

The Corporate Secretary particularly noted that while the Company is guided by the SEC's mandatory term limits for independent directors as provided for in SEC Memorandum Circular No. 4 (Series of 2017), the reelection and retention of Mr. Renato C. Valencia and Mr. Cesar A. Buenaventura as independent directors of the Company is being proposed for stockholders' approval based on the invaluable contribution and guidance that they are constantly providing to the Company. He further stated that the meritorious justifications for Mr. Valencia and Mr. Buenaventura's reelection and retention as Independent Directors were provided for in the Company's Definitive Information Statement.

Thereafter, the Corporate Secretary confirmed the results of the election, stating that all the shares represented in the meeting, particularly, a total of 978,406,239 shares, representing 93.69% of the total outstanding stock, voted in favor of the election of all nine (9) nominees. The Chairman thus declared and proclaimed the above-named nominees as elected members of the Company's Board of Directors for 2021-2022.

#### **VIII. APPOINTMENT OF EXTERNAL AUDITOR.**

The Chairman proceeded to tackle the next item on the Agenda, which is the appointment of the Company's external auditor.

The Corporate Secretary noted the proposal for SGV & CO. to be reappointed as the Company's external auditor for the calendar year ending 31 December 2020 under the following resolution:

"RESOLVED, that the auditing firm, SGV & CO., be as it is hereby, reappointed as the Company's External Auditor for the calendar year ending December 31, 2021."

There being no objections, the Corporate Secretary advised that a total of 978,406,239 shares, representing 93.69% of the total outstanding stock, voted in favor of the above resolution.

#### **IX. OTHER MATTERS.**

The Chairman inquired if there were any other matters that any of the stockholders wished to discuss or whether there is any other item on the Agenda. The Corporate Secretary confirmed that there was none.

The Chairman proceeded to state that comments and questions submitted to the Company prior to the deadline for submission will be addressed. The Corporate Secretary noted that some questions were received from the stockholders within the stated deadline.

The first question pertains to the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act wherein the Bureau of Internal Revenue ("BIR") released a Memorandum last April 08, 2021 which excluded for-profit private schools from availing of the preferential corporate income tax rate of from 10% to 1%. The inquiry posed is how such will affect the quality of education for iPeople schools and whether there will be tuition and/or other fees increases with or without the memorandum. Dr. Veja replied that it may be noted that the purpose of the CREATE Act is to provide tax relief to industries most affected by the pandemic. One of these would be the educational institutions. He then noted that a Senate Bill has been filed, which would recognize the preferential tax rate applicable to private and proprietary schools. Also, fortunately, the BIR recently suspended the subject Memorandum and this will hopefully ease financial burdens on schools, prevent school closures, allow schools to invest in quality education, and remove the need to increase tuition fees as a result of the effects of the subject Memorandum.

The second question pertains to economic bills that were certified as urgent by the President of the Philippines such as the Foreign Investment Act, Public Service Act, and the economic provisions of the 1987 constitution include the provision for Education. The Company was asked on its reaction to the proposed bills. Dr. Veja advised that it seems that the subject bills pertain to reducing restrictions on foreign ownership in various key industries and services. The Company has not taken any particular position on the same. It was noted that the Company would naturally agree to the Philippines being more attractive and competitive in terms of foreign investments since such would be beneficial to the economy. The legislators and experts should ensure that any changes would benefit national interest as a whole, and in the long term.

The third inquiry is on when physical classes will restart and what schools and courses will have physical classes. Dr. Veja replied that the resumption of face-to-face classes will depend on when these will be allowed by Department of Education and CHED. Currently, CHED has only allowed limited face-to-face classes for medicine and other health/allied courses, in a selected number of schools which have been inspected and obtained CHED/IATF/LGU approval to proceed. For the Company's Schools, currently only the Nursing program at University of Nueva Caceres in Naga has been approved for limited face-to-face to begin the Academic Year 2021-2022.

The last question is on how many employees will be given the COVID 19 vaccine, what are the COVID 19 vaccine brands to be given, and whether there a possibility that the students will be given the vaccine. Dr. Veja advised that all employees of the Schools are eligible to participate in the ongoing employee vaccine program, as part of the Yuchengco Group of Companies and the Ayala Group initiative. Some have chosen to get vaccinated ahead of the program through their local government units or other family members. Several different vaccine brands are being used and not just a specific one. Providing vaccines to students is something that is still under discussion, since there would be several factors to consider, such as availability of the vaccines, the students' age and parental permission.

**X. ADJOURNMENT.**

There being no other questions and with no other business to transact, on motion duly made and seconded, the Annual Stockholders' Meeting was adjourned.

