the Tax Procedural Law.

7- Retained Losses:

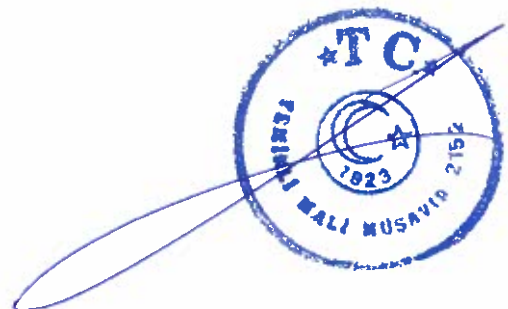
The retained losses of the Company deferred from previous years were deducted and offset from the corporate earnings for the years 2015 and 2016 in the Corporate Tax Returns, and the Company does not have any retained loss to be offset from the earnings of the future periods.

8- Advance Taxes Paid:

It was found out that the advance tax returns submitted by the company for the period was not declared with a deficiency exceeding 10 percent.

B- CALCULATION OF CORPORATE TAX

The Corporate Tax Return for the fiscal period of 01.04.2016-31.03.2017 is in the appendix of this report and a summary of it as given below:

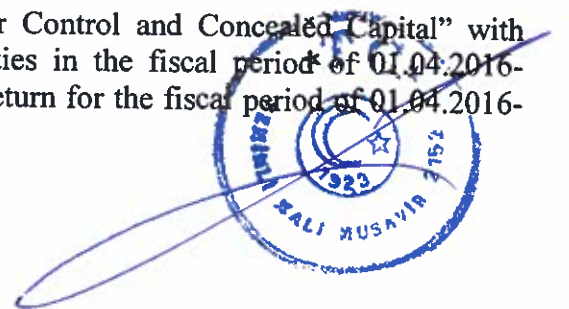


GELİR TABLOSU		INCOME STATEMENT	TUTARI
A. BRÜT SATIŞLAR		GROSS SALES	101.334.259,76
600	1- Yurtiçi Satışlar	Domestic Sales	95.909.428,49
601	2- Yurtdışı Satışlar	Export Sales	4.947.668,95
602	3- Diğer Gelirler	Other Income	477.162,32
B- SATIŞ İNDİRİMLERİ (-)		SALES DEDUCTIONS	-491.546,96
610	1- Satıştan İadeler (-)	Sales Returns	-90.473,13
611	2- Satıştan İskontoları (-)	Sales Deductions	-379.582,47
612	3- Diğer İndirimler (-)	Other Deductions	-21.491,36
C- NET SATIŞLAR		NET SALES	100.842.712,80
D- SATIŞLARIN MALİYETİ (-)		COST OF SALES	-64.822.487,96
620	1- Satılan Mamuller Maliyeti (-)	Cost of Goods Sold (Product)	-50.319.971,60
621	2- Satılan Ticari Mallar Maliyeti (-)	Cost of Goods Sold (Trade)	-4.151.028,21
622	3- Satılan Hizmet Maliyeti (-)(PATLATMA)	Cost of Services Rendered	-10.351.488,15
BRÜT SATIŞ KARI VEYA ZARARI		PROFIT OR LOSS FROM GROSS SALES	36.020.224,84
E- FAALİYET GİDERLERİ (-)		OPERATING EXPENSES	-19.820.409,38
631	2- Pazarlama, Satış ve Dağıtım Giderleri (-)	Marketing-Selling & Distribution Exp.	-15.627.572,67
632	3- Genel Yönetim Giderleri (-)	General Administr. Exp.	-4.192.836,71
FAALİYET KARI VEYA ZARARI		OPERATING PROFIT OR LOSS	16.199.815,46
F- DİĞER FAALİYETLERDEN OLAĞAN GELİR VE KARLAR		INCOME/ PROFIT FROM OTH.OP.	1.606.753,23
642	3- Faiz Gelirleri	Interest Income	68.994,92
644	5- Konusu Kalmayan Karşılıklar	Provisions No Longer Required	17.778,00
646	7- Kambiyo Karları	Profit From Foreign Currency	1.518.580,54
649	9- Faaliyetle ilgili Diğer Olağan Gelir ve Karlar	Other Operational Incomes	1.399,77
G- DİĞER FAALİYETLERDEN OLAĞAN GİDER VE ZARARLAR (-)			-7.892.707,36
654	2- Karşılık Giderleri (-)	Provisions	-548.553,52
656	4- Kambiyo Zararları (-)	Exchange Rates Losses	-7.343.527,44
659	6- Diğer Olağan Gider ve Zararlar (-)	Other Ordinary Exp. Losses	-626,40
H- FİNANSMAN GİDERLERİ (-)		FINANCIAL EXPENSES	-1.983.027,61
660	1- Kısa Vadeli Borçlanma Giderleri (-)	Financial Expenses (Short Term)	-788.661,88
661	2- Uzun Vadeli Borçlanma Giderleri (-)	Financial Expenses (Long Term)	-1.194.365,73
OLAĞAN KAR VEYA ZARAR		INCOME/ PROFIT FROM OTH.OPERATIONS	7.930.833,72
I- OLAĞANDIŞI GELİR VE KARLAR		NON-OPERAT REVENUES / P	16.672,59
679	2- Diğer Olağandışı Gelir ve Karlar	Other Non-Operat. Revenues / P	16.672,59
J- OLAĞANDIŞI GİDER VE ZARARLAR (-)		EXTRAORD EXPENSES LOSSE	-61.772,16
681	2- Önceki Dönem Gider ve Zararlar (-)	Prior Period Expenses Losses	-22.108,90
689	3- Diğer Olağandışı Gider ve Zararlar (-)	Other Extraord. Expenses Losses	-39.663,26
690	DÖNEM KARI VEYA ZARARI	INCOME OR LOSS FOR THE PERIOD	7.885.734,15

