



APO PRODUCTION UNIT, INC. STRATEGY MAP

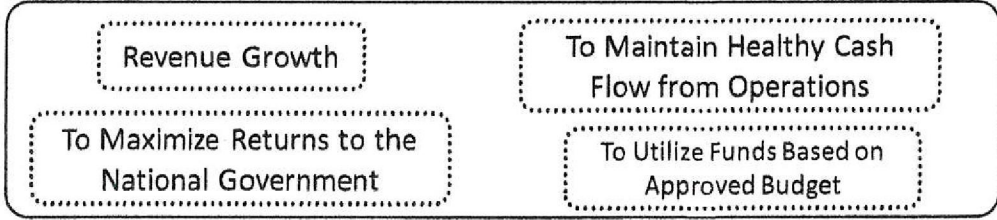


Vision
By 2025, for APO Production Unit, Inc. to provide world-class printing services to the national government and its agencies.

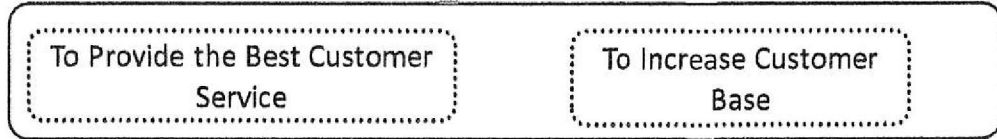
Mission
To meet the requirement of the National Government and its agencies for highly-sensitive security printing services by employing innovative technologies, business efficiencies and highly-competent personnel through the judicious use of the corporate form of organization.

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

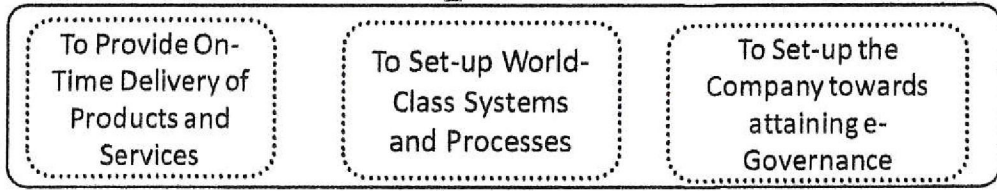
FINANCE



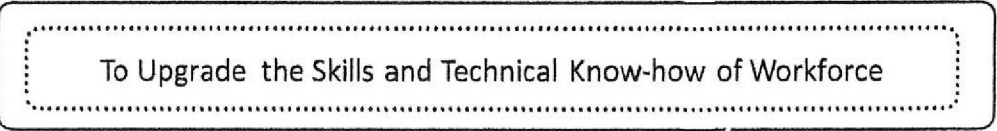
CUSTOMERS & STAKEHOLDERS



INTERNAL PROCESS



LEARNING & GROWTH



APO PRODUCTION UNIT, INC. (APO-PUI)


| | Objective/Measure | Component | | | Baseline Data | | Targets | | |
|----------------|-------------------|---|--|-----------------------------|-----------------|-------------|-------------|-------------|-------------|
| | | Formula | Weight | Rating System ^{al} | 2020 | 2021 | 2022 | 2023 | |
| FINANCE | SO 1 | Revenue Growth | | | | | | | |
| | | Revenue Growth from Previous Year | | | | | | | |
| | SM 1 | a. <i>QC Plant and Lima Plant</i> | Actual Total Revenues | 30% | Actual / Target | ₱1,430.83 M | ₱2,323.27 M | ₱2,011.10 M | ₱2,286.59 M |
| | | b. <i>Joint Venture Company</i> | | 10% | Actual / Target | ₱1,516.26 M | ₱1,965.20 M | ₱2,390.20 M | ₱3,839.21 M |
| | SO 2 | To Maintain Healthy Cash Flow from Operations | | | | | | | |
| | SM 2 | EBITDA | Net Income + Interest + Taxes + Depreciation + Amortization | 15% | Actual / Target | ₱281.29 M | ₱223.99 M | ₱415.7 M | ₱376.49 M |
| | SO 3 | To Maximize Returns to the National Government | | | | | | | |
| | SM 3 | Dividends Remittance to the National Government (NG) | Actual Remittance | 15% | Actual / Target | ₱111.69 M | ₱104.13 M | ₱103.25 M | ₱91.40 M |
| | SO 4 | To Utilize Funds Based on Approved Budget | | | | | | | |
| | SM 4 | Budget Utilization Rate (BUR) | Actual Disbursement / Total Approved COB (Both Net of PS Cost) | 3% | Actual / Target | N/A | N/A | 90% | 90% |
| | | Sub-total | 73% | | | | | | |