  
**SAMUEL V. TORRES**  
Corporate Secretary

ATTEST:

  
**RENATO C. VALENCIA**  
Chairman

### CERTIFICATION OF INDEPENDENT DIRECTOR

I, **RENATO C. VALENCIA**, Filipino, of legal age and a resident of No. 331 Ma. Cristina Road, Ayala Alabang Village, Muntinlupa City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for independent director of **iPEOPLE, INC.** and have been its independent director since 2003.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/ Relationship	Period of Service
Please see attached Annex "A"		

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **iPEOPLE, INC.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of iPeople, Inc. and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code:

Name of Director/ Officer/Substantial Shareholder	Company	Nature of Relationship
N/A		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I confirm that I am not engaged in government service or affiliated with any government agency or government owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

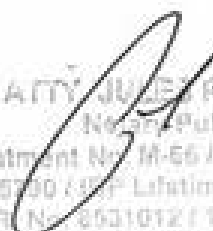
8. I shall inform the Corporate Secretary of **IPEOPLE, INC.** of any changes in the abovementioned information within five days from its occurrence.

Done this 18 MAY 2022 day of May 2022, at Makati City, Metro Manila, Philippines.

  
**RENATO C. VALENCIA**  
Affiant

SUBSCRIBED AND SWORN to before me this 18 MAY 2022 day of May 2022 at Makati City, affiant personally appeared before me and exhibited to me his Tax Identification Card No. 118-457-420, and SSS ID No. 03-26735839.

Doc. No. 124 ;  
Page No. 25 ;  
Book No. 1 ;  
Series of 2022.

  
ATTY. JULIET R. MILAN  
Notary Public  
Appointment No. M-66 / Until 12-31-2022  
Roll No. 45700 / SFP Lifetime No. 04797 / 7-2-07  
PTR O.R. No. 8521012 / 1-4-22 - Parang City  
MCLE No. VI-0016563 / 01-14-15

Annex A

**ANNEX "A" - COMPANY/ORGANIZATION AFFILIATIONS**

No.	Company/Organization	Position/Relationship	Period of Service/Status
1	Anglo Phil., Inc.	D	2006 to 2021
2	Aquaworld Corporation	I, D	Inactive
3	Asia Pacific Network Holdings	I,S,D, Chair	Inactive
4	CNP Worldwide, Inc.	I,S,D, Chair	Inactive
5	Far East Savings Bank, Inc.	I, D	1997-98/acquired by BPI
6	Golden Paradise Ent's. Inc.	D	not operational
7	Grepalife Dollar Bond Fund Corp	I, D	2006 to 2011
8	Grepalife Fixed Income Fund Corp.	D	2006 to 2011
9	House of Investments, Inc.	D	March 17, 2005 to 2016
10	Hypercash Payment Systems, Inc.	I, S, D, Chair	Inactive
11	Icash, Inc.	D	not operational
12	Independent Insight, Inc.	I, S, D, Vice Chair	June 27, 2001 to Oct. 2011
13	Interinvest Consulting Group	I, S, D	Inactive
14	i-People, Inc.	D	June 26, 2006 to date
15	Malayan Insurance Co., Inc.	D	2006 to date
16	Metropolitan Bank & Trust Company	D	November 1998 to May 2017
17	My PaySwitch, Inc.	I, S, D, Pres.	Pre-Operating
18	NG.com, Inc.	I, S, D	Inactive
19	Philippine Coca Cola System Council	D	May 2, 2007 to Oct. 2011
20	Point Lobo Int'l Corp.	D, Pres.	Inactive
21	Reliant Ventures Holdings, Inc.	I, S, D, Chair	Inactive
22	Roxas & Co.	D	2006; 2010 to Oct. 2015
23	Roxas Holdings, Inc.	D	2006; 2010 to Oct. 2015
24	Triple Top AIM, Inc.	I, S, D	Inactive
25	EEL Corporation	D	Sep. 8, 2015 to date
26	GT Capital, Inc.	D	May 10, 2017 to date
27	Omnipay, Inc.	D, Chair	2009 to date

## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **CESAR A. BUENAVENTURA**, Filipino, of legal age and a resident of 58 McKinley Road, Forbes Park, Makati City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for independent director of **iPEOPLE, INC.** and have been its independent director since 1991.
2. I am affiliated with the following companies or organizations:

<b>Company/Organization</b>	<b>Position/ Relationship</b>	<b>Period of Service</b>
Buenaventura, Echauz & Partners, Inc.	Chairman	2001 to Present
Bloomberry Cultural Foundation	Director	2015 to Present
Concepcion Industrial Corporation	Director	2014 to Present
D.M. Consunji, Inc.	Director	1995 to Present
DMCI Holdings, Inc.	Vice Chairman	1995 to Present
ICTSI Foundation	Director	2015 to Present
Mitsubishi Hitachi Power Systems Philippines, Inc.	Chairman	1996 to Present
Pilipinas Shell Foundation, Inc.	Chairman	1982 to Present
Pilipinas Shell Petroleum Corporation	Director	1970 to Present
Petroenergy Resources Corp.	Director	1995 to Present
Semirara Mining and Power Corp.	Director	1997 to Present
The Country Club	Director	2016 to Present
International Container Terminal Services Inc.	Director	2019 to Present
Manila Water Company, Inc.	Director	April 16, 2021 to Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **iPEOPLE, INC.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of **iPEOPLE, INC.** and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code:

<b>Name of Director/ Officer/Substantial Shareholder</b>	<b>Company</b>	<b>Nature of Relationship</b>
N/A		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I confirm that I am not engaged in government service or affiliated with any government agency or government owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of **iPEOPLE, INC.** of any changes in the abovementioned information within five days from its occurrence.