According to the income statement pertaining to the fiscal period of 01.04.2016-31.03.2017, as also given in the Appendix 7 of this Report, the profit for the period was calculated as TRY 7,885,734.15. In addition, the officials of the Taxpayer Company calculated a provision for taxes in the amount of TRY 1,675,177.89 for the fiscal period of 01.04.2016-31.03.2017.

C- EXPLANATIONS ABOUT TRANSFER PRICES:

"Form concerning Transfer Pricing, Foreign Entities under Control and Concealed Capital" with respect to the transactions realized with the affiliated parties in the fiscal period of 01.04.2016-31.03.2017 is given in the appendix to the Corporate Tax Return for the fiscal period of 01.04.2016-



31.03.2017. No discrepancy was found between the bill of accounts constituting a basis for information included in the form and the legal records.

The principle of compliance with the exemplary cases denotes to the compliance with the price or amount to be applied in the event that such a relation would not exist between them in respect of the price or amount applied for purchase or sale of the goods or services with the affiliated persons. Applicability of this principle is based upon the comparability of the transactions among the affiliated parties and the transactions among the non-affiliated parties.

The comparability analysis requires detailed assessment of qualifications of goods and services, function analysis, economic conditions and business strategies.

Combined application of techniques, information and methods pertaining to different expertise areas is necessary for an efficient comparability analysis. Furthermore, the Ministry of Finance does not keep a database available for the use of taxpayers oriented at determination of exemplary prices.

Therefore, the possibility to make a comparability analysis oriented at transactions and works conducted with affiliated parties is limited within the scope of certification services that constitute the subject matter of this Report. The certification service provided in this Report has been kept limited to the records and documents available in the legal books of the taxpayer.

