

COVER SHEET

for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

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PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

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Form Type

A	A	F	S
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Department requiring the report

S	E	C	
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Secondary License Type, If Applicable

N	/	A	
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COMPANY INFORMATION

Company's Email Address

vicrafael@ipeople.com.ph

Company's Telephone Number

8253-3637

Mobile Number

09985843110

No. of Stockholders

2,006

Annual Meeting (Month / Day)

July 30

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Victor V. Rafael

Email Address

vicrafael@ipeople.com.ph

Telephone Number/s

8253-3637

Mobile Number

09985843110

CONTACT PERSON'S ADDRESS

3rd Floor, Grepalife Building, 219 Sen. Gil J. Puyat Avenue, Makati City

NOTE 1 : In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2 : All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A**

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE REVISED SECURITIES ACT AND SECTION 141
OF CORPORATION CODE OF THE PHILIPPINES**

1. For the year ended: **December 31, 2021**
2. SEC Identification Number: **166411** 3. BIR Tax Identification No.: **000-187-926-000**
4. Exact Name of registrant as specified in its charter: **iPeople, inc.**
5. **Manila, Philippines** 6. (SEC Use Only)
Province, Country or other jurisdiction of Industry Classification Code:
incorporation or organization
7. **3rd Flr., Grepalife Bldg, 219 Sen. Gil J. Puyat Avenue, Makati City** **1200**
Address of principal office Postal Code
8. **(632) 8253-3637**
Registrant's telephone number, including area code
9. **Not Applicable**
Former address, and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of Each Class	Authorized	Number of Shares Outstanding
Common, P1.00 par value	2,000,000,000 shares	1,044,263,197

Total Debt Outstanding as of December 31 – No debt registered pursuant to Sections 4 and 8 of the RSA

11. Are any or all of these securities listed on the Philippine Stock Exchange. **Yes/Common**
12. Check whether the registrant:
- (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports);
Yes [] No []
- (b) has been subject to such filing requirements for the past 90 days.
Yes [] No []
13. As of March 29, 2022, within 60 days prior to the filing of SEC17-A, the aggregate market value of the voting stock held by the public is equivalent to Pesos (₱1,146,972,557) or (158,640,741) shares at ₱ 7.23/share.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference:

- (a) 2021 Audited Consolidated Financial Statements

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PART 1 – BUSINESS AND GENERAL INFORMATION

Item 1: Description of Business

iPeople, inc. (“iPeople”, “IPO” or “the Company”) is the holding and management company under House of Investments, Inc. and the Yuchengco Group of Companies (“YGC”) that drives investments in the education sector. The Company is a publicly listed company in the Philippine Stock Exchange (PSE:IPO).

Its main operating subsidiaries are the Malayan Education System, Inc. (Operating under the name of Mapúa University) (“Mapúa University” or “MESI”), National Teachers College (doing business under the name The National Teachers College) (“NTC”), University of Nueva Caceres (“UNC”) and Affordable Private Education Center, Inc. (doing business under the name of APEC Schools) (“APEC”).

Mapúa University also has three main wholly owned subsidiaries, the Malayan Colleges Laguna, Inc. A Mapúa School (“MCL”), Malayan High School of Science, Inc. (“MHSS”) and Malayan Colleges Mindanao, Inc. A Mapúa School (“MCM”). MCM is Mapúa University’s newest incorporated school. MCM opened its doors to senior high school and college students in July 2, 2018.

On October 1, 2018, the Board of Directors (BOD) of IPO (Parent Company) executed a memorandum of agreement (MOA) for a proposed Plan of Merger between iPeople and AC Education, Inc. (AEI), the wholly owned education arm of Ayala Corporation (AC), with iPeople as the surviving entity and HI and AC controlling 48.18% and 33.5%, respectively. The merger would bring together the educational group of HI and AC and will enable accelerated growth and provide stronger academic offerings and career prospects for the students. The merger will also unlock synergies between iPeople and AEI to be able to deliver quality education, aimed not only at educating the Filipino youth but also at preparing their graduates to become major players in sustainable businesses driven by adaptive technology.

The proposed merger was subsequently approved by the Parent Company’s Stockholders on December 12, 2018 and was approved by the Philippine Competition Commission (PCC) on December 12, 2018. On April 24, 2019, the Company received from the Securities and Exchange Commission (SEC), the Certificate of Filing of the Articles and Plan of Merger approving the merger. On May 02, 2019, the merger by and between the Company and of AEI became effective with iPeople being the surviving entity, is deemed to have acquired all the assets and to have assumed all the liabilities of AEI. In exchange for the transfer of the net assets of AEI to iPeople, the Company issued to the shareholders of AEI an aggregate of 295,329,976 shares with a total par value of P295.3 million.

On May 09, 2019, the Company acquired 281,642 MESI common shares owned by HI. With the acquisition, iPeople now owns 100% of MESI.

In December 2019, the Company became the beneficial owners of an additional 2,743 shares of UNC common shares which represents 24.99% ownership in UNC which puts iPeople’s ownership of UNC to 83.62%.

The Holding Company

Executive management takes an active role in the business operations of the companies under its portfolio. Through participation in management and operations meetings and regular reviews, iPeople leads the planning and monitoring of achievement of goals.

In particular, management watches operating metrics very closely and how these impact the financial metrics. By monitoring operating metrics and financial metrics, executive management can always determine whether the capital deployed to various businesses within the portfolio is being used efficiently and generate returns that meet hurdle rates.

Executive management also engages in continuous business development programs. These business development activities range from assisting subsidiaries in developing growth opportunities within their respective businesses, developing expansion plans or at the holding company level, exploring new opportunities for portfolio diversification.

Risk Factors at the Holding Company Level

iPeople, inc. is a holding company with significant involvement in education through its subsidiaries, is exposed to risks that are particular to its nature of operations and the environment in which it operates. IPO believes that risk management is the responsibility of all stakeholders within the Group. As such, risk management is integrated into the businesses' organizational activities and processes, embedded into the regular functions and operational requirements to achieve the corporate goals.

The Board Risk Oversight Committee (BROC) assists the Board of Directors in fulfilling its corporate governance functions on risk management. The BROC is responsible for the oversight of the company's enterprise risk management system. The Chief Risk Officer reports to the BROC developments and matters relevant to risk management. Management, through the company's Risk Management Council, is accountable for managing the associated risks. The subsidiaries are responsible for managing their respective risk exposures and reports periodically to IPO.

During the year, IPO conducted a group-wide risk assessment. Following are the key risk factors that may impact the objectives of the Company.

Reputation

The inability of the Company to maintain and failure to protect its reputation may adversely affect its objective of creating and growing its value for its stakeholders. IPO communicates its vision, mission, core values, and objectives to all its stakeholders and ensures all stakeholders are mindful with certainty of the company DNA in accomplishing the corporate objectives. The IPO senior management participates in the Group's strategic planning, management, and operational meetings to ensure alignment with the holding company.

Market

The Philippine and Global economic condition may impact the Company's investment and growth commitments to its stakeholders. IPO is cognizant that pursuing business opportunities by expanding its footprint is critical to sustain its growth commitments. IPO considers investments anchored on the Company's management expertise and available resources and uses acceptable financial modelling and testing considering its investment commitments. Monitoring the market risks is imbedded in the normal course of business and necessary measures are implemented to counter the potential impact.

Regulation

The Company's business may be impacted by changes in laws and policies or the introduction of new laws or regulations which may affect its business operations and financial results. IPO, operating in a regulated industry, manages these risks by monitoring emerging laws and regulations and industry developments affecting or may affect its business. IPO takes the position of proactively participating in consultations and dialogues with pertinent regulatory agencies and organizations relevant to its operations strengthening its capability to anticipate and adapt to potential changes.

Talent

The probability that a critical role will become vacant and cannot be satisfactorily filled may negatively affect the Company's continuity of its strategic imperatives and/or products and services standards. IPO established programs in building key competencies and capability, as well as implementing succession planning to address the exposures.

Information and Cyber Security/Safety

The failure to protect the Company from data breaches and/or the inability of the information systems to adequately protect the critical data and infrastructure may adversely affect stakeholders' confidence, disrupt operations, and may result to business losses. To mitigate the risks, IPO ensures strict compliance with the data privacy act and the Group's information and communications technology security policy. IPO conducts periodic review and information campaign through cybersecurity awareness programs.

School Operations

MALAYAN EDUCATION SYSTEM, INC. (OPERATING UNDER THE NAME OF MAPUA UNIVERSITY)

Founded in 1925 by Don Tomas Mapúa, an architecture graduate of Cornell University in the United States and the first registered architect of the Philippines, Mapúa University is the country's premier engineering and technological university. It envisions itself to be among the best universities in the world, unceasingly fostering its long tradition of leading-edge excellence in various fields of studies, such as Engineering and Sciences, Architecture and Design, Information Technology, Business and Management, Communication and Media Studies, and Social Sciences and Education, and providing students with a learning environment that will make them globally competitive.

It received a 4 Stars rating for excellence by the Quacquarelli Symonds (QS) Intelligence Unit under its QS Stars Rating System. The QSIU is an independent organization providing global intelligence in line with the higher education sectors around the world. It received a 5 Stars rating for Employability, Facilities, and Social Responsibility; a 4 Stars rating for Teaching, Inclusiveness, and Program Strength; and a 3 Stars rating for Internationalization and Academic Development.

Mapúa has also been recognized by QS as one of Asia's Top 550 universities in 2021 and 2022.

Offering locally and internationally accredited academic programs and other developmental programs that provide international learning opportunities to its students, Mapúa education meets global quality standards of the professions for which it prepares its graduates.

Mapúa is the first school in Southeast Asia to obtain accreditation for its programs from ABET, a US-based non-profit, non-governmental agency that accredits college and university programs in applied and natural science, computing, engineering, and engineering technology. To date, Mapúa has the most number of ABET-accredited programs for a single campus in the country, with 11 of its engineering programs accredited by ABET's Engineering Accreditation Commission (EAC) and three of its computing programs accredited by ABET's Computing Accreditation Commission (CAC).

Mapúa also has the most number of engineering programs (Chemical Engineering, Civil Engineering, Computer Engineering, Electrical Engineering, Electronics Engineering, Environmental and Sanitary Engineering, and Mechanical Engineering), together with its three IT programs, recognized as Centers of Excellence by the Philippine Commission Higher on Education.

The University's strong academic foundation ensures its graduates to be of high caliber, taking lead roles in the global arena. To date, it has produced 385 topnotchers across 11 of national professional licensure examinations since 2000. Its students are also prepared for the world of practice through their exposure to international exchange program, on-the-job trainings, plant visits, conferences, and research, development, and innovation undertakings, which are achieved through the University's continuous forming of international linkages with prestigious companies and universities.

A recognized leader in digital education and online learning in the Philippines and one of the most digital-ready universities in Asia, Mapúa continuously provides enriching and engaging learning experiences to its students using the latest in educational technology, enhancing its capability for effective teaching and learning in a digital environment.

Through Mapúa Ubiquitous Online Experience (ÚOx), its initiative in delivering fully online programs through its very own platform, Cardinal EDGE or Education in a Digital and Global Environment, Mapúa delivers on its commitment in developing and bolstering its world-class quality of education, reaching more learners locally and across the globe through its online learning space. To date, it offers six Commission on Higher Education-approved fully online bachelor's degree programs in engineering and information technology and nine fully online master's degree programs in engineering and information technology.

Mapúa aims for the empowerment of the youth by providing education grounded on academic excellence and strength of character. It emphasizes the importance of the core values of discipline, excellence, commitment, integrity, and relevance (DECIR), ensuring that it does its share in producing men and women who live fulfilled and meaningful lives.

MALAYAN COLLEGES LAGUNA, INC. (A MAPÚA SCHOOL)

Located in Cabuyao, Laguna, alongside several science and industrial parks, Malayan Colleges Laguna (MCL) was established to extend the brand of Mapúa University to the south by offering programs in engineering and architecture, accountancy, business, communication, computer science, information technology, multimedia arts, psychology, and tourism management. It has 21 baccalaureate programs, of which three (3) are fully online degree programs. It has five degree-offering colleges and one institute: the Mapúa Institute of Technology at Laguna, the E.T. Yuchengco College of Business, the College of Computer and Information Science, the College of Arts and Science, the Mapúa-PTC College of Maritime Education, and the Institute for Excellence in Continuing Education and Lifelong Learning.

The institution's community started with 860 students in 2007. Today, there are 5,665 students in both college and Senior High School (SHS). MCL, like its parent school Mapúa University, offers SHS. MCL also adapted Mapúa's design for its SHS curricula and embedded Internet of Things ("IoT") which gave MCL a unique advantage in the secondary education sector, ensuring that our students and curricula remain globally competitive. MCL-SHS was opened in 2016, welcoming 1,021 Grade 11 students.

As part of its pledge to provide quality education to its students, the seven MCL's engineering programs, namely: Chemical Engineering, Civil Engineering, Computer Engineering, Electronics Engineering, Electrical Engineering, Industrial Engineering, and Mechanical Engineering, are all PTC-ACBET accredited. In addition, its Marine Engineering (MarE) and Marine Transportation (MT) programs were also awarded re-certification for five (5) years (A.Y. 2019-2020 to 2023-2024) by the Belgian Maritime Inspectorate (BMI) in December 2019 and passed its periodic audit in January 2021. MCL was also granted ISO21001 certification and has passed the DNV routine audit in December 2021.

Driven by a passion for knowledge, MCL seeks to meet the challenges of globalization to produce graduates who can exercise their skills in the global labor market. With its excellent facilities, technologically advanced, and IT-integrated curricula, MCL is envisioned as a Center of Excellence for science and technology education in Southern Luzon. MCL has successfully produced graduates and students with consistently excellent performance in licensure and certification exams and local and national competitions and quiz bowls. In 2016, FindUniversity.ph marked it as the number one private school in CALABARZON and the 10th best school in the Philippines.

MCL continued to excel in the different licensure and certification exams, garnering outstanding performances and perfect passing rates (100%) in the Electrical Engineer Licensure Exam, Electronics Technician Licensure Exam, and the Industrial Engineering Certification Exam. In the August 2019 Mechanical Engineer Licensure Examination, MCL, having obtained a 95.65% passing rate, ranked as the no. 2 Top Performing School with 10 to 49 Examinees. The institution has been consistent with its licensure exam results for Mechanical Engineering, ranking as the no. 1 Top Performing School among private higher education institutions and no. 4 Top Performing School in the Philippines with its 95.05% weighted passing rate in the 2014 to 2018 Mechanical Engineer Licensure Exam.

MCL was granted Autonomous Status, as per CHED Memorandum Order No. 12, Series of 2019. CHED has extended its validity period until 2023, as per CHED Memorandum Order No. 7 series of 2021. Given this, MCL has offered two new programs, B.S. Business Administration and B.S. Psychology, starting Academic Year 2020-2021.