18 MAY 2022

Done this \_\_\_\_\_ day of May 2022, at Makati City, Metro Manila, Philippines.



**CESAR A. BUENAVENTURA**  
Affiant

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of May 2022 at Makati City, affiant personally appeared before me and exhibited to me his Philippine Passport No. \_\_\_\_\_, issued at \_\_\_\_\_, and valid until \_\_\_\_\_.

Doc. No. 187;  
Page No. 26;  
Book No. V;  
Series of 2022.

ATTY. JULEZ P. MIAAN

Appointment No. M-56 / Until 12-31-2022  
Roll No. 45700 / LSP Lifetime No. 04707 / 7-3-03  
PTR O.R. No. 8531012 / 1-4-22 / Pasay City  
MCLF No. VI-0016585 / 01-14-19



## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **HERMINIA S. JACINTO**, Filipino, of legal age and a resident of 75 J.P. Laurel St., BF Homes, East Phase 6, Parañaque City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for independent director of **IPEOPLE, INC.**
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
BDO Life Assurance Co.	Ind. Director	8 years
Fortune General Insurance Corp.	Ind. Director	6 years
Insurance Institute for Asia and the Pacific	President	3 years

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **IPEOPLE, INC.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of **IPEOPLE, INC.** and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code:

Name of Director/Officer/Substantial Shareholder	Company	Nature of Relationship
N/A		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I confirm that I am not engaged in government service or affiliated with any government agency or government owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of **IPEOPLE, INC.** of any changes in the abovementioned information within five days from its occurrence.

Done this 12<sup>th</sup> day of May 2022, at Makati City, Metro  
Manila, Philippines.



**HERMINIA S. JACINTO**  
Affiant

SUBSCRIBED AND SWORN to before me this 12<sup>th</sup> day of May 2022 at  
Makati City, affiant personally appeared before me and exhibited to me her  
Philippine Passport No. P7107457B, issued at DFA NCR SOUTH, and valid  
until July 4, 2031.

Doc. No. 28 ;  
Page No. 19 ;  
Book No. XV ;  
Series of 2022.

**ATTY. GERVACIO B. ESCOBAR JR.**  
Notary Public, City of Makati  
Until December 31, 2022  
IBP No. 05729-Life/Reg. Member  
MCLE Compliance No. VI-0024312  
Appointment No. M-62-(2021-2022)  
PTR No. 8892511 Jan. 3, 2022  
Makati City Roll No. 40991  
101 Urban Ave. Campos Rueda Bldg.  
Brgy. Pio Del Pilar, Makati City

08 June 2022

**THE SECURITIES AND EXCHANGE COMMISSION**  
PICC Complex, Roxas Boulevard  
Pasay City

Attention: **MR. VICENTE GRACIANO P. FELIZMENIO, JR.**  
*Director, Markets and Securities Regulation Department*

Re: **SEC FORM 20-IS OF IPEOPLE, INC. (SEC Reg. No. 166411)**

Gentlemen:

In compliance with the requirements of the Securities Regulation Code relative to the filing of the SEC Form 20-IS of iPeople, Inc. (the "Company"), we hereby certify that none of the Company's incumbent directors and executive officers who may be elected and appointed during the Annual Stockholders' and Organizational Board Meetings to be held on 29 July 2022 are government employees.

We trust that the foregoing sufficiently complies with this Honorable Commission's requirements.

Very truly yours,



**SAMUEL V. TORRES**  
Corporate Secretary

08 JUN 2022  
SUBSCRIBED AND SWORN to before me this \_\_\_\_ day of \_\_\_\_  
In the CITY of MAKATI affiant exhibit his/her \_\_\_\_\_  
issued at \_\_\_\_\_ on \_\_\_\_\_

Doc. No.: 81  
Page No.: 18  
Book No.: 151  
Series of: 2022



**JOSHUA P. LAPUZ**

Notary Public for Makati City  
Appointment No. M-19 / Until 12-31-23  
Roll No. 45790 / IBP Life No. 04897 / 02-03-03  
PTR-C.R. No. 8832510 / 01-03-22 / Makati City  
MCLE No. VI-0016565 / 01-14-19  
G/F Fedman Suites, 199 Salcedo St  
Legaspi Village, 1229 Makati City



## PROXY

I, the undersigned holder of shares of stock of iPeople, inc. ("Corporation"), do hereby constitute, name and appoint the **Chairman of the Meeting**, or in his absence, the **Secretary of the Meeting**, as my attorney and proxy, to represent me and to vote all the shares registered under my name in the Books of the Corporation at the Annual Meeting of the Stockholders of the Corporation on **July 29, 2022** and any adjournment(s) thereof.