IV- CONCLUSION

In conclusion of the examination and audit of the accounts and transactions, pertaining to the fiscal period of 01.04.2016-31.03.2017, within the framework of powers and authorizations vested in the Sworn Financial Consultants by virtue of the taxation legislation, the Law No. 3568 and the regulations and practice communiqués of the said law, of **Solar Patlayici Maddeler San. A.S.**, a taxpayer registered with the Ulus Tax Office under the tax identification number of 471 040 0592, and the investigation of the compliance of the actual status, accounting records and documents with the relevant legislation, we are in the opinion and have reached the conclusion that;

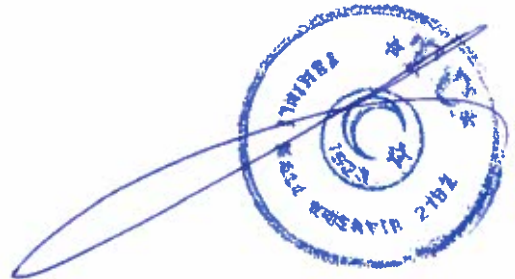
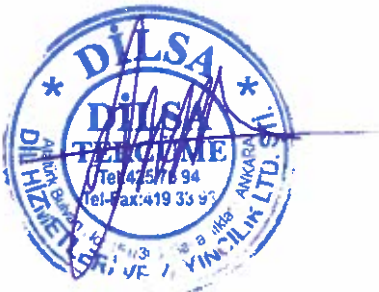
1. Trading profit of the company for the fiscal period of 01.04.2016-31.03.2017 is TRY 7,885,734.15;
2. A provision for taxes was allocated in the amount of TRY 1,675,177.89 for the fiscal period of 01.04.2016-31.03.2017;
3. The documents available in the records of the company have been recognized and entered into the accounting system in accordance with the general communiqués on accounting system practices; items in the primary financial statements are consistent with the book records and the financial statements have been kept in accordance with the principles set out in the general communiqués on accounting system practices and the generally accepted accounting principles and procedures.

Şakir DOĞUKKAYA
Sworn-in Financial Consultant



APPENDICES:

- 1- Copies of Trade Registry Gazettes
- 2- Letter about Change of Tax Office
- 3- Copy of Chamber Register Extract Registration
- 4- Contract
- 5- Certificate of Activity of Sworn-in Financial Consultancy Office
- 6- Investment Incentive Certificate
- 7- Balance Sheet and Income Statement
- 8- Industry Registration Certificates
- 9- Capacity Reports
- 10- Application Form and Letter of Commitment E-Book Practice
- 11- Letters by Lawyer about Doubtful Receivables



SOLAR PATLAYICI MADDELER SANAYİ A.Ş.