As a result of its quest to continually improve 21st-century education, MCL has been awarded the Blackboard Catalyst Award for Leading Change in 2017 and Blackboard Award for Professional Development in recognition of its Opportunities for Lifelong (#SamaOLL) Project in 2020. In 2021, MCL took home the Blackboard Award for Optimizing Student Experience.

MCL has achieved another milestone by obtaining a three-star overall rating from the Quacquarelli Symonds (QS) Star Rating System from the United Kingdom in 2020. Significantly, MCL received a five-star rating for Employability, due to the competence of its graduates as professionals in their respective fields; a four-star rating for Facilities, for its smart campus and drive to deliver an advanced learning experience for students; and a three-star rating for Social Responsibility and Inclusiveness, for being true to its mission to contribute to the solution of industry's and society's problems through the various engagements of students with communities.

In 2021, MCL was awarded the most outstanding school in the Laguna Excellence Awards. Also, MCL was granted membership in the Philippine Association of Colleges and Universities in January 2022. Through this,

the institution has leveled up its national stature, assuring students and stakeholders of its dedication to its vision.

MALAYAN COLLEGES MINDANAO (A MAPÚA SCHOOL), INC.

Incorporated in 2015, Malayan Colleges Mindanao (A Mapua School), Inc. was established to offer Mapua-education in Davao and Mindanao. MCM looms along General Douglas MacArthur Highway in Matina, Davao City, and opened its doors to senior high school and college students on July 2, 2018.

MCM has the core vision of transforming students to become globally competitive professionals highly preferred by industries locally and abroad. The institution also distinguishes itself from rest of the colleges and universities in Mindanao through:

1. Learner-centered outcomes-based education
2. Blended online and face-to-face learning sessions
3. Industry Partnerships
4. Mindanao-centric Learning
5. Advanced Learning Facilities

With 14 baccalaureate programs in engineering, architecture, arts and sciences, information science, business, and complete senior high school academic and technical-vocational tracks, MCM has reached its target number of enrollees in its first year of operation in Davao City.

For school year 2019-2020, MCM expands global initiatives with new partners and opening of three additional programs under Alfonso T. Yuchengco College of Business namely, B.S. Accountancy, B.S. Management Accounting and B.S. Tourism Management.

Having satisfactorily complied all the CHED RQAT requirements and standards in 2020, MCM was granted an approval to offer two new baccalaureate programs of study—B.S. Biology and B.S. Psychology—under arts and sciences starting school year 2021-2022.

For school year 2022-2023, The Department of Education (DepEd) in Region XI granted approval to MCM to offer Junior High Schools completing the High School program offerings from Grade 7 to Grade 12.

In line with its mission to provide a holistic learning environment, MCM had collaborated with various organizations in spearheading transformative school activities such as coastal clean-up and recycling plastic wastes projects, water conservation and environmental dialogues with private and public sectors as well as donation drives for the victims of recurring earthquakes in Mindanao and for typhoon victims in the country.

MCM has recently reached a milestone with its DOST-funded research project, RESILIEMC. Through the Office of Research, Development, and Innovation, MCM is working with a pool of experts in Davao City to advance the COVID-19 response in the region. A Memorandum of Agreement was signed among the Department of Science and Technology, Philippine Council for Health Research and Development (PCHRD), and MCM in January 2021, forging each party's shared commitment to develop the health system in Mindanao.

In the pursuit of Excellence and Relevance, Malayan Colleges Mindanao continues to strive to go beyond expectations and be involved in the development of sustainable solutions to global issues, at the same time it upholds the values of educational excellence, social responsibility, and environmental preservation.

MALAYAN HIGH SCHOOL OF SCIENCE, INC.

Established in 2006, Malayan High School of Science (MHSS), a Mapua Junior High School, is a leading junior high school in Manila. It aims to be a global center of excellence in secondary education especially in the area of science, technology, engineering, arts and mathematics (STEAM). Malayan High School of Science is focused on producing scientifically and technologically inclined learners.

Malayan High School of Science provides advanced Science, Technology and Mathematics curriculum to Junior High School learners. It upholds an exemplary Science, Technology, Engineering, Arts and Mathematics (STEAM) Junior High School education by offering robotics, multimedia, coding programs, advanced Science,

Mathematics, and outcome-based curriculum. It houses state-of-the-art classrooms, laboratories, and facilities and utilizes digital resources and technologies for teaching and learning. MHSS product or service exists because it produced learners who are successful in the field of pure and applied Science.

MHSS also now offers Home Education Program that will cater to students who prefer a different mode of learning but can still enjoy the Malayan curriculum in the comforts of their own homes.

MHSS promotes the holistic development of its learners, providing them avenues inside and outside the campus to showcase their various talents and skills. It implements a Safe School Policy and employs strict security measures, maintaining an environment that is safe and conducive to learning.

NATIONAL TEACHERS COLLEGE (DOING BUSINESS UNDER THE NAME OF THE NATIONAL TEACHERS COLLEGE)

The National Teachers College was founded by Dr. Segundo M. Infantado, Sr., a former Director of Public Instruction of the Philippines, and Dr. Flora Amoranto-Ylagan, one of the country's leading educators. NTC was officially incorporated on September 29, 1928 and was authorized by the Department of Public Instruction on April 17, 1929, to operate as an educational institution. Its doors opened to the student public on June 10, 1929 and was granted government recognition on February 17, 1930.

NTC was the Philippines' first Higher Education Institution (HEI) to offer collegiate programs dedicated to teacher education. Among private educational institutions in the Philippines, it has attained a leading place in educational leadership, particularly in the field of teacher education. Its performance in the Licensure Examination for Teachers has always been above the national passing rate.

Gearing toward industrialization and developing professionals for national productivity and global competitiveness, collegiate programs were expanded to include business, hospitality, information technology, and psychology. The Senior High School program was likewise opened, offering both Academic and Tech-Voc tracks.

The following programs have been accredited by the Philippine Association of Colleges and Universities-Commission on Accreditation (PACU-COA): Bachelor of Science in Office Administration (Level 1), Bachelor in Elementary Education (Level 3), Bachelor in Secondary Education (Level 3), Master of Arts in Education (Level 2), and Doctor of Education (Level 2).

NTC has continually striven to keep abreast of educational development here and abroad to enrich student life. Partnering with industry experts such as Google for Education and LinkedIn helps ensure the career readiness of its graduates, thus contributing to nation-building. It has always endeavored to make its learning system and student activities relevant and modernized for students to experience the joy of learning for them to learn more and excel better.

While continuously upgrading its services, NTC maintains its affordability, bringing accessible quality education to transform the lives of Filipinos. With a student population of more than 15,000, NTC continues to fulfill its mission of educating and training teachers, administrators, supervisors, and other professionals who will serve the country and the world at large.

UNIVERSITY OF NUEVA CACERES

The University of Nueva Caceres (UNC) is the first university in Southern Luzon. UNC traces its origins to the benevolence of Dr. Jaime Hernandez, former Secretary of the Department of Finance, as his way of giving back to the Bicolano community. In February 1948, Dr. Hernandez together with other prominent Bicolanos, formed the Nueva Caceres College. Five years after its establishment, the school attained University status.

The University has set an aggressive roadmap towards UNC's Big Hairy Audacious Goal: **From First to # 1.** UNC's goal is to be the top university of choice in Bicol, with its differentiation defined as A Future-Ready Outcomes-Based Education Leader in the Bicol Region. UNC shall welcome and nurture students to be future-ready, work-ready, and life-ready by following its tag line "Makatapos, Magkatrabaho at Magtagumpay."

Currently, the University offers complete basic education, four programs in the College of Arts and Sciences, thirteen in the College of Business and Administration, five in the College of Computer Studies, thirteen in the College of Education, six in the College of Engineering, Nursing Course, Criminal Justice Education, Juris Doctor, and three Doctorate and fifteen Master's Degree programs in the Graduate Studies department.

As of 2021, a total of 32 programs representing 56% of all active programs, are accredited by the Philippine Association of Colleges and Universities Commission on Accreditation (PACU-COA). It conferred the Level III status in five Bachelor of Science in Business Administration programs; in five Master of Arts in Education programs; in Master of Business Administration; two Bachelor of Arts programs; two Bachelor of Elementary Education programs; in Bachelor of Special Needs Education; and seven Bachelor of Secondary Education programs. Bachelor of Science in Biology, Bachelor of Science in Accountancy, Bachelor of Science in Nursing, and Elementary Education were accredited with Level II status. The Bachelor of Science in Computer Science, Bachelor of Science in Information Technology, Bachelor of Science in Electronics Engineering, Doctor of Philosophy major in Behavioral Management, and Junior High School were also recognized with a Level I accreditation status.

During the last seventy-four years, the University of Nueva Caceres has produced 161 top-notchers in government Bar and Board examinations. Aside from this, UNC has also produced many student leaders awarded by national and regional recognition bodies. This hefty collection of "golds" speaks well of the quality of instruction in the UNC. Further evidence of this is shown by the thousands of UNC graduates who are now professionals or who occupy responsible positions in the government and in the private sector.

The disruption to educational delivery of the COVID19 pandemic made it possible to quickly shift to flexible learning delivery. UNC Red Ways these Gray Days is the University's Learning Continuity Plan which offers 2 flexible learning solutions: Flexi Tech, an online learning mode, and Flexi Kit, a modular learning mode. Student services such as the health clinic and guidance were also moved online to cater to the needs of our students.

AFFORDABLE PRIVATE EDUCATION CENTER, INC. (DOING BUSINESS UNDER THE NAME OF APEC SCHOOLS)

APEC Schools was established in 2013 with the vision of providing quality private education affordable to Filipino students. APEC is a pioneer in the high school education sector and was one of the first institutions to offer a genuine technology enabled educational curriculum and delivery.

APEC Schools are specialists in the blended learning model and was one of the very few schools whose students were able to complete the academic year when the pandemic first hit in 2020. The school offers advanced and innovative learning at very accessible prices across a wide socio-economic market segment to Junior and Senior High School students in its Metro Manila and CALABARZON branches.

From its initial 130 students from its first branch, APEC Schools has grown to 20 school branches with over 8,000 students and 450 employees in 2022.

APEC Schools introduced Senior High School in 2016 with the Accounting and Business Management (ABM) strand, along with its proprietary program Accelerated Career Experience, a job-immersion program developed together with partner employers. In 2018, the school celebrated its 5th anniversary and graduated its first cohort. Two thousand senior high school students graduated that year, the majority being admitted to top colleges and universities, while around 15% started working with job offers within three months of graduation. A year later, the school offered the Science, Technology, Engineering, and Mathematics (STEM) academic strand.

APEC Schools takes pride in its outcomes. The college entrance exam passing rate of its graduates is higher than the national average, with students gaining entry to top universities and state colleges of their choice. In addition, 96% of the Senior High School graduates who seek employment have received job offers within 120 days after graduating.

The school's commitment has always been to create a better future for its students. In 2020, APEC Schools offered two innovative new programs to help its students continue with their education despite the pandemic: APEC Agile Distance Learning program and APEC Flex Homeschool program.

In December of the same year, Google recognized APEC Schools as a Google Reference School - the first and only one in the Philippines. The recognition is for those who utilize the Google educational tools in creative, innovative, and exemplary ways, to create a positive impact on the educational development of the students.

APEC Schools is committed to creating the future of the students that gets #BetterEachDay.

Risk Factors related to School Operations

Business Resiliency

The inability to bring the Company out of operational disruptions, resume critical processes, and restore normal operations may result to service breach and financial losses. The Group is committed to address risks that may cause disruptions to its operations. Measures are put in place to mitigate the risks as provided for in the Group's business continuity management plan and disaster risk management program with the end objective of bringing back the business activities to normal operations as soon as possible. Further, the Group maintains and continues to invest in online platforms to improve the Group's ability to provide services remotely and meet stakeholders' expectations. Where applicable and appropriate, specific insurance is obtained to help reduce the financial impact of the operational disruptions and damages.

Information and Cyber Security/Safety

The failure to protect the Company from data breaches and/or the inability of the information systems to adequately protect the critical data and infrastructure may adversely affect stakeholders' confidence, disrupt operations, and may result to business losses. To mitigate the risks, the Group ensures strict compliance with the data privacy act and the Group's information and communications technology security policy. The Group conducts periodic review and information campaign through cybersecurity awareness programs. The Group also maintains and invests in cybersecurity resources.

Regulation

The Company's business may be impacted by changes in laws and policies or the introduction of new laws or regulations which may affect its business operations and financial results. The Group, operating largely in the regulated education industry, manages these risks by monitoring emerging laws and regulations and industry developments affecting or may affect its business. The Group takes the position of proactively participating in regular consultations and dialogues with pertinent regulatory agencies and organizations relevant to its operations and aiming to attain thought leadership status in the education industry.

Talent

The probability that a critical role will become vacant and cannot be satisfactorily filled may negatively affect the Company's continuity of its strategic imperatives and/or products and services standards. IPO established programs in building key competencies and capability, as well as implementing succession planning to address the exposures. In addition, the Group maintains and continues to improve its employee engagement through activities and programs, including but not limited to individual development plan.

Market

The Philippine and Global economic condition may impact the Company's investment and growth commitments to its stakeholders. The Group is cognizant that pursuing business opportunities is critical to sustain its growth commitments. The Group considers opportunities anchored on the company's management expertise and available resources. Monitoring the market risks is imbedded in the normal course of business and necessary measures are implemented to counter the potential impact. The Group partnered with business organizations to cushion the potential financial impact to relevant stakeholders, implements process improvements and other cost-saving measures, strengthens its online platforms to provide affordable distance learning programs.

Reputation

The inability of the Company to maintain and failure protect its reputation may adversely affect its objective of creating and growing its value for its stakeholders. The Group communicates its vision, mission, core values, and objectives to all its stakeholders and ensures all stakeholders are mindful with certainty of the company DNA in accomplishing the corporate objectives. The Group has stakeholder action centers to address concerns, conducts social listening to determine reputational concerns, and implements social media policy to ensure appropriate community behavior.

Campus Safety and Security

The inability to provide a safe environment and/or operationalize adequate campus security and preventive measures may adversely affect the Group's reputation, student enrolment, and talent retention. The Group manages the risks by implementing a campus security program, ensuring strict compliance with regulatory agencies' requirements on safety and security in educational institutions. The Group maintains and continually improves appropriate processes and equipment aimed at securing its facilities and stakeholders.

Operational

The inefficiencies and/or failure of internal processes and/or systems, non-compliance with policies and regulatory requirements, human errors in the conduct of the Group's daily activities may result to financial losses. To manage these risks, the Group ensures that all operating units have efficient and effective processes and support systems to meet and deliver its objectives. Further, the Group periodically assesses existing controls and compliance to ensure its continued relevance and effectiveness by conducting periodic operational audit.

