CR04403-2023

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 17.1(b) OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

☐ Preliminary Information Statement

☑ Definitive Information Statement

2. Name of Registrant as specified in its charter

iPeople, inc.

3. Province, country or other jurisdiction of incorporation or organization

Makati City

4. SEC Identification Number

166411

5. BIR Tax Identification Code

000187926000

6. Address of principal office

8th Floor, Mapua University Makati Campus, 1191 Pablo Ocampo Sr. Extension Ave., Brgy. Sta Cruz, Makati City

Postal Code

1205

7. Registrant's telephone number, including area code

(632) 8253-3637

8. Date, time and place of the meeting of security holders

July 28, 2023, at 4:15 PM, and virtually through remote communication, using this link: https://ipeople.com.ph/ASM2023/

9. Approximate date on which the Information Statement is first to be sent or given to security holders

Jul 6, 2023

10. In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor

Atty. Samuel V. Torres

Address and Telephone No.

3F Grepalife Building, 219 Sen. Gil J. Puyat Avenue Makati City, Tel. No.: 8815-9636

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common, P1.00 par value	1,044,263,197

13. Are any or all of registrant's securities listed on a Stock Exchange?

☑ Yes ☐ No

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange, Inc., Common Stock

iPEOPLE

iPeople, inc.
IPO

PSE Disclosure Form 17-5 - Information Statement for Annual or Special Stockholders' Meeting

References: SRC Rule 20 and Section 17.10 of the Revised Disclosure Rules

Date of Stockholders' Meeting	Jul 28, 2023
Type (Annual or Special)	Annual
Time	4:15 PM
Venue	Through remote communication, using this link: https://ipeople.com.ph/ASM2023/
Record Date	Jun 28, 2023

Inclusive Dates of Closing of Stock Transfer Books

Start Date	N/A
End date	Jun 28, 2023

Other Relevant Information

Please see attached copy of Definitive 20-IS.
This disclosure is amended on June 8, 2023 to reflect the amended Definitive Information Statement as submitted to the SEC.
This disclosure is amended further on June 19, 2023 specifically to include the date, time and venue of the validation of ballots and proxies in the Notice of ASM to the shareholders.

Filed on behalf by:

Name	Victor Rafael
Designation	VP - Finance and IR

COVER SHEET

1	6	6	4	1	1					

S.E.C. Registration Number

iPeople, inc.

(Company's Full Name)

8/F Mapua Makati Campus 1191

Pablo Ocampo Sr. Ext. Makati

(Business Address: No. Street City/ Town/ Province)

Atty. Denise Jordan P. Arenillo

Contact Person

8253-3637

Company's Telephone Number/s

1	2		3	1

Month Day

Fiscal Year

DEFINITIVE SEC FORM 20 - IS

FORM TYPE

0	7		2	8

Month Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. Of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks= pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION
JUN 19 2023
MARKET REGULATION DEPT.
TIME: 1:04

iPEOPLE

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that the Annual Stockholders' Meeting of **iPeople, inc.** will be conducted by remote communication via **https://ipeople.com.ph/ASM2023/** on **Friday, July 28, 2023 at 4:15 PM**, to consider and act on the following:

1. Call to Order
2. Proof of Notice and Certification of a Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held on July 29, 2022
4. Approval of the Management Report and the Audited Financial Statements for 2022
5. 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
6. Election of Directors for 2023-2024
    a. Approval of the extension of the terms and retention of Renato C. Valencia and Cesar A. Buenaventura as Independent Directors
7. Appointment of External Auditors
8. Such other business that may properly come before the meeting
9. Adjournment

Only stockholders of record at close of business on **June 28, 2023** shall be entitled to vote at this said meeting or any adjournment thereof.

Pursuant to the alternative mode of distributing and providing copies of the notice of the Annual Stockholders' Meeting as provided for in the Securities and Exchange Commission's NOTICE dated 13 March 2023, this notice to Stockholders shall be published in the business section of two (2) newspapers of general circulation, in print and online format, for two (2) consecutive days. The Information Statement and other pertinent meeting documents are available on the Company's website (www.ipeople.com.ph) and via PSE Edge.

Given the current circumstances, stockholders may only attend and participate in the meeting by remote communication and vote only by proxy or remotely in absentia. Stockholders who intend to attend and participate in the meeting by remote communication must notify the Company by email at asm2023@ipeople.com.ph on or before **July 18, 2023**. The link to the live webcast of the meeting and the proxy form shall be sent to the email address of the registered stockholder.

For voting via proxy, duly accomplished proxies shall be submitted by email to the Office of the Corporate Secretary at asm2023@ipeople.com.ph, for examination, validation, and recording no later than 5:00 pm of **July 18, 2023**. Proxies received thereafter shall not be recognized for the meeting. The validation of ballots and proxies shall be held on July 19, 2023 (2:00 PM) at iPeople inc.'s office at the 8/F Mapua University Makati Campus, 1191 Pablo Ocampo Sr. Extension, Makati City.

The procedures for attending and participating in the meeting through remote communication, for casting of votes and the proxy form are set forth in the Information Statement and shall also be published in the Company's website at www.ipeople.com.ph/shareholders.

The Company shall record the Annual Stockholder's Meeting and post the same in its website.

Makati City, June 19, 2023

ATTY. SAMUEL V. TORRES
Corporate Secretary

EXPLANATION OF AGENDA ITEMS

The following are the Rules of Conduct and Procedures for the meeting:

- Stockholders who intend to attend and participate in the meeting via remote communication and to exercise their vote in absentia must notify the Company by email at asm2023@ipeople.com.ph, on or before July 18, 2023. After verification of the email request, the link to the live webcast of the meeting and the proxy form shall be sent to the indicated email address of the registered stockholder.

- Stockholders may vote by appointing a proxy. Stockholders voting by proxy shall submit via email the duly accomplished proxies for examination, validation and recording no later than 5:00 pm of July 18, 2023 to the Office of the Corporate Secretary at asm2023@ipeople.com.ph.

- Pursuant to Sections 57 and 23 of the Revised Corporation Code and SEC Memorandum Circular No. 6, Series of 2020, the Company has set up a registration and voting mechanism which may be accessed by the stockholders to participate and vote *in absentia* on the agenda items presented for resolution at the meeting, as detailed in the Annex A and Annex B to the Information Statement. A stockholder who votes in absentia shall be deemed present for purposes of quorum.

- The items in the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the outstanding voting stock, voting through a proxy or voting electronically by remote communication or *in absentia*.

- Each of the proposed resolutions or items in the Agenda will be shown on the screen as the same is taken up at the meeting.

- Election of directors will be by plurality of votes and every stockholder will be entitled to cumulate his/her votes.

- The Company's stock transfer agent will tabulate, verify and validate all votes received.

- The Corporate Secretary shall report the results of voting during the meeting.

- Stockholders may email to asm2023@ipeople.com.ph relevant questions or comments to matters to be taken up, on or before the time of the meeting. The Company will endeavor to answer all questions submitted prior to and in the course of the meeting, or separately through the Company's Investor Relations Office within a reasonable period after the meeting. Stockholders are advised to send questions early to be assured that these will be taken up in time.

- The webcast will be recorded and will be posted on the Company's website after the meeting.

1. **Call to Order**

The Chairperson will formally open the meeting at 4:15 P.M.

2. **Certification of Notice and Quorum**

The Corporate Secretary will certify that copies of the Notice of Meeting were duly published in the business section of two (2) newspapers of general circulation and will certify the number of shares represented in the meeting, for the purpose of determining the existence of quorum to validly transact business.

3. **Approval of Minutes of the Annual Stockholders' Meeting held on July 29, 2022**

The copy of the minutes of the last Annual Stockholders' Meeting held on July 29, 2022 is attached to the Information Statement. It is also posted on the Company's website, at https://ipeople.com.ph/wp-content/uploads/2022/08/iPeople-Minutes.ASM-29-July-2022.pdf. A resolution approving the minutes will be presented to the stockholders for approval.

4. **Approval of the Management Report and the Audited Financial Statements for 2022**

The Company Chairman and Chief Executive Officer, Dr. Reynaldo B. Vea, will deliver a report to the stockholders on the Company's performance for the year 2022 and year-to-date activities. A copy of the Audited Financial Statements ("AFS") of the Company for the year ended December 31, 2022 (as audited by SyCip, Gorres, Velayo & Co.) is incorporated in the Information Statement. A resolution noting the report and approving the 2022 AFS will be presented to the stockholders for approval.

5. **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**

The acts and resolutions of the Board of Directors, the various Committees, and the Management of the Company were those taken or adopted from the date of the last annual stockholders' meeting until the date of this meeting. They include the approval of agreements, projects, investments, treasury-related matters and other matters covered by disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange. The acts of Management were those taken to implement the resolutions of the Board of Directors or its Committees and those taken in the general conduct of business. A resolution on this agenda item will be presented to the stockholders for approval.

6. **Election of Directors for 2023-2024**

Any stockholder may submit to the Corporate Governance, Nomination and Related Party Transactions Committee nominations to the Board of Directors. The Corporate Governance, Nomination and Related Party Transactions Committee will determine whether the nominees for Directors, including the nominees for Independent Directors, have all the qualifications and none of the disqualifications to serve as members of the Board of Directors before submitting the nominees for election by the stockholders. The profiles of the nominees to the Board will be included in the Information Statement.

It may be noted, however, 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), two (2) of the independent director nominees, Mr. Renato C. Valencia and Mr. Cesar A. Buenaventura, OBE, are already serving a cumulative term of more than nine (9) years as reckoned from the year 2012. Nonetheless, the Company proposes the re-election and retention of Mr. Valencia and Mr. Buenaventura as independent directors. Meritorious justification for their retention/extension are provided in Item 5 of the Information Statement.