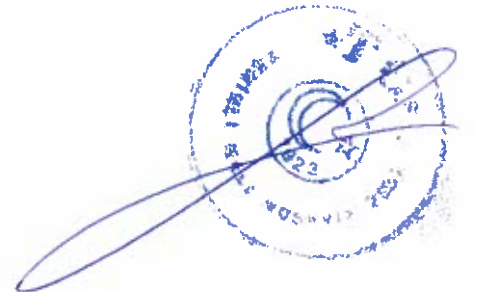
BİLANÇO TABLOSU			Mar-17		
AKTİF DÖNEN VARLIKLARI		ASSETS	CURRENT ASSETS	TUTARI	Aktif İçindeki Payı
1	DÖNEN VARLIKLAR		CURRENT ASSETS	77.160.500,63	81%
10	HAZIR DEĞERLER	LIQUID ASSETS		238.179,38	0%
	100 KASA	CASH AND CASH EQUIVALENTS		10.694,94	0%
	101 ALINAN ÇEKLER	CHEQUES RECEIVED		0,00	0%
	102 BANKALAR	CASH IN BANKS		227.484,44	0%
11	MENKUL KIYMETLER	SECURITIES		0,00	0%
12	TİCARİ ALACAKLAR	TRADE RECEIVABLE		61.901.626,15	65%
	120 ALICILAR	BUYERS		28.983.754,04	30%
	121 ALACAK SENETLERİ	NOTES RECEIVABLE		32.639.119,37	34%
	126 VERİLEN DEPOZİTO VE TEMİNAT	DEPOSITS AND GUARANTEES GIVEN		212.799,71	0%
	127 DİĞER TİCARİ ALACAKLAR	OTHER COMMERCIAL RECEIVABLES		65.953,03	0%
	128 ŞÜPHELİ TİCARİ ALACAKLAR	DOUBTFUL COMMERCIAL RECEIVABLE		820.000,37	1%
	129 ŞÜPHELİ TİCARİ ALACAKLAR KARŞILIĞI (-)	ALLOWANCE FOR SPECIFIC DOUBTFUL DEBTS (-)		-820.000,37	-1%
13	DİĞER ALACAKLAR	OTHER COMMERCIAL RECEIVABLE		1.907.148,85	2%
	136 DİĞER ÇEŞİTLİ ALACAKLAR	OTHER COMMERCIAL RECEIVABLES		1.907.148,85	2%
15	STOKLAR	INVENTORIES		12.228.930,82	13%
	150 İLK MADDE VE MALZEME	RAW MATERIALS AND SUPPLIES		5.556.532,65	6%
	152 MAMÜLLER	FINISHED GOODS		1.942.701,23	2%
	3 TİCARİ MALLAR	COMMERCIAL GOODS		1.701.883,46	2%
	157 DİĞER STOKLAR	OTHER INVENTORIES		199.995,58	0%
	159 VERİLEN SİPARİŞ AVANSLARI	ADVANCES GIVEN FOR PURCHASES		2.827.817,90	3%
17	YILLARA YAYGIN İNŞAAT VE ONARIM GİDERLERİ			0,00	0%
18	GELECEK AYLARA AİT GİDER GELİR TAHK.	EXPENSES AND REALIZED INCOME OF COMING MONTHS		841.558,64	1%
	180 GELECEK AYLARA AİT GİDERLER	EXPENSES OF COMING MONTHS		208.868,75	0%
	189 GELECEK AYLARA AİT BORÇLANMA MALİYETLERİ			632.689,89	1%
19	DİĞER DÖNEN VARLIKLAR	OTHER CURRENT ASSETS		43.056,79	0%
	193 PEŞİN ÖDENEN VERGİLER VE FONLAR	TAXES AND FUND LEVIES PAID IN ADVANCE		0,00	0%
	195 İŞ AVANSLARI	JOB ADVANCES		43.056,79	0%

BİLANÇO TABLOSU			Mar-17		
AKTİF DÖNEN VARLIKLARI		ASSETS	CURRENT ASSETS	TUTARI	Aktif İçindeki Payı
2	DURAN VARLIKLAR		FIXED ASSETS	18.203.874,97	19%
22	TİCARİ ALACAKLAR	COMMERCIAL RECEIVABLES		29.891,44	0%
	226 VERİLEN DEPOZİTO VE TEMİNAT	DEPOSITS AND GUARANTEES GIVEN		29.891,44	0%
23	DİĞER ALACAKLAR	OTHER COMMERCIAL RECEIVABLES		0,00	0%
24	MALİ DURAN VARLIKLAR	FINANCIAL FIXED ASSETS		0,00	0%
25	MADDİ DURAN VARLIKLAR	TANGIBLE FIXED ASSETS		5.785.756,64	6%
	3 TESİS, MAKİNA VE CİHAZLAR	MACHINERY INSTALLATIONS AND EQ		6.293.330,15	7%
	4 TAŞITLAR	TRANSPORTATION VEHICLES		742.726,10	1%
	255 DEMİRBAŞLAR	FURNITURE / FIXTURES AND FITTI		927.880,63	1%
	257 BİRİKMiŞ AMORTİSMANLAR (-)	ACCUMULATED DEPRECIATIONS (-)		-2.376.260,03	-2%
	258 YAPILMAKTA OLAN YATIRIMLAR	CONSTRUCTION IN PROGRESS		198.079,79	0%
26	MADDİ OLMAYAN DURAN VARLIKLAR	INTANGIBLE FIXED ASSETS		9.523.290,74	10%
	260 HAKLAR	RIGHTS		81.560,92	0%
	264 ÖZEL MALİYETLER	SPECIAL COSTS		10.339.638,37	11%
	268 BİRİKMiŞ AMORTİSMANLAR (-)	ACCUMULATED DEPRECIATIONS (-)		-897.908,55	-1%
27	ÖZEL TÜKENMEYE TABİ VARLIKLAR.	SPECIAL AMORTIZABLE ASSE		0,00	0%
28	GELECEK YIL. AİT GİDER, GELİR	PREPAID EXPENSES FUTURE PERIO		2.864.936,15	3%
	280 GELECEK YILLARA AİT GİDERLER	PREPAID EXPENSES FUTURE PERIO		41.684,27	0%
	289 GELECEK YILLARA AİT BORÇLANMA MALİYETLERİ			2.823.251,88	3%
29	DİĞER DURAN VARLIKLAR	FIXED ASSETS		0,00	0%
AKTİF TOPLAM		TOTAL OF ASSETS		95.364.375,60	100%



