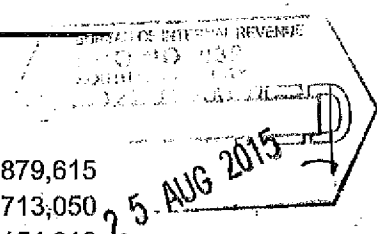


**APO PRODUCTION UNIT, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
December 31, 2014  
(In Philippine Peso)

|                                       | Note | 2014               | (As restated)<br>2013 |
|---------------------------------------|------|--------------------|-----------------------|
| <b>ASSETS</b>                         |      |                    |                       |
| <b>Current Assets</b>                 |      |                    |                       |
| Cash                                  | 5    | 75,499,080         | 31,280,841            |
| Trade receivables                     | 6    | 95,250,201         | 81,985,822            |
| Inventories                           | 7    | 77,674,430         | 47,345,483            |
| Other current assets                  | 8    | 65,746,935         | 63,831,555            |
| <b>Total Current Assets</b>           |      | <b>314,170,646</b> | <b>224,443,701</b>    |
| <b>Non-Current Assets</b>             |      |                    |                       |
| Property and equipment                | 9    | 44,123,143         | 55,214,033            |
| Deferred tax assets                   | 22   | 1,237,518          | 2,081,989             |
| Other non-current assets              | 10   | 36,175,126         | 29,100,498            |
| <b>Total Non-Current Assets</b>       |      | <b>81,535,787</b>  | <b>86,396,520</b>     |
| <b>TOTAL ASSETS</b>                   |      | <b>395,706,433</b> | <b>310,840,221</b>    |
| <b>LIABILITIES AND EQUITY</b>         |      |                    |                       |
| <b>Current Liabilities</b>            |      |                    |                       |
| Accounts payable and accrued expenses | 11   | 141,191,796        | 105,879,615           |
| Income tax payable                    |      | 2,440,933          | 11,713,050            |
| Other current liabilities             | 12   | 70,755,069         | 14,154,318            |
| <b>Total Current Liabilities</b>      |      | <b>214,387,798</b> | <b>131,746,983</b>    |
| <b>Non-Current Liabilities</b>        |      |                    |                       |
| Loans payable                         | 13   | 94,518,250         | 94,518,250            |
| Deferred tax liability                |      | 4,962,848          | 4,962,848             |
| Other non-current liabilities         | 14   | 87,943,136         | 94,880,867            |
| <b>Total Non-Current Liabilities</b>  |      | <b>187,424,234</b> | <b>194,361,965</b>    |
| <b>TOTAL LIABILITIES</b>              |      | <b>401,812,032</b> | <b>326,108,948</b>    |
| <b>EQUITY</b>                         |      | <b>(6,105,599)</b> | <b>(15,268,727)</b>   |
| <b>TOTAL LIABILITIES AND EQUITY</b>   |      | <b>395,706,433</b> | <b>310,840,221</b>    |

See accompanying Notes to Financial Statements.

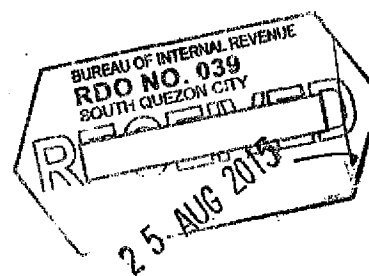




**APO PRODUCTION UNIT, INC.**  
**STATEMENT OF CHANGES IN EQUITY**  
For the Year Ended December 31, 2014  
(In Philippine Peso)

|  | <b>DONATED<br/>CAPITAL<br/>(Note 15)</b> | <b>REVALUATION<br/>SURPLUS</b> | <b>DEFICIT</b>      | <b>TOTAL</b>        |
|--|--|--------------------------------|---------------------|---------------------|
| Balance, January 1, 2013                 | 3,193,117                                | 17,442,040                     | (38,701,743)        | (18,066,586)        |
| Comprehensive income                     |  |                                | 21,787,646          | 21,787,646          |
| Amortization of revaluation surplus      |  | (10,465,224)                   | 10,465,224          | 0                   |
| Interest income - trust fund             |  |                                | 691,775             | 691,775             |
| Reclassification/cancellation of entries |  |                                | (3,576,457)         | (3,576,457)         |
| Tax deficiency and other surcharges      |  |                                | (16,105,114)        | (16,105,114)        |
| <b>Balance, December 31, 2013</b>        | <b>3,193,117</b>                         | <b>6,976,816</b>               | <b>(25,438,669)</b> | <b>(15,268,736)</b> |
| Balance, January 1, 2014                 | 3,193,117                                | 6,976,816                      | (25,438,669)        | (15,268,736)        |
| Net Income                               |  |                                | 20,131,153          | 20,131,153          |
| Prior Period Adjustment                  |  |                                | (12,585,506)        | (12,585,506)        |
| Reclassification/cancellation of entries |  |                                | 1,617,490           | 1,617,490           |
| <b>Balance, December 31, 2014</b>        | <b>3,193,117</b>                         | <b>6,976,816</b>               | <b>(16,275,532)</b> | <b>(6,105,599)</b>  |

See accompanying Notes to Financial Statements.



**APO PRODUCTION UNIT, INC.**  
**STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2014  
(In Philippine Peso)

|   | 2014              | 2013              |
|---|-------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>               |                   |                   |
| Collection of accounts receivable and advances            | 796,283,581       | 502,306,254       |
| Sale of scrap   | 2,649,880         | 3,037,288         |
| Interest on bank deposits                                 | 56,059            | 772,507           |
| Payment of accounts payable                               | (640,673,102)     | (470,783,136)     |
| Payment of other liabilities and expenses                 | (89,123,076)      | (36,753,158)      |
| Payment of financial expense                              | (1,841,418)       | (534,484)         |
| Net cash from operating activities                        | 67,351,924        | (1,954,729)       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>               |                   |                   |
| Acquisition of property and equipment                     | (18,344,864)      | (6,835,757)       |
| Net cash used in investing activities                     | (18,344,864)      | (6,835,757)       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>               |                   |                   |
| Loan availment  | 11,940,000        | 14,812,350        |
| Payment of loan payable                                   | (16,728,821)      | (4,477,220)       |
| Net cash from financing activities                        | (4,788,821)       | 10,335,130        |
| <b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS</b> | <b>44,218,239</b> | <b>1,544,644</b>  |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>     | <b>31,280,841</b> | <b>29,736,197</b> |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>           | <b>75,499,080</b> | <b>31,280,841</b> |

*See accompanying Notes to Financial Statements.*