

ABC INVESTMENTS, INC. and SUBSIDIARIES
Consolidating and Consolidated Balance Sheets
As of December 31, YYYY

Rows and Columns Might Not Add Up Due To Rounding

Accounts	<div><div>←</div><div>Consolidated</div><div>→</div></div>								
	<div><div>←</div><div>Equity</div><div>→</div></div>								
	<div><div>←</div><div>GAAP</div><div>→</div></div>				<div><div>←</div><div>IFRS</div><div>→</div></div>				
	TB	Top level	Total	Reconciliation	Total	Subsidiary	Total	Elimination	Consolidated
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
ASSETS									
Cash and cash equivalents	27,522	-	27,522	-	27,522	8,560	36,081	-	36,081
Escrow accounts and operating reserve funds	-	-	-	-	-	4,960	4,960	-	4,960
Accrued rent receivable	-	-	-	-	-	27,188	27,188	-	27,188
Other assets	99	-	99	-	99	6,772	6,871	-	6,871
Investment property	-	-	-	-	-	828,681	828,681	-	828,681
Tenants' security deposits	-	-	-	-	-	3,536	3,536	-	3,536
Investment in subsidiary (*)	1,729	-	1,729	(1,729)	-	-	-	-	-
Investment in subsidiary (*)	583	-	583	(583)	-	-	-	-	-
Investment in subsidiary (*)	-	-	-	-	-	-	-	-	-
Investment in a wholly owned subsidiary	27,551	-	27,551	445,958	473,509	-	473,509	(473,509)	-
	57,484	-	57,484	443,646	501,130	879,697	1,380,827	(473,509)	907,318
Deferred taxes	2,672	-	2,672	(2,672)	-	-	-	-	-
Total Assets	60,156	-	60,156	440,974	501,130	879,697	1,380,827	(473,509)	907,318

Investment in subsidiary accounted for in conformity of the equity basis of accounting

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	TB	Top level	Total	Reconciliation	Total	Subsidiary	Total	Elimination	Consolidated
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
LIABILITIES & SHAREHOLDER'S EQUITY									
Accounts payable and accrued expenses	90	-	90	-	90	4,221	4,312	(15)	4,296
Prepaid rent	-	-	-	-	-	4,245	4,245	-	4,245
Deferred income taxes	-	-	-	93,870	93,870	-	93,870	-	93,870
Tenants' security deposits	-	-	-	-	-	3,536	3,536	-	3,536
Accrued Consulting Fee	-	-	-	42,678	42,678	-	42,678	-	42,678
	90	-	90	136,547	136,638	12,003	148,641	(15)	148,625
Mortgage payable	-	-	-	-	-	394,200	394,200	-	394,200
Loans payable, parent	156,207	-	156,207	-	156,207	-	156,207	-	156,207
Investment in subsidiary (*)	284	-	284	(284)	-	-	-	-	-
	156,581	-	156,581	136,264	292,845	406,203	699,048	(15)	699,033
Shareholder's equity (deficiency):									
Common shares	-	-	-	-	-	-	-	-	-
Paid in Capital	92,800	-	92,800	-	92,800	58,759	151,559	(58,759)	92,800
Retained earnings (deficit)	(189,225)	-	(189,225)	304,711	115,485	414,734	530,220	(414,734)	115,485
	(96,425)	-	(96,425)	304,711	208,285	473,494	681,779	(473,494)	208,285
Total Liabilities and Shareholder's Equity	60,156	-	60,156	440,974	501,130	879,697	1,380,827	(473,509)	907,318

Investment in subsidiary accounted for in conformity of the equity basis of accounting

ABC INVESTMENTS, INC. and SUBSIDIARIES
Consolidating and Consolidated Statements of Operations
Year ended December 31, YYYY