The Corporate Secretary will present the names of the persons who have been duly nominated for election as directors of the Company. There are nine (9) directors to be elected. The voting procedure is set forth in the Information Statement.

7. **<u>Appointment of External Auditor</u>**

The Audit Committee shall endorse to the stockholders the re-appointment SyCip Gorres Velayo & Co. as external auditor of the Company for the ensuing year. A resolution for the appointment of the external auditor will be presented to the stockholders for approval.

8. **<u>Other Matters</u>**

The Chairperson will open the floor for comments and questions from the stockholders. Stockholders may raise matters or issues that may be properly taken up at the meeting.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

   [ ] Preliminary Information Statement
   [√] Definitive Information Statement

2. Name of Registrant as specified in its charter **iPeople, inc.**

3. **Makati City, Philippines**
   Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number **166411**

5. BIR Tax Identification Code **000-187-926**

6. **8th Floor, Mapúa Makati Building, 1191 Pablo Ocampo Sr. Extension, Brgy. Sta Cruz, Makati City, Metro Manila, Philippines** **1205**
   Address of principal office Postal Code

7. Registrant's telephone number, including area code **(632) 8253-3637**

8. Date, Time and place of the meeting of security holders: **July 28, 2023 / 4:15 PM**
   Through remote communication, using this link: https://ipeople.com.ph/ASM2023/

9. Approximate date on which the Information Statement is first to be sent to security holders: **July 06, 2023**

10. In case of Proxy Solicitations:
    Name of Person filing the Statement/Solicitor: **Atty. Samuel V. Torres**
    Address and Telephone No.: **8/F Mapúa Makati Building, 1191 Pablo Ocampo Sr. Extension, Brgy. Sta Cruz, Makati City** **Tel. No.: 8253-3637**

11. Securities registered pursuant to Sections 8 and 12 of the Code (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Authorized	Number of Shares Outstanding
Common, P1.0 par value	2,000,000,000 shares	1,044,263,197

    Total Debt Outstanding as of March 31, 2023: No debt registered pursuant to Section 4 and 8 of the RSA

12. Are any or all of registrant's securities listed on a Stock Exchange?

    Yes (√) No _______ **Common Stock**

    If so, disclose name of the Exchange: **Philippine Stock Exchange, Inc.**

PART 1
INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1: Date, Time and Place of Meeting of Security Holders:

Date of meeting	: **July 28, 2023**
Time of meeting	: **4:15 PM**
Place of meeting	: **Through remote communication, using this link:** https://ipeople.com.ph/ASM2023/
Approximate mailing date of this Information Statement	: **July 06, 2023**
Complete mailing address	: **8/F Mapúa Makati Building 1191 Pablo Ocampo Sr. Extension, Brgy. Sta Cruz Makati City, Metro Manila, Philippines**

Item 2: Dissenters' Right of Appraisal

Pursuant to Title X, Section 80 of the Revised Corporation Code of the Philippines (the "Revised Corporation Code"), a stockholder shall have the right to dissent and demand payment of the fair value of his/her shares in the following instances:

a. In case an amendment to the Corporation's articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
b. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code;
c. In case of merger or consolidation; and
d. In case of investment of corporate funds for any purpose other than the primary purpose of the Corporation.

A stockholder who shall have voted against a proposed corporate action may seek payment of the value of his/her shares by submitting to the Corporation a written demand for such payment within thirty (30) days after the vote was taken. Failure to make such demand within the said period shall be deemed as a waiver of the stockholder's appraisal right. The failure of a dissenting stockholder to submit his/her certificates of stock with the Corporation (for notation that such are dissenting shares) within ten (10) days after the required written demand has been made shall also be deemed as a waiver of the dissenting stockholder's appraisal right.

If, within sixty (60) days from the approval of the corporate action by the stockholders, the dissenting stockholder and the Corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after the same is made.

Upon payment of the value of his/her shares, the dissenting stockholder shall forthwith transfer his shares to the Corporation. However, no payment shall be made to any dissenting stockholder unless the Corporation has retained earnings in its books to cover such payment.

A dissenting stockholder's demand for payment may not be withdrawn unless the Corporation consents thereto. If, however, such demand is withdrawn with the Corporation's consent, or if the proposed corporate action is abandoned, rescinded or disapproved, or if it is determined that the stockholder is not entitled to the appraisal right, then the right of the stockholder to be paid the fair value of his/her shares shall cease, the status of the stockholder shall be restored, and all dividends which would have accrued on the shares shall be paid to the stockholder.

There are no corporate matters in the Agenda for the annual meeting that will entitle dissenting stockholders to exercise their right of appraisal as provided in the Title X of the Revised Corporation Code.

Item 3: Interest of Certain Persons in or Opposition to Matters to be Acted Upon

a) No person, nominee for election as a director, associate or any director or officer at any time since the beginning of the last fiscal year, has substantial interest, direct or indirect, by security holdings in any matter to be acted upon at the meeting other than election to office.

b) No director of the Company has informed the registrant in writing that he intends to oppose any action to be taken by the registrant at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4: Voting Securities and Principal Holders Thereof

The Company's capital stocks are entitled to notice and vote at the Annual Stockholders' Meeting. Each share is entitled to one (1) vote. The Company has 1,044,263,197 shares of Common Stocks outstanding as of May 31, 2023.

Only holders of the Company's stock of record at the close of business on June 28, 2023 are entitled to notice and to vote at the Annual Meeting to be held on July 28, 2023.

Election of Directors and Cumulative Voting Rights

In all items for approval except election of directors, each share of stock entitles its registered owner to one (1) vote. In case of elections of Directors, each stockholder may vote the shares registered in his name in person or by proxy for as many persons as there are Directors or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit; provided, however, that the whole number of votes cast by him shall not exceed the number of shares owned by him as shown in the Company's stock transfer books multiplied by the total number of Directors to be elected.

Security Ownership of Certain Beneficial Owners and Management

As of May 31, 2023, IPO knows of no one who beneficially owns in excess of 5% of IPO's common stock except as set forth in the table below:

1. Owners of more than 5% of voting securities as of May 31, 2023.

The following table shows the beneficial owners directly or indirectly owning more than 5% of the Company's capital stock as of May 31, 2023:

SHARE CLASS	NAME AND ADDRESS OF RECORD OWNER	NAME OF BENEFICIAL OWNER & RELATIONSHIP WITH RECORD OWNER	CITIZENSHIP	NUMBER OF SHARES BENEFICIALLY OWNED	% OF TOTAL
Common	**HOUSE OF INVESTMENTS, INC.** *Grepalife Bldg., Sen. Gil Puyat Ave., Makati City Metro Manila Principal Stockholder*	**Ms. Helen Y. Dee** *Chairperson is authorized to direct voting of the shares held by House of Investments, Inc.*	Filipino	503,098,749[1]	48.18%
Common	**AYALA CORPORATION** *37F to 39F Ayala Triangle Gardens Tower*	**Messrs. Jaime Augusto Zobel de Ayala, Cezar P. Consing,** *and* **Delfin L. Lazaro,** *and* **Ms.**	Filipino	349,829,961[2]	33.5%

[1] Direct and indirect holdings of House of Investments, Inc.
[2] Direct holdings of Ayala Corporation.

SHARE CLASS	NAME AND ADDRESS OF RECORD OWNER	NAME OF BENEFICIAL OWNER & RELATIONSHIP WITH RECORD OWNER	CITIZENSHIP	NUMBER OF SHARES BENEFICIALLY OWNED	% OF TOTAL
	2, Paseo de Roxas corner Makati Avenue, Makati City	**Mercedita S. Nolledo,** *as the non-independent directors of Ayala Corporation are responsible for the strategic decisions that fundamentally affect the businesses or general direction of the Corporation vis-à-vis the shares held by it*			
Common	**A. SORIANO CORP.** *7F Pacific Star Bldg., Makati Ave., cor. Sen. Gil J. Puyat Ext., Makati City*	**Mr. Ernest K. Cuyegkeng** *EVP and CFO is authorized to direct voting of the shares held by A. Soriano Corp.*	Filipino	92,945,934[3]	8.90%

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

2. Security Ownership of Management

Securities beneficially owned by the directors, nominees, officers, other than qualifying shares, as of May 31, 2023 according to the records of its stock and transfer agent, Rizal Commercial Banking Corporation (RCBC):

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

Changes in Control
There had been no change in control in the Company that had occurred since the beginning of last year.

Voting Trust Holders of 5% and more
There are no shareholdings holding any Voting Trust Agreement or any such similar agreement.

Foreign Ownership per Class
As of May 31, 2023, there are 289,637 shares or 0.03% that are held by foreigners.

Item 5: Directors and Executive Officers

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

[3] Direct and indirect holdings A. Soriano Corp.

DIRECTORS		
Name	**Position**	**Length of Service**
Dr. Reynaldo B. Vea	Chairman	8 years
Mr. Lorenzo V. Tan	Director	5 years
Mr. Medel T. Nera	Director	12 years
Ms. Yvonne S. Yuchengco	Director	22 years
Mr. Gerardo C. Ablaza	Director	4 years
Mr. Alfredo Antonio I. Ayala	Director	4 years

INDEPENDENT DIRECTORS		
Name	**Position**	**Length of Service**
Mr. Renato C. Valencia	Lead Independent Director	18 years
Mr. Cesar A. Buenaventura, OBE	Director	32 years
Ms. Herminia S. Jacinto	Director	4 years

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

None of the above-mentioned Directors, Independent Directors, and Executive Officers of the Company is appointed or is an employee of any Government Agency in compliance with Article IX(B), Section 8 of the 1987 Philippine Constitution.