Item 2: Properties

iPeople and its subsidiaries own land in the following areas enumerated below:

PROPERTY DESCRIPTION	DATE ACQUIRED	AREA (SQ. M.)	TYPE
MALAYAN EDUCATION SYSTEM, INC.			
Intramuros, Manila	1999	17,997	School campus
Intramuros, Manila	2013	513.5	Vacant lot for expansion
Sta. Cruz, Makati City	2018	5,114	School Campus
MALAYAN HIGH SCHOOL OF SCIENCE INC.			
Paco, Manila	2002	3,624	School campus
MALAYAN COLLEGES LAGUNA, INC.			
Cabuyao, Laguna	2010	60,000	School campus
Cabuyao, Laguna	2012	14,640	Vacant lot for expansion
MALAYAN COLLEGES MINDANAO, INC.			
Brgy. Ma-a, Davao City	2015	23,000	School Campus
Brgy. Ma-a, Davao City	2018	7,000	School Campus
NATIONAL TEACHERS COLLEGE			
Quiapo, Manila	2019	7,316.7	School Campus
Quiapo, Manila	2019	535.3	School Campus
Quiapo, Manila	2019	714.4	School Campus
UNIVERSITY OF NUEVA CACERES			
J. Hernandez Ave., Naga City	2019	49,917	School Campus
AC COLLEGE OF ENTERPRISE AND TECHNOLOGY, INC.			
San Jose del Monte City, Bulacan	2019	6,098	Vacant Lot

The following details the properties that iPeople inc.'s subsidiary have leases:

PROPERTY DESCRIPTION	LOCATION	AREA (IN SQM)	LEASE EXPIRATION
AFFORDABLE PRIVATE EDUCATION CENTER, INC.			
7-Storey Building	Head Office	350.00	11/01/2024
5-Storey Building	V. Luna	865.00	06/30/2030
3-Storey Building	North Fairview	1174.00	06/30/2027
4-Storey Building	C. Raymundo	1250.00	06/30/2027
4-Storey Building	Marikina Heights	1247.00	06/30/2026
4-Storey Building	Grace Park West	795.96	04/30/2027
5-Storey Building	Tondo (Annex)	1204.00	06/30/2025
4-Storey Building	Muntinlupa	1080.00	06/30/2027
3-Storey Building	Sta. Rita Sucat	1500.00	04/30/2025
4-Storey Building	Dasmariñas	878.00	04/30/2027
4-Storey Building	Bacoor-Molino	1215.00	06/30/2029
3-Storey Building	Roxas Boulevard	537.00	04/30/2029
3-Storey Building	Pateros	1230.00	06/30/2028
4-Storey Building	Taytay	515.92	08/31/2022

3-Storey Building	Ortigas Ext., Cainta	960.00	12/31/2030
4-Storey Building	Calumpang-Annex	1095.00	03/31/2028
1-Storey Building	JRU Lipa	1255.28	06/30/2024
3-Storey Building	Las Pinas	1266.00	06/30/2026
4-Storey Building	Concepcion Dos	756.00	06/30/2026
4-Storey Building	New Manila	781.00	04/30/2027
5-Storey Building	San Pablo	1480.00	06/30/2029

Item 3 – Legal Proceedings

Mapúa University is involved in certain disputes that arise in the ordinary conduct of business. Management believes that these suits will ultimately be settled in the normal course of operations and will not adversely affect the subsidiary's financial position and operating results.

Item 4 - Submission of Matters to a Vote of Security Holders

There were no matters during the Annual Stockholders' Meeting held on 30 July 2021 that required the vote of the Company's stockholders owning more than 2/3 of the outstanding number of shares

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5 – Market for Issuer’s common equity and related stockholder matters

The common stock (PSE: IPO) is traded on the Philippine Stock Exchange.

PERIOD	STOCK PRICE	
	HIGH	LOW
2022 First Quarter	8.87	6.58
2021 Fourth Quarter	7.69	6.81
2021 Third Quarter	7.50	6.66
2021 Second Quarter	8.00	6.02
2021 First Quarter	9.00	6.58
2020 Fourth Quarter	10.80	7.01
2020 Third Quarter	8.80	7.00
2020 Second Quarter	8.99	5.22
2020 First Quarter	9.44	7.00
2019 Fourth Quarter	9.50	7.00
2019 Third Quarter	10.10	9.00
2019 Second Quarter	12.18	10.08

Top 20 owners of common stock as of March 31, 2022:

STOCKHOLDER	NUMBER OF SHARES	% OF TOTAL
HOUSE OF INVESTMENTS, INC.	501,940,749.00	48.07%
AYALA CORPORATION	349,829,961.00	33.50%
A. SORIANO CORPORATION	92,945,934.00	8.90%
PCD NOMINEE CORP - FILIPINO	89,357,373.00	8.56%
HYDEE MANAGEMENT & RES. CORP.	653,800.00	0.06%
YAN, LUCIO	325,000.00	0.03%
ONG PAC, SALLY C.	299,000.00	0.03%
LEY, FELY	243,750.00	0.02%
PCD NOMINEE CORP - NON-FILIPINO	236,624.00	0.02%
TECSON, BINGSON U.	195,000.00	0.02%
MENDOZA, ALBERTO MENDOZA &/OR JEANIE C.	165,750.00	0.02%
PHILIPPINE ASIA EQUITY SECURITIES INC. U-055	146,250.00	0.01%
KHO, DAVID L.	140,500.00	0.01%
ANSALDO GODINEZ & CO., INC.	133,438.00	0.01%
CHAN, VICKY L.	130,000.00	0.01%
SECURITIES INVESTORS PROTECTION FUND, INC.	130,000.00	0.01%
LI, LUISA	113,100.00	0.01%
UY, JOHNNY S.	97,500.00	0.01%
UY-TIOCO, GEORGE	97,500.00	0.01%
DE JESUS, REYNALDO	82,500.00	0.01%
SUB TOTAL	1,037,263,729	99.33%
Others	6,999,468	0.67%
TOTAL	1,044,263,197	100.00%

iPeople has shareholders owning a total of 1,044,263,197 shares as of March 31, 2022.

Dividends

In accordance with the Corporation Code of the Philippines, iPeople intends to declare dividends (either in cash or stock or both) in the future. Common stockholders of the Company are entitled to receive a proportionate share in cash dividends that may be declared by the Board of Directors out of surplus profits derived from the Company’s operations. The same right exists with respect to a stock dividend of which the declaration is subject to the approval of stockholders representing at least two-thirds (2/3) of the outstanding shares entitled to vote. The amount will depend on the Company’s profits and its capital expenditure and investment requirements at the relevant time.

The company has declared cash dividends as follows:

YEAR	DIVIDEND PER SHARE	TOTAL AMOUNT
2022	₱0.16	₱167.01MM
2021	₱0.06 (Q2) and P0.23940 (Q4)	₱312.66MM
2020	₱0.07	₱73.25MM
2019	₱0.06 (Q1) and P0.01373 (Q2).	₱59.27MM

iPeople has not identified any restriction that limits the ability to pay dividends on common equity or that are likely to do so in the future.

Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

There was no sale of unregistered or exempt securities, nor recent issuance of securities constituting an exempt transaction in 2021.

Description of Registrant's Securities: Common Stock

The equity capital structure of the firm as of December 31, 2021 is shown below:

Authorized Capital	P2,000,000,000
Subscribed Capital	P1,044,263,197
Paid Up Capital	P1,044,263,197

The Board of Directors may declare dividends only from surplus profits arising from the business of the Company.

No holder of the capital stock, whether said stock is now or hereafter authorized, shall have any right, as a stockholder, to purchase or subscribe to any additional shares of the capital stock, whether such shares of capital stock are now or hereafter authorized by the Company as determined by resolution of the Board of Directors.

No transfer of stock or interest, which will reduce the ownership of Filipino stockholders to less than the percentage of the capital stock required by law, shall be allowed or permitted to be recorded in the proper books, and this restriction shall also be indicated in all stock certificates of the corporation.

Item 6 – Management Discussion and Analysis of Financial Condition and Results of Operations and Plan of Operation

Plan of Operations within the next twelve months

- (a) The management believes that iPeople can satisfy its cash requirements within the next twelve months without the need to raise additional funds;
- (b) There are no major product research and development that iPeople will perform within the next twelve months;
- (c) There are no expected purchase or sale of plant and significant equipment within the next twelve months, and
- (d) There are no expected significant changes in the number of employees.

Management Discussion and Analysis

CONSOLIDATED RESULTS - Year 2021 vs. Year 2020

Financial Position

Total consolidated assets increased from ₱15.71 billion to ₱16.13 billion, or a 3% increase compared to last year. The increase in total assets is mainly due to the higher cash balance of the Group and increase in the appraised value of land.

Consolidated current assets increased to ₱3.06 billion this year from ₱2.66 billion last year primarily due to higher cash and cash equivalents and higher prepaid expenses of schools. The increase in cash and cash equivalents was mainly due the cash generated by the school operations.

Receivables pertain mainly to matriculation and miscellaneous fees due from students. Receivables balance this year is P1.03 billion. There was no significant change in the balance of receivables. . Prepaid expenses and other current assets went up from ₱271 million to ₱391 million mainly because of the increase in various prepaid expenses to schools that will be amortized in the next months.

Total consolidated non-current assets this year is P13.07 billion. There was no significant change in the balance of other non-current assets. The increased in the appraised value of land was offset by the depreciation and amortization during the year.

Total consolidated liabilities of the Group is P5.01 billion. There was no significant change in the balance of total liabilities. The change in total liabilities balance is only 4%.

Accounts payable and accrued expenses pertain largely to obligations to suppliers. Accounts payable and accrued expenses decline by 10% mainly due the payment payables related to the development of the new Mapua Makati campus.

Unearned income is lower from ₱681 million in December 2020 to ₱658 million this year due to timing difference with regards to the start of school term.

Total consolidated equity increased from ₱10.49 billion in December 2020 to ₱11.12 billion this year due to the net income for the year and other comprehensive income related to the revaluation increment on land. Equity attributable to Parent is at ₱10.87 billion, from ₱10.25 billion in December 2020.

Results of Operations

The Group posted a consolidated net income of ₱663.79 million, which is significantly higher than the ₱242.17 million net income in the previous year. The 174% increase net income in 2021 is attributed to the better results of operations of IPO schools primarily because of higher revenues, lower expenses of schools and lower income taxes due to the approval of the CREATE Bill.

Revenue from school operations is the primary source of revenue of the Group. Revenue went up by 11% to ₱ 3.35 billion from ₱3.02 billion last year. The increase in revenue was primarily due to higher enrolment in Mapua University, MCM and NTC and higher revenue of other IPO schools due to changes in school calendar that affected the timing of revenue recognition.

Consolidated cost of tuition and other fees and general and administrative expenses of P2.62 billion is almost the same as last year's P2.64 billion. The Group was able to maintain the same level of expenses despite the higher enrolment in the current school year because of effective cost management and continued suspension of face-to-face classes that started in March 2020.

Interest expense and other finance charges decreased from ₱151.76 million last year to ₱138.58 million this year due to lower outstanding bank loan balance during the year and lower interest related to lease liabilities.

CONSOLIDATED RESULTS - Year 2020 vs. Year 2019

Financial Position

Total consolidated assets decreased from ₱16.27 billion to ₱15.71 billion, or a 3% decline compared to 2019. The decrease in total assets is due to the sale of a subsidiary company that owns a real property. The additional development cost of the new MESI Makati campus and the remaining cash proceeds from sale of subsidiary partially offset the decline in asset due to sale of said subsidiary.

Consolidated current assets increased to ₱2.66 billion 2020 from ₱2.32 billion in 2019 primarily due to higher cash and cash equivalents and higher accounts receivable of schools. The increase in cash and cash equivalents was mainly due the proceeds from sale of subsidiary.

Receivables pertain mainly to matriculation and miscellaneous fees due from students. The 6% increase in receivable was mainly due to timing difference with regards to the start of school term, and the extended payment

period of school fees to provide relief to students and parents having financial difficulty brought about by the pandemic. Prepaid expenses and other current assets went up from ₱176 million to ₱271 million mainly because of the additional prepayment to suppliers.

Consolidated non-current assets declined by ₱0.91 billion or 7% lower mainly due to the sale of a subsidiary that owns a real property. The decline was partially offset by the continued development of new Makati campus. There was no significant change in the balance of other non-current assets.

Total consolidated liabilities were lower by 20%, primarily because of full payment of the short-term loans of MESI.

Accounts payable and accrued expenses pertain largely to obligations to suppliers. There was no significant movement in the balance of accounts payable and accrued expense.

Payables to related parties pertain to services provided by the Group's affiliates to support its operations and oversee the on-going construction of school building in Makati.

Unearned income is lower from ₱781 million in December 2019 to ₱681 million due to timing difference with regards to the start of school term as well as lower student enrolment.

Total consolidated equity increased from ₱9.73 billion in December 2019 to ₱10.49 billion in 2020 due to the net income for the year and other comprehensive income related to the revaluation increment on land. Equity attributable to Parent is at ₱10.25 billion, from ₱9.51 billion in December 2019.

Results of Operations

The Group posted a consolidated net income of ₱242.17 million, which is 12% lower than the ₱274.09 million in 2019.

Compared to 2019, the consolidated revenue and expenses of the Group went up generally due to the increase in enrollment of MCM and consolidation of the full year revenue and expenses of subsidiaries acquired in May 2, 2019. The Group started recognizing results of operations of APEC, NTC and UNC in May 2, 2019 when the merger was completed.

The higher net income in 2020 is mainly attributed to the higher income contribution of NTC, improving results of operations of MCM and gain from sale of a subsidiary. However, if the non-recurring gain from sale of subsidiary is excluded, the net income of the Group is lower than previous year because of the lower enrollment due to the pandemic, higher depreciation and interest expenses on loans. MCM incurred a significantly lower net loss mainly due to material increase in enrolment and lower interest expense. The result of future operations of MCM is expected to continue to improve as it accepts more students in the succeeding years of operation.

Revenue from school operations is the primary source of revenue of the Group. Consolidated revenues in 2020 was significantly affected by the delay in the start of school year 2020 – 2021, tuition fee rebates given to students due to suspension of face-to-face classes and the economic impact of the pandemic that affected the capability of some students to enroll in private schools and universities. On the other hand, the P1.03 billion revenue contribution of new subsidiaries in 2020 covering twelve months, which is 36% higher than their P809 million contribution in 2019 covering eight months, and the increase in revenues of MCM were able to mitigate the adverse impact of the pandemic. All these taken together resulted to the Group's P3.00 billion consolidated revenue that is almost equal to that of the previous year.

Cost of tuition and other fees and general and administrative expenses increased by 5% or ₱114 million higher from same period the prior year. The higher expenses in 2020 was primarily due to the operating expenses of APEC, UNC and NTC that covered twelve months period in 2020 compared to only eight months in 2019. Compared to the same twelve months period the previous year, expenses of schools in 2020 were generally lower because of the suspension of face-to-face classes since March 2020 due to the pandemic.