BİLANÇO TABLOSU			Mar-17		
PASİF K.V.Y.KAYNAKLAR		LIABILITIES	SHORT TERM	TUTARI	Pasif İçindeki Payı
KISA VAD.YABANCI KAYNAKLAR		EXTERNAL RESOURCES			
30 MALİ BORÇLAR		SHORT TERM EXTERNAL RESOURCES		47.769.552,54	50%
300	BANKA KREDİLERİ	FINANCIAL LIABILITIES		9.759.166,51	10%
303	KISA VADE.KRD.ANAPARA TAK.FAİZİ	BANK LOANS		8.500.265,32	9%
309	DİĞER MALİ BORÇLAR	CURRENT PORTION OF LONG TERM L		703.135,79	1%
32	TİCARİ BORÇLAR	OTHER FINANCIAL LIABILITIES		555.765,40	1%
320	SATICILAR	TRADE PAYABLES		34.578.956,77	36%
321	BORÇ SENETLERİ	ACCOUNTS PAYABLE		30.985.797,13	32%
329	DİĞER TİCARİ BORÇLAR	NOTES PAYABLE		3.549.546,64	4%
33	DİĞER BORÇLAR	OTHER TRADE PAYABLES - DOMESTIC SELLERS		43.613,00	0%
335	PERSONEL BORÇLARI	OTHER PAYABLES		29.041,90	0%
34	ALINAN AVANSLAR	DUE FROM STAFF		29.041,90	0%
340	ALINAN SİPARİŞ AVANSLARI			1.372.162,95	1%
36	ÖDENECEK VERGİ VE DİĞER YÜKÜMLÜLÜKLER	TAXES AND OTHER LIABILITIES		1.372.162,95	1%
360	ÖDENECEK VERGİ VE FONLAR	TAXES AND FUNDS PAYABLE		927.717,55	1%
361	ÖDENECEK SOS.GÜVEN.KESİNTİLERİ	SOCIAL SECURITY DEDUCT. PAYABL.		757.403,61	0%
37	BORÇ VE GİDER KARŞILIKLARI	RESERVES FOR DEBTS AND EXPENSES		170.313,94	0%
370	DÖNEM KARI VERGİ,DİĞERYASALYUK. KARŞ.	PROV. TAX AND OTHER DUTIES ON		899.031,50	1%
371	DÖNEM KARININ PEŞİN ÖDENEN VERGİ DİĞER YÜK (-)	PREPAID INCOME TAX / DUTIES (-)		1.675.177,89	2%
372	DİĞER BORÇ VE GİDER KARŞILIKLARI	PROV. / OTHER LIABILITIES		-930.994,36	-1%
38	GELECEK AYLARA AİT GELİR GİDER TAHAKKUKU	INCOMES AND REALIZED EXPENSES OF COMING MONTHS		154.847,97	0%
381	GİDER TAHAKKUKLARI	EXPENSE ACCRUALS		203.475,36	0%
39	DİĞER KISA VA.YABANCI KAYNAKLAR	OTHER SHORT - TERM EXTERNAL RESOURCES		203.475,36	0%
				0,00	0%

