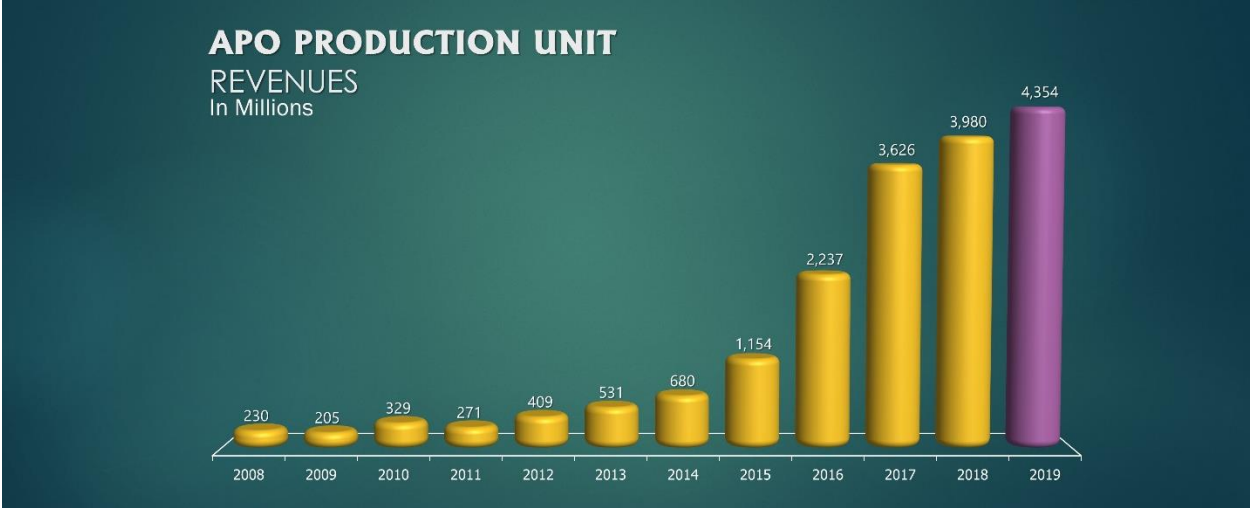


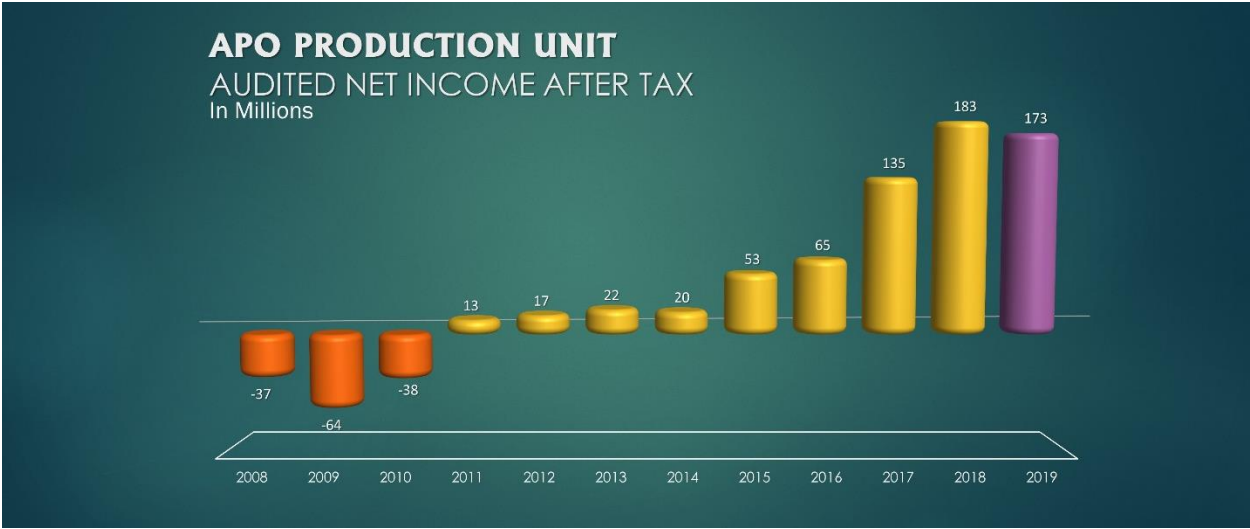
APO PRODUCTION UNIT, INC.

ANNUAL REPORT 2019

In 2019, APO Production Unit, Inc. is projected to exceed its 2018 revenues by 9%, exceeding the P4 billion in total revenue. APOs revenue from the contract with the Department of Foreign Affairs (DFA) for the printing of passport still contributes 73% of APO’s total revenue. Revenues from other sources, such as printing of accountable forms and tax stamps will contribute 27% of total APO revenues. Revenues from the printing of tax stamps is projected to exceed 600 million, while the printing of accountable forms (QC plant) will add more than P750 million.