POSITION AND BACKGROUND WITHIN THE LAST FIVE (5) YEARS

REYNALDO B. VEA, PhD, 71, Filipino, is a **Director and President** since 2015. He was appointed as **Chairman and Chief Executive Officer** starting February 01, 2022. Dr. Vea is also the **President & CEO** of Malayan Education System, Inc. *(operating under the name Mapúa University)*; **Director and President** of Malayan High School of Science, Inc., and Mapua Techserv; **Director** of Mapua Malayan Colleges Laguna, (A Mapúa School), Inc., Mapua Malayan Colleges Mindanao (A Mapua School), Inc.; **Trustee** of AY Foundation, Yuchengco Center of De La Salle University, and Yuchengco Museum; **Director** of Maibarara Geothermal, Inc., and Petrogreen, Inc., **Chairman** of the Philippine Qualifications Framework - National Referencing Committee (PQF-NRC), CHED-NZQA Technical Working Group on the Comparative Analysis of New Zealand's and the Philippines' Bachelor's Degrees, and the Philippine Science High School Foundation, Inc. ***His past experiences include:*** **President** of Mapua Malayan Colleges Laguna, *(A Mapúa School)*, Inc. and Mapua Malayan Colleges Mindanao *(A Mapua School)*, Inc., **Director** of House of Investments, Inc., Grepalife Dollar Bond Fund, Grepalife Fixed Income Fund, National Research Council of the Philippines, PetroWind, Inc., and Rizal Commercial Banking Corporation; **Member** of Philippine Fulbright Commission and UNESCO National Commission; **Trustee** of Philippine Association Colleges and University; **Chairman** of Committee on Science and Technology in UNESCO National Commission; **Dean** of UP College of Engineering. ***Educational Background:*** Ph.D. in Engineering from University of California, Berkley, USA; Master in Naval Architecture and Marine Engineering from Massachusetts Institute of Technology, USA; and Bachelor of Science in Mechanical Engineering (magna cum laude) from University of the Philippines.

LORENZO V. TAN, 61, Filipino, was elected as **Director on January, 2018**. He is currently a **Director** and the **President and Chief Executive Officer** of House of Investments, Inc., RCBC Realty Corporation and San Lorenzo Ruiz Investment Holdings and Services, Inc; **Vice Chairman** of Pan Malayan Management and Investment

Inc.(PMMIC), and TOYM Foundation; **Director** at EEI Corp., Malayan Insurance Company Inc., Smart Communications, Digitel Telecommunications, Sunlife Grepa Financial, Inc., Manila Memorial Park Cemetery Inc., PetroEnergy Corporation, Hi-Eisai Pharmaceutical Inc., Honda Cars Philippines and Isuzu Manila, Inc.; **Member of the Board of Trustees** at De La Salle Zobel; and, **Member of the Advisory Board** of Alphaland Development Corporation. ***His past experiences include:*** **Managing Director** of Primeiro Partners, Inc.; **President and Chief Executive Officer** of Rizal Commercial Banking Corporation; Sun Life of Canada (Phils.), Inc., the Philippine National Bank, and the United Coconut Planters Bank; **Chairman** of Asian Bankers Association (ABA); **President** of Bankers Association of the Philippines (BAP). As BAP President, he led the Association in representing the BAP in the ASEAN Bankers Association (ABA), composed of the national banking associations from the 10-member countries in the Association of Southeast Asian Nations (ASEAN). ***Educational Background:*** Certified Public Accountant in Pennsylvania, USA and in the Philippines. Mr. Tan graduated from De La Salle University with a Bachelor of Science degree in Accounting and Commerce; and holds a Master in Management degree from the J.L. Kellogg Graduate School of Management, Northwestern University.

ALFREDO ANTONIO I. AYALA, 62, Filipino, was elected as **Director and Chief Operating Officer** on May 06, 2019, and as President on February 01, 2022. He is also a **Managing Director** and member of the Management Committee of Ayala Group, and **President and Chief Executive Officer** of National Teachers College. He is the **Chairman of the Board of Directors** of Affordable Private Education Center, Inc., National Teachers College, Linc Institute, and **Chairman of the Board of Trustees** of University of Nueva Caceres; **Director** of Affinity Express, Malayan Education System, Inc. *(operating under the name Mapúa University)*, Malayan Colleges Laguna, Malayan Colleges Mindanao, Malayan High School of Science; **Member** of EDCOM II (Education Commission 2)'s Advisory Council and PSAC (Private Sector Advisory Council)'s Jobs Committee; ; and a **Trustee** of Philippine Business for Education (PBEd) and Ayala Foundation, Inc. Mr. Ayala is also a **Member** of PBEd's National Industry Academe Council and Brown University's Center for Human Rights and Humanitarian Studies' Global Advisory Board. ***His past experiences include:*** **President and Chief Executive Officer** of AC Education, Inc.; ***Educational background:*** Mr. Ayala holds an MBA from Harvard University and a BA in Development Studies (Honors) and Economics from Brown University.

MEDEL T. NERA, 67, Filipino, is a **Director** since 2011 to present. He is also a **Director** of House of Investments, Inc., EEI Corp., Seafront Resources Corp., National Reinsurance Corporation, Holcim Philippines, Inc., and Ionics, Inc. ***His past experiences include*** **President & CEO** of House of Investments, Inc.; **President** of Honda Cars Kalookan, Inc., **Director and President** of RCBC Realty Corp.; **Director and Chairman of the Risk Oversight Committee** of Rizal Commercial Banking Corp.; **Director and Treasurer** of CRIBS Foundation, Inc., and **Senior Partner** at Sycip Gorres Velayo & Co. ***Educational Background:*** Master in Business Administration from Stern School of Business, New York University, New York, USA; Bachelor of Science in Commerce from Far Eastern University, Manila, Philippines; International Management Program from Manchester Business School, Manchester, United Kingdom; and the Pacific Rim Bankers Program from University of Washington, Seattle, Washington, USA.

YVONNE S. YUCHENGCO, 69, Filipino, is a **Director** since 2001 to present. She is also the **Chairman and President** of Philippine Integrated Advertising Agency, Inc., Y Tower II Office Condominium Corp., Yuchengco Tower Office Condominium Corp. and Royal Commons, Inc.; **Chairman** of Y Realty Corporation, RCBC Capital Corporation and XYZ Assets Corporation; **Vice Chairperson** of National Reinsurance Corp. of the Philippines and Malayan Insurance Co., Inc.; **Director, Treasurer and CFO** of Pan Malayan Management & Investment Corp.; **Director and President** of Alto Pacific Corporation, MICO Equities, Inc. and RCBC Land, Inc.; **Director and Treasurer** of Water Dragon, Inc., HI Cars, Inc., Malayan High School of Science, Inc., Mona Lisa Development Corp., Petro Energy Resources Corp., Mayahin Holdings Corporation, and Pan Malayan Realty Corp.; **Director and Vice-President** of AY Holdings, Inc.**; Trustee and Chairperson** of The Malayan Plaza Condominium Owners and Yuchengco Museum, Inc.**; Director** of Annabelle Y. Holdings & Management Corporation, A.T. Yuchengco, Inc., Enrique T. Yuchengco, Inc., DS Realty, Inc., GPL Holdings, Inc., House of Investments, Inc., HYDee Management & Resources Corp., iPeople inc., La Funeraria Paz-Sucat, Inc., Luisita Industrial Park Corp., Malayan International Insurance Corp., Manila Memorial Park Cemetery, Inc., MPC Investment Corporation, Pan Malayan Express, Inc., Seafront Resources Corp., Shayamala Corporation, YGC Corporate Services, Inc., and Asia-Pac Reinsurance Co., Ltd.**; Trustee** of Avignon Tower Condominium Corporation, Phil-Asia Assistance Foundation, Inc., Malayan Education System, Inc. (Operating Under the Name of Mapua University), AY Foundation, Inc., Yuchengco Center, Inc.; **Advisory Member** of Rizal Commercial Banking Corporation**.** ***Educational Background:*** Bachelor of Arts in Interdisciplinary Studies from Ateneo De Manila University, Philippines.

GERARDO C. ABLAZA, JR., 69, Filipino, was elected as **Director** on May 06, 2019. He is also **Director** of Advanced Info Services, PLC (Thailand), Roxas and Company, Inc., Holcim Philippines, Inc., AC Healthcare Holdings, Inc., AC Energy and Infrastructure Corporation *(formerly AC Energy, Inc.)*, AC Infrastructure Holdings Company, BPI Account Management and Trust Company (BPI AMTC), BPI Direct BanKo Inc., Ayala Retirement Fund Holdings, Inc., and **Member of the Board of Trustees** of Ayala Foundation, Inc., BPI Foundation Inc., and Gawad Kalinga Foundation Inc. ***His past experiences include:*** **President and Chief Executive Officer** of Manila Water Company, Inc. and Globe Telecom, Inc.; **Member of the Board of Trustees** of De La Salle University-Manila, De La Salle University-Dasmariñas, and De La Salle Medical and Health Sciences Institute. ***Educational Background:*** Graduated Summa Cum Laude from De La Salle University in 1974 with a degree in Liberal Arts, Major in Mathematics (Honors Program).

RENATO C. VALENCIA, 81, Filipino, has been the **Lead Independent Director** of iPeople, Inc since February 01, 2022. He has been an **Independent Director** since 2005 and was **Chairman of the Board** from September 2, 2005 until January 31, 2022. He is presently the **Chairman** of Omnipay, Inc.; **Lead Independent Director**, GT Capital Holdings, Inc.; **Independent Director**, EEI Corporation, Malayan Insurance Co., Inc., Anglo Philippine Holdings Corp., and United Paragon Mining Corp.; **Member,** Management Association of the Philippines and Financial Executives Institute of the Philippines. ***His past experiences include*** **President & CEO** of Social Security System (SSS), and Roxas Holdings, Inc.; **Chairman & CEO**, Union Bank of the Philippines; **Independent Director**, House of Investments, Inc. and Metropolitan Bank and Trust Co.; ***Educational Background:*** Master of Business Management from Asian Institute of Management, Philippines; Bachelor of Science in General Engineering from Philippine Military Academy.

