



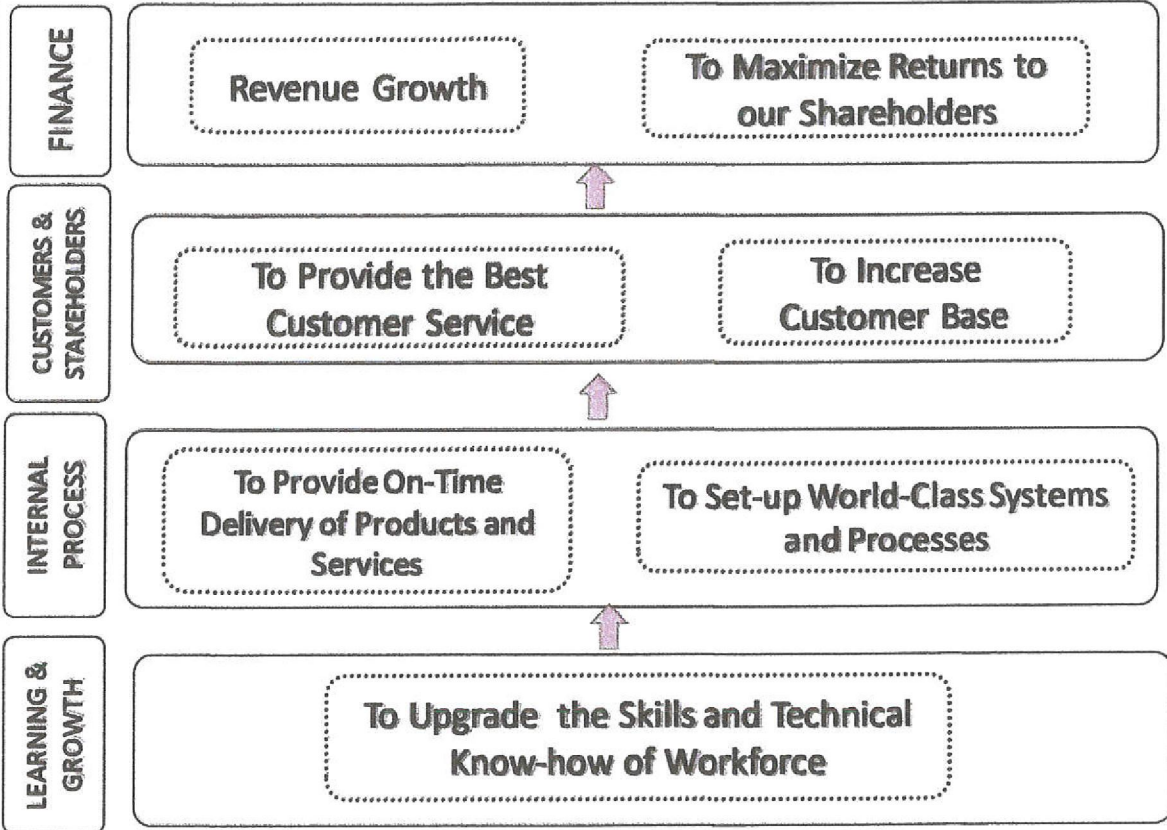
APO PRODUCTION UNIT, INC. STRATEGY MAP



Vision
By 2020, for APO to provide cutting-edge printing services to foreign governments and international organizations.

Mission
To meet the requirements of the National Government and its agencies for highly-sensitive security printing services by employing innovative technologies, business efficiencies and highly-competent personnel through the judicious use of the corporate form of organization.

- Core Values**
- Integrity
 - Innovativeness
 - Entrepreneurial Spirit
 - Pursue Growth and Learning
 - Social Responsibility
 - Teamwork



2019 PERFORMANCE SCORECARD (ANNEX B)

APO PRODUCTION UNIT, INC.

		Component			Baseline Data		Targets		
		Objective/Measure	Formula	Weight	Rating System ^{a/}	2016	2017	2018	2019
FINANCE	SO 1	Revenue Growth							
	SM 1	Revenue Growth from Previous Year							
		a. QC Plant and Lima Plant	Actual Total Revenues	20%	Actual / Target	₱816.20 M	₱762.9 M	₱1,072.2 M	₱1,154 M
	b. Joint Venture Company	20%		Actual / Target	₱1,420.6 M	₱2,834.4 M	₱3,000 M	₱3,267 M	
	SM 2	EBITDA	Net Income + Interest + Taxes + Depreciation	15%	Actual / Target	₱79.8	₱169.8 M	₱155 M	₱227 M
	SO 2	To Maximize Return to Our Shareholders							
	SM 3	Dividends Remittance to the National Government (NG)	Actual Remittance	15%	Actual / Target	₱23.9 M	₱38.69 M	₱27.082 M	₱51,545,028
		Sub-total	70%						
CUSTOMERS/ STAKEHOLDERS	SO 3	To Provide the Best Customer Service							
	SM 4	Percentage of Satisfied Customers	Number of respondents which gave <i>at least</i> a Satisfactory rating / Total number of respondents	5%	(Actual / Target) x Weight 0% = If less than 80%	95.8%	100%	94%	90% (Using the Standard Methodology and Questionnaire developed by GCG)
	SO 4	To Increase Customer Base							
	SM 5	Increase in Government Agencies Served	No. of Agencies	5%	Actual / Target	89	106	110 (+4)	+1 (from 2018 baseline)
		Sub-total	10%						