In particular, I hereby direct my said proxy to vote on the matters set forth below as I have expressly indicated by marking the same with an "X". **If I fail to indicate my vote on the items specified below, I authorize my proxy full discretion to act and I understand that my proxy shall vote in accordance with the recommendation of the Management. Management recommends a "FOR ALL" vote for proposal 1 and a "FOR" for proposals 2 through 5.**

PROPOSAL	ACTION		
	FOR ALL	WITHHOLD FOR ALL	EXCEPTION
1. Election of Management's Nominees as Directors <b>Management Nominees are:</b> <ol style="list-style-type: none"> <li>1. Reynaldo B. Vea</li> <li>2. Gerardo C. Ablaza, Jr.</li> <li>3. Alfredo Antonio L. Ayala</li> <li>4. Medel T. Nera</li> <li>5. Lorenzo V. Tan</li> <li>6. Yvonne S. Yuchengco</li> </ol> <b>Independent Directors:</b> <ol style="list-style-type: none"> <li>7. Renato C. Valencia</li> <li>8. Cesar A. Buenaventura</li> <li>9. Herminia S. Jacinto</li> </ol> <small>INSTRUCTIONS: To withhold authority to vote for any individual nominee(s) of Management, please mark Exception box and list name(s) under.</small>			
	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
2. Approval of the Minutes of the Annual Stockholders' Meeting held on July 30, 2021			
3. Approval of the Management Report and the Audited Financial Statements for 2021			
4. Ratification and confirmation of the acts, resolutions and proceedings of the Board of Directors, the Various Committees and the Management of the Company from the date of the last annual stockholders' meeting until the date of this meeting			
5. Appointment of SGV as External Auditors			

THIS PROXY, SOLICITED ON BEHALF OF THE INCUMBENT BOARD OF DIRECTORS OF IPEOPLE, INC. SHOULD BE RECEIVED BY THE CORPORATE SECRETARY ON OR BEFORE 5:00 P.M OF JULY 19, 2022, THE DEADLINE FOR SUBMISSION OF PROXIES.

### **REVOCABILITY OF PROXY**

THE SHAREHOLDER MAY REVOKE THE PROXY ISSUED BY HIM AT ANY TIME PRIOR TO ITS USE BY THE PARTY WHO IS THEREBY AUTHORIZED TO EXERCISE THE SAME. THE PERSON SIGNING THE PROXY HAS THE RIGHT TO REVOKE THE PROXY BY ATTENDING THE MEETING IN PERSON, OR BY GIVING A WRITTEN NOTICE TO THE SECRETARY PRIOR TO THE MEETING, OR THRU THE EXECUTION OF A PROXY AT A LATER DATE.

**PERSONS MAKING THE SOLICITATION**

THIS PROXY IS SOLICITED ON BEHALF OF THE MANAGEMENT OF IPEOPLE, INC. THE PROXY STATEMENT AND THE ENCLOSED PROXY SHALL BE SENT TO THE SECRETARY OF THE CORPORATION THROUGH ELECTRONIC MEANS ADDRESSED TO ASM2022@IPEOPLE.COM.PH, ON OR BEFORE 5:00 P.M. ON JULY 19, 2022. THE DULY EXECUTED HARD-COPY SHOULD ALSO BE MAILED TO THE OFFICE OF THE CORPORATE SECRETARY, IPEOPLE, INC. 3/F GREPALIFE BLDG. 219 SEN. GIL PUYAT AVENUE, MAKATI CITY.

IN ADDITION TO SOLICITATION OF THE PROXIES BY ELECTRONIC MEANS AND/OR MAIL, OFFICERS AND EMPLOYEES OF THE COMPANY MAY ALSO SOLICIT PROXIES PERSONALLY OR BY TELEPHONE. THE COST OF SOLICITATION, APPROXIMATELY P 115,000 WILL BE BORNE BY THE IPEOPLE, INC.

THERE IS NO MATERIAL CONSIDERATION CONTRACT OR ARRANGEMENT FOR THE SOLICITATION. THE COMPANY IS NOT A PARTY TO ANY ARRANGEMENT OR UNDERSTANDING WITH ANY PERSON WITH RESPECT TO ANY MATTER TO BE ACTED UPON THE MEETING.

THIS PROXY SHALL BE VALID FOR FIVE (5) YEARS FROM THE DATE HEREOF UNLESS OTHERWISE INDICATED IN THE BOX HEREIN PROVIDED:

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER AS DIRECTED HEREIN BY THE STOCKHOLDER(S). IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED "FOR" THE ELECTION OF ALL NOMINEES AND FOR SUCH MATTERS AS MAY PROPERLY COME BEFORE THE MEETING, INCLUDING MATTERS WHICH THE SOLICITOR(S) DO NOT KNOW A REASONABLE TIME BEFORE THE SOLICITATION ARE TO BE PRESENTED AT THE MEETING, IN THE MANNER DESCRIBED IN THE INFORMATION STATEMENT AND/OR AS RECOMMENDED BY MANAGEMENT OR THE BOARD OF DIRECTORS.

**INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON:**

- 1. No other current director or officer of the Company, or nominee for election as directors of the Company or any associate thereof, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon other than the election to office.
- 2. No director has informed the Company in writing that he intends to oppose any action to be taken by the registrant at the meeting.

THIS PROXY SHALL CONFER DISCRETIONARY AUTHORITY TO VOTE WITH RESPECT TO ANY OF THE FOLLOWING MATTERS:

- 1. MATTERS WHICH THE COMPANY DOES NOT KNOW DURING A REASONABLE TIME BEFORE THIS SOLICITATION ARE TO BE PRESENTED AT THE MEETING.
- 2. MATTERS INCIDENT TO THE CONDUCT OF THE MEETING.

<i>Signature of Stockholder</i>	<i>Printed Name</i>	<i>No. of Shares</i>	<i>Date</i>
<i>Address and Telephone Number</i>			

**THIS PROXY IS BEING SOLICITED IN BEHALF OF THE MANAGEMENT OF IPEOPLE, INC.**

Please mail this proxy form to:  
**ATTY. SAMUEL V. TORRES**  
**CORPORATE SECRETARY**  
**iPeople, Inc.**  
**3/F GREPALIFE Building**  
**219 Sen. Gil Puyat Avenue, Makati City 1200**

**EMAIL: asm2022@ipeople.com.ph**

## ANNEX 'A'

### A. Procedure to Register to be able to Attend and Participate in the Meeting

Stockholders are requested to notify the Company by July 19, 2022, via email at [asm2022@ipeople.com.ph](mailto:asm2022@ipeople.com.ph), of their intention to participate in the Company's Annual Stockholders' Meeting on 29 July 2022 by remote communication.

For validation purposes, Stockholders shall also provide the Company with the following information: (a) Name; (b) Address; and (c) Contact Number. The Company may also require the submission of certain documents to ascertain and verify the identity of the requesting person.

### B. Procedure for Electronic Voting In Absentia

#### I. Coverage

Stockholders of iPeople, inc. who chose to electronically vote in absentia, upon valid registration.

#### II. Registration

1. Who may Register - Stockholders of Record as of June 29, 2022
2. When to Register - Registration period shall be from July 12, 2022 at 8:00am until July 19, 2022 at 5:00pm, Philippine time ("Registration Period"). Beyond this date, Stockholders may no longer avail of the option to electronically participate at the Annual Stockholders' Meeting and vote by remote communication or in absentia.
3. How to Register - The Stockholder will be requested to send a notification to [asm2022@ipeople.com.ph](mailto:asm2022@ipeople.com.ph) together with scanned or digital copy of the documents listed below, within the Registration Period, for validation.

##### Individual Stockholders:

- a. A recent photo of the Stockholder, with the face fully visible,
- b. Front and back portions of the Stockholder's valid government-issued identification card, preferably with residential address, and
- c. Contact number

##### Stockholders with Joint Accounts:

- a. Authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account,
- b. A recent photo of the authorized Stockholder, with the face fully visible,
- c. Front and back portions of the authorized Stockholder's valid government-issued identification card, preferably with residential address, and
- d. Contact number of the authorized Stockholder

##### Broker Accounts:

- a. The broker's certification on the Stockholder's number of shareholdings,
- b. A recent photo of the Stockholder, with the face fully visible,
- c. Front and back portions of the Stockholder's valid government-issued identification card, preferably with residential address, and
- d. Contact number

Corporate Stockholders:

- a. Signed Secretary's Certificate attesting to the authority of the representative to vote for and on behalf of the Corporation,
- b. A recent photo of the Stockholder's representative, with the face fully visible,
- c. Front and back portions of the valid government-issued identification card of the Stockholder's representative, preferably with residential address, and
- d. Contact number of the Stockholder's representative

Stockholders with incomplete requirements, and who were not given the link to attend the meeting through remote communication or vote *in absentia*, may still vote by sending a proxy to the Annual Stockholders' Meeting.

#### 4. Validation of Registration

The validation of the Stockholder's registration shall be completed by the Company within three (3) business days from receipt thereof.

The Company will send an email confirming the successful validation of the Stockholder's registration.

Please note that submission of incomplete or inconsistent information may result in an unsuccessful registration and attendance in the meeting through remote communication will not be allowed.

Note: In light of the recent events and government pronouncements and guidelines surrounding the COVID -19 pandemic, the Company shall allow electronic signature for the required documents, as may be applicable. Notarization requirement shall also be dispensed with at this time. However, the Company reserves the right to request additional information, and original signed and notarized copies of these documents at a later date, as it deems necessary.