Interest expense and other finance charges increased from ₱129.34 million in 2019 to ₱151.76 million in 2020 due to lower borrowing rates in 2020. Interest on loans in 2019 was also lower because NTC capitalized interest as part of the building cost during the construction period.

Interest income decreased by ₱11.86 million mainly because of lower interest rates.

Other income (loss) pertains to gain on sale of subsidiary, rental income, and recovery of provision for impairment.

CONSOLIDATED RESULTS - Year 2019 vs. Year 2018

Financial Position

Total consolidated assets increased from ₱9.97 billion to ₱16.27 billion, or a 63% growth compared to 2018. The increase in total assets is due to additional development cost of the new Makati campus and the consolidation of assets of the acquired companies into IPO and intangible assets recognized related to the merger with AEI.

Consolidated current assets increased to ₱2.32 billion in 2019 from ₱1.01 billion in 2018 primarily due to the current assets of newly acquired subsidiary companies. The increase in cash and cash equivalents was because of the cash and cash equivalents of the new subsidiaries.

Receivables pertain mainly to matriculation and miscellaneous fees due from students. The 198% increase in receivable was mainly due to timing of start of classes and due to ₱534 million receivables of the new subsidiaries. Prepaid expenses and other current assets went up from ₱82.32 million to ₱176 million mainly because of the ₱18 million prepaid expenses and other current assets of the new subsidiaries.

Consolidated non-current assets grew by ₱4.99 billion or 56% higher mainly due to non-current assets of newly acquired subsidiaries, development of new Makati campus and intangible assets recognized as a result of the merger with AEI. All equity instruments were sold during the year. Other non-current assets went up from ₱33.77 million to ₱110.28 million mainly because of the ₱49.61 million other non-current assets of the new subsidiaries.

Total consolidated liabilities were higher by 84%, primarily because of additional loans acquired by the Group to finance the on-going construction of the new MESI Makati Campus and liabilities of newly acquired subsidiaries.

Accounts payable and accrued expenses pertain largely to obligations to suppliers. Accounts payable and accrued expense went up by 78% because of 1) payables to various suppliers relative to the on-going construction of the new campus in Makati; 2) accrual of salaries and wages and interest on loans; 3) other payables coming from the new subsidiaries such as management and professional fees, withholdings taxes, SSS and other contribution.

Payables to related parties pertain to services provided by the Group's affiliates to support its operations and oversee the on-going construction of school building in Makati.

Unearned income is higher from ₱315 million in December 2018 to ₱781 million due to unamortized tuition fees of Mapua schools and the new subsidiaries.

Total consolidated equity increased from ₱6.41 billion in December 2018 to ₱9.73 billion in 2019 due to the issuance of 295.3 million shares to Ayala Education, Inc., net income for the year and other comprehensive income related to the revaluation increment on land. Equity attributable to Parent is at ₱9.51 billion, from ₱6.00 billion in December 2018.

Results of Operations

The Group posted a consolidated net income of ₱274.09 million, which is 16% higher than the ₱237.10 million in 2018.

Compared to 2018, the consolidated revenue and expenses of the Group went up generally with the higher number of enrolled students, the start of school operations of MCM in July 2018 and revenue and expenses of new subsidiaries.

The higher net income in 2019 is mainly attributed to better results of operations of MESI and MCL and net income contributions of NTC and UNC. The Group started recognizing results of operations of APEC, NTC and UNC in May 2, 2019, the merger's effectivity date. MCM incurred higher net loss mainly due to significant increase in interest expense for loans that partially financed the development of the MCM campus as well as

higher depreciation charges. The result of future operations of MCM is expected to improve as it accepts more students in the succeeding years of operation.

Revenue from school operations, which is the primary source of revenue of the Group went up by 66% at ₱3.00 billion from ₱1.81 billion in 2018. The increase in revenue was primarily due to normalization of freshmen enrolment from K-12 program, improvement in MESI's enrolment process, full year school operations of MCM and revenues of subsidiaries acquired in May 2, 2019.

Cost of tuition and other fees went up by 59% or ₱761 million, while general and administrative expenses increased by 92% or ₱231 million higher from same period 2018. The higher expenses in 2019 was primarily due to additional costs related to second year of school operations of MCM and operating expenses of newly acquired subsidiaries.

Interest expense and other finance charges increased from ₱36.03 million in 2018 to ₱129.34 million in 2019 due to additional loans availed by the Group and because the of accretion of lease liability that is now required under PFRS 16. Interest on loans in 2018 was also significantly lower because MCM capitalized interest as part of the building cost during the construction period.

Interest income increased by ₱11.41 million from last year mainly because of higher interest rates.

Other income (loss) pertains to rental income, provision for impairment, foreign exchange gain, income from investment in UITF.

Financial Ratios

Below are the financial ratios that are relevant to the Group for the years ended December 31, 2021 and 2020:

Financial ratios		2021	2020
Current ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.40:1	1.16:1
<i>Indicates the Group's ability to pay short-term obligation</i>			
Acid Test Ratio	$\frac{\text{Current Assets} - \text{Prepaid Expenses}}{\text{Current Liabilities}}$	1.22:1	1.04:1
<i>Indicates the Group's ability to use its quick or near cash assets to pay current liabilities immediately</i>			
Solvency Ratio	$\frac{\text{Net Income} + \text{Depreciation}}{\text{Total Liabilities}}$	0.22:1	0.14:1
<i>Shows how likely a Group will be continue meeting its debt obligations</i>			
Debt-to-equity ratio	$\frac{\text{Total Debt}}{\text{Equity}}$	0.46:1	0.51:1
<i>Measures the Group's leverage</i>			
Asset to Equity Ratio	$\frac{\text{Total Assets}}{\text{Equity}}$	1.45:1	1.50:1
<i>Shows how the company's leverage (debt) was used to finance the firm</i>			
Interest Rate Coverage	$\frac{\text{EBIT}}{\text{Interest Expense Excluding Interest Expense on Lease Liabilities}}$	7.03:1	3.67:1
<i>Shows how easily a company can pay interest on outstanding debt</i>			

Return on Average Stockholders' Equity	<u>Net Income</u>	6.14%	2.39%
<i>Reflects how much the Group's has earned on the funds invested by the stockholders</i>	Average Equity		
Net Profit Margin	<u>Net Profit Margin</u>	19.81%	8.03%
<i>Reflects how much net income or profit is generated as percentage of revenue</i>	Revenue		
Return on Assets	<u>Net Income</u>	4.12%	1.54%
<i>Measure the ability to utilize the Group's assets to create profits</i>	Total Assets		

Current ratio provides the liquidity position of the business by comparing current assets to current liabilities. The current ratio improved from 1.16:1 in 2020 to 1.40:1 in 2021, primarily due to higher current assets. Consolidated current assets increased to P3.06 billion this year from P2.66 billion last year primarily due to the.

Acid test ratio slightly increased from 1.04:1 in 2020 to 1.22:1 in 2021 which is due to lower short-term loans.

Solvency ratio slightly increased from 0.14:1 in 2020 to 0.22:1 in 2021 mainly due to lower total liabilities of the Group because of loan payments.

Debt-to-Equity ratio measures the Group's leverage. The total debt-to-equity ratio of the Group is 0.46:1 for 2021 and 0.51:1 for 2020. This is because of lower liabilities of the Group. Total consolidated liabilities were lower by 4%, primarily because of loan payments made by the Group.

Asset to Equity ratio decreased from 1.50:1 in 2020 to 1.45:1 in 2021 because of the decrease in asset base relative to the sale of land.

Interest Rate Coverage shows the capability of a company to pay interest on outstanding debt. Due to higher interest expense of the group, interest rate coverage ratio increased from 3.67:1 in 2020 to 7.03:1 in 2021 primarily due to higher income from operations.

Return on Average Stockholders' Equity (ROAE) measures the profitability of the Company in relation to the average stockholders' equity. The ROAE for 2021 has increased to 6.1% from 2.4% in 2020 because of higher net income during the period.

Net profit margin reflect how much net income or profit is generated as percentage of revenue. The net profit margin increase in 2021, from 8.03% in 2020 to 19.81% this year due to higher income from operations.

Return on Assets measures the ability to utilize the Group's assets to create profits. The Group's return on assets for year 2021 went up to 4.12%, from 1.54% in 2020.

The above-mentioned ratios are applicable to the Group as a whole.

Other qualitative and quantitative factors

- (i) There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in iPeople's liquidity increasing or decreasing in any material way;
 - a. iPeople does not anticipate any cash flow or liquidity problems within the next twelve months;
 - b. iPeople is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement which will require the Company to make payments;
 - c. There is no significant amount of trade payable that have not been paid within the stated terms; and

- d. iPeople's depends on services fees from subsidiaries, interest income and dividends from its subsidiaries as its source of liquidity.
- (ii) There are no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
- (iii) There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period;
- (iv) There are no material commitments for capital expenditures;
- (v) There are no significant elements of income or loss that did not arise from the iPeople's continuing operations;
- (vi) The causes for any material change from period to period which shall include vertical and horizontal analyses of any material item are discussed above;
- (vii) There are no seasonal aspects that had a material effect on the financial condition or results of operations.

Item 7 – Financial Statement and Supplementary Schedules

The 2021 audited consolidated financial statements of the Group are attached herein by reference. The schedules listed in the accompanying Index to the Supplementary Schedules are filed as part of this Form 17-A.

Item 8 - Information on Independent Accountant and Other Related Matters

The Accounting firm of Sycip Gorres Velayo and Company (SGV & Co.), with office address at 6760 Ayala Avenue, SGV Building, Makati City, Philippines, has been the Company's Independent Auditors since the Company's incorporation, and has been recommended to serve as such for the current year.

Philippine Securities Regulation Code (SRC) Rule 68, Part3 (b) (ix), *Rotation of External Auditors*, states that the key audit partners, which include the engagement partner or signing partner, shall comply with the provisions on long association of personnel (including partner rotation) with an audit client as prescribed in the Code of Ethics for Professional Accountants in the Philippines (the Code). The Code prescribes that an individual shall not act in any of the engagement partner, engagement quality control reviewer, other key audit partner role or a combination of such roles, for a period of more than seven cumulative years. The Company engaged Ana Lea C. Bergado of SGV & Co. for the examination of the Company's financial statements starting 2017.

The engagement of the external auditors was favorably endorsed by the Audit Committee to the Board of Directors. The engagement is ultimately submitted for approval of the stockholders.

Disagreement with Accountants on Accounting and Financial Disclosure

There was no event for the last 5 years where SGV & Co. had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

Attendance of Accountants at the Meeting

Representatives of SGV & Co. are expected to be present at the annual stockholders meeting with the opportunity to make any statement, if they so desire, and will be available to respond to appropriate questions on the Company's financial statements.

External Audit Fees and Services

The Company has engaged SGV & Co. as the external auditor, and is tasked to conduct the financial audit of the Company. For this service, SGV & Co. has billed the company the following amounts:

YEAR	AUDIT FEE BILLING
2021	₱4,337,000
2020	₱4,245,500
2019	₱4,285,500

The Company has not engaged SGV & Co. for any other services aside from its annual audit for the last five (5) years.

Tax Fees

The Company has not engaged the services of the external auditor for tax accounting, compliance, advice, planning and any other form of tax services.

All Other Fees

There are no other fees billed in each of the last two years for the products and services provided by the external auditor, other than the services reported under the items mentioned above.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9 – Directors and Executive Officers of the Issuer

Board of Directors & Officers

The Company's board of directors is composed of nine (9) members elected by and from among the Company's stockholders. The board is responsible for providing overall management and direction of the Company. Board meetings are held on a regular basis or as often as required to discuss the Company's operations, business strategy, policies and other corporate matters. A brief background on each member of the board is provided:

DIRECTORS		
Name	Position	Length of Service
Dr. Reynaldo B. Veja **	President	7 years
Mr. Lorenzo V. Tan	Director	4 years
Mr. Medel T. Nera	Director	11 years
Ms. Yvonne S. Yuchengco	Director	21 years
Mr. Gerardo C. Ablaza	Director	3 years
Mr. Alfredo Antonio I. Ayala ***	Director	3 years

INDEPENDENT DIRECTORS		
Name	Position	Length of Service
Mr. Renato C. Valencia *	Chairman	17 years
Mr. Cesar A. Buenaventura, OBE	Director	31 years
Ms. Herminia S. Jacinto	Director	3 years

EXECUTIVE OFFICERS	
Name	Position
Dr. Reynaldo B. Veja **	President and Chief Executive Officer
Mr. Alfredo Antonio I. Ayala ***	Chief Operating Officer
Ms. Gema O. Cheng	EVP and Chief Finance Officer
Mr. Alexander Anthony G. Galang	Chief Audit Executive
Ms. Shirley Q. Earnhart	Treasurer
Dr. Ruth C. Francisco	Chief Risk Officer
Ms. Pamela Q. Wu	Chief Human Resource Officer
Mr. Danilo R. Tiongco	Chief Information Officer
Mr. Victor V. Rafael	VP-Finance and Investor Relations
Mr. Jonathan M. Lopez	Controller
Atty. Denise Jordan P. Arenillo	Legal and Compliance Officer
Atty. Samuel V. Torres	Corporate Secretary
Atty. Ma. Elvira Bernadette C. Garcia-Gonzalez	Assistant Corporate Secretary

Position and Background within the last 5 years

RENATO C. VALENCIA*, 80, Filipino, has been the **Chairman of the Board and Independent Director** since 2005. He is also the **Chairman** of Omnipay, Inc.; **Lead Independent Director**, GT Capital Holdings, Inc.; **Independent Director**, EEI Corporation, Malayan Insurance Co., Inc., and Anglo Philippine Holdings Corp.; **Member**, Management Association of the Philippines and Financial Executives Institute of the Philippines. *His past experiences include President & CEO* of Social Security System (SSS), and Roxas Holdings, Inc.; **Chairman & CEO**, Union Bank of the Philippines; **Independent Director**, House of Investments, Inc. and Metropolitan Bank and Trust Co.; *Educational Background:* Master of Business Management from Asian Institute of Management, Philippines; Bachelor of Science in General Engineering from Philippine Military Academy.