| | Component | | | | Baseline Data | | Targets | | |
|--------------------------|-------------------|--|--|-----------------------------|---|---|---|---|-----------------------------|
| | Objective/Measure | Formula | Weight | Rating System ^{a/} | 2020 | 2021 | 2022 | 2023 | |
| CUSTOMERS / STAKEHOLDERS | SO 5 | To Provide the Best Customer Service | | | | | | | |
| | SM 5 | Percentage of Satisfied Customers | Number of respondents who gave <i>at least</i> a Satisfactory rating / Total number of respondents | 4% | Actual / Target <i>0% = If less than 80%</i> | 96.67% | 93.51% | 90% | 90% |
| | SO 6 | To Increase Customer Base | | | | | | | |
| | SM 6 | Increase in Government Agencies Served | No. of Agencies | 4% | Actual / Target | 95 | 115 | 122 | 119 |
| | | | Sub-total | 8% | | | | | |
| INTERNAL PROCESS | SO 7 | To Provide On-Time Delivery of Products | | | | | | | |
| | SM 7 | Reduction of Penalties Incurred | $\frac{\text{Total Penalties}}{\text{Total Sales}}$ | 2% | Actual / Target | 0.119% | 0.238% | 0.050% | 0.050% |
| | SO 8 | To Set Up World-class Systems and Processes | | | | | | | |
| | | ISO Certification | | | | | | | |
| | SM 8 | a. QC Plant | Actual Accomplishment | 4% | All or Nothing | Passed Surveillance Audit (ISO 9001:2015) | Pass Surveillance Audit (ISO 9001:2015) | Pass Surveillance Audit (ISO 9001:2015) | ISO 9001:2015 Certification |

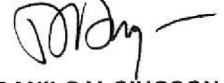
| | Component | | | | Baseline Data | | Targets | | |
|------------------------------|-------------------|--|-----------------------|-----------------------------|--|--|--|---|---|
| | Objective/Measure | Formula | Weight | Rating System ^{a/} | 2020 | 2021 | 2022 | 2023 | |
| | b. Lima Plant | | 4% | All or Nothing | Passed Surveillance Audit (ISO 9001:2015) | Pass Surveillance Audit (ISO 9001:2015) | Pass Surveillance Audit (ISO 9001:2015) | ISO 9001:2015 Certification | |
| | SO 9 | To Set-up the Company Towards Attaining e-Governance | | | | | | | |
| | SM 9 | Thrust Towards e-Governance | Actual Accomplishment | 5% | All or Nothing | N/A | No Accomplishment | Installation of Central Correspondence System | Installation of Central Correspondence System |
| | | | Sub-total | 15% | | | | | |
| LEARNING & GROWTH | SO 10 | To Upgrade the Skills and Technical Know-how of Workforce | | | | | | | |
| | SM 10 | Percentage of Employees Meeting Required Competencies | Actual Accomplishment | 2% | All or Nothing | No Accomplishment | No Accomplishment | a. Board-Approved Competency Model | a. Board-Approved Competency Model |
| | | | | 2% | | No Accomplishment | No Accomplishment | b. Establish Baseline | b. Establish Baseline |
| | | | | Sub-total | 4% | | | | |
| | | | TOTAL | 100% | | | | | |

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

For GCG:


JUSTICE ALEX L. QUIROZ (RET.)
 Chairperson

For APO-PUI:


DANILO V. SINGSON
 President

**APO PRODUCTION UNIT, INC. (APO-PUI)
Validated 2023 Performance Scorecard**

| Objective/Measure | Component | | | APO-PUI Submission | | | GCG Validation | | Supporting Documents | Remarks | | | | | | | | | | | |
|--------------------------|-----------------------------------|-----------------------|---------------|--------------------|-------------|-------------|----------------|--|---|--|---|-----------------------|------------------|------------------------|------------------|------------------------|----------------|--------------------------|-------------------------|--------------------------|-------------------------|
| | Formula | Wt. | Rating System | Target | Actual | Rating | Actual | Rating | | | | | | | | | | | | | |
| SO 1 | Revenue Growth | | | | | | | | | | | | | | | | | | | | |
| FINANCE SM 1 | Revenue Growth from Previous Year | | | | | | | | | | | | | | | | | | | | |
| | a. QC and Lima Plant | Actual Total Revenues | 30% | Actual / Target | ₱2,286.59 M | ₱2,974.83 M | - | ₱2,975.55 M | 30.00% | - APO PUI's 2023 COA-audited Financial Statements (FS) and Notes to FS - Breakdown of Delivered Sales for 2023 from APO-PUI | <table border="1"> <thead> <tr> <th>Plant</th> <th>Amount (P)</th> </tr> </thead> <tbody> <tr> <td>Delivered Sales - QC</td> <td>2,539,479,568.05</td> </tr> <tr> <td>Delivered Sales - Lima</td> <td>436,074,010.54</td> </tr> <tr> <td>Total QC and Lima</td> <td>2,975,553,578.59</td> </tr> </tbody> </table> <p>APO-PUI exceeded by 30.13% its annual target of ₱2.287 billion for 2023 sales revenues from its QC plant and Lima plant.</p> | Plant | Amount (P) | Delivered Sales - QC | 2,539,479,568.05 | Delivered Sales - Lima | 436,074,010.54 | Total QC and Lima | 2,975,553,578.59 | | |
| | Plant | | Amount (P) | | | | | | | | | | | | | | | | | | |
| Delivered Sales - QC | 2,539,479,568.05 | | | | | | | | | | | | | | | | | | | | |
| Delivered Sales - Lima | 436,074,010.54 | | | | | | | | | | | | | | | | | | | | |
| Total QC and Lima | 2,975,553,578.59 | | | | | | | | | | | | | | | | | | | | |
| b. Joint Venture Company | 10% | Actual / Target | ₱3,839.21 M | ₱2,418.76 M | - | ₱2,418.76 M | 6.30% | - APO PUI's 2023 COA-audited Financial Statements (FS) and Notes to FS - Breakdown of Revenue for Joint Venture Company | <table border="1"> <thead> <tr> <th>Plant</th> <th>Amount (P)</th> </tr> </thead> <tbody> <tr> <td>Delivered Sales - DFA</td> <td>2,373,876,005.36</td> </tr> <tr> <td>Delivered Sales - OWWA</td> <td>62.50</td> </tr> <tr> <td>Delivered Sales - DTI</td> <td>43,657,142.86</td> </tr> <tr> <td>Delivered Sales - DENR</td> <td>1,225,669.64</td> </tr> <tr> <td>Total JV Revenues</td> <td>2,418,758,880.36</td> </tr> </tbody> </table> <p>APO-PUI's actual Joint Venture sales in 2024 were 37% short of the target of ₱3,839.21 million for 2023.</p> | Plant | Amount (P) | Delivered Sales - DFA | 2,373,876,005.36 | Delivered Sales - OWWA | 62.50 | Delivered Sales - DTI | 43,657,142.86 | Delivered Sales - DENR | 1,225,669.64 | Total JV Revenues | 2,418,758,880.36 |
| Plant | Amount (P) | | | | | | | | | | | | | | | | | | | | |
| Delivered Sales - DFA | 2,373,876,005.36 | | | | | | | | | | | | | | | | | | | | |
| Delivered Sales - OWWA | 62.50 | | | | | | | | | | | | | | | | | | | | |
| Delivered Sales - DTI | 43,657,142.86 | | | | | | | | | | | | | | | | | | | | |
| Delivered Sales - DENR | 1,225,669.64 | | | | | | | | | | | | | | | | | | | | |
| Total JV Revenues | 2,418,758,880.36 | | | | | | | | | | | | | | | | | | | | |
| | Sub-total | 40% | | | | - | | 36.30% | | | | | | | | | | | | | |