CESAR A. BUENAVENTURA, OBE, 93, Filipino is an **Independent Director** since 1991 to present. He is also **Chairman** of Buenaventura Echauz and Partners, Inc., Mitsubishi Hitachi Power Systems (Phils.), and Via Technik Inc.; Vice Chairman of DMCI Holdings, Inc.; Independent Director of Manila Water Company, Inc., Concepcion Industrial Corp., Pilipinas Shell Petroleum Corp., International Container Terminal Services Inc., and PetroEnergy Resources Corp.; **Director** of DM Consunji, Inc., Semirara Mining and Power Corp., The Country Club, Cavitex Holdings, Inc.; **Founding Chairman** of Pilipinas Shell Foundation Inc.; **Trustee** of Bloomberry Cultural Foundation and ICTSI Foundation; **Founding Member** of Board of Trustees of Makati Business Club. ***His past experiences include:*** **Chairman** of AG & P Co. of Manila, Asian Bank, Ayala Corp., Benguet Corp., First Philippine Holdings Corp., Ma. Cristina Chemical Industries, Maibarara Geothermal Inc., Manila International Airport Authority, Paysetter International Inc., Philippine Airlines, Philippine American Life Insurance Co., Philippine National Bank; **President** of Benigno S. Aquino Foundation; **Member** of the Monetary Board of Central Bank of the Philippines, U.P. Board of Regents, and the Board of Trustees of Asian Institute of Management ***Educational Background:*** Master of Civil Engineering Major in Structures from Lehigh University, USA; Bachelor of Science in Civil Engineering from University of the Philippines.

HERMINIA S. JACINTO, 83, Filipino, was elected as **Independent Director** on May 06, 2019. She is a Certified Public Accountant and currently the **President** of insurance Institute for Asia and the Pacific (IIAP). She is an **Independent Director** of BDO Life Assurance Co. and Fortune Guarantee Assurance Corporation and a **Trustee** of IIAP. She previously served as **President** of Universal Malayan Reinsurance Corporation and Universal Reinsurance Corporation. She was also **Secretary General** of the Association of Insurers and Reinsurers of Developing Countries. She is well-known in the world reinsurance market especially in the ASEAN/Asian region.

Executive Officers:

GEMA O. CHENG, 58, Filipino, is the **Executive Vice President – Chief Finance Officer** of the Company. She also holds the following positions within the Group: **Executive Vice President - Chief Operating Officer, Chief Finance Officer, and Treasurer of** House of Investments, Inc.; **Chairman and President** of Investment Managers, Inc.; **Director and Chief Finance Officer** of ATYC Inc.; **Chief Finance Officer** of Landev Corporation; **Director, Executive Vice President and Chief Operating Officer** of San Lorenzo Ruiz Investment Holdings and Services, Inc.; and serves as **Director** of the following: Mapua Malayan Colleges Laguna (a Mapua School) Inc., Mapua Malayan Colleges Mindanao (a Mapua School) Inc., La Funeraria Paz-Sucat, Inc. and Manila Memorial Park Cemetery, Inc. ***Her past experiences include:*** **Senior Vice President** of SM Investments Corp., with concurrent Chief Finance Officer roles in various SM property companies including as **Treasury Head** of SM Prime. She was also **Chief Finance Officer** of Malayan Group of Insurance Companies. ***Educational Background:*** Bachelor of Arts in Economics (Magna Cum Laude) from the University of the Philippines-Diliman, Philippines; Certificate of Special Studies in Administration and Management from Harvard University, USA.

SHIRLEY Q. EARNHART, 50, Filipino, was appointed as **Treasurer** on May 06, 2019. She is a **Certified Treasury Professional** and, prior to her appointment to iPeople, inc., was a **Senior Manager and Head of Liquidity and Investment Management, Origination** with Ayala Corporation with twenty-six years of trading experience in money market, foreign exchange, equities and capital markets. ***Her past work experiences include:*** **Head of Liquidity and Foreign Exchange Department** of Banco de Oro Universal Bank; **Head of Liquidity/Foreign Exchange and Bonds Unit** (USD and Multi-currency) of Dao Heng Bank, Inc. (Manila and Hong Kong Branches); Government Securities Trader for banks, corporate and individual clients of Solidbank Corporation and Rizal Commercial Banking Corporation. ***Educational Background:*** Master of Science in Computational Finance, De La Salle University-Manila; Bachelor of Science in Commerce, Major in Management of Financial Institutions, De La Salle University-Manila, Philippines.

ALEXANDER ANTHONY G. GALANG, 62, Filipino, was appointed as **Chief Audit Executive** on May 06, 2019. He is also the **First Senior Vice President for Internal Audit** of House of Investments, Inc., the parent company of iPeople, inc. ***His past work experiences include:*** **Vice President** for Audit & Special Projects of Anglo Asian Strategic Management Inc.; **President** of Avrion Systems Inc.; **Deputy Managing Director** of Cala Paniman, Inc.; **Treasury Head** of Anglo Asian Holdings Corporation; **Regional Auditor** for Asia and Pacific of Triumph International, Inc.; **Finance Head** of Triumph International Vietnam, Inc.; **Senior International Corporate Auditor** of International Semi-Tech Microelectronics, Inc., then parent company of Singer Sewing Machine Co. USA.; **Internal Audit Manager** of Honda Philippines, Inc., **Finance Comptroller** of Midas Touch Foods Corp, et. al.; **Senior Auditor** at SGV and Co. CPAs.; **Ex-Member, Board of Trustees** of the Association of Certified Fraud Examiners - Philippine Chapter. He is a Certified Public Accountant (CPA) having placed 12th in the 1981 licensure exams. He has a Global Certification as a Certified Fraud Examiner (CFE) and a Certification in Risk Management Assurance (CRMA). ***Educational Background:*** Bachelor of Science in Business Administration Major in Accounting (Cum Laude), University of Sto. Tomas. He also completed the Professional Manager Program at Ateneo Graduate School of Business.

DR. RUTH C. FRANCISCO, 59, Filipino, was appointed as **Chief Risk Officer** on July 16, 2021. She is also **Senior Vice President-Chief Risk Officer** of House of Investments, Inc., the parent company of iPeople, inc., and **Director** at San Lorenzo Ruiz Investment Holdings and Services, Inc. ***Her past work experiences include:*** **Chief Finance Officer** of Malayan Education System, Inc. (*operating under the name of Mapúa University*); **Treasurer** for Malayan Colleges Foundation, Inc., Malayan Colleges Mindanao (A Mapua School), Inc., and MIT Retirement Fund, Inc. ***Educational Background***: Doctor of Business Administration, Colegio de San Juan de Letran; Master of Business Administration, Philippine Christian University; Bachelor of Science in Commerce, Major in Accounting, Manuel L. Quezon University.

VICTOR V. RAFAEL, 49, Filipino, was appointed **Vice President for Finance and Investor Relations** on May 06, 2019. Prior to his appointment, he was **Senior Manager** for Financial Planning & Analysis (FP&A) with the House of Investments, Inc. since 2017. ***His past work experiences include:*** **Assistant Vice President for FP&A and Treasury** at Prime Orion Philippines, Inc (POPI). Prior to that, he held several positions in POPI including **Corporate Planning Manager and Treasury Manager**. ***Educational Background:*** Bachelor of Science in Business Administration, University of the Philippines-Diliman.

JONATHAN M. LOPEZ, 50, Filipino, was appointed as **Controller** on May 06, 2019. Prior to joining iPeople, inc., he was the **Controller** of Malayan Education System, Inc. *(operating under the name Mapua University)*. ***His past work experiences include***: **Finance Director** of TVI Resource Development, Inc. from 2010 to 2014. ***Educational Background:*** Bachelor in Accountancy, Polytechnic University of the Philippines. He is a Certified Public Accountant.

DENISE JORDAN P. ARENILLO, 44, Filipino, was appointed as **Legal and Compliance Officer** on May 06, 2019. She is also the **Vice President for Legal Affairs** of Malayan Education System, Inc. *(operating under the name Mapua University)* and the **Corporate Secretary** of Mapua TechServ, Inc. and Mapua TechPower, Inc.***Her past work experiences include:*** **Senior Associate** at Fortun Narvasa and Salazar Law Offices with expertise in Corporate, Labor and Family Law. ***Educational Background***: Juris Doctor, Ateneo De Manila University School of Law; Bachelor of Science in Management, Major in Legal Management, Ateneo De Manila University, Philippines.

PAMELA Q. WU, 51, Taiwanese, was appointed as **Chief Human Resources Officer** on May 06, 2019. She has served as the **Chief Human Resources Officer** of AC Education, Inc. since 2013. ***Her past work experiences include:*** **Vice President of Human Resources** (Philippines and China) of Stream Global Services from 2010 to 2012, **Vice President of Human Resources** of eTelecare Global Solutions, Philippine from 2005 to

2009. ***Educational Background***: Bachelor of Science in Psychology, Ateneo de Manila University, Philippines; Certificate of Business Administration from Washington State University.