* Resigned as Chairman as of January 31, 2022; Appointed as Lead Independent Director, effective February 01, 2022

** Elected as Chairman and Chief Executive Officer, effective February 01, 2022

*** Elected as President and Chief Operating Officer, effective February 01, 2022

REYNALDO B. VEA **, PhD, 70, Filipino, is a **Director, President and Chief Executive Officer** since 2015. He is also the **President & CEO** of Malayan Education System, Inc. (*operating under the name Mapúa University*); **Director and President** of Malayan High School of Science, Inc., and Mapua Techserv; **Director** of Malayan Colleges Laguna, (A Mapúa School), Inc., Malayan Colleges Mindanao (A Mapua School), Inc.; **Trustee** of AY Foundation, Yuchengco Center of De La Salle University, and Yuchengco Museum; **Director** of Maibarara Geothermal, Inc., and Petrogreen, Inc., **Chairman** of the Philippine Science High School Foundation, Inc., Engineering Science and Technology Division of the National Academy of Science and Technology, Philippine Qualifications Framework - National Referencing Committee (PQF-NRC), and the CHED-NZQA Technical Working Group on the Comparative Analysis of New Zealand's and the Philippines' Bachelor's Degrees **His past experiences include: President** of Malayan Colleges Laguna, (*A Mapúa School*), Inc. and Malayan Colleges Mindanao (*A Mapua School*), Inc., **Director** of House of Investments, Inc., Grepalife Dollar Bond Fund, Grepalife Fixed Income Fund, National Research Council of the Philippines, PetroWind, Inc., and Rizal Commercial Banking Corporation; **Member** of Philippine Fulbright Commission and UNESCO National Commission; **Trustee** of Philippine Association Colleges and University; **Chairman** of Committee on Science and Technology in UNESCO National Commission; **Dean** of UP College of Engineering. **Educational Background:** Ph.D. in Engineering from University of California, Berkley, USA; Master in Naval Architecture and Marine Engineering from Massachusetts Institute of Technology, USA; and Bachelor of Science in Mechanical Engineering (magna cum laude) from University of the Philippines.

LORENZO V. TAN, 60, Filipino, was elected as **Director on January, 2018**. He is currently a **Director** and the **President and Chief Executive Officer** of House of Investments, Inc., RCBC Realty Corporation and San Lorenzo Ruiz Investment Holdings and Services, Inc; **Vice Chairman** of Pan Malayan Management Inc. and TOYM Foundation; **Director** at EEI Corp., Malayan Insurance Company Inc., Smart Communications, Digitel Telecommunications, Sunlife Grepa Financial, Inc., Manila Memorial Park Cemetery Inc., PetroEnergy Corporation, Hi-Eisai Pharmaceutical Inc., Honda Cars Philippines and Isuzu Manila, Inc.; **Member of the Board of Trustees** at De La Salle Zobel; and, **Member of the Advisory Board** of Alphaland Development Corporation. **His past experiences include: Managing Director** of Primeiro Partners; **Director, President and Chief Executive Officer** of Rizal Commercial Banking Corporation; **President and Chief Executive Officer** of Sun Life of Canada (Phils.), Inc., Philippine National Bank and United Coconut Planters Bank; **Chairman** of Asian Bankers Association from 2012 to 2014; **President** of Bankers Association of the Philippines (BAP) from 2013 to March 14, 2016. As BAP President, he led the Association in representing the BAP in the ASEAN Bankers Association (ABA), composed of the national banking associations from the 10-member countries in the Association of Southeast Asian Nations (ASEAN). **Educational Background:** Certified Public Accountant in Pennsylvania, USA and in the Philippines. Mr. Tan graduated from De La Salle University with a Bachelor of Science degree in Accounting and Commerce, and holds a Master in Management degree from the J.L. Kellogg Graduate School of Management, Northwestern University.

ALFREDO ANTONIO I. AYALA *, 61, Filipino**, was elected as **Director and Chief Operating Officer** on May 06, 2019. He is also a **Managing Director** and member of the Management Committee of Ayala Corporation. He currently serves as **President and Chief Executive Officer** of National Teachers College and LiveIt Investment Ltd., Ayala Corporation's holding company for its business process outsourcing investments. He is the **Chairman of the Board of Directors** of Affordable Private Education Center, Inc., National Teachers College, Linc Institute, and **Chairman of the Board of Trustees** of University of Nueva Caceres; **Director** of Affinity Express, Malayan Education System, Inc. (*operating under the name Mapúa University*), Malayan Colleges Laguna, Malayan Colleges Mindanao, Malayan High School of Science; **Co-Chairman** of IBPAP Human Capital and Impact of Technology Technical Working Group; and a **Trustee** of Philippine Business for Education (PBEd) and Ayala Foundation, Inc. Mr. Ayala is also a **Member** of PBEd's National Industry Academic Council and Brown University's Humanitarian Innovation Initiative's Global Advisory Board. **His past experiences include: President and Chief Executive Officer** of AC Education, Inc.; **Vice-Chairman of the Board of Trustees** of University of Nueva Caceres; **Educational background:** Mr. Ayala holds an MBA from Harvard University and a BA in Development Studies (Honors) and Economics from Brown University.

** Elected as Chairman and Chief Executive Officer, effective February 01, 2022

*** Elected as President and Chief Operating Officer, effective February 01, 2022

CESAR A. BUENAVENTURA, OBE, 92, Filipino is an **Independent Director** since 1991 to present. He is also **Chairman** of Buenaventura Echauz and Partners, Inc., Mitsubishi Hitachi Power Systems (Phils.), and Via Technik Inc.; Vice Chairman of DMCI Holdings, Inc.; Independent Director of Manila Water Company, Inc., Concepcion Industrial Corp., Pilipinas Shell Petroleum Corp., International Container Terminal Services Inc., and PetroEnergy Resources Corp.; **Director** of DM Consunji, Inc., Semirara Mining and Power Corp., The Country Club, Cavite Holdings, Inc.; **Founding Chairman** of Pilipinas Shell Foundation Inc.; **Trustee** of Bloomberry Cultural Foundation and ICTSI Foundation; **Founding Member** of Board of Trustees of Makati Business Club. **His past experiences include: Chairman** of AG & P Co. of Manila, Asian Bank, Ayala Corp., Benguet Corp., First Philippine Holdings Corp., Ma. Cristina Chemical Industries, Maibarara Geothermal Inc., Manila International Airport Authority, Paysetter International Inc., Philippine Airlines, Philippine American Life Insurance Co., Philippine National Bank; **President** of Benigno S. Aquino Foundation; **Member** of the Monetary Board of Central Bank of the Philippines, U.P. Board of Regents, and the Board of Trustees of Asian Institute of Management **Educational Background:** Master of Civil Engineering Major in Structures from Lehigh University, USA; Bachelor of Science in Civil Engineering from University of the Philippines.

MEDEL T. NERA, 66, Filipino, is a **Director** since 2011 to present. He is also a **Director** of House of Investments, Inc., EEI Corp., Seafont Resources Corp., National Reinsurance Corporation, Holcim Philippines, Inc., Ionics, Inc. and the Generika Pharmaceutical Group of companies. **His past experiences include President & CEO** of House of Investments, Inc.; **President** of Honda Cars Kalookan, Inc., **Director and President** of RCBC Realty Corp.; **Director and Chairman of the Risk Oversight Committee** of Rizal Commercial Banking Corp.; **Director and Treasurer** of CRIBS Foundation, Inc., and **Senior Partner** at Sycip Gorres Velayo & Co. **Educational Background:** Master in Business Administration from Stern School of Business, New York University, New York, USA, Bachelor of Science in Commerce from Far Eastern University, Manila, Philippines, International Management Program from Manchester Business School, Manchester, United Kingdom, and the Pacific Rim Bankers Program from University of Washington, Seattle, Washington, USA.

YVONNE S. YUCHENGO, 68, Filipino is a **Director** since 2001 to present. She is also the **Chairperson and Director** of RCBC Capital Corp. and XYZ Assets Corp.; **Chairperson and President** of Royal Commons, Inc., Y Tower II Office Condominium Corp. and Yuchengco Tower Office Condominium Corp.; **Chairperson and Trustee** of The Malayan Plaza Condominium Owners Association Inc. and Yuchengco Museum, Inc.; **Director, Chairman and President** of Philippine Integrated Advertising Agency, Inc.; **Director and Chairman** of Y Realty Corp.; **Director and Vice Chairperson** of Malayan Insurance Co., Inc. and National Reinsurance Corp. of the Phils.; **Director and President** of Alto Pacific Corp.; MICO Equities, Inc., and RCBC Land, Inc.; **Director** of Annabelle Y. Holdings and Management Corp., Asia-Pac Reinsurance Co., Ltd., A.T. Yuchengco, Inc., DS Realty, Inc., Enrique T. Yuchengco, Inc., GPL Holdings, Inc., House of Investments, Inc., HYDee Management & Resource Corp., La Funenaria Paz Sucat, Inc., Luisita Industrial Park Corp., Malayan Education System, Inc. (*operating under the name Mapúa University*), Malayan International Insurance Corp., Manila Memorial Park Cemetery, Inc., Pan Malayan Express, Inc., Pan Malayan Realty Corp., RCBC Capital Corp., Seafont Resources Corp., Shayamala Corp., YGC Corporate Services, Inc., and Yuchengco Center, Inc.; **Director and Vice President** of A.Y. Holdings, Inc. **Director, Vice President and Treasurer** of Pan Managers, Inc.; **Director and Corporate Secretary** of MPC Investment Corp., **Director and Treasurer** of Honda Cars Kalookan, Inc., Malayan High School of Science, Inc., Mona Lisa Development Corp., Petro Energy Resources Corp. and Water Dragon, Inc.; **Director, Treasurer and CFO** of Pan Malayan Management & Investment Corp.; **Trustee** of AY Foundation, Inc., Phil-Asia Assistance Foundation, Inc., and Avignon Tower Condominium Corporation; **Advisory Member** of Rizal Commercial Banking Corp. **Educational Background:** Bachelor of Arts in Interdisciplinary Studies from Ateneo De Manila University, Philippines.

GERARDO C. ABLAZA, JR., 68, Filipino, was elected as **Director** on May 06, 2019. He is also **Director** of Advanced Info Services, PLC (Thailand), Roxas and Company, Inc., AC Healthcare Holdings, Inc., AC Energy and Infrastructure Corporation (*formerly AC Energy, Inc.*), Ayala Retirement Fund Holdings, Inc., and **Member of the Board of Trustees** of Ayala Foundation, Inc. **His past experiences include: President and Chief Executive Officer** of Manila Water Company, Inc. and Globe Telecom, Inc.; **Member of the Board of Trustees** of De La Salle University-Manila, De La Salle University-Dasmariñas, and De La Salle Medical and Health Sciences Institute. **Educational Background:** Graduated Summa Cum Laude from De La Salle University in 1974 with a degree in Liberal Arts, Major in Mathematics (Honors Program).

HERMINIA S. JACINTO, 82, Filipino, was elected as **Independent Director** on May 06, 2019. She is a Certified Public Accountant and currently the **President** of insurance Institute for Asia and the Pacific (IIAP). She is an **Independent Director** of BDO Life Assurance Co. and Fortune Guarantee Assurance Corporation and a **Trustee** of IIAP. She previously served as **President** of Universal Malayan Reinsurance Corporation and Universal Reinsurance Corporation. She was also **Secretary General** of the Association of Insurers and

Reinsurers of Developing Countries. She is well-known in the world reinsurance market especially in the ASEAN/Asian region.

Executive Officers:

GEMA O. CHENG, 57, Filipino, is the **Executive Vice President – Chief Finance Officer** of the Company. She also holds the following positions within the Group: **Executive Vice President - Chief Operating Officer, Chief Finance Officer, and Treasurer** of House of Investments, Inc.; **Chairman and President** of Investment Managers, Inc.; **Director, Executive Vice President and Treasurer** of Landev Corporation; **Executive Vice President and Chief Operating Officer** of San Lorenzo Ruiz Investment Holdings and Services, Inc.; and serves as **Director** of the following: Malayan Colleges Laguna, Inc. (a Mapua School), Malayan Colleges Mindanao (a Mapua School), La Funeraria Paz-Sucat, Inc. and Manila Memorial Park Cemetery, Inc. **Her past experiences include: Senior Vice President** of SM Investments Corp., with concurrent Chief Finance Officer roles in various SM property companies including as **Treasury Head** of SM Prime. She was also **Chief Finance Officer** of Malayan Group of Insurance Companies. **Educational Background:** Bachelor of Arts in Economics (Magna Cum Laude) from the University of the Philippines-Diliman, Philippines; Certificate of Special Studies in Administration and Management from Harvard University, USA.

SHIRLEY Q. EARNHART, 49, Filipino, was appointed as **Treasurer** on May 06, 2019. She is a **Certified Treasury Professional** and, prior to her appointment to iPeople, inc., was a **Senior Manager and Head of Liquidity and Investment Management, Origination** with Ayala Corporation with twenty-six years of trading experience in money market, foreign exchange, equities and capital markets. **Her past experiences include: Head of Liquidity and Foreign Exchange Department** of Banco de Oro Universal Bank; **Head of Liquidity/Foreign Exchange and Bonds Unit** (USD and Multi-currency) of Dao Heng Bank, Inc. (Manila and Hong Kong Branches). **Educational Background:** Master of Science in Computational Finance, De La Salle University-Manila; Bachelor of Science in Commerce, Major in Management of Financial Institutions, De La Salle University-Manila, Philippines.

ALEXANDER ANTHONY G. GALANG, 61, Filipino, was appointed as **Chief Audit Executive** on May 06, 2019. He is also the **Senior Vice President** for Internal Audit of House of Investments, Inc., the parent company of iPeople, inc. **His past experiences include: Vice President** for Audit & Special Projects of Anglo Asian Strategic Management Inc.; **President** of Avrion Systems Inc.; **Deputy Managing Director** of Cala Paniman, Inc.; **Treasury Head** of Anglo Asian Holdings Corporation; **Regional Auditor** for Asia and Pacific of Triumph International, Inc.; **Finance Head** of Triumph International Vietnam, Inc.; **Senior International Corporate Auditor** of International Semi-Tech Microelectronics, Inc., then parent company of Singer Sewing Machine Co. USA.; **Internal Audit Manager** of Honda Philippines, Inc., **Finance Comptroller** of Midas Touch Foods Corp, et. al.; **Senior Auditor** at SGV and Co. CPAs.; **Ex-Member, Board of Trustees** of the Association of Certified Fraud Examiners (ACFE) - Philippine Chapter. He is a Certified Public Accountant (CPA) having placed 12th in the 1981 licensure exams. He has a Global Certification as a Certified Fraud Examiner (CFE) and a Certification in Risk Management Assurance (CRMA). **Educational Background:** Bachelor of Science in Business Administration Major in Accounting (Cum Laude), University of Sto. Tomas. He also completed the Professional Manager Program at Ateneo Graduate School of Business.

DR. RUTH C. FRANCISCO, 58, Filipino, was appointed as **Chief Risk Officer** on July 16, 2021. She is also **Senior Vice President-Chief Risk Officer** of House of Investments, Inc., the parent company of iPeople, inc., and **Director** at San Lorenzo Ruiz Investment Holdings and Services, Inc. **Her past experiences include: Chief Finance Officer** of Malayan Education System, Inc. (*operating under the name of Mapúa University*); **Treasurer** for Malayan Colleges Foundation, Inc., Malayan Colleges Mindanao (A Mapua School), Inc., and MIT Retirement Fund, Inc. **Educational Background:** Doctor of Business Administration, Colegio de San Juan de Letran; Master of Business Administration, Philippine Christian University; Bachelor of Science in Commerce, Major in Accounting, Manuel L. Quezon University.