for



| | | Component | | | APO-PUI Submission | | | GCG Validation | | Supporting Documents | Remarks | | | | | | | | | | | | |
|-------------------|---|---|---------------|-----------------|--------------------|-----------|--------|----------------|---------------|--|--|--------------|-------------|------------|---------------|--------------|---------------|------------------|---------------|--------------|---------------|---------------|-----------------------|
| Objective/Measure | Formula | Wt. | Rating System | Target | Actual | Rating | Actual | Rating | | | | | | | | | | | | | | | |
| SO 2 | To Maintain Healthy Cash Flow from Operations | | | | | | | | | | | | | | | | | | | | | | |
| SM 2 | EBITDA | Net Income + Interest + Taxes + Depreciation + Amortization | 15% | Actual / Target | ₱526.79 M | ₱556.44 M | - | ₱568.43 M | 15.00% | - APO PUI's 2023 COA-audited Financial Statements (FS) and Notes to FS | <table border="1"> <thead> <tr> <th>Items</th> <th>2023 Amount</th> </tr> </thead> <tbody> <tr> <td>Net Income</td> <td>383,240,510</td> </tr> <tr> <td>Income Taxes</td> <td>130,968,332</td> </tr> <tr> <td>Interest Expense</td> <td>7,996,723</td> </tr> <tr> <td>Depreciation</td> <td>46,226,055</td> </tr> <tr> <td>EBITDA</td> <td>568,431,620</td> </tr> </tbody> </table> <p>The actual EBITDA for 2023 was ₱568.44 million, representing a 53.46% increase from the 2022 EBITDA figure. APO exceeded the 2023 EBITDA target of ₱526.79 million by 7.90%.</p> | Items | 2023 Amount | Net Income | 383,240,510 | Income Taxes | 130,968,332 | Interest Expense | 7,996,723 | Depreciation | 46,226,055 | EBITDA | 568,431,620 |
| Items | 2023 Amount | | | | | | | | | | | | | | | | | | | | | | |
| Net Income | 383,240,510 | | | | | | | | | | | | | | | | | | | | | | |
| Income Taxes | 130,968,332 | | | | | | | | | | | | | | | | | | | | | | |
| Interest Expense | 7,996,723 | | | | | | | | | | | | | | | | | | | | | | |
| Depreciation | 46,226,055 | | | | | | | | | | | | | | | | | | | | | | |
| EBITDA | 568,431,620 | | | | | | | | | | | | | | | | | | | | | | |
| SO 3 | To Maximize Returns to the National Government | | | | | | | | | | | | | | | | | | | | | | |
| SM 3 | Dividends Remittance to the National Government (NG) | Actual Remittance | 15% | Actual / Target | ₱91.40 M | ₱152.16 M | - | ₱ 152.16M | 15.00% | - Schedule of Dividends (CY 2020 & 2021) - Official Receipts issued by the Bureau of Treasury | <table border="1"> <thead> <tr> <th>2023 Quarter</th> <th>Remittance</th> </tr> </thead> <tbody> <tr> <td>Q1</td> <td>27,928,947.35</td> </tr> <tr> <td>Q2</td> <td>27,928,947.35</td> </tr> <tr> <td>Q3</td> <td>11,171,578.94</td> </tr> <tr> <td>Q4</td> <td>85,130,100.00</td> </tr> <tr> <td>Total</td> <td>152,159,573.64</td> </tr> </tbody> </table> <p>The remittances made from the 1st to the 3rd quarter of 2023 were for Dividend Year 2020 and the 4th quarter remittance was for Dividend Year 2021.</p> <p>APO-PUI exceeded the target by 66.47%.</p> | 2023 Quarter | Remittance | Q1 | 27,928,947.35 | Q2 | 27,928,947.35 | Q3 | 11,171,578.94 | Q4 | 85,130,100.00 | Total | 152,159,573.64 |
| 2023 Quarter | Remittance | | | | | | | | | | | | | | | | | | | | | | |
| Q1 | 27,928,947.35 | | | | | | | | | | | | | | | | | | | | | | |
| Q2 | 27,928,947.35 | | | | | | | | | | | | | | | | | | | | | | |
| Q3 | 11,171,578.94 | | | | | | | | | | | | | | | | | | | | | | |
| Q4 | 85,130,100.00 | | | | | | | | | | | | | | | | | | | | | | |
| Total | 152,159,573.64 | | | | | | | | | | | | | | | | | | | | | | |
| | | Sub-total | 30% | | | | - | | 30.00% | | | | | | | | | | | | | | |