### III. Voting

Please use the form attached as ANNEX 'B' to record your vote and then email to: [asm2022@ipeople.com.ph](mailto:asm2022@ipeople.com.ph) on or before July 19, 2022.

#### Notes & Conduct of Voting:

##### A. Voting

1. The Stockholder Appointing a Proxy:  
Stockholders may give the Proxy the authority to vote in all matters for approval.
2. The Stockholder Voting by Remote Communication or In Absentia:  
The Stockholder will be asked to fill in the attached Annex "B".
  - a. For items other than the Election of Directors, the registered Stockholder has the option to vote: For, Against, or Abstain. The vote is considered cast for all the registered Stockholder's shares.
  - b. For the Election of Directors, the registered Stockholder may vote for all nominees, not vote for any of the nominees, or vote for some nominees only, in such number of shares as preferred by the Stockholder, provided that the total

number of votes cast shall not exceed the number of shares owned, multiplied by the number of directors to be elected.

The votes cast in absentia will have equal effect as votes cast by proxy.

**B. Tabulation & Validation of Votes In Absentia or by Proxy**

All votes cast through proxy forms or in absentia will be tabulated by the Company, and the RCBC Stock Transfer Office will validate the results.

Validation and final tally of votes through Proxy or in absentia shall be released on or before the meeting date.

**C. Determination of Quorum**

Only those Stockholders who have notified the Company of their intention to participate in the Annual Stockholders' Meeting by remote communication, and who have successfully registered during the Registration Period, together with the Stockholders who voted by proxy or in absentia will be included in the determination of quorum.

**D. Access to the Live Meeting**

The Company will send the registered Stockholders the link to the live webcast of the Annual Stockholder's Meeting through the email confirming their successful registration no later than two (2) business days prior to the date of the Meeting.

**E. Stockholders' Questions/Comments During the Meeting**

Stockholders may send their questions and/or comments during the meeting to [asm2022@ipcople.com.ph](mailto:asm2022@ipcople.com.ph). The Corporate Secretary shall raise these questions on behalf of the Stockholder.

**F. Recording of the Annual Meeting**

The Company shall post the link to the recorded webcast of the Annual Stockholder's Meeting on the Company's website within two (2) weeks after the conduct of the meeting.



## ANNEX 'B'

### Electronic Voting In Absentia

PROPOSAL	ACTION		
	FOR ALL	WITHHOLD FOR ALL	EXCEPTION
Election of Directors <b>Management Nominees are:</b> <ol style="list-style-type: none"> <li>1. Dr. Reynaldo B. Vea</li> <li>2. Alfredo Antonio I. Ayala</li> <li>3. Lorenzo V. Tan</li> <li>4. Medel T. Nera</li> <li>5. Yvonne S. Yuchengco</li> <li>6. Gerardo C. Ablaza, Jr.</li> </ol> <b>Independent Directors:</b> <ol style="list-style-type: none"> <li>7. Renato C. Valencia</li> <li>8. Cesar A. Buenaventura</li> <li>9. Herminia S. Jacinto</li> </ol> <i>INSTRUCTIONS: To withhold authority to vote for any individual nominee(s) of Management, please mark Exception box and list name(s) under.</i>			
	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Approval of the Minutes of the Annual Stockholders' Meeting held on July 30, 2021			
Approval of the Management Report and the Audited Financial Statements for 2021			
Ratification and confirmation of the acts, resolutions and proceedings of the Board of Directors, the Various Committees and the Management of the Company from the date of the last Annual Stockholders' Meeting until the date of this meeting			
Appointment of SGV as External Auditors			

**DATE:** \_\_\_\_\_

**STOCKHOLDER'S NAME:** \_\_\_\_\_

**STOCKHOLDER'S SIGNATURE:** \_\_\_\_\_

*\*Please submit this form on or before end of the business day of July 19, 2022, and accompanied by any government issued identification.*

# **MANAGEMENT REPORT**

## Financial and Other Information

### Audited Financial Statements

The Statement of Management's Responsibility and Consolidated Audited Financial Statements of the Group as of December 31, 2021 are attached hereto as Annex 'D'.

### Changes in and Disagreements with Accountants in Accounting and Financial Disclosure

None

### Management Discussion and Analysis of Financial Condition and Plan of Operations

#### 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 on 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 the 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 51.3% 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 Malayan Education Systems, Inc. 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 University of Nueva Caceres common shares which represents 24.99% ownership in UNC which puts iPeople's ownership of UNC to 83.62%.

#### 1.1 Business of the Issuer

##### 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 as 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. The Company 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 management team of the subsidiaries are responsible for managing their respective risk exposures and reports periodically to iPeople.

During the year, iPeople 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 toppers 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 (UOx), 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. In 2021, MCL-SHS has a total of 1,051 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 has 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. MCL also 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.** *(Operating under the name of Mapua Malayan Colleges Mindanao)*

Incorporated in 2015, Mapua Malayan Colleges Mindanao 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.