SAMUEL V. TORRES, 58, Filipino, is the **Corporate Secretary.** His other present positions include: **General Counsel & Corporate Secretary** of Pan Malayan Management & Investment Corporation and **Corporate Secretary** of A. T. Yuchengco, Inc., A Y Foundation, Inc., A.Y. Holdings, Inc., Bankers Assurance Corp., Bluehounds Security and Investigation Agency, Inc., Luisita Industrial Park Corp., RCBC Bankard Services, Inc., Enrique T. Yuchengco, Inc. Investment Managers, Inc., Sun Life Grepa Financial, Inc., Grepaland, Inc., Grepa Realty Holdings Corporation, PetroEnergy Resources Corp., Seafront Resources Corp., GPL Cebu Tower Office Condominium Corp., Hexagon Integrated Financial & Insurance Agency, Inc., Hexagon Lounge, Inc., House of Investments, Inc., RCBC Land, Inc., RCBC Forex Brokers Corp., RCBC Realty Corp., RCBC Securities, Inc., RCBC Capital Corporation, Malayan High School of Science, Inc., Malayan Education System, Inc. (Operating Under the Name of Mapua University), Malayan Colleges Mindanao, A Mapua School, Inc. (Operating Under the Name of Mapua Malayan Colleges Mindanao), Malayan Colleges Foundation, Inc., Malayan Information Technology Center, Inc., Malayan Colleges Laguna, Inc., A Mapua School (Operating Under the Name of Mapua Malayan Colleges Laguna), Affordable Private Education, Inc. doing business under the name of APEC SCHOOLS, AC College of Enterprise and Technology, Inc., Linc Institute, Inc., GPL Holdings Inc., Pan Pacific Computer Center, Inc., HI Cars, Inc., Hi-Eisai Pharmaceutical, Inc., People eServe Corp., La Funeraria Paz Sucat, Inc., Landev Corp., Pan Malayan Express, Inc., Pan Malayan Realty Corp., Philippine Advertising Agency, Inc., First Nationwide Assurance Corp., Malayan Insurance Co., Inc., MICO Equities, Inc., Tokio Marine Malayan Insurance Corp., National Teachers College, University of Nueva Caceres, San Lorenzo Ruiz Investment Holdings and Services, Inc., and ATYC, Inc. ***His past work experiences include:*** **International Counsel** of South Pacific for Federal Express Corp. ***Educational Background:*** Bachelor of Laws, Ateneo De Manila University School of Law; Bachelor of Science in Business Economics, University of the Philippines.

MA. ELVIRA BERNADETTE G. GONZALEZ, 46, Filipino, is the **Assistant Corporate Secretary**. She is also the **Assistant General Counsel** of Pan Malayan Management & Investment Corporation and **Corporate Secretary** of Blackhounds Security and Investigation Agency, Inc. and the **Assistant Corporate Secretary** of House of Investments, Inc., San Lorenzo Ruiz Investment Holdings and Services, Inc., Malayan Colleges Mindanao, A Mapua School, Inc. (Operating Under the Name of Mapua Malayan Colleges Mindanao), Affordable Private Education, Inc. doing business under the name of APEC SCHOOLS, AC College of Enterprise and Technology, Inc., Linc Institute, Inc., Yuchengco Tower Office Condominium Corp., Y Tower II Office Condominium Corp., GPL Holdings, Inc., National Teachers College, and University of Nueva Caceres ***Her past work experiences include:*** **Legal Counsel and Assistant Corporate Secretary** of Coca-Cola Bottlers Philippines, Inc.; **Assistant Corporate Secretary** of Philippine Bottlers, Inc. and Luzviminda Land Holdings, Inc. ***Educational Background:*** Juris Doctor, Ateneo De Manila University School of Law; Bachelor of Arts in Political Science, Ateneo De Manila University, Philippines.

Nominations for Independent Directors and Procedures for Nomination

The following rules and procedures shall apply to the nomination and election of Independent Directors.

a) There shall be at least three (3) independent directors. An independent director is one who is independent of management and free from business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as director, and must possess all of the qualifications, and none of the disqualifications as prescribed by the Bangko Sentral Ng Pilipinas, Securities and Exchange Commission and other regulatory authorities, from time to time.

b) The Corporate Governance, Nomination & Related Party Transactions ("RPT") Committee composed of at least three (3) members, all of whom are independent directors, shall promulgate the guidelines or criteria to govern the conduct of the nominations.

c) Nomination of independent director shall be conducted by the Corporate Governance, Nomination & RPT Committee prior to the stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.

d) The Corporate Governance, Nomination & RPT Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent directors;

e) After the nomination, the Corporate Governance, Nomination & RPT Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, as required by existing and applicable rules, which list, shall be made available to the Commission and to all stockholders through the filing and distribution of the Information Statement, or in such other reports the Company is required to submit to the Commission. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report including any relationship with the nominee;

f) Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Directors. No other nominations shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting.

g) Election of Independent Directors

- Subject to pertinent existing rules and regulations of SEC, the conduct of the election of independent directors shall be made in accordance with the standard election procedures of the By-laws.
- It shall be the responsibility of the Chairman of the Meeting to inform all stockholders in attendance of the mandatory requirement of electing independent directors. He shall ensure that independent directors are elected during the stockholders' meeting.
- Specific slots for independent directors shall not be filled by unqualified nominees.

In case of failure of elections for independent directors, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy.

The following are nominated for Directors of the Registrant in 2023-2024:

Regular Directors:

1) Dr. Reynaldo B. Vea
2) Mr. Gerado C. Ablaza, Jr.
3) Mr. Alfredo Antonio I. Ayala
4) Mr. Medel T. Nera
5) Mr. Lorenzo V. Tan
6) Ms. Yvonne S. Yuchengco
7) Mr. Ernest K. Cuyegkeng

Independent Directors

1) Mr. Renato C. Valencia
2) Mr. Cesar A. Buenaventura
3) Ms. Herminia S. Jacinto

A. Soriano Corporation, a stockholder of the Company, nominated to the Board, **Mr. Ernest K. Cuyegkeng, 76, Filipino,** as a Regular Director. Mr. Cuyegkeng is a former Director and currently a member of the Advisory Board of the Company. He is also currently the **Director** (since 2009) and **President and Chief Operating Officer** (since 2022) of A. Soriano Corporation, **President and Director** of Phelps Dodge Philippines Energy Products Corporation (1999 to present), and Anscor Holdings, Inc. (2012 to present); **Director** (2008 to present) and **President** (since 2021) of Seven Seas Resorts and Leisure, Inc.; KSA Realty Corporation (2001 to present), Prople, Inc. (2007 to present), Testech, Inc. (2003 to present), T-O Insurance (2008 to present), Sumifru, Singapore (2003 to present), and Philippine British Assurance Co. Inc. (Nov. 2011 to present); **Chairman and Director** of ArthaLand Corporation (2007 to present); **Member** of the Board of Trustees of The Andres Soriano Foundation, Inc. (1990 to present); Member of the Management Association of the Philippines, Makati Business Club and Financial Executive Institute of the Philippines (FINEX) ***Educational Background:*** Graduate of De La Salle University, B.A. Economics and B.S. Business Administration, (1968), Masters Degree in Business Administration, Columbia Graduate School of Business, New York, (1970)

Mrs. Eliadah Neiel Escudero-Dela Rama, a stockholder of the Company, who is not in any way related to the nominees, nominated to the Board and proposed the re-election of Messrs. Cesar A. Buenaventura, Renato C. Valencia, and Ms. Herminia S. Jacinto as Independent Directors.

The Corporate Governance, Nominations, and Related Party Transactions Committee reviews and evaluates the qualifications of all persons nominated as director as well as those to be nominated to other positions requiring appointment by the Board of Directors. With respect to the nominees for independent directors, they are neither officers nor employees, consultants or retainers, legal or otherwise, of the Company or any of its affiliates, and do not have any relationship with the Company which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Their nomination and qualification by the Corporate Governance, Nominations, and Related Party Transactions Committee were in compliance with the Company's By-Laws, Manual of Corporate Governance, and SRC Rule 38. The directors so nominated possess all the qualifications and none of the disqualifications for independent directors. *(Attached as Annexes A-1 to A-3 are the Certifications of Independent Directors)*

It may be noted, however, 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), two (2) of the nominees for independent director, Mr. Renato C. Valencia and Mr. Cesar A. Buenaventura, are already serving a respective cumulative term of more than nine (9) years as reckoned from the year 2012. Nonetheless, the election of Mr. Valencia and Mr. 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. The following meritorious justifications may be considered:

Mr. Cesar A. Buenaventura graduated from the University of the Philippines with a degree in BS Civil Engineering. As a Fullbright scholar, he received his Master's Degree in Civil Engineering from Lehigh University in Bethlehem, Pennsylvania. He started his profession in the construction business with David M. Consunji. Thereafter, in 1956, Mr. Buenaventura went on to commence a long-standing career at Pilipinas Shell, serving as the first Filipino Chairman & CEO of the Shell Group of Companies in the Philippines, from 1975 to 1990. He remains as a Director of said company to date. Among the many appointments and positions that Mr. Buenaventura has held and continues to hold, one of the most notable would be as a Member of the Monetary Board of the Central Bank of the Philippines, representing the private sector from 1981 to 1987. He was also a Founding Member of the Board of Trustees of the Makati Business Club, a Member of the Board of Regents of the University of the Philippines from 1987 to 1994 and of the Board of Trustees of the Asian Institute of Management from 1994 to 1997. Mr. Buenaventura has also been honored with numerous awards and accolades, including being made an Honorary Officer of the Order of the British Empire (OBE) by HM Queen Elizabeth II. Undoubtedly, the Company greatly benefits from Mr. Buenaventura's guidance and expertise as a well-respected member of the business community, and it would be in the Company's best interest for Mr. Buenaventura to continue providing the same as the Company's Independent Director.