INTERNAL PROCESS	SO 5	To Provide On-Time Delivery of Products							
	SM 6	Reduction of Penalties Incurred	Total Penalties/ Total Sales	5%	Actual / Target	0.047%	0.046%	0.050%	0.050%
	SO 6	To Set Up World Class Systems and Processes							
	SM 7	ISO Certification							
		a. QC Plant	Actual Accomplishment	5%	All or Nothing	% Manualization of QC Plant	N/A	Pass Surveillance Audit (ISO 9001:2015)	Pass Surveillance Audit (ISO 9001:2015)
b. Lima Plant	5%	All or Nothing		Pass Surveillance Audit	Pass Surveillance Audit (ISO 9001:2008)	Pass Surveillance Audit (ISO 9001:2008)	Pass Surveillance Audit (ISO 9001:2015)		
		Sub-total	15%						
LEARNING & GROWTH	SO 7	To Upgrade the Skills and Technical Know-How of Workforce							
	SM 8	Percentage of Employees Meeting Required Competencies	Actual Accomplishment	5%	a. 2.5% b. 2.5%	N/A	N/A	a. Board-Approved Competency Model b. Establish Baseline	a. Board-Approved Competency Model b. Establish Baseline
			Sub-total	5%					
		TOTAL	100%						

a/ But not to exceed the weight assigned per indicator.

APO PRODUCTION UNIT, INC. (APO-PUI)
Validated 2019 Performance Scorecard

Objective/ Measure	Component			APO-PUI Submission			GCG Validation		Supporting Documents	Remarks													
	Formula	Weight	Rating System ^{a/}	Target	Actual	Rating	Score	Rating															
SO 1	Revenue Growth																						
	<i>Revenue Growth from Previous Year</i>																						
SM 1	a. QC Plant and Lima Plant	Actual Total Revenues	20%	Actual/Target x Weight	1,154 M	1,352.9 M	30%	948.32 M	16.44%	- 2019 COA-audited Financial Statements (FS) - APO Schedule of 2019 Deliveries	<table border="1"> <tr> <td>2019 Sales per FS</td> <td>4,075,852,523</td> </tr> <tr> <td>Less: Sales charged to JV</td> <td>3,127,535,670</td> </tr> <tr> <td>Adjusted 2019 Sales</td> <td>₱948,316,853</td> </tr> </table>	2019 Sales per FS	4,075,852,523	Less: Sales charged to JV	3,127,535,670	Adjusted 2019 Sales	₱948,316,853						
	2019 Sales per FS		4,075,852,523																				
Less: Sales charged to JV	3,127,535,670																						
Adjusted 2019 Sales	₱948,316,853																						
b. Joint Venture Company	20%	3,267 M	3,127.5 M	9.6%	3,126.7 M	19.14%	- Copy of APO-UGEC Security Printing JV's 2019 Unaudited FS	Total service revenue for 2019 from the APO-UGEC JV is at ₱3,126,746,964.															
SM 2	EBITDA	Net Income + Interest + Taxes + Depreciation	15%		227 M	387 M	15%	353 M	15%	- 2019 COA-audited FS and its Notes - APO-PUI EBITDA Computation with Details of Depreciation	<table border="1"> <thead> <tr> <th>Items</th> <th>Amount in ₱</th> </tr> </thead> <tbody> <tr> <td>Net Profit</td> <td>268,907,200</td> </tr> <tr> <td>Taxes</td> <td>72,532,432</td> </tr> <tr> <td>Dep – Direct</td> <td>4,297,041</td> </tr> <tr> <td>Dep – Admin</td> <td>7,723,343</td> </tr> <tr> <td>EBITDA</td> <td>353,460,016</td> </tr> </tbody> </table>	Items	Amount in ₱	Net Profit	268,907,200	Taxes	72,532,432	Dep – Direct	4,297,041	Dep – Admin	7,723,343	EBITDA	353,460,016
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SO 2	To Maximize Return to Our Shareholders																						
SM 3	Dividends Remittance to National Government (NG)	Actual Remittance	15%	Actual/Target x Weight	51,545,028	63.8 Million	15%	63,776,073	15%	- Official Receipts issued by BTr - Schedule of 2019 Dividend Payments	In 2019, APO-PUI duly remitted a total of ₱63.78 Million in dividends, representing the full payment of its CY2017 dividends due.												
	Subtotal		70%				69.60%		65.58%														