BİLANÇO TABLOSU			Mar-17		
PASİF U.V.Y.KAYNAKLAR ÖZ KAYNAKLAR		LIABILITIES	LONG TERM EXTERNAL	TUTARI	Pasif İçindeki Payı
4 UZUN VAD.YABANCI KAYNAKLAR		RESOURCES			
40 MALİ BORÇLAR		LONG TERM EXTERNAL RESOURCES		21.624.906,49	23%
409	DİĞER MALİ BORÇLAR	FINANCIAL LIABILITIES		20.945.776,57	22%
42	TİCARİ BORÇLAR	OTHER FINANCIAL LIABILITIES		20.945.776,57	22%
43	DİĞER BORÇLAR	TRADE PAYABLES		0,00	0%
44	ALINAN AVANSLAR	OTHER PAYABLES		0,00	0%
47	BORÇ VE GİDER KARŞILIKLARI			0,00	0%
472	KIDEM TAZMİNATI KARŞILIKLARI	PROV. / DEBTS & EXP.		679.129,92	1%
48	GELECEK YILLARA AİT GELİR GİDER TAHAK.	PROV. / RETIREMENT FEES		679.129,92	1%
49	DİĞER UZUN VADELİ YAB.KAYNAK	INC. RELATING TO FUTURE PERIODS		0,00	0%
5	ÖZ KAYNAKLAR	OTHER LONG TERM. LIABILITIES		0,00	0%
50	ÖDENMİŞ SERMAYE	EQUITY		25.969.916,78	27%
501	SERMAYE	PAID-UP CAPITAL		8.050.000,00	8%
501	ÖDENMEMİŞ SERMAYE	CAPITAL		8.050.000,00	8%
52	SERMAYE YEDEKLERİ	OUTSTANDING CAPITAL (-)		0,00	0%
529	DİĞER SERMAYE YEDEKLERİ	CAPITAL RESERVES		12.964.846,98	14%
54	KAR YEDEKLERİ	OTHER CAPITAL RESERVES		12.964.846,98	14%
540	YASAL YEDEKLER	OTHER RESERVES		7.764,66	0%
57	GEÇMİŞ YILLAR KARLARI	LEGAL RESERVES		7.764,66	0%
570	GEÇMİŞ YILLAR KARLARI	PROFIT OF PREVIOUS YEARS		1.107.868,00	1%
58	GEÇMİŞ YILLAR ZARARLARI (-)	PROFIT OF PREVIOUS YEARS		1.107.868,00	1%
580	GEÇMİŞ YILLAR ZARARLARI (-)	LOSSES OF PREVIOUS YEARS (-)		-2.371.119,12	-2%
59	DÖNEM NET KARI (ZARARI)	LOSSES OF PREVIOUS YEARS (-)		-2.371.119,12	-2%
590	DÖNEM NET KARI	NET INCOME FOR THE PERIOD		6.210.556,26	7%
591	DÖNEM NET ZARARI (-)	NET INCOME FOR THE PERIOD		6.210.556,26	7%
		NET LOSS FOR THE PERIOD		0,00	0%
PASİF TOPLAMI		TOTAL LIABILITIES		95.364.375,81	100%



SOLAR PATLAYICI MADDELER SANAYİ A.Ş.