Mr. Renato C. Valencia similarly maintains a reputable standing. He has an impressive academic background, graduating in the Top 10 of his class at the Philippine Military Academy with a degree in BS General Engineering and receiving his Master's Degree in Business Management, as a full scholar, from the Asian Institute of Management. Mr. Valencia went on to establish a distinguished career in both the private and public sectors. He has held directorships with and served as officer of various banking and financial institutions, including as Chairman, President, CEO and COO of the Union Bank of the Philippines, Chairman of the Philippine Savings Bank, and Director of the Philippine Veterans Bank. To date, Mr. Valencia serves as a Director of Omnipay, Inc. Apart from these, he has also held notable positions in other business industries, such as Vice-Chairman of San Miguel Corporation, Advisory Board Member of the Philippines Coca-Cola System Council, and directorships with PLDT, Meralco, Philex Mining Corporation, Makati Stock Exchange and several other private companies. In the public sector, he was a long-term Chairman of the Social Security System from 1990 to 1998, and served as a Director of the Bases Conversion Development Authority and the Fort Bonifacio Development Corporation. Mr. Valencia is also well-known for his civic affiliations, which includes having been Vice-Chairman of the Philippine Cancer Society and a Member/Trustee of the Heart Foundation of the Philippines, Filipino Veterans Foundation and Management Association of the Philippines. Mr. Valencia's extensive experience and proficiency in the fields of banking and finance, real estate, other business industries and public sector concerns, coupled with his appreciation for civic duties, certainly provides the Company with invaluable direction and guidance.

The continued presence of Mr. Buenaventura and Mr. Valencia will benefit all stakeholders of the Company with the stability brought by the combined knowledge and expertise of the two Independent Directors.

Term of Office of Directors

A Director shall hold office for one (1) year and until their successors are elected and qualified.

The composition of the members of the Company's various committees for 2022-2023 are as follows:

COMMITTEE	ADVISORY BOARD *	EXECUTIVE	SENIOR MANAGEMENT	BOARD RISK OVERSIGHT	AUDIT	CORPORATE GOVERNANCE, NOMINATION and RPT	REMUNERATION
Chairman	Helen Y. Dee	Reynaldo B. Vea	Lorenzo V. Tan	Cesar A. Buenaventura	Cesar A. Buenaventura	Renato C. Valencia	Renato C. Valencia
Member	Jaime Augusto Zobel de Ayala	Renato C. Valencia	Reynaldo B. Vea	Renato C. Valencia	Medel T. Nera	Cesar A. Buenaventura	Cesar A. Buenaventura
Member	Ernest K. Cuyegkeng	Gerardo C. Ablaza Jr.	Alfredo Antonio I. Ayala	Gerardo C. Ablaza Jr.	Herminia S. Jacinto	Herminia S. Jacinto	Herminia S. Jacinto

* Members of the Advisory Committee are non-directors

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

Election of Directors
The Board of Directors of the Company, composed of nine (9) directors, are elected at the annual stockholders' meeting to hold office until the next succeeding annual meeting or until their respective successors have been elected and qualified.

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

Significant Employees
Other than the Directors and the Executive Officers identified in this Information Statement, there are no other significant employees.

Family Relationships
Mrs. Helen Y. Dee, a member of the Advisory Board, and Ms. Yvonne S. Yuchengco are siblings.

Other than what is disclosed above, there are no family relationships among the directors and officers.

Interest on Certain Matters to be Acted Upon
No director or officer of the Company has substantial interest, direct or indirect, in any matter to be acted upon in the meeting.

Certain Relationships and Related Transactions
In the normal course of the business, iPeople, inc and its parent company, subsidiaries and affiliates enter into certain related-party transactions principally consisting of inter-company charges and loans.
Transactions with related parties consist primarily of receivables and payables, which are currently due and collectible. Amounts due to and from related parties consist mainly of unsecured advances to and from other parties arising from computer-related services, rental and contracted services, car loans, insurance and management fees, which are to be settled on a cash basis. Outstanding balances are expected to be realized and settled within one year from the reporting date.

Please refer to Note 15 of the consolidated financial statements for the full details of the Group's related party transactions.

Involvement in Legal Proceedings

The Company is not aware of the following events during the past 5 years up to May 31, 2023:

(a) any bankruptcy petition filed by or against any business of which any of its director or executive officers was a general partner or executive officer either at the time of bankruptcy or within two (2) years prior to that time.

(b) any conviction by final judgment of any director or senior executive in a criminal proceeding domestic or foreign or being subject to a pending criminal proceeding domestic or foreign, of any director, executive officer or person nominated to be a director

(c) any director or senior executive being subject to any order, judgment or decree not subsequently reversed, suspended or vacated of any court of competent jurisdiction, domestic or foreign permanently or temporarily enjoining barring, suspending or otherwise limiting such directors' or executive officer's involvement in any type of business securities, commodities or banking activities

(d) any executive officer or director found by a domestic or foreign court of competent jurisdiction, the Commission or other foreign body or a domestic or foreign Exchange or other organized trading market or self-regulatory organization to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

Item 6: Compensation of Directors and Executive Officers

NAME AND POSITION	YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION
The top 5 executives of the Company are as follows: 1. Reynaldo B. Vea, Chairman & CEO 2. Alfredo Antonio I. Ayala, President & COO 3. Gema O. Cheng, EVP & CFO 4. Shirley Q. Earnhart, Treasurer 5. Alexander Anthony G. Galang, Chief Audit Executive	2023 est. 2022 2021 2020	₱0.00 ₱0.00 ₱0.00 ₱0.00	₱0.00 ₱0.00 ₱0.00 ₱0.00	₱0.00 ₱0.00 ₱0.00 ₱0.00
All other officers and directors as group unnamed.	2023 est.	₱0.00	₱0.00	P1,500,000
	2022	₱0.00	₱0.00	P1,718,214
	2021	₱0.00	₱0.00	₱ 991,429
	2020	₱0.00	₱0.00	₱ 981,429
TOTALS	**2023 est.**	**₱0.00**	**₱0.00**	**₱1,500,000**
	2022	**₱0.00**	**₱0.00**	**₱1,718,214**
	2021	**₱0.00**	**₱0.00**	**₱991,429**
	2020	**₱0.00**	**₱0.00**	**₱981,429**

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

Directors are paid a per diem of P30,000 for attendance in a Board meeting. Board meetings are scheduled every quarter of the year. A director is also paid a per diem of P10,000 for participation in committee meetings.

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

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

Item 7: Independent Public Accountants

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

Pursuant to Memorandum Circular No. 8, series of 2003 (Rotation of External Auditors), the Company has engaged Ms. Ana Lea C. Bergado, as the Engagement Partner of SGV & Co. effective 2017. SEC rules mandate the compulsory rotation of audit partners after 5 years.

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

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

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

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

YEAR	AUDIT FEE BILLING
2022	₱4,765,000
2021	₱4,337,000
2020	₱4,245,500

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

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

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

Item 8: Compensation Plans

No action shall be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9: Authorization or Issuance of Securities Other than for Exchange

No action is to be taken with respect to the following:

1. modification or exchange of securities
2. financial and other information
3. mergers, consolidation, acquisition and similar matters
4. restatement of accounts

Item 10. Modification or Exchange of Securities

No action is to be taken with respect to the modification of any class of securities of the registrant, or the issuance or authorization for issuance of one class of securities of the registrant in exchange for outstanding securities of another class.

Item 11: Financial and Other Information

The Company's Audited Financial Statements as of December 31, 2022 and the Management Discussion and Analysis, Market Price of Shares and Dividends and other data related to the Company's financial information are attached hereto as Annex 'D' and Annex 'E', respectively.

Item 12: Mergers, Consolidations, Acquisitions and Similar Matters

No action is to be taken with respect to any transaction involving the following:

1) the merger or consolidation of the registrant into or with any other person or of any other person into or with the registrant;
2) the acquisition by the registrant or any of its security holders of securities of another person;
3) the acquisition by the registrant of any other going business or of the assets thereof;
4) the sale or other transfer of all or any substantial part of the assets of the registrant; or
5) the liquidation or dissolution of the registrant.

Item 13: Acquisition or Disposition of Property

No action is to be taken with respect to the acquisition or disposition of any property.

Item 14: Restatement of Accounts

No action is to be taken with respect to restatement of any asset, capital, or surplus accounts.

D. OTHER MATTERS

Item 15: Action With Regard to Reports

The Minutes of the previous stockholders meeting held on July 29, 2022 and the Management Report will be submitted for stockholders' approval.

Approval of the July 29, 2022 Minutes constitutes a ratification of the accuracy and faithfulness of the Minutes of the events that transpired during the said meeting, such as (a) approval of the minutes of the previous stockholders' meeting, (b) approval of the 2021 annual report and audited financial statements, (c) ratification of actions of the Board of Directors, different Committees and Management during the year 2021, (d) elections of directors, and (e) appointment of external auditors.

Approval of the Management Report constitutes a ratification of the Company's performance during the previous calendar years.

Ratification and confirmation of all the acts, resolutions and proceedings of the Board of Directors, Executive Committee and officers of the Company. This pertains to all acts resolutions, proceedings and approval made by the Board of Directors, Executive Committee and Officers of the Company from the last stockholders' meeting on July 29, 2022 up to the date of meeting (July 28, 2023). This includes, among others, those that involve the day-to-day operations, administration and management of the corporate affairs.

The Minutes of the previous stockholders' meeting is posted on the Company's website. A copy of the Minutes is also attached to the Information Statement.

Item 16: Matters Not Required to be Submitted

No action is to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

Item 17: Amendment of Charter, Bylaws or Other Documents

No action is to be taken with respect to amendments to the Company's charter, bylaws or other documents.

Item 18: Other Proposed Action

The following matters will be submitted to a vote at the meeting:

1. Approval of the Minutes of the Annual Stockholders' Meeting held on July 29, 2022
2. Approval of the Management Report and the Audited Financial Statements of the Company for the year ended December 31, 2022
3. Ratification and confirmation of all 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

4. Election of Directors for 2023-2024
5. Appointment of External Auditors

Item 19: Voting Procedures

At all elections of Directors, each stockholder may vote the shares registered in his name via remote communication or in absentia or by proxy for as many persons as there are Directors, or he may cumulate said shares and give one candidate as many votes, as the number of Directors to be elected multiplied by the number of his share, or he may distribute them on the same principle among as many candidates as he shall see fit; provided, however, that the whole number of votes cast by him shall not exceed the number of shares owned by him as shown on the Company's stock transfer books multiplied by the number of Directors to be elected.