		Component			APO-PUI Submission		GCG Validation		Supporting Documents	Remarks																										
Objective/ Measure	Formula	Weight	Rating System ^{a/}	Target	Actual	Rating	Score	Rating																												
CUSTOMERS / STAKEHOLDERS	SO 3	To Provide the Best Customer Service																																		
	SM 4	Percentage of Satisfied Customers	Number of respondents which gave at least a Satisfactory rating / Total number of respondents	5%	Actual/ Target x Weight 0% = If less than 80%	90% (Using the Standard Methodology and Questionnaire developed by GCG)	100%	5%	-	0%	- 2019 Customer Satisfaction Survey for APO-PUI by Carmelita N. Ericta - Copies of sample accomplished CSS questionnaires	<table border="1"> <thead> <tr> <th>Rating</th> <th>No. of Agencies</th> <th>% of Satisfied Customers</th> </tr> </thead> <tbody> <tr> <td>Very Satisfied</td> <td>51</td> <td>50.00%</td> </tr> <tr> <td>Satisfied</td> <td>47</td> <td>46.08%</td> </tr> <tr> <td>Neutral</td> <td>2</td> <td>1.96%</td> </tr> <tr> <td>Dissatisfied</td> <td>1</td> <td>0.98%</td> </tr> <tr> <td>Very Dissatisfied</td> <td>0</td> <td>0.00%</td> </tr> <tr> <td>N/A</td> <td>1</td> <td>0.98%</td> </tr> <tr> <td>Total</td> <td>102</td> <td>100.00%</td> </tr> </tbody> </table> <p>The CSS Report, however, did not indicate the spot-checking and/or back-checking procedures made. Hence, the conducted 2019 CSS did not meet the requirement on Data Collection Quality Control.</p>	Rating	No. of Agencies	% of Satisfied Customers	Very Satisfied	51	50.00%	Satisfied	47	46.08%	Neutral	2	1.96%	Dissatisfied	1	0.98%	Very Dissatisfied	0	0.00%	N/A	1	0.98%	Total	102	100.00%
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	N/A	1	0.98%																																	
	Total	102	100.00%																																	
SO 4	To Increase Customer Base																																			
SM 5	Increase in Government Agencies Served	No. of Agencies	5%	Actual/ Target x Weight	+1 (from 2018 baseline of 154)	177	5%	177	5%	- List of APO Clients (Directory) in 2019	APO-PUI had 154 clients in 2018. In 2019, thirty-four (34) client agencies were added, with a cumulative total of 177 agencies.																									
		Subtotal	10%				10%		5%																											
INTERNAL PROCESS	SO 5	To Provide On-Time Delivery of Products																																		
	SM 6	Reduction of Penalties Incurred	Total Penalties / Total Sales	5%	Actual/ Target x Weight	0.050%	0.008%	5%	0.008%	5%	- Computation of 2019 Penalties - 2019 COA-audited FS	In 2019, total penalties incurred was at ₱343,753, as against the total Sales Revenue of ₱4,075,852,523.																								

	Component				APO-PUI Submission		GCG Validation		Supporting Documents	Remarks		
	Objective/ Measure	Formula	Weight	Rating System ^{a/}	Target	Actual	Rating	Score			Rating	
LEARNING & GROWTH	SO 6	To Set-up World Class Systems and Processes										
		ISO Certification										
	SM 7	a. QC Plant	Actual Accomplishment	5%	All or Nothing	Pass Surveillance Audit (ISO 9001:2015)	ISO Certification of QC Plant	5%	Certified to ISO 9001:2015	5%	- Copy of ISO 9001:2015 Registration Certificate	QC Plant was awarded with the ISO 9001:2015 Certification by QAS International on 23 Dec 2019. The scope includes the design & development, manufacturing, printing, testing, storage and distribution of regular (Quezon City operation) and security (Lima Technology) printing products.
		b. Lima Plant		5%	All or Nothing	Pass Surveillance Audit (ISO 9001:2015)	Pass Surveillance Audit (ISO 9001:2015)	5%	Passed Surveillance Audit (ISO 9001:2015)	5%	- SGS Management System Certification Audit Summary Report	Lima Plant passed the Surveillance Audit for the ISO 9001:2015, conducted on 03 June 2020 by SGS and was recommended for continued certification.
		Subtotal		15%				15%		15%		
SO 7	To Upgrade the Skills and Technical Know-How of Workforce											
SM 8	Percentage of Employees Meeting Required Competencies	Actual Accomplishment	5%	a. 2.5% b. 2.5%	a. Board-Approved Competency Model b. Establish Baseline	-	0%	Not Accomplished	0%	Not Accomplished	As of 2019, APO-PUI is in the process of procuring the services of a 3 rd party for the development of a Competency Model and has made a Draft Office Order on the creation of a Core Team/TWG on the matter.	
	Subtotal		5%				0%		0%			
TOTAL			100%				94.60%		85.58%			

a/ But not to exceed the weight assigned per indicator.