TOPLAM
01.04.2016/31.03.2017

GELİR TABLOSU		INCOME STATEMENT	TUTARI	Net Satış Oranı
A. BRÜT SATIŞLAR		GROSS SALES	101.334.259,76	100,49%
600	1- Yurtiçi Satışlar	Domestic Sales	95.909.428,49	95,11%
601	2- Yurtdışı Satışlar	Export Sales	4.947.668,95	4,91%
602	3- Diğer Gelirler	Other Income	477.162,32	0,47%
B- SATIŞ İNDİRİMLERİ (-)		SALES DEDUCTIONS	-491.546,96	-0,49%
610	1- Satıştan İadeler (-)	Sales Returns	-90.473,13	-0,09%
611	2- Satıştan İskontoları (-)	Sales Deductions	-379.582,47	-0,38%
612	3- Diğer İndirimler (-)	Other Deductions	-21.491,36	-0,02%
C- NET SATIŞLAR		NET SALES	100.842.712,80	100,00%
D- SATIŞLARIN MALİYETİ (-)		COST OF SALES	-64.822.487,96	-64,28%
620	1- Satılan Mamuller Maliyeti (-)	Cost of Goods Sold (Product)	-50.319.971,60	-49,90%
621	2- Satılan Ticari Mallar Maliyeti (-)	Cost of Goods Sold (Trade)	-4.151.028,21	-4,12%
622	3- Satılan Hizmet Maliyeti (-)(PATLATMA)	Cost of Services Rendered	-10.351.488,15	-10,26%
BRÜT SATIŞ KARI VEYA ZARARI		PROFIT OR LOSS FROM GROSS SALES	36.020.224,84	35,72%
E- FAALİYET GİDERLERİ (-)		OPERATING EXPENSES	-19.820.409,38	-19,65%
631	2- Pazarlama, Satış ve Dağıtım Giderleri (-)	Marketing-Selling & Distribution Exp.	-15.627.572,67	-15,50%
632	3- Genel Yönetim Giderleri (-)	General Administr. Exp.	-4.192.836,71	-4,16%
FAALİYET KARI VEYA ZARARI		OPERATING PROFIT OR LOSS	16.199.815,46	16,06%
F- DİĞER FAALİYETLERDEN OLAĞAN GELİR VE KARLAR		INCOME/ PROFIT FROM OTH.OP.	1.606.753,23	1,59%
642	3- Faiz Gelirleri	Interest Income	68.994,92	0,07%
644	5- Konusu Kalmayan Karşılıklar	Provisions No Longer Required	17.778,00	0,02%
646	7- Kambiyo Karları	Profit From Foreign Currencye	1.518.580,54	1,51%
649	9- Faaliyetle ilgili Diğer Olağan Gelir ve Karlar	Other Operational Incomes	1.399,77	0,00%
G- DİĞER FAALİYETLERDEN OLAĞAN GİDER VE ZARARLAR (-)			-7.892.707,36	-7,83%
654	2- Karşılık Giderleri (-)	Provisions	-548.553,52	-0,54%
656	4- Kambiyo Zararları (-)	Exchange Rates Losses	-7.343.527,44	-7,28%
659	6- Diğer Olağan Gider ve Zararlar (-)	Other Ordinary Exp. Losses	-626,40	0,00%
H- FİNANSMAN GİDERLERİ (-)		FINANCIAL EXPENSES	-1.983.027,61	-1,97%
660	1- Kısa Vadeli Borçlanma Giderleri (-)	Financial Expenses (Short Term)	-788.661,88	-0,78%
661	2- Uzun Vadeli Borçlanma Giderleri (-)	Financial Expenses (Long Term)	-1.194.365,73	-1,18%
OLAĞAN KAR VEYA ZARAR		INCOME/ PROFIT FROM OTH.OPERATIONS	7.930.833,72	7,86%
I- OLAĞANDIŞI GELİR VE KARLAR		NON-OPERAT REVENUES / P	16.672,59	0,02%
679	2- Diğer Olağandışı Gelir ve Karlar	Other Non-Operat. Revenues / P	16.672,59	0,02%
J- OLAĞANDIŞI GİDER VE ZARARLAR (-)		EXTRAORD EXPENSES LOSSE	-61.772,16	-0,06%
681	2- Önceki Dönem Gider ve Zararlar (-)	Prior Period Expenses Losses	-22.108,90	-0,02%
689	3- Diğer Olağandışı Gider ve Zararlar (-)	Other Extraord. Expenses Losses	-39.663,26	-0,04%
690 DÖNEM KARI VEYA ZARARI		INCOME OR LOSS FOR THE PERIOD	7.885.734,15	7,82%
691	Dönem Karı Vergi Karşılığı	Prov/Taxes Statutory Oblig.	-1.675.177,89	-1,66%
692 DÖNEM NET KARI VEYA ZARARI		NET PERIOD PROFIT OR LOSS	6.210.556,26	6,16%