MMCM 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, MMCM has reached its target number of enrollees in its first year of operation in Davao City.

For school year 2019-2020, MMCM 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, MMCM 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 MMCM 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, MMCM 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.

MMCM 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 MMCM in January 2021, forging each party's shared commitment to develop the health system in Mindanao.

In the pursuit of Excellence and Relevance, Mapua 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 is a Private Science High School providing 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. Infante, 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." UNC aims to be an Autonomous University, following CHED's highest level of Institutional Quality, fulfilling its tri-focal function of instruction, research, and extension while making education accessible and affordable.

Building upon its current competencies, the current leadership of UNC is creating new pathways for students to be future and work-ready through impactful student outcomes towards employability. A key goal is to produce graduates with multiple credentials over and above their traditional degrees by giving all students access to local and international certification programs recognized by industry partners. This opportunity is expanded as lifelong learning opportunities for upskilling and re-skilling, among those who are already in the workplace as an imperative of the changing demand of industry productivity and the 4th Industrial Revolution.

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. The University has been updated and in compliance with government-mandated protocols to ensure the safety of our stakeholders whilst ensuring continuity of learning.

The UNC continues to be a leading school in Bicol which offers a nurturing education and serves as a key factor of progress in Naga and the Bicol region. At UNC, you are nurtured to be future and work ready.

### ***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, with an average starting monthly salary of P16,000, equivalent to or even higher than regular college graduates.

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
<b>MALAYAN EDUCATION SYSTEM, INC.</b>			
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
<b>MALAYAN HIGH SCHOOL OF SCIENCE INC.</b>			
Paco, Manila	2002	3,624	School campus
<b>MALAYAN COLLEGES LAGUNA, INC.</b>			
Cabuyao, Laguna	2010	60,000	School campus
Cabuyao, Laguna	2012	14,640	Vacant lot for expansion
<b>MALAYAN COLLEGES MINDANAO, INC.</b>			
Brgy. Ma-a, Davao City	2015	23,000	School Campus
Brgy. Ma-a, Davao City	2018	7,000	School Campus
<b>NATIONAL TEACHERS COLLEGE</b>			
Quiapo, Manila	2019	7,316.7	School Campus
Quiapo, Manila	2019	535.3	School Campus
Quiapo, Manila	2019	714.4	School Campus
<b>UNIVERSITY OF NUEVA CACERES</b>			
J. Hernandez Ave., Naga City	2019	49,917	School Campus
<b>AC COLLEGE OF ENTERPRISE AND TECHNOLOGY, INC.</b>			
San Jose del Monte City, Bulacan	2019	6,098	Vacant Lot

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

<b>AFFORDABLE PRIVATE EDUCATION CENTER, INC.</b>			
7-Storey Building	Head Office	530.00	11/01/2024
5-Storey Building	V. Luna	865.00	06/30/2030

1-Storey Building	Dona Juana	1174.00	06/30/2030
3-Storey Building	North Fairview	1928.00	06/30/2027
4-Storey Building	C. Raymundo	1247.00	06/30/2026
4-Storey Building	Marikina Heights	796.00	04/30/2027
4-Storey Building	Grace Park West	600.00	01/31/2021
4-Storey Building	Tondo	1204.00	06/30/2025
5-Storey Building	Tondo (Annex)	1080.00	06/30/2027
4-Storey Building	Muntinlupa	1500.00	04/30/2025
3-Storey Building	Sta. Rita Sucat	878.00	04/30/2027
4-Storey Building	Dasmariñas	1215.00	06/30/2029
4-Storey Building	Bacoor-Molino	1074.00	04/30/2029
3-Storey Building	Roxas Boulevard	1230.00	06/30/2028
3-Storey Building	Pateros	515.92	08/31/2022
4-Storey Building	Taytay	960.00	12/31/2030
3-Storey Building	Ortigas Ext., Cainta	1095.00	03/31/2028
4-Storey Building	Calumpang Annex	1255.28	06/30/2024
1-Storey Building	JRU Lipa	1266.00	06/30/2026
3-Storey Building	Las Pinas	756.00	06/30/2026
4-Storey Building	Concepcion Dos	781.00	04/30/2027
4-Storey Building	New Manila	1480.00	06/30/2029
5-Storey Building	San Pablo	530.00	11/01/2024

### 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

## 2. Management Discussion and Analysis of Financial Condition and Results of Operations

### CONSOLIDATED RESULTS – Year 2021 vs. Year 2020

#### BALANCE SHEET

##### Financial Position

Total consolidated assets increased from P15.71 billion to P16.13 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 P3.06 billion this year from P2.66 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 P271 million to P391 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 P681 million in December 2020 to P658 million this year due to timing difference with regards to the start of school term.

Total consolidated equity increased from P10.49 billion in December 2020 to P11.12 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 P10.87 billion, from P10.25 billion in December 2020.