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| | Component | | | | APO-PUI Submission | | GCG Validation | | Supporting Documents | Remarks | |
|--|---|--|---|--|--------------------|--------|----------------|--------|----------------------|-----------------------------|--|
| | Objective/Measure | Formula | Wt. | Rating System | Target | Actual | Rating | Actual | | | Rating |
| CUSTOMER / | SO 4 To Utilize Funds Based on Approved Budget | | | | | | | | | | |
| | SM 4 | Budget Utilization Rate (BUR) | Actual Disbursement / Total Approved COB (Both Net and PS Cost) | 3% | Actual / Target | 90% | 110% | - | 65.75% | 2.19% | - Budget Utilization Report 2023 for the year ended 31 December 2023 - APO PUI's 2023 COA-audited Financial Statements (FS) |
| | | | Sub-total | 3% | | | | | | 2.19% | |
| SO 5 To Provide the Best Customer Service | | | | | | | | | | | |
| SM 5 | Percentage of Satisfied Customers | Number of respondents who gave <i>at least a Satisfactory</i> rating / Total number of respondents | 4% | Actual / Target 0% = if less than 80% | 90% | 96.75% | - | 96.75% | 4.00% | - ARTA Validated CSM Result | In an email dated 6 June 2024 from ARTA regarding the compliance status of GOCCs covered by Republic Act No. 10149, ARTA confirmed APO-PUI's CSM as compliant with the Joint Memorandum Circular No. 1, Series of 2023 and APO-PUI's self-reported rating of 96.75% satisfied customers was validated as accurate. |

| Category | (in million P) | | |
|------------------------------|----------------|--------------|---------------|
| | MOOE | CO | TOTAL |
| COB | 191.98 | 35.11 | 227.08 |
| Realignment from Direct Cost | 82.35 | 0.00 | 82.35 |
| Total Universe | 274.32 | 35.11 | 309.43 |

| Category | (in million P) | | |
|-----------------------------------|----------------|---------------|---------------|
| | MOOE | CO | TOTAL |
| Total Universe | 274.32 | 35.11 | 309.43 |
| Actual Utilization as per COA AAR | 194.00 | 9.46 | 203.45 |
| Utilization Rate | 70.72% | 26.94% | 65.75% |

The realignments of the budget for MOOE were sourced from other MOOE items and the budget for "Direct Cost" which is the "Cost of Goods and Services" line item in the COB. On the other hand, the realignment for CO items were made exclusively among CO items. Therefore, there was an increase in the Board-approved MOOE level, but the CO level remained the same.

| | Component | | | | APO-PUI Submission | | | GCG Validation | | Supporting Documents | Remarks | | | | | | | | | |
|--------------------------------|---|--|-------------------------------|---------------|--------------------|--------|--------|----------------|--------|----------------------|--|---|-------|-------------|-----------|---------------|--------------------------------|------------------|----------------|-------|
| | Objective/Measure | Formula | Wt. | Rating System | Target | Actual | Rating | Actual | Rating | | | | | | | | | | | |
| INTERNAL PROCESS | SO 6 To Increase Customer Base | | | | | | | | | | | | | | | | | | | |
| | SM 6 | Increase in Government Agencies Served | No. of Agencies | 4% | Actual / Target | 119 | 159 | - | 158 | 4.00% | -List of Clients for 2023 Revenue | APO-PUI's reported accomplishment for this was 159 clients. However, based on the GGC's validation of the supporting documents provided, the correct total was 158. APO-PUI counted APO-Lima BIR Tax Stamps and "Bureau of Internal Revenue" as separate clients when they should be treated as one. | | | | | | | | |
| | SO 7 To Provide On-Time Delivery of Products | | | | | | | | | | | | | | | | | | | |
| | SM 7 | Reduction of Penalties Incurred | Total Penalties / Total Sales | 2% | Actual / Target | 0.050% | 0.034% | - | 0.34% | 0.00% | - Summary of Penalties for the Year Ending December 31, 2023 | <table border="1"> <thead> <tr> <th>Items</th> <th>2023 Actual</th> </tr> </thead> <tbody> <tr> <td>Penalties</td> <td>10,008,307.50</td> </tr> <tr> <td>Sales Revenue from QC and Lima</td> <td>2,975,553,578.59</td> </tr> <tr> <td>Penalty/ Sales</td> <td>0.34%</td> </tr> </tbody> </table> <p>The highest amount of penalty incurred by APO-PUI was with the Department of Education – Region XI amounted to ₱5.67 Million.</p> <p>Considering that the validated accomplishment does not achieve the annual target and the percentage of penalties is higher than pro-rating would allow using the "Actual Over Target" rating scale, APO-PUI is given a zero rating for this measure.</p> | Items | 2023 Actual | Penalties | 10,008,307.50 | Sales Revenue from QC and Lima | 2,975,553,578.59 | Penalty/ Sales | 0.34% |
| Items | 2023 Actual | | | | | | | | | | | | | | | | | | | |
| Penalties | 10,008,307.50 | | | | | | | | | | | | | | | | | | | |
| Sales Revenue from QC and Lima | 2,975,553,578.59 | | | | | | | | | | | | | | | | | | | |
| Penalty/ Sales | 0.34% | | | | | | | | | | | | | | | | | | | |
| | | | Sub-total | 10% | | | | - | | 8.00% | | | | | | | | | | |