The voting procedure for election and approval of corporate action in which Stockholders' approval will be required shall be by "viva voce" unless voting by ballot is decided upon during the meeting. The methods by which vote will be counted, except in cases where voting by ballots is applicable, voting and counting shall be by "viva voce". If by ballot, counting shall be supervised by external auditors.

The Company will not declare stock dividends during the year.

CORPORATE GOVERNANCE

(a) Evaluation System to Measure Compliance with the Manual on Corporate Governance and the Code of Corporate Governance for Publicly- Listed Companies

The Company has monitored its compliance with Securities and Exchange Commission (SEC) Memorandum Circulars as well as all relevant Philippine Stock Exchange (PSE) Circulars on Corporate Governance. It has complied with the leading practices and principles on good corporate governance and appropriate self-rating assessment and performance evaluation to determine and measure its compliance with the Manual on Corporate Governance and the Code of Corporate Governance for Publicly- Listed Companies.

For the period covering the year 2022, the Company has submitted its IACGR on May 16, 2023.

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

In its IACGR, the Company has complied with the majority of the provisions and recommendations in the Manual on Corporate Governance and the Code of Corporate Governance for Publicly- Listed Companies.

(c) Deviation from the Manual on Corporate Governance

Except for a few optional recommendations provided in Manual on Corporate Governance and Code of Corporate Governance for Publicly Listed Companies, which the Company failed to comply (based on the "comply or explain" policy of SEC), the Company committed to comply with the same in 2022. Said items were reflected in the 2022 IACGR submitted on May 16, 2023.

(d) Plans to Improve Corporate Governance

In order to improve the Company's adherence to the leading practices in good corporate governance as well as the Manual on Corporate Governance and the Code of Corporate Governance for Publicly- Listed Companies, the Company's Directors and top Management continuously attends the annual seminar on Corporate Governance conducted by an entity accredited with the Securities and Exchange Commission. Further, the Company continuously monitors all relevant PSE and SEC Circulars on Corporate Governance that maybe used to improve compliance with the Code of Corporate Governance for Publicly-Listed Companies.

UNDERTAKING

UPON WRITTEN REQUEST OF STOCKHOLDER, THE COMPANY UNDERTAKES TO FURNISH THE STOCKHOLDERS WITH A COPY OF THE COMPANY'S YEAR 2022 ANNUAL REPORT ON SEC FORM 17-A FREE OF CHARGE. ANY WRITTEN REQUEST FOR A COPY OF SEC 17-A SHALL BE ADDRESSED AS FOLLOWS:

iPeople, inc.

Attention	: Office of the Corporate Secretary
Address	: 8th Floor Mapúa Makati Building 1191 Pablo Ocampo Sr. Extension, Brgy. Sta. Cruz, Makati City 1205 Philippines
Tel No.	: (632) 8253-3637
Fax No.	: (632) 8816-1127
Email	: asm2023@ipeople.com.ph

SIGNATURE

After reasonable inquiry and to the best of our knowledge and belief, we certify that the information set forth in this report is true, complete and correct. This report is signed in Makati City on JUN 19 2023 2023.

iPeople, inc.
By:

Atty. Denise Jordan P. Arenillo
Compliance Officer

Atty. Samuel V. Torres
Corporate Secretary

SUBSCRIBED AND SWORN to before me this JUN 19 2023 at CITY OF MANILA Philippines. Affiant exhibiting to me her / his ________ on ______ at ______

DOC NO. 340
PAGE NO. 69
BOOK NO. XVIII
SERIES OF 2023

ATTY. HENRY D. ADASA
NOTARY PUBLIC CITY OF MANILA
APPOINTMENT 097/12/31/2023 MANILA
IBP NO. 181139 / 01/03/2023
PTR N. 0861145 / 01/03/2023
ROLL NO. 29679, TIN NO. 172-528-620
MCLE COMP. NO. VII-0000165 VALID UNTIL APRIL 14, 2025
(13) 1411 TAYUMAN ST., STA. CRUZ, MANILA

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING

OF

iPEOPLE, INC.

Date	:	29 July 2022
Time	:	4:15 P.M.
Place	:	Via Electronic Means of Communication

The Company's Chairman and Chief Executive Officer, Dr. Reynaldo B. Vea, welcomed the Company's stockholders to the 2022 Annual Stockholders' Meeting ("ASM"). The Chairman noted that in line with the Philippine government's advisory to continue observing minimal physical mass gatherings, the Company is conducting its 2022 ASM as an online and recorded video-streaming meeting.

The Chairman proceeded to mention that the procedures for the ASM are embodied in the Company's Definitive Information Statement, which has been approved by the Securities and Exchange Commission ("SEC") and uploaded in the Company's website. He also advised that to accord the Stockholders the opportunity to participate in the ASM, the Stockholders were informed that they may register online. Further, they were made aware that only questions and concerns submitted online prior to the given deadline will be addressed during the ASM. As for questions during the ASM, they will be addressed via email after the ASM. The Chairman then introduced the incumbent members of the Board of Directors of the Company, who were present, while their pictures were being shown onscreen, as follows:

1. Dr. Reynaldo B. Vea – Chairman & Chief Executive Officer
2. Mr. Alfredo Antonio I. Ayala – President & Chief Operating Officer
3. Mr. Lorenzo V. Tan – Director
4. Ms. Yvonne S. Yuchengco – Director
5. Mr. Medel T. Nera – Director
6. Mr. Gerardo C. Ablaza, Jr. – Director
7. Mr. Renato C. Valencia – Lead Independent Director
8. Mr. Cesar A. Buenaventura – Independent Director
9. Ms. Herminia S. Jacinto – Independent Director

I. CALL TO ORDER.

The Chairman, Dr. Reynaldo B. Vea, called the meeting to order.

II. PROOF OF NOTICES.

The Chairman asked the Corporate Secretary, Atty. Samuel V. Torres, whether proper notices of the meeting were sent to the stockholders entitled thereto.

The Corporate Secretary certified that, pursuant to the alternative mode for distributing and providing the notice of meeting for the 2022 ASM, the notice was sent to all stockholders of record as of 29 June 2022 in four (4) ways, as follows:

First, by publication of the Notice of the ASM, including the Agenda, on 07 July 2022 and 08 July 2022 in The Manila Bulletin and the Philippine Star, both in print and online editions, for two (2) consecutive days, as evidenced by the Affidavits of Publications executed by the respective representatives of the publishers.

Second, by disclosure to the Philippine Stock and Exchange, Inc.

Third, by posting on the Company's website.

Finally, through email for those who have successfully registered online, consistent with the applicable SEC Rules and the Company's internal guidelines on the holding of the ASM by electronic means of communication.

III. DETERMINATION OF QUORUM.

The Corporate Secretary certified that out of the 1,044,263,197 outstanding shares of stock entitled to participate and vote, a total of 1,003,193,657 shares are present in the meeting, with 6,625 shares present in person and 1,003,187,032 share represented by proxy. All of the said shares represent 96.07% of those entitled to participate and vote and constitute more than 2/3 of the outstanding capital stock. The Corporate Secretary then confirmed that there was quorum.

IV. APPROVAL OF THE MINUTES OF THE PREVIOUS STOCKHOLDERS' MEETING.

The Chairman proceeded to present the next item in the Agenda, which is the approval of the Minutes of the last Annual Stockholders' Meeting held on 30 July 2021. He advised that a copy of the Minutes is posted in the Company's website and available to all stockholders for viewing.

The Corporate Secretary then stated that a total of 1,003,193,657 shares, representing 96.07% of the total outstanding stock, voted in favor of the following resolution to approve the Minutes of the 2021 Annual Stockholders' Meeting:

> "RESOLVED, that the Minutes of the last Stockholders' Meeting held last July 30, 2021 be, as they are hereby, noted and approved."

V. APPROVAL OF THE 2021 MANAGEMENT REPORT AND THE AUDITED FINANCIAL STATEMENTS.

The Chairman noted the next item on the Agenda, which is the approval of the 2021 Management Report and the 2021 Audited Financial Statements. He mentioned that the Audited Financial Statements is also posted in the Company's website. As CEO of the Company, the Chairman proceeded to present the results of the Company's operations in 2021.

Dr. Vea commenced his report by noting the challenges posed by the COVID-19 pandemic, the effect of global events on the economy, and the efforts to overcome the difficulties encountered by the Company's educational sector business, composed of the following schools: Malayan Education System, Inc. (Operating Under the Name of Mapua University); Malayan Colleges Laguna, Inc., A Mapua School; Malayan Colleges Mindanao, A Mapua School, Inc. (Operating as Mapua Malayan Colleges Mindanao); Malayan High School of Science, Inc., National Teachers College; Affordable Private Education Center, Inc. (APEC School); and University of Nueva Caceres (all schools collectively referred to as the "Schools").

Dr. Vea called attention to the Company's commitment to promote the health and safety of all students and employees and noted the vaccination drive that was conducted in partnership with AC Health. At present, the Schools are now close to 100% fully vaccinated.

Dr. Vea also discussed the Company's Consolidated Revenue and Consolidated Net Income, which saw considerable growth. He then proceeded to report on the significant developments in the Schools.

For Mapua, it intensified its fully online program offerings through its fully asynchronous, anytime-anywhere Ubiquitous Learning Experience or UOX. As the Schools continued to enhanced its digital expertise, they reaped recognition in various means such as Mapua's Wiley Digital Education Recognition Award, MCL's Blackboard Learn Award for Optimizing Student experience, Mapua and MCL's QS Asia University Rankings, Mapua's Times Higher Education Impact Ranking for its commitment to pursue UN Sustainable Development Goals, MCL's Outstanding School of the Year Award, NTC's accreditation as a learning services provider, UNC's commission as a Center for Teaching Excellence and Learning Solutions for Naga City DepEd Teachers, and other local and international accreditations.