Accounts	Rows and Columns Might Not Add Up Due To Rounding								
	Equity				Consolidated				
	GAAP			IFRS					
	TB	Top level	Total	Reconciliation	Total	Subsidiary	Total	Elimination	Consolidated
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Revenue	-	-	-	-	-	63,889	63,889	-	63,889
Operating expenses	186	-	186	-	186	17,160	17,346	-	17,346
Real estate taxes	-	-	-	-	-	11,871	11,871	-	11,871
	186	-	186	-	186	29,031	29,217	-	29,217
Operating income (loss)	(186)	-	(186)	-	(186)	34,858	34,672	-	34,672
Mortgage interest	-	-	-	-	-	20,496	20,496	-	20,496
Amortization of deferred financing cost	-	-	-	-	-	1,152	1,152	-	1,152
	-	-	-	-	-	21,648	21,648	-	21,648
Income (loss) from operations, before interest on loans from Members	(186)	-	(186)	-	(186)	13,210	13,024	-	13,024
Interest expense including loan guarantee fee - Parent, net	5,986	-	5,986	-	5,986	-	5,986	-	5,986
Management fee - Parent	9,665	-	9,665	-	9,665	-	9,665	-	9,665
	15,651	-	15,651	-	15,651	-	15,651	-	15,651
Income (loss), before interest income, revaluation of investment property and consulting fee	(15,837)	-	(15,837)	-	(15,837)	13,210	(2,627)	-	(2,627)
Interest income	152	-	152	-	152	9	161	-	161
Revaluation of investment property	-	-	-	-	-	33,547	33,547	-	33,547
Consulting fee	-	-	-	(3,814)	(3,814)	-	(3,814)	-	(3,814)
Income (loss), before equity income (loss)	(15,685)	-	(15,685)	(3,814)	(19,499)	46,766	27,267	-	27,267
Equity Income (loss)	1,173	-	1,173	45,594	46,767	-	46,767	(46,767)	-
Income (loss), before Income tax benefit (provision for income tax)	(14,512)	-	(14,512)	41,780	27,268	46,766	74,034	(46,767)	27,267
Provision for income tax	(24)	-	(24)	(12,246)	(12,270)	-	(12,270)	-	(12,270)
Net income (loss)	(14,536)	-	(14,536)	29,534	14,998	46,766	61,764	(46,767)	14,997
Retained earnings (Deficit), beginning	(174,691)	-	(174,691)	275,177	100,486	367,967	468,453	(367,967)	100,486
Retained earnings (deficit), ending	(189,227)	-	(189,227)	304,711	115,484	414,733	530,217	(414,734)	115,483

ABC INVESTMENTS, INC. and SUBSIDIARIES
Proforma - Prospective Capital Gain, NOL Deduction and Tax Liability
Tax YYYY

Tax rates		21.00%	9.43%	8.85%	
		Prospective capital gain, NOL deduction, and tax liability			
References	Proforma	Federal	NYS	NYC	Total tax
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Selling price	700,000	700,000			
Property Cost	(348,288)	(348,288)			
Closing Cost	(34,250)	(34,250)			
Prospective capital gain	317,462	317,462			
Disposition upon liquidation of tax/books reconciliation (Schedule M-3)	(121,827)	(121,827)			
Investment	(7,215)	(7,215)			
Taxable income (State and City) before Net Operating Loss Deduction	188,420	188,420	188,420	188,420	
NOL Deductions (State and City)			(70,220)	(70,023)	
Taxable income, State and City			118,200	118,397	
State and City taxes		(21,618)	11,140	10,478	21,618
Taxable income (Federal) before Net Operating Loss Deduction		166,802			
NOL Deductions (Federal)		(131,955)			
Federal taxable income		34,847			
Federal tax		7,318			7,318
Total tax					28,936

References		Prospective taxable income and NOL deduction		
		Federal	NYS	NYC
		(\$'000)	(\$'000)	(\$'000)
Taxable income, exclusive of NOL deduction		166,802	188,420	188,420
Fully deductible NOL		(70,377)	(2,020)	(2,020)
Taxable income, net of fully deductible NOL		96,425	186,400	186,400
NOL deduction subject to 80% limitation	See below	(61,578)	(68,201)	(68,108)
Taxable income		34,847	118,200	118,292
NOL deductibility, 80% Limitation:				
Taxable income, net of fully deductible NOL		96,425	186,400	186,400
Statutory limitation		80%	80%	80%
NOL deduction subject to 80% limitation	A	77,140	149,120	149,120
Actual NOL carryover is below the 80% limitation = fully deductible	B	61,578	68,201	68,108
		A > B	A > B	A > B
		Fully deductible		