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| Objective/Measure | Component | | | APO-PUI Submission | | GCG Validation | | Supporting Documents | Remarks | | |
|-------------------|---|-----------------------|---------------|--------------------|---|---|--------|-----------------------------|---------------|---|--|
| | Formula | Wt. | Rating System | Target | Actual | Rating | Actual | | | Rating | |
| SO 8 | To Set Up World-class Systems and Processes | | | | | | | | | | |
| SM 8 | ISO Certification | | | | | | | | | | |
| | a. QC Plant | Actual Accomplishment | 4% | All or Nothing | ISO 9001:2015 Certification | ISO 9001:2015 Certification | - | ISO 9001:2015 Certification | 4.00% | - ISO Certificate | The scope of the ISO Certification for QC plant was "providing design and development, manufacturing, printing, testing, storage, and distribution of regular (QC operation) and secured (Lima Technology) printing products." The validity of this certificate is from 23 December 2023 to 23 December 2024. |
| | b. Lima Plant | Actual Accomplishment | 4% | All or Nothing | ISO 9001:2015 Certification | ISO 9001:2015 Certification | - | ISO 9001:2015 Certification | 4.00% | - ISO Certificate and Audit Report | The scope of the ISO Certification for Lima Plant was "design and development of systems and security printing documents, security printing, conversion, personalization, packaging, testing storage and distribution of the security printing needs of the Client." This certification is valid from 14 February 2023 to 13 February 2026. |
| SO 9 | To Set-up the Company Towards Attaining e-Governance | | | | | | | | | | |
| SM 9 | Thrust Towards e-Governance | Actual Accomplishment | 5% | All or Nothing | Installation of Central Correspondence System | Installation of Central Correspondence System | - | Not installed in 2023 | 5.00% | - Certificate of Completion dated 6 December 2023 | The Certificate of Completion was signed off by Canon Marketing (Philippines), Inc. dated 6 December 2023. User Acceptance and Testing were already noted to have been completed. The CCS was already installed in December 2023. |
| | | Sub-total | 13% | | | | - | | 13.00% | | |

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| | Component | | | | APO-PUI Submission | | GCG Validation | | Supporting Documents | Remarks | | |
|-------------------|-------------------|---|-----------------------|---------------|--------------------|------------------------------------|-------------------------------------|--------|-------------------------------------|---------------|---------------------------------------|---|
| | Objective/Measure | Formula | Wt. | Rating System | Target | Actual | Rating | Actual | | | Rating | |
| LEARNING & GROWTH | SO 10 | To Upgrade the Skills and Technical Know-how of Workforce | | | | | | | | | | |
| | SM 10 | Percentage of Employees Meeting Required Competencies | Actual Accomplishment | 2% | All or Nothing | a. Board-Approved Competency Model | Board-Approved Competency Framework | - | Board-Approved Competency Framework | 2.00% | - Board-Approved Competency Framework | In a letter dated 29 April 2024, APO-PUI submitted a Board-approved Competency Framework. The GCG verified that the competency framework was approved through Board Resolution No. 2023-126 dated 22 December 2023. |
| | | | | 2% | | b. Establish Baseline | No Accomplishment | - | No Accomplishment | 0.00% | -n/a | Target not met. APO-PUI noted that there was no assessment conducted |
| | | | Sub-total | 4% | | | | - | | 2.00% | | |
| | | | Total | 100% | | | | - | | 91.49% | | |

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