

**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	Consolidated								
	Equity				IFRS				
	GAAP	Reconciliation	Total	Subsidiary	Total	Elimination	Total	(\$'000)	(\$'000)
	TB	Top level	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<b>ASSETS</b>									
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)	-	-	-	-	-
<b>Total Assets</b>	<b>60,156</b>	<b>-</b>	<b>60,156</b>	<b>440,974</b>	<b>501,130</b>	<b>879,697</b>	<b>1,380,827</b>	<b>(473,509)</b>	<b>907,318</b>

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

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

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Accounts	Consolidated										
	Equity					IFRS					
	GAAP		Reconciliation			Subsidiary		Total		Elimination	Consolidated
	TB	Top level	Total	(\$'000)	Reconciliation	Total	(\$'000)	Subsidiary	Total	(\$'000)	(\$'000)
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	
<b>LIABILITIES &amp; SHAREHOLDER'S EQUITY</b>											
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)
	15,651	-	15,651	-	15,651	-	15,651	-	15,651
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)	-
	15,651	-	15,651	(3,814)	(19,499)	46,766	27,267	(46,767)	27,267
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)
	14,512	-	14,512	41,780	27,268	46,766	74,034	(46,767)	27,267
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
	14,536	-	14,536	29,534	14,998	46,766	61,764	(46,767)	14,997
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%	
References	Prospective capital gain, NOL deduction, and tax liability			
	Proforma	Federal	NYS	NYC
	(\$'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)	(70,220)	(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

**ABC INVESTMENTS, INC. and SUBSIDIARIES**  
**Proforma - Prospective taxable income and NOL deduction**  
**Tax YYYY**

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)
Taxable income	34,847	118,200	118,292
<b>NOL deductibility, 80% Limitation:</b>			
Taxable income, net of fully deductible NOL	96,425	186,400	186,400
Statutory limitation	80%	80%	80%
NOL deduction subject to 80% limitation	<span style="color: red;">A</span>	77,140	149,120
Actual NOL carryover is below the 80% limitation = fully deductible	<span style="color: red;">B</span>	61,578	68,201
	<span style="color: red;">A &gt; B</span>	<span style="color: red;">A &gt; B</span>	<span style="color: red;">A &gt; B</span>
	Fully deductible		