DANILO R. TIONGCO, 52, Filipino, was appointed as **Chief Information Officer** on May 06, 2019. He is also the **I.T. Head** of Malayan Colleges Mindanao since June 2017. **His past experiences include: Integrated Management System Representative** of Mapua University, **IT Director** of the Development Office for Information Technology (DOIT) of Mapua University, and **Enrollment Czar** of Mapua University. **Educational Background:** Bachelor of Science in Computer Engineering, Mapúa University (*formerly Mapúa Institute of Technology*)

VICTOR V. RAFAEL, 48, Filipino, was appointed **Vice President for Finance and Investor Relations** on May 06, 2019. Prior to his appointment, he was **Senior Manager** for Financial Planning & Analysis (FP&A) with the House of Investments, Inc. since 2017. **His past experiences include: Assistant Vice President for FP&A and Treasury** at Prime Orion Philippines, Inc (POPI). Prior to that, he held several positions in POPI including **Corporate Planning Manager and Treasury Manager**. **Educational Background:** Bachelor of Science in Business Administration, University of the Philippines-Diliman.

JONATHAN M. LOPEZ, 48, Filipino, was appointed as **Controller** on May 06, 2019. Prior to joining iPeople, inc., he was the **Controller** of Malayan Education System, Inc. (*operating under the name Mapua University*). **His past experiences include: Finance Director** of TVI Resource Development, Inc. from 2010 to 2014. **Educational Background:** Bachelor in Accountancy, Polytechnic University of the Philippines. He is a Certified Public Accountant.

DENISE JORDAN P. ARENILLO, 43, Filipino, was appointed as **Legal and Compliance Officer** on May 06, 2019. She is also the **Vice President for Legal Affairs** of Malayan Education System, Inc. (*operating under the name Mapua University*) and the **Corporate Secretary** of Mapua TechServ, Inc. and Mapua TechPower, Inc. **Her past experiences include: Senior Associate** at Fortun Narvasa and Salazar Law Offices with expertise in Corporate, Labor and Family Law. **Educational Background:** Juris Doctor, Ateneo De Manila University School of Law; Bachelor of Science in Management, Major in Legal Management, Ateneo De Manila University, Philippines.

PAMELA Q. WU, 50, Taiwanese, was appointed as **Chief Human Resources Officer** on May 06, 2019. She has served as the **Chief Human Resources Officer** of AC Education, Inc. since 2013. **Her past experiences include: Vice President of Human Resources** (Philippines and China) of Stream Global Services from 2010 to 2012, **Vice President of Human Resources** of eTelecare Global Solutions, Philippine from 2005 to 2009. **Educational Background:** Bachelor of Science in Psychology, Ateneo de Manila University, Philippines; Certificate of Business Administration from Washington State University.

SAMUEL V. TORRES, 56, Filipino, is the **Corporate Secretary**. His other present positions include: **General Counsel & Corporate Secretary** of Pan Malayan Management & Investment Corporation and **Corporate Secretary** of A. T. Yuchengco, Inc., A Y Foundation, Inc., A.Y. Holdings, Inc., Bankers Assurance Corp., Bluehounds Security and Investigation Agency, Inc., Luisita Industrial Park Corp., RCBC Bankard Services, Inc., Enrique T. Yuchengco, Inc. Investment Managers, Inc., Sun Life Grepa Financial, Inc., Grepaland, Inc., Grepa Realty Holdings Corporation, PetroEnergy Resources Corp., Seafont Resources Corp., GPL Cebu Tower Office Condominium Corp., Hexagon Integrated Financial & Insurance Agency, Inc., Hexagon Lounge, Inc., House of Investments, Inc., RCBC Land, Inc., RCBC Forex Brokers Corp., RCBC Realty Corp., RCBC Securities, Inc., RCBC Capital Corporation, Malayan High School of Science, Inc., Malayan Education System, Inc., Malayan Colleges Mindanao (A Mapua School), Inc., Malayan Colleges Foundation, Inc., Malayan Information Technology Center, Inc., Malayan Colleges Laguna, Inc. (A Mapua School), Affordable Private Education, Inc. doing business under the name of APEC SCHOOLS, AC College of Enterprise and Technology, Inc., Linc Institute, Inc., GPL Holdings Inc., Pan Pacific Computer Center, Inc., Honda Cars Kalookan, Inc., Hi-Eisai Pharmaceutical, Inc., People eServe Corp., La Funeraria Paz Sucat, Inc., Landev Corp., Pan Malayan Express, Inc., Pan Malayan Realty Corp., Philippine Advertising Agency, Inc., First Nationwide Assurance Corp., Malayan Insurance Co., Inc., MICO Equities, Inc., and Tokio Marine Malayan Insurance Corp. **His past experiences include: International Counsel** of South Pacific for Federal Express Corp. **Educational Background:** Bachelor of Laws, Ateneo De Manila University School of Law; Bachelor of Science in Business Economics, University of the Philippines.

MA. ELVIRA BERNADETTE C. GARCIA-GONZALEZ, 44, Filipino, is the **Assistant Corporate Secretary**. She is also the **Assistant General Counsel** of Pan Malayan Management & Investment Corporation and **Corporate Secretary** of Blackhounds Security and Investigation Agency, Inc. and the **Assistant Corporate Secretary** of House of Investments, Inc., Malayan Colleges Mindanao (A Mapua School), Inc., Affordable Private Education, Inc. doing business under the name of APEC SCHOOLS, AC College of Enterprise and Technology, Inc., Linc Institute, Inc., Yuchengco Tower Office Condominium Corp., Y Tower II Office Condominium Corp., and GPL Holdings, Inc. **Her past experiences include: Legal Counsel and Assistant Corporate Secretary** of Coca-Cola Bottlers Philippines, Inc.; **Assistant Corporate Secretary** of Philippine Bottlers, Inc. and Luzviminda Land Holdings, Inc. **Educational Background:** Juris Doctor, Ateneo De Manila University School of Law; Bachelor of Arts in Political Science, Ateneo De Manila University, Philippines.

RESIGNATION OF DIRECTORS

To date, no other director has resigned or declined to stand for re-election for the Board of Directors due to any disagreement with the Corporation relative to the Corporation's operations, policies and practices.

ELECTION OF DIRECTORS

The Directors of iPeople are elected at the annual stockholders' meeting to hold office until the next succeeding annual meeting or until their respective successors have been elected and qualified.

APPOINTMENT AND RESIGNATION OF OFFICERS

Officers are appointed or elected annually by the Board of Directors at its first meeting following the Annual Meeting of Stockholders, each to hold office until the corresponding meeting of the Board of Directors in the next year or until a successor shall have been elected, appointed or shall have qualified.

SIGNIFICANT EMPLOYEE

There is no person who is not an executive officer that is expected by the issuer to make a significant contribution to the business.

FAMILY RELATIONS

There are no family relations among directors and officers.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

The Company is not aware of the following events during the past 5 years up to March 31, 2022:

- (a) any bankruptcy petition filed by or against any business of which any of its director or executive officers was a general partner or executive officer either at the time of bankruptcy or within two (2) years prior to that time.
- (b) any conviction by final judgment of any director or senior executive in a criminal proceeding domestic or foreign or being subject to a pending criminal proceeding domestic or foreign, of any director, executive officer or person nominated to be a director
- (c) any director or senior executive being subject to any order, judgment or decree not subsequently reversed suspended or vacated of any court of competent jurisdiction, domestic or foreign permanently or temporarily enjoining barring, suspending or otherwise limiting such directors' or executive officer's involvement in any type of business securities, commodities or banking activities
- (d) any executive officer or director found by a domestic or foreign court of competent jurisdiction, the Commission or other foreign body or a domestic or foreign Exchange or other organized trading market or self-regulatory organization to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

Item 10 – Executive Compensation

NAME AND POSITION	YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION
Top 5 executives of the Company	2021	₱0.00	₱0.00	₱0.00
	2020	₱0.00	₱0.00	₱0.00
	2019	₱0.00	₱0.00	₱0.00
All other officers and directors as group	2021	₱0.00	₱0.00	₱991,429
	2020	₱0.00	₱0.00	₱981,429
	2019	₱0.00	₱0.00	₱1,063,571
TOTALS	2021	₱0.00	₱0.00	₱991,429
	2020	₱0.00	₱0.00	₱981,429
	2019	₱0.00	₱0.00	₱1,063,571

The table states the aggregate compensation of all directors as a group.

The Company does not pay any salary or bonus to any of its executive officers as there are no employment contracts with executive officers. Other annual compensation pertains to per diem allowances given to Directors as discussed below:

There are no other arrangements pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly, other than those stated on the above table during the Company's last completed fiscal year, and the ensuing year, for any service provided as an executive officer or member of the Board of Directors.

There is no director, executive officer, nominee for director, beneficial holder and family members involved in any business transaction of the Company.

Item 11 – Security Ownership of Certain Beneficial Owners and Management

Owners of more than 5% of voting securities as of March 31, 2022

The following table shows the beneficial owners directly or indirectly owning more than 5% of the Company's capital stock as of March 31, 2022:

SHARE CLASS	NAME AND ADDRESS OF RECORD OWNER	NAME OF BENEFICIAL OWNER & RELATIONSHIP WITH RECORD OWNER	CITIZENSHIP	NUMBER OF SHARES BENEFICIALLY OWNED	% OF TOTAL
Common	HOUSE OF INVESTMENTS, INC. <i>Grepalife Bldg., Sen. Gil Puyat Ave., Makati City Metro Manila Principal Stockholder</i>	Ms. Helen Y. Dee <i>Chairperson is authorized to direct voting of the shares held by House of Investments</i>	Filipino	503,098,749 ¹	48.18%
Common	AYALA CORPORATION <i>34F Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City</i>	Jaime Augusto Zobel de Ayala (Chairman) and Fernando Zobel de Ayala (President and Chief Executive Officer) are authorized to direct voting of the shares held by Ayala Corp.	Filipino	349,829,961	33.50%
Common	A. SORIANO CORP. <i>7F Pacific Star Bldg., Makati Ave., cor. Sen. Gil J. Puyat Ext., Makati City</i>	Mr. Ernest K. Cuyegkeng <i>EVP and CFO is authorized to direct voting of the shares held by A. Soriano Corp.</i>	Filipino	92,945,934 ²	8.90%

There are no arrangements that may result in change in control.

¹ Direct and indirect holdings of House of Investments, Inc.

² Direct and indirect holdings A. Soriano Corp.

Security Ownership of Management

Securities beneficially owned by the directors, nominees, officers, other than qualifying shares, as of March 31, 2022 according to the records of its stock and transfer agent, Rizal Commercial Banking Corp. (RCBC):

SHARE CLASS	NAME OF BENEFICIAL OWNER	CITIZENSHIP	NATURE OF OWNERSHIP	SHARES OWNED	% OF CLASS
Common	Renato C. Valencia	Filipino	Indirect	1,300	0.0001%
Common	Cesar A. Buenaventura	Filipino	Indirect	68,850	0.0066%
Common	Gerardo C. Ablaza	Filipino	Direct	5	0.0000%
Common	Reynaldo B. Vea	Filipino	Direct	5	0.0000%
Common	Alfredo Antonio I. Ayala	Filipino	Direct	5	0.0000%
Common	Lorenzo V. Tan	Filipino	Direct	5	0.0000%
Common	Herminia S. Jacinto	Director	Direct	5	0.0000%
Common	Medel T. Nera	Filipino	Direct	100	0.0000%
Common	Yvonne S. Yuchengco	Filipino	Direct	6,500	0.0006%
			Indirect	92,000	0.0088%
Sub-Total				168,775	0.0162%
Total Common Shares				1,044,263,197	100.0000%

Item 12 – Certain Relationships and Related Transactions

There is no director, executive officer, nominee for director, beneficial holder, or any family member involved in any business transaction with iPeople.

In the normal conduct of business, aside from transactions disclosed in audited financial statements, other transactions with certain affiliates include sharing in general and administrative expenses and cash advances.

PART IV – CORPORATE GOVERNANCE

Item 13 – Corporate Governance

(a) Evaluation System to Measure Compliance with the Manual on Corporate Governance

The Company has monitored its compliance with Securities and Exchange Commission (SEC) Memorandum Circulars, pursuant to its Manual on Corporate Governance, has complied with the leading practices and principles on good corporate governance and appropriate self-rating assessment and performance evaluation to determine and measure its compliance.

In compliance with SEC Memorandum Circular No. 20 dated December 8, 2016, the Company has submitted its Integrated Annual Corporate Governance Report (IACGR), for the period covering the year 2020, last May 26, 2021, within the period allowed by the SEC. For the period covering the year 2021, the Company will submit its IACGR on or before May 30, 2022.

(b) Measures Undertaken to Fully Comply with Leading Practices on Corporate Governance

In its IACGR, the Company has substantially complied with of the provisions and recommendations in the New Manual on Corporate Governance.

(c) Deviation from the Manual on Corporate Governance

Except for a few recommendations in the Manual on Corporate Governance which the Company failed to comply (based on the “comply or explain” policy of SEC), the Company committed to comply with the same in 2021. Said compliance will be reflected in the 2021 IACGR due on May 30, 2022.

(d) Plans to Improve Corporate Governance

In order to improve the Company’s adherence to the leading practices in good corporate governance as reflected in its Manual on Corporate Governance, the Company’s Directors and top Management continuously attend the annual seminar on Corporate Governance conducted by an entity accredited with the Securities and Exchange Commission. Further, the Company continuously monitors all relevant PSE and SEC Circulars on Corporate Governance that maybe used to improve compliance with the Manual on Corporate Governance.

PART V – EXHIBITS AND SCHEDULES

Item 14 - Exhibits and Reports on SEC Form 17-C

March 16, 2020

- COVID-19 risks, impact, and mitigation efforts in iPeople, inc, pursuant to the Notice dated 12 March 2020 of the Securities and Exchange Commission.

March 27, 2020

- Declaration of a Php 0.070143 per common share cash dividend, for a total amount of PhP 73,247,775.50 from the Company's unrestricted retained earnings as of December 31, 2019, to all stockholders of record as of April 14, 2020. Payment date is on May 08, 2020.
- Approval of date of Annual Stockholders' Meeting.

April 6, 2020

- Request for an extension until 30 June 2020 to submit the 2019 Annual Report (SEC Form 17-A) of the Corporation.

April 15, 2020

- Postponement of the Company's Annual Stockholders' Meeting to August 11, 2020, instead of June 26, 2020.

April 28, 2020

- Further to the company's declaration of a Php 0.070143 per common share cash dividend, the May 08, 2020 payment date for the cash dividends remains unchanged. However, the declaration of President Rodrigo R. Duterte to extend the enhanced community quarantine (ECQ) up to May 15, 2020 within key areas in Luzon including Metro Manila, in order to contain the spread of the COVID-19 virus, will result to further temporary business and work suspension of nonessential services, including the delivery services of the Company.