## **INCOME STATEMENT**

### **Results of Operations**

The Group posted a consolidated net income of P663.79 million, which is significantly higher than the P242.17 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 P3.35 billion from P3.02 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 P151.76 million last year to P138.58 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**

## **BALANCE SHEET**

### **Financial Position**

Total consolidated assets decreased from P16.27 billion to P15.71 billion, or a 3% decline compared to last year. 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 P2.66 billion this year from P2.32 billion last year 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 P176 million to P271 million mainly because of the additional prepayment to suppliers.

Consolidated non-current assets declined by P0.91 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 MESL. 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 P781 million in December 2019 to P681 million due to timing difference with regards to the start of school term as well as lower student enrolment.

Total consolidated equity increased from P9.73 billion in December 2019 to P10.49 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 P10.25 billion, from P9.51 billion in December 2019.

## **INCOME STATEMENT**

### **Results of Operations**

The Group posted a consolidated net income of P242.17 million, which is 12% lower than the P274.09 million last year.

Compared to last year, 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 enrol 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 P114 million higher from same period last 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 P129.34 million last year to P151.76 million this year 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 P11.86 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**

### **BALANCE SHEET**

#### **Financial Position**

Total consolidated assets increased from P9.97 billion to P16.27 billion, or a 63% growth compared to last year. 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 AEL.

Consolidated current assets increased to P2.32 billion this year from P1.01 billion last year 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 P534 million receivables of the new subsidiaries. Prepaid expenses and other current assets went up from P82.32 million to P176 million mainly because of the P18 million prepaid expenses and other current assets of the new subsidiaries.

Consolidated non-current assets grew by P4.99 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 AEL. All equity instruments were sold during the year. Other non-current assets went up from P33.77 million to P110.28 million mainly because of the P49.61 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 P315 million in December 2018 to P781 million due to unamortized tuition fees of Mapua schools and the new subsidiaries.

Total consolidated equity increased from P6.41 billion in December 2018 to P9.73 billion this year 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 P9.51 billion, from P6.00 billion in December 2018.

### **INCOME STATEMENT**

#### **Results of Operations**

The Group posted a consolidated net income of P274.09 million, which is 16% higher than the P237.10 million last year.

Compared to last year, 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 P3.00 billion from P1.81 billion last year. 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 P761 million, while general and administrative expenses increased by 92% or P231 million higher from same period last year. 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 P36.03 million last year to P129.34 million this year 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 P11.41 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 UTF.

### **Financial Ratios**

Below are the financial ratios that are relevant to the Group for the year 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	$\frac{\text{Net Income}}{\text{Average Equity}}$	6.14%	2.39%
<i>Reflects how much the Group's has</i>			



*earned on the funds invested by the stockholders*

Net Profit Margin	$\frac{\text{Net Profit Margin}}{\text{Revenue}}$	19.81%	8.03%
<i>Reflects how much net income or profit is generated as percentage of revenue</i>			
Return on Assets	$\frac{\text{Net Income}}{\text{Total Assets}}$	4.12%	1.54%
<i>Measure the ability to utilize the Group's assets to create profits</i>			

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 reflects how much net income or profit is generated as percentage of revenue. The net profit margin decreased in 2021, from 8.03% in 2020 to 19.81% this year due 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.

## MARKET PRICE OF AND DIVIDENDS ON REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDERS' MATTERS

### a. Market for Issuer's common equity and related stockholder matters

The common stock (PSE: IPO) is traded on the Philippine Stock Exchange. The market price of IPO's common stock as June 08, 2022 is at P7.23 for high and P7.23 for low.

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	9.60	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 May 31, 2022:

STOCKHOLDER	NUMBER OF SHARES	% OF TOTAL
HOUSE OF INVESTMENTS, INC.	501,940,749.00	48.07%
AYALA CORPORATION	149,829,961.00	14.50%
A. SORIANO CORPORATION	92,945,934.00	8.90%
PCD NOMINEE CORP - FILIPINO	89,358,604.00	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	236,124.00	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-655	146,750.00	0.01%
KHO, DAVID L.	140,500.00	0.01%
ANSALDO GODINEZ & CO., INC.	133,438.00	0.01%
CHAN, VICKY I.	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%
<b>SUB TOTAL</b>	<b>1,037,264,468</b>	<b>99.33%</b>
Others	6,998,737	0.67%
<b>TOTAL</b>	<b>1,044,263,197</b>	<b>100.00%</b>

iPeople has shareholders owning a total of 1,044,263,197 shares as of May 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	P0.16	P167.01MM
2021	P0.06 (Q2) and P0.23940 (Q4)	P312.66MM
2020	P0.07	P73.25MM
2019	P0.06 (Q1) and P0.01373 (Q2)	P59.27MM

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.

### b. 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.

**iPeople, inc. and Subsidiaries  
Consolidated Financial Statements  
December 31, 2021 and 2020**

**and**

**Report of Independent Auditors**

## 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.



### ***Evaluation 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.