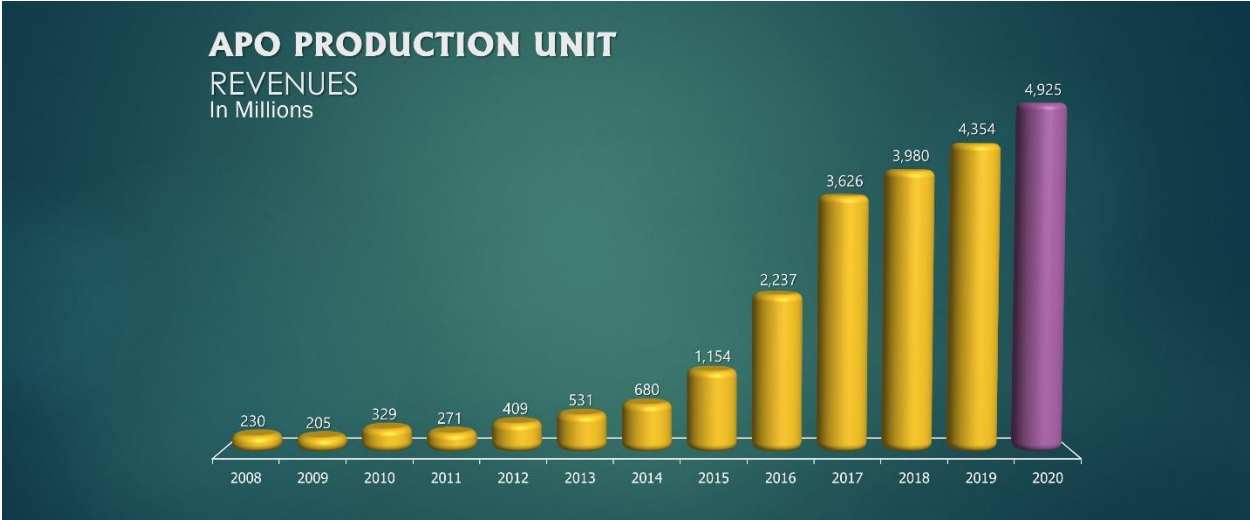


APO Production Unit Inc., is projected to exceed the projected income due to new jobs that are currently on-going. APO is likely to exceed its 2018 audited income. Revenue from the printing of passport will account 40% of APO’s net income in 2019 while the revenue for the printing of tax stamp and other accountable forms will contribute 60% of the net income.

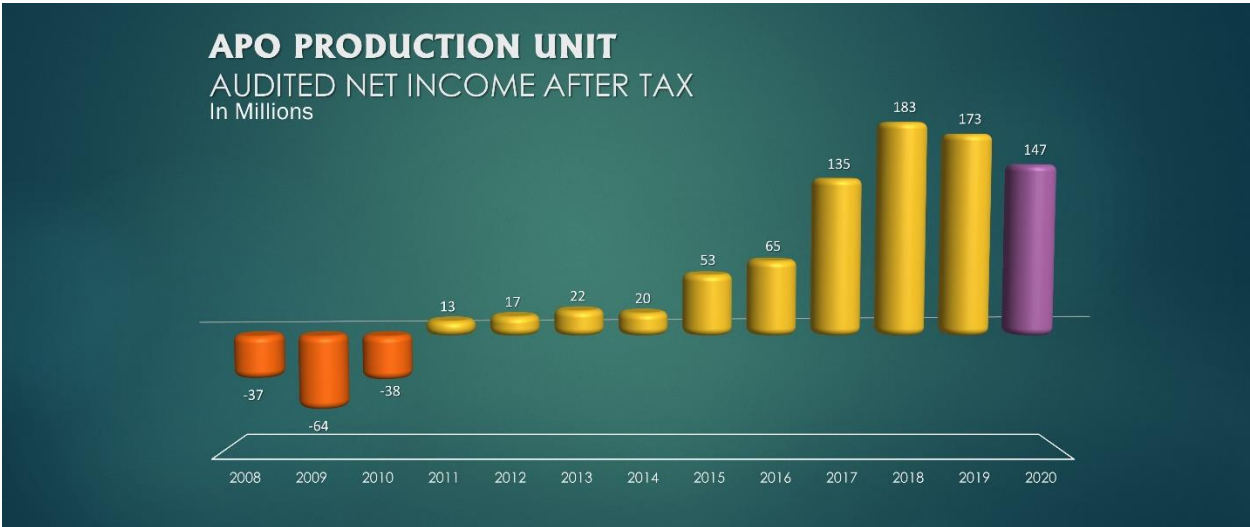


In 2019, APO remitted to the National Treasury, dividends, amounting to P63.8 million.

2019 Projections



In 2020, APO Production Unit, Inc. is projecting a total revenue of P4.9 billion. The bulk of APO’s revenue will still come from the passport project with DFA, which is projected to generate a revenue of P3.2 billion. The printing of tax stamps and accountable forms will generate P1.7 billion .



For 2020, a significant portion of APO’s projected income is projected to dip due to projected salary increase assumptions. A significant amount of dividends still come from the Joint Venture project for the production of passports.