May 7, 2020

- Request for an extension until 30 June 2020 to submit the Quarterly Report (SEC Form 17-Q) of the Corporation.

May 22, 2020

- Approval of First Quarter Consolidation Report (SEC 17Q).
- Approval of 2019 audited consolidated financial statements of iPeople and its subsidiaries.
- Approval of 2019 Integrated Annual Corporate Governance Report (I-ACGR).

July 3, 2020

- Approval of the Date of the Company's Annual Stockholders' Meeting for 2020.

August 11, 2020

- Approval of Second Quarter Consolidation Report (SEC 17Q).
- Approval of 2019 audited consolidated financial statements of iPeople and its subsidiaries.
- Election of the Board of Directors of the Company for 2020-2021.
- Re-appointment of SGV & Co. as external auditors for the fiscal year ending 2020.

November 6, 2020

- Reporting the changes in shareholdings of Ms. Yvonne S. Yuchengco, Director of the Company.

November 9, 2020

- Approval of Third Quarter Consolidation Report (SEC 17Q) of iPeople, inc.

April 8, 2021

- Confirmation of the Approval of Audit Committee of the 2020 Audited Consolidated Financial Statements of iPeople, inc. and its Subsidiaries.
- Declaration of a Php 0.06 per common share cash dividend, or a total amount of Php 62,655,791.82 from the Company's unrestricted retained earnings as of December 31, 2020, to all stockholders of record as of May 7, 2021. Payment date is on or before May 31, 2021.
- Approval of the 2020 Sustainability Report of iPeople, inc.
- Postponement of the Company's Annual Stockholders' Meeting to July 30, 2021, instead of June 25, 2021.
- Approval of the date of Annual Stockholders Meeting.
- Amendments to Sections 1, 6 to 13 of Article III of iPeople, inc.'s By-Laws

May 14, 2021

- Approval of the 2020 Integrated Annual Corporate Governance Report (IAGCR) of iPeople, inc.
- Confirmation of the Approval of Audit Committee of the First Quarter Consolidation Report (SEC 17Q) of iPeople, inc. Approval of the Company's Material Related Party Transactions Policy, in compliance to SEC Memorandum Circular No. 10 Series of 2019.

May 27, 2021

- Resignation of Mr. Edgardo R. Grau as Chief Risk Officer.

June 1, 2021

- Appointment of Ms. Ruth C. Francisco as Chief Risk Officer.

July 30, 2021

- Approval of Second Quarter Consolidation Report (SEC 17Q).
- Approval of 2020 audited consolidated financial statements of iPeople and its subsidiaries.
- Election of the Board of Directors of the Company for 2021-2022.
- Re-appointment of SGV & Co. as external auditors for the fiscal year ending 2022.

November 12, 2021

- Approval of Third Quarter Consolidation Report (SEC 17Q).
- Declaration of a Php 0.23940325 per common share special cash dividend, for a total amount of Php 250,000,000.00, to all stockholders of record as of November 29, 2021, and payable on or before December 22, 2021.

November 17, 2021

- Receipt of SEC approval for the amendments to Sections 1, 6 to 13 of Article III of iPeople, inc.'s By-Laws which had been approved by the Board of Directors on April 8, 2021

January 31, 2022

- Resignation of Mr. Renato C. Valencia as Chairman of iPeople, inc.

April 04, 2022

- Confirmation of the Approval of Audit Committee of the 2021 Audited Consolidated Financial Statements of iPeople, inc. and its Subsidiaries.
- Declaration of a Cash Dividend of Php 0.16 per common share, or a total amount of Php 167,082,218.00 from the Company's unrestricted retained earnings as of December 31, 2021, to all stockholders of record as of April 29, 2022. Payment date is on or before May 20, 2022.

- Approval of the 2021 Sustainability Report of iPeople, inc.
- Approval of the 2021 Integrated Annual Corporate Governance Report (IACGR) of iPeople, inc.
- Approval of the Date of Annual Stockholders Meeting

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and the Revised Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereto duly authorized, in the City of Makati on _____, 2022.

IN WITNESS WHEREOF, we have hereunto affixed our signatures and the seal of the Corporation this ____ day of April, 2022 at Makati City.

By:

DR. REYNALDO B. VEA
Chairman and Chief Executive Officer

Reynaldo B. Vea

GEMA O. CHENG
EVP and Chief Finance Officer

Gema O. Cheng

JONATHAN M. LOPEZ
Controller

Jonathan M. Lopez

ATTY. SAMUEL V. TORRES
Corporate Secretary

APR 26 2022

SUBSCRIBED AND SWORN to before me this ____ day of April 2022, at **MAKATI CITY**. Affiant exhibited to me their Residence Certificate Numbers indicated below each name.

Names	Document No.	Date & Place of Issue/Expiration
Reynaldo B. Vea	DL#N20-84-003426	03-20-2018 Quezon City / 03-20-2023
Gema O. Cheng	DL#N06-84-036923	12-14-2017 Mandaluyong / 12-08-2022
Jonathan M. Lopez	DL#N01-02-001324	05-07-2019 Imus Cavite / 05-07-2024
Atty. Samuel V. Torres	DL#13-83-001463	11-08-2017 Quezon City / 11-10-2022

Doc. No. 67
Page No. 11
Book No. 39
Series of 2022

ATTY. ROMEO M. MONFORTI
NOTARY PUBLIC City of Makati
Extended Until June 30, 2022
Per E.M. No. 3795
PTR No. KMS2509 Jan. 3, 2022 Makati City
Appointment No. M-155(2020-2021)
IBF No. 1052534 Jan. 3, 2018
MCLE NO. VI-0023417 Roll No. 27932
191 Urban Ave. Compound Rueda Bida
Makati City, Makati City

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
iPeople, inc.
3rd Floor, Grepalife Building
219 Sen. Gil J. Puyat Avenue
Makati City

Opinion

We have audited the consolidated financial statements of iPeople, inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2021 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (the Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



Valuation of Land

The Group accounts for its land, where the school buildings and other facilities are located, using the revaluation model. As at December 31, 2021, the carrying value of the Group's land amounted to P6,460.84 million, representing 40% of the Group's total assets. The determination of the fair values of these properties involves significant management judgment and estimations. The valuation also requires the assistance of external appraisers whose calculations involve certain assumptions, such as sales price of similar properties and adjustments to sales price based on internal and external factors. Thus, we considered the valuation of land as a key audit matter.

Refer to Notes 5 and 11 to the consolidated financial statements for the disclosures on land at revalued amount.

Audit response

We reviewed the scope, bases, methodology and results of the work done by the Group's external appraisers whose professional qualifications, competence, capabilities, and objectivity were also taken into consideration. We compared the relevant information supporting the sales price of similar properties and the adjustments made to the sales price against real estate industry data. We also reviewed the Group's disclosures with respect to the fair value of the land.

Recoverability of Nonfinancial Assets

Under PFRSs, the Group is required to annually test for impairment nonfinancial assets with indefinite useful lives and for those nonfinancial assets with finite useful lives, if there are indicators of impairment. The Group has goodwill attributable to the acquisition of Malayan Education System, Inc. amounting to P137.85 million, intellectual property rights with indefinite life amounting to P523.10 million, and property and equipment and right-of-use assets of a subsidiary aggregating to P355.18 million as of December 31, 2021 that were tested for impairment. These nonfinancial assets are considered significant to the consolidated financial statements. In addition, management's assessment process involves judgments and is based on assumptions which are subject to higher level of estimation uncertainty due to the current economic conditions which have been impacted by the coronavirus pandemic. The assumptions used in estimating the discounted cash flow projections include forecasted revenues, long-term growth rates, royalty rates, and discount rates.

The Group's disclosures about nonfinancial assets are included in Notes 5, 6, 10, 12 and 31 to the consolidated financial statements.

Audit response

We involved our internal specialist in evaluating the methodology and assumptions used. We obtained an understanding of the Group's impairment model and the assumptions on the key business drivers of the cash flow forecasts such as the revenue from number of forecasted students and related tuition and other matriculation fees. We checked if the Group has considered the impact of the coronavirus pandemic on these key assumptions and also compared them against historical performance. We compared the long-term growth rates and royalty rates against relevant published market information. We tested the parameters used in the determination of discount rates against market data. In addition, we reviewed the Group's disclosures about those assumptions to which the outcome of the impairment tests is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of these assets.

Adequacy of Allowance for Expected Credit Loss (ECL)

The Group applies simplified approach in calculating expected credit loss (ECL). Under this approach, the Group generally establishes a provision matrix that is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment. Allowance for ECL and the provision for ECL on receivables from tuition and other fees as of and for the year ended December 31, 2021 amounted to P281.12 million and P114.23 million, respectively.



The Group's calculation of allowance for ECL is significant to our audit as it involves the exercise of significant management judgment. Key areas of judgment include: segmenting the Group's credit risk exposures; defining default; determining assumptions to be used in the ECL model such as the expected life of the financial asset and timing and amount of expected net recoveries from defaulted accounts; and incorporating forward-looking information (called overlays), including the impact of the coronavirus pandemic, in calculating ECL.

The disclosures on the allowance for ECL are included in Notes 5 and 8 to the consolidated financial statements.

Audit response

We updated our understanding of the approved methodology and assumptions used for the Group's different credit exposures and reassessed whether these considered the requirements of PFRS 9 to reflect an unbiased and probability-weighted outcome and the best available forward-looking information.

We (a) assessed the Group's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) checked the definition of default against historical analysis of accounts and credit risk management policies and practices in place and management's assessment of the impact of the coronavirus pandemic on the counterparties; (c) checked historical loss rates by inspecting historical recoveries including the write-offs; (d) checked the classification of outstanding exposures to their corresponding aging buckets; and (e) evaluated the forward-looking information used for overlay through corroboration using publicly available information and our understanding of the Group's receivable portfolios and industry practices, including the impact of the coronavirus pandemic.

Further, we checked the data used in the ECL models, such as the historical analysis of defaults, by reconciling data from loss allowance analysis/model to the source reports and financial reporting system. To the extent that the loss allowance analysis is based on credit exposures that have been disaggregated into subsets with similar risk characteristics, we traced or re-performed the disaggregation from source reports to the loss allowance analysis.

We recalculated the impairment provisions. We checked the disclosures made in the financial statements on allowance for ECL by tracing such disclosures to the ECL analysis prepared by management.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.



Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

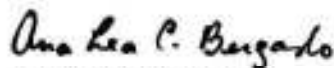
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ana Lea C. Bergado.

SYCIP GORRES VELAYO & CO.



Ana Lea C. Bergado

Partner

CPA Certificate No. 80470

Tax Identification No. 102-082-670

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 0660-AR-4 (Group A)

October 22, 2019, valid until October 21, 2022

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-063-2020, November 27, 2020, valid until November 26, 2023

PTR No. 8853473, January 3, 2022, Makati City

April 1, 2022





STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of iPeople, inc. & Subsidiaries is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2021, 2020 and 2019, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

SyCip, Gorres, Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature of Dr. Reynaldo B. Vea

DR. REYNALDO B. VEA
Chairman and Chief Executive Officer

Signature of Alfredo Antonio T. Ayala

ALFREDO ANTONIO T. AYALA
President and Chief Operating Officer

Signature of Gema O. Cheng

GEMA O. CHENG
EVP and Chief Finance Officer

APR 26 2022

Signed this ___ day of April, 2022

JOB NO.
PAGE NO.
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COPIES OF
2022

ATTY. ROSARIO B. BERNARDI
NOTARY PUBLIC City of Malabon
Extended until June 30, 2022
Per B.M. No. 5795

PTR No. 8852509 Jan. 3, 2022 Makati City
Appointment No. M-132(2020-2021)
IEP No. 1052594 Jan. 3, 2018
MCLE NO. VI-0023417 Roll No. 27932
101 Urban Ave. Crespo Rueda Bldg.
Quezon City, Philippines, 1103

iPEOPLE, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Amounts in Thousands)

	December 31	
	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7, 15 and 30)	₱1,604,129	₱1,319,002
Receivables (Notes 8 and 30)	1,032,851	1,036,297
Receivables from related parties (Notes 15 and 30)	26,077	26,048
Prepaid expenses and other current assets (Note 9)	391,021	270,604
Financial assets at fair value through profit or loss (FVTPL) [Note 30]	9,213	9,705
Total Current Assets	3,063,291	2,661,656
Noncurrent Assets		
Property and equipment at cost (Note 10)	5,407,008	5,585,512
Land at revalued amounts (Notes 10 and 11)	6,460,845	6,219,772
Intellectual property rights (Note 6)	523,103	523,103
Goodwill (Notes 6 and 12)	151,326	151,326
Student relationship (Note 6)	43,761	78,825
Right-of-use assets (Note 31)	309,391	346,905
Net pension assets (Note 25)	18,130	4,727
Deferred tax assets - net (Note 23)	38,118	31,901
Other noncurrent assets (Note 13)	113,671	108,027
Total Noncurrent Assets	13,065,353	13,050,098
	₱16,128,644	₱15,711,754
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 14 and 30)	₱1,036,119	₱1,155,585
Short-term loans (Notes 16 and 30)	400,000	375,000
Unearned income (Note 14)	658,389	680,578
Lease liabilities - current portion (Note 31)	50,550	44,174
Current portion of long-term loan (Note 17)	21,001	-
Income tax payable	2,157	12,482
Payables to related parties (Notes 15 and 30)	14,135	29,481
Dividends payable (Notes 18 and 30)	565	565
Total Current Liabilities	2,182,916	2,297,865
Noncurrent Liabilities		
Net pension liabilities (Note 25)	124,152	168,134
Long-term loans (Note 17)	1,853,645	1,872,275
Lease liabilities - net of current portion (Note 31)	307,276	348,408
Deferred tax liabilities - net (Note 23)	489,169	476,977
Other noncurrent liabilities (Note 31)	51,683	56,091
Total Noncurrent Liabilities	2,825,925	2,921,885
Total Liabilities	5,008,841	5,219,750

(Forward)



	December 31	
	2021	2020
Equity		
Common stock (Notes 6 and 18)	P1,044,263	P1,044,263
Additional paid-in capital (Note 6)	3,294,368	3,294,368
Other comprehensive income (loss):		
Revaluation increment on land - net (Note 11)	1,633,847	1,425,033
Remeasurement losses on defined benefit plans (Note 25)	(15,033)	(76,722)
Equity reserve (Note 6)	(230,494)	(230,494)
Retained earnings (Note 18)	5,142,420	4,795,968
	10,869,371	10,252,416
Treasury stock (Note 18)	-	(0.21)
Equity attributable to equity holders of the Parent Company	10,869,371	10,252,416
Non-controlling interest in consolidated subsidiaries (Note 27)	250,432	239,588
Total Equity	11,119,803	10,492,004
	P16,128,644	P15,711,754

See accompanying Notes to Consolidated Financial Statements.



iPEOPLE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)

	Years Ended December 31		
	2021	2020	2019 (Note 6)
REVENUE FROM CONTRACTS WITH CUSTOMERS (Note 19)			
Revenue from schools and related operations	P3,351,067	P3,017,106	P2,996,773
COSTS AND EXPENSES			
Cost of schools and related operations (Note 20)	(1,914,579)	(2,015,408)	(2,040,060)
GROSS PROFIT	1,436,488	1,001,698	956,713
GENERAL AND ADMINISTRATIVE EXPENSES (Note 21)	(702,359)	(619,942)	(481,461)
INTEREST AND OTHER FINANCE CHARGES (Note 22)	(138,577)	(151,762)	(129,338)
INTEREST INCOME (Notes 7 and 22)	6,192	10,897	22,758
OTHER INCOME (CHARGES) - Net (Note 11)	31,670	34,101	(26,986)
INCOME BEFORE INCOME TAX	633,414	274,992	341,686
BENEFIT FROM (PROVISION FOR) INCOME TAX (Note 23)	30,375	(32,818)	(67,525)
NET INCOME	663,789	242,174	274,091
OTHER COMPREHENSIVE INCOME (LOSS) <i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:</i>			
Revaluation increment on land - net of tax (Note 11)	201,075	498,606	9,778
Reversal of deferred tax liability on revaluation increment of land sold through sale of subsidiary - net of tax (Note 11)	-	146,983	-
Reversal of deferred tax liability on revaluation increment due to change in tax rate (Note 23)	7,764	-	-
Remeasurement gains (losses) on defined benefit plans - net of tax (Note 25)	67,827	(55,304)	(57,274)
Fair value reserve of equity instruments at FVOCI (Note 30)	-	-	3,093
	276,666	590,285	(44,403)
TOTAL COMPREHENSIVE INCOME	P940,455	P832,459	P229,688
Net income attributable to:			
Equity holders of the parent (Note 26)*	P659,108	P245,818	P254,588
Non-controlling interest in consolidated subsidiaries (Note 27)	4,681	(3,644)	19,503
	P663,789	P242,174	P274,091
Total comprehensive income attributable to:			
Equity holders of the parent	P929,611	P815,984	P212,557
Non-controlling interest in consolidated subsidiaries (Note 27)	10,844	16,475	17,131
	P940,455	P832,459	P229,688
*Basic/Diluted Earnings Per Share (Note 26)	P0.6312	P0.2354	P0.2602

See accompanying Notes to Consolidated Financial Statements.



IPEOPLE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in Thousands)

	Attributable to Equity Holders of the Parent Company										
	Common Stock (Notes 6 and 18)	Paid-in Capital (Note 6)	Fair Value Reserve of Equity Instruments at FVOCI (Note 36)	Revaluation Increment on Land - net of tax (Note 11)	Remeasurement Gains (Losses) on Net Defined Benefit Plans (Note 2)	Equity Reserve (Note 6)	Retained Earnings - Treasury Stock (Note 13)	Non - controlling Interest (Note 27)	Total		
For the year ended December 31, 2021											
Balances as at January 1, 2021	P1,044,263	P3,294,368	P-	P1,425,033	(P76,721)	(P230,490)	P4,795,968	(P0,21)	P10,352,416	P139,588	P16,092,004
Net income	-	-	-	-	-	-	659,108	-	659,108	4,681	163,789
Other comprehensive income	-	-	-	208,814	61,689	-	-	-	270,503	8,163	276,666
Total comprehensive income	-	-	-	208,814	61,689	-	659,108	-	929,611	12,844	940,455
Other adjustments	-	-	-	-	-	-	-	(0,21)	(0,21)	-	(0,21)
Dividends declared	-	-	-	-	-	-	(312,656)	-	(312,656)	-	(312,656)
Balances as at December 31, 2021	P1,044,263	P3,294,368	P-	P1,633,847	(P15,033)	(P230,490)	P5,142,428	P-	P10,809,371	P150,432	P11,190,03
For the year ended December 31, 2020											
Balances as at January 1, 2020	P1,044,263	P3,294,368	(P880)	P1,583,743	(P19,766)	(P230,490)	P3,838,446	(P0,21)	P9,509,680	P723,113	P9,732,793
Net income	-	-	-	-	-	-	245,818	-	245,818	(3,644)	242,174
Other comprehensive income	-	-	-	627,121	(56,056)	-	-	-	570,166	20,119	900,285
Total comprehensive income	-	-	-	627,121	(56,056)	-	245,818	-	815,984	16,475	132,459
Transfer of revaluation increment to retained earnings due to sale of land	-	-	-	(785,832)	-	-	785,832	-	-	-	-
Transfer to retained earnings	-	-	880	-	-	-	(880)	-	-	-	-
Dividends declared	-	-	-	-	-	-	(73,248)	-	(73,248)	-	(73,248)
Balances as at December 31, 2020	P1,044,263	P3,294,368	P-	P1,425,033	(P76,721)	(P230,490)	P4,795,968	(P0,21)	P10,252,416	P139,588	P10,692,004
For the year ended December 31, 2019											
Balances as at January 1, 2019	P748,033	P1,439	(P1,073)	P1,574,006	P55,095	P-	P3,643,131	(P0,21)	P5,998,031	P414,929	P6,413,560
Net income	-	-	-	-	-	-	254,488	-	254,488	19,503	274,091
Other comprehensive income	-	-	3,091	9,733	(54,839)	-	-	-	(42,031)	(2,372)	(41,403)
Total comprehensive income	-	-	3,091	9,733	(54,839)	-	254,488	-	212,557	17,131	229,688
Issuance of shares (Note 6)	295,330	3,292,929	-	-	-	-	-	-	3,588,259	-	3,882,259
Change in non-controlling interest	-	-	-	-	-	(230,490)	-	-	(230,490)	(108,947)	(339,441)
Dividends declared	-	-	-	-	-	-	(59,274)	-	(59,274)	-	(59,274)
Balances as at December 31, 2019	P1,044,263	P3,294,368	(P880)	P1,583,743	(P19,766)	(P230,490)	P3,838,446	(P0,21)	P9,509,680	P723,113	P9,732,793

See accompanying Notes to Consolidated Financial Statements.



iPEOPLE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	Years Ended December 31		
	2021	2020	2019 (Note 6)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	P633,414	P274,992	P341,686
Adjustments for:			
Depreciation and amortization (Notes 10, 13, 20 and 21)	456,685	463,422	397,612
Interest expense and other finance charges (Note 22)	140,949	178,294	129,338
Provision for doubtful accounts (Notes 8 and 21)	114,229	48,755	79
Reversal on impairment on land (Note 11)	(15,763)	(5,238)	-
Interest income (Note 22)	(6,192)	(10,897)	(22,758)
Unrealized foreign exchange loss (gain) - net	(450)	(1,830)	505
Unrealized market loss (gain) on financial assets at FVTPL	492	(355)	(650)
Operating income before working capital changes	1,323,364	947,143	845,811
Decrease (increase) in:			
Receivables	(110,641)	(95,364)	(416,734)
Prepaid expenses and other current assets	(120,416)	(94,656)	94,017
Increase (decrease) in:			
Accounts payable and other current liabilities	(100,017)	(58,029)	122,388
Unearned income	(22,189)	(100,128)	431,782
Other noncurrent liabilities	10,713	(2,291)	75,644
Net pension assets and liabilities	(54)	40,748	(22,970)
Net cash generated from operations	980,760	637,423	1,129,938
Interest paid	(137,410)	(139,909)	(101,550)
Income taxes paid	(567)	(41,025)	(63,275)
Interest received	6,050	10,734	22,637
Net cash flows from operating activities	848,833	467,223	987,750
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property and equipment (Notes 10 and 29)	(183,735)	(881,887)	(1,437,212)
Computer software (Note 13)	(15,479)	(1,840)	-
Acquisition through business combination - net of noncash acquired (Note 6)	-	-	1,291,500
Non-controlling interest (Note 6)	-	-	(881,068)
Proceeds from disposal of:			
Land through sale of subsidiary (Note 11)	-	1,754,800	-
Equity instruments at FVOCI (Note 30)	-	-	17,482
Decrease (increase) in:			
Receivables from related parties	(28)	(25,445)	(15,927)
Other noncurrent assets	5,284	1,819	2,181
Net cash flows from (used in) investing activities	(193,958)	847,447	(1,023,044)

(Forward)



	Years Ended December 31		
	2021	2020	2019 (Note 6)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term loans (Notes 16 and 29)	P400,000	P230,530	P1,437,000
Payments of short-term loans (Notes 16 and 29)	(375,000)	(1,254,330)	(2,348,200)
Dividends paid to stockholders (Note 29)	(312,656)	(73,248)	(116,781)
Payment of lease liabilities (Note 31)	(67,196)	(68,826)	(49,101)
Increase (decrease) in payables to related parties (Note 27)	(15,345)	14,070	2,398
Proceeds from long-term loans (Note 29)	-	-	1,679,903
Tax on issuance of new shares (Note 6)	-	-	(2,953)
Net cash flows from (used in) financing activities	(370,197)	(1,151,804)	602,266
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
	449	1,830	(505)
NET INCREASE IN CASH AND CASH EQUIVALENTS	285,127	164,696	566,467
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,319,002	1,154,306	587,839
CASH AND CASH EQUIVALENTS AT END OF YEAR (Notes 7 and 30)	P1,604,129	P1,319,002	P1,154,306

See accompanying Notes to Consolidated Financial Statements.



IPEOPLE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

iPeople, inc. (the Parent Company) is a publicly-listed stock corporation registered and incorporated on July 27, 1989 under the laws of the Philippines.

The Parent Company, a subsidiary of House of Investments, Inc. (HI), is a holding and management company. Its principal office address is at 3rd Floor, Grepalife Building, 219 Sen. Gil J. Puyat Avenue, Makati City. iPeople, inc. and its subsidiaries (collectively referred to as “the Group”) are mainly involved in education sector with the list of subsidiaries disclosed in Note 2.

The Group is a member of the Yuchengco Group of Companies (YGC). The Group’s ultimate parent is Pan Malayan Management and Investment Corporation (PMMIC).

Merger with AC Education, Inc.

On October 1, 2018, the Board of Directors (BOD) of iPeople, inc. executed a memorandum of agreement (MOA) for a proposed Plan of Merger between iPeople, inc. and AC Education, Inc. (AEI), the wholly owned education arm of Ayala Corporation (AC), with iPeople, inc. as the surviving entity with HI and AC owning 48.18% and 33.5%, respectively. The merger would bring together the educational group of HI and AC.

The proposed merger was subsequently approved by iPeople, inc.’s Stockholders on December 12, 2018 and was approved by the Philippine Competition Commission (PCC) on December 12, 2018. On April 24, 2019, the Securities and Exchange Commission (SEC) approved the merger between iPeople, inc. and AEI, with iPeople, inc. as the surviving entity, and to take effect five business working days thereafter or May 2, 2019. On said date, iPeople, inc. issued 295,329,976 common shares from its unissued capital stock to AC. After the merger, iPeople, inc. became 48.18% owned by HI and 33.5% owned by AC. Details of the merger is disclosed in Note 6.

2. Basis of Preparation

The consolidated financial statements of the Group have been prepared under the historical cost basis, except for the land which is under revaluation model and financial assets at fair value through profit or loss (FVTPL). The consolidated financial statements are presented in Philippine Peso (₱), which is the Parent Company’s functional currency. Except as otherwise indicated, all amounts are rounded off to the nearest thousands.

Statement of Compliance

The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as at December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021.

The consolidated financial statements are prepared for the same reporting year as the Parent Company, using consistent accounting policies. All intercompany balances and transactions, including income, expenses and dividends, are eliminated in full.



Below are the Group's subsidiaries and percentage of ownership:

	Percentage of Ownership		
	2021	2020	2019
Malayan Education System, Inc. (MESI) [Operating Under the Name of Mapua University] and subsidiaries	100%	100%	100%
Direct ownership of MESI on its subsidiaries:			
Malayan Colleges Laguna, Inc., A Mapua School (MCLI)	100	100	100
Malayan Colleges Mindanao (A Mapua School), Inc. (MCMi)	100	100	100
Malayan High School of Science, Inc. (MHSSI)	100	100	100
Mapua Information Technology Center, Inc. (MITC)	100	100	100
Mapua Techserv, Inc.	100	100	100
Mapua Techpower, Inc.	75	75	75
San Lorenzo Ruiz Investment Holdings and Services Inc. (SLRIHSI)*	-	-	100
People eServe Corporation	100	100	100
Pan Pacific Computer Center, Incorporated (PPCCI)	100	100	100
New subsidiaries in 2019 after the merger (Note 1):			
Affordable Private Education Center, Inc. doing business under the name of APEC Schools	100	100	100
National Teachers College doing business under the name/s and style/s of The National Teachers College	99.79	99.79	99.79
University of Nueva Caceres	83.62	83.62	83.62
AC College of Enterprise and Technology, Inc.	100	100	100
LINC Institute, Inc. doing business under the Name and Style of LINC Academy	100	100	100

*Sold in December 2020 to HI (see Note 11).

All subsidiaries were incorporated in the Philippines.

Subsidiaries are entities over which the Parent Company has control. Control is achieved when the Parent Company is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Parent Company controls an investee if and only if the Parent Company has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Parent Company has less than a majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Parent Company's voting rights and potential voting rights.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.



A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- recognizes the fair value of the consideration received;
- recognizes the fair value of any investment retained;
- recognizes any surplus or deficit in profit or loss; and
- reclassifies the Group's share of components previously recognized in other comprehensive income (OCI) to profit or loss or retained earnings, as appropriate.

Non-controlling interest represents interest in a subsidiary which is not owned, directly or indirectly, by the Parent Company and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from the Group's shareholders equity. Transactions with non-controlling interests are handled in the same way as transactions with external parties.

3. Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective as at January 1, 2021. The adoption of these pronouncements did not have any significant impact on the Group's financial position or performance.

- Amendments to PFRS 9, PAS 39, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*
- Amendments to PFRS 16, *COVID-19-related Rent Concessions beyond 30 June 2021*

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below.

Effective beginning on or after January 1, 2022

- Amendments to PFRS 3, *Reference to the Conceptual Framework*
- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*
- Amendments to PAS 37, *Onerous Contracts - Costs of Fulfilling a Contract*
- *Annual Improvements to PFRSs 2018-2020 Cycle*
 - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*
 - Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*
 - Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

Effective beginning on or after January 1, 2023

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*



Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group does not expect the future adoption of the applicable pronouncements to have a significant impact on its consolidated financial statements.

The Group continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to 2021 on the Group's consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the consolidated financial statements when these amendments are adopted.

4. Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from date of placement and that are subject to an insignificant risk of changes in value.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- *Level 1* – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