Dr. Vea then proceeded to highlight the achievements of the students and faculty members. He noted the commendable passing rate in various licensure examinations, student topnotchers in licensure examinations, and awards for student inventions and competitions. Faculty members were also recognized for their innovation prowess.

Dr. Vea also reported on the efforts to propel prominence in research, particularly mentioning Mapua's Scopus indexed documents, UNC's virtual research forum, and partnerships with various local and international institutions.

The Company's culture of giving back to the community and sharing resources was also cited. Dr. Vea noted Mapua's STEM Teach, a free online training program aimed at helping faculty members on problematic topics in Senior High School. UNC's commendable efforts to serve its surrounding communities through livelihood programs and assistance during calamities were also lauded. Efforts to better community life were also carried out via voter education, promotion of mental health, introduction of a Student Engagement Office, and the holding of a Faculty Congress.

Dr. Vea concluded his report with a discussion on the road ahead and looking forward to exciting things that await the Company such as the Mapua Malayan Digital Colleges, which aims to provide a cheaper alternative to fully online learning, MCL and MCM's use of the Mapua name, and an upcoming international partnership that will expand program offerings and establish Mapua as a key player in the international educational arena.

After Dr. Vea concluded his report, the Corporate Secretary noted the proposal to approve the Management Report and the 2021 Audited Financial Statements under the following resolution:

> "RESOLVED, that the Management Report and the 2021 Audited Financial Statements, as made available to the Stockholders, be as they are hereby, noted and approved."

There being no objections, the Corporate Secretary advised that a total of 1,003,193,657 shares, representing 96.07% of the total outstanding stock, voted in favor of the above resolution.

VI. RATIFICATION AND CONFIRMATION OF THE ACTS, RESOLUTIONS AND PROCEEDINGS OF THE BOARD OF DIRECTORS, THE VARIOUS COMMITTEES AND OFFICERS OF THE COMPANY DURING THE YEAR IN REVIEW.

The Corporate Secretary noted the proposal that all acts, resolutions and proceeds of the Board of Directors, the Executive Committee, the Other Committees, and Officers of the Company during the year in review be ratified and confirmed under the following resolution

> "RESOLVED, that all acts, resolutions, and proceedings of the Board of Directors, the Executive Committee, the Other Committees, and the Officers during the year in review be ratified and confirmed."

There being no objections, the Corporate Secretary advised that a total of 1,003,193,657 shares, representing 96.07% of the total outstanding stock, voted in favor of the above resolution.

VII. ELECTION OF DIRECTORS FOR 2022-2023.

The Chairman noted the next item in the Agenda, which is the election of directors for the year 2022-2023. He then asked the Corporate Secretary if he has the list of nominees to the Board of Directors. The Corporate Secretary replied in the affirmative and stated that, as of 13 May 2022, the deadline for nominations, there were nine (9) nominees, screened and evaluated by the Corporate Governance, Nomination and Related Party Transactions Committee for election as members of the Board of Directors, namely:

Regular Directors

1. Dr. Reynaldo B. Vea
2. Mr. Alfredo Antonio I. Ayala
3. Ms. Yvonne S. Yuchengco
4. Mr. Lorenzo V. Tan
5. Mr. Medel T. Nera
6. Mr. Gerardo C. Ablaza, Jr.

Independent Directors

7. Mr. Renato C. Valencia
8. Mr. Cesar A. Buenaventura
9. Ms. Herminia S. Jacinto

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. He advised that each of the nine (9) nominees received all the votes represented in the meeting, particularly, a total of 1,003,193,657 shares, and representing 96.07% of the total outstanding stock.

The Chairman thus declared and proclaimed the above-named nominees as elected members of the Company's Board of Directors for 2022-2023.

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 2022 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, 2022."

There being no objections, the Corporate Secretary advised that a total of of 1,003,193,657 shares, representing 96.07% 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 a stockholder within the stated deadline. The questions were addressed as follows:

Question of Stockholder (Mr. Ishmael Sam Canua)	Response of Dr. Vea
The first question pertains to the K to 12 program. The Company was asked on its suggestion with respect to completely removing the program or whether changes should be implemented.	K to 12 is a legislation aligning our educational system with global standards. On a national scale, we are still observing the benefits gained, particularly on the promise of alignment of competencies sufficient to gain employment. For our Company, we were able to align our core strength in the field of STEM as an area of specialization and eventually embraced other strands. Thus, K-12 program served as an additional boost to our identity as a research-oriented institution highlighting the role of Science, Technology, Engineering and Mathematics. Given these considerations, the Company is for the retention of the K to 12 program as is.
The second question pertained to the iPeople Schools' readiness to comply with the government's directive to adopt face-to-face classes beginning the coming school year.	There have been constant efforts to plan and determine how safe physical spaces can be provided to learners even during the middle of the pandemic. As such, the iPeople schools are fully ready to open physical classes. Aside from re-arranging classrooms and facilities to suit the present need, the Schools have also embraced a variety of learning delivery mode that is more dynamic and flexible. Empowered with educational technological tools, there is no intention to revert to the conventional physical classes, rather the Schools will adopt blended learning, which, combines the best of face-to-face and online modes. This will redound to the greater benefit of our students.
The third question is on what the students and employees can expect from the new Mapua-Makati Campus.	The new Mapua-Makati Campus offers state of the art facilities, an environment conducive to learning, an architecture that is sustainable, and spaces that will optimize not just academic growth but also holistic development of both students and employees.

The last question is on whether Mapua offers BS Tourism or Hospitality Management.	Dr. Vea advised that there is currently no offering on any Tourism or Hospitality Management programs as the Schools have realigned its programs with its core strengths and Institutional Development Plans. It was particularly, noted, however, that with the recent pandemic, efforts were made to redirect focus on health-related concerns and infusing the Schools' passion for research and science to address present needs.

The following are additional questions that were received and the Company's response thereto:

Question of Stockholder (Mr. Jerry Teo Chua)	**Response of Company**
The Company was asked on the impact of increasing inflation as well as interest rates on its operations.	Increasing inflation affects the Schools' operating costs and, as with private schools across the country, it also impacts enrollment given that more families would then tend to consider public schooling and other lower cost options. As such, the Schools continue to be disciplined with managing costs and adapting to changes relative to the same. Further, the Schools continuously find ways to distinguish themselves through the value propositions of their offered programs.
The Company was asked whether it is looking into expanding operations organically and/or through mergers and acquisitions (e.g. merger with AC Education, which was approved by the SEC in 2019).	As mentioned in the Management Report, iPeople schools have several ongoing efforts and upcoming developments, which the Company's expects to contribute to its growth. An example would be the recent launch of the Mapuan Malayan Digital College under Malayan Colleges Laguna, which offers a cheaper alternative to fully online learning. While there are no specific M&A plans in the short to medium term following the merger with AC Education, Inc. in 2019, iPeople will continue to explore partnerships such as the recently announced international partnership with the CINTANA Group and Arizona State University (ASU). The primary aim of these partnerships is to further expand the Schools' program offerings and solidify the latter as a key player not just in the local scene, but in the international educational arena as well.

X. ADJOURNMENT.

There being no other business to transact, on motion duly made and seconded, the Annual Stockholders' Meeting was adjourned at 4:50 P.M.

SAMUEL V. TORRES
Corporate Secretary

ATTEST:

REYNALDO B. VEA
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 20 APR 2023 day of April 2023, at Makati City, Metro Manila, Philippines.

RENATO C. VALENCIA
Affiant

SUBSCRIBED AND SWORN to before me this 20 APR 2023 day of April 2023 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. 222;
Page No. 45;
Book No. V;
Series of 2023.

ATTY. JULES R. MILAN
Notary Public
Appointment No. M-[illegible] / Until 12-31-2023
Roll No. 45790 / IBP Lifetime No. [illegible] / 7-3-03
PTR O.R. No. [illegible] Pasay City
MCLE No. [illegible]

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 Ents. 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	Intervest Consulting Group	I, S, D	Inactive
14	i-People, Inc.	D~~, Chair~~	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	EEI 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:

Company/Organization	Position/ Relationship	Period of Service
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:

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.

20 APR 2023

Done this ________ day of April 2023, at Makati City, Metro Manila, Philippines.

CESAR A. BUENAVENTURA
Affiant

20 APR 2023

SUBSCRIBED AND SWORN to before me this _______ day of April 2023 at Makati City, affiant personally appeared before me and exhibited to me his Philippine Passport No. _________________, issued at ________________, and valid until _____________.

PASAY CITY

Doc. No. 226;
Page No. 45;
Book No. IV;
Series of 2023.

ATTY. JULES R. MILAN
Notary Public
Appointment No. M-66 / Until 12-31-2023
Roll No. 45790 / IBP Lifetime No. 04807 / 7-3-03
PTR O.R No. 9550068 / 1-4-22 / Pasay City
MCLE No. VI-00 ... 1-14-19

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	Trustee	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.

iPeople, Inc.
Certification of Independent Director
Page 2

Done this 20 APR 2023 day of April 2023, at PASAY CITY City, Metro Manila, Philippines.

HERMINIA S. JACINTO
Affiant

SUBSCRIBED AND SWORN to before me this 20 APR 2023 day of April 2023 at PASAY CITY, affiant personally appeared before me and exhibited to me her Philippine Passport No. P7107457B, issued at DFA NCR SOUTH, and valid until 04 July 2031.

Doc. No. 223;
Page No. 45;
Book No. V;
Series of 2023.

ATTY JULES R. MILAN
Notary Public
Appointment No. M-58? Until 12-31-2023
Roll No. 45790 / IBP Lifetime No. 04807 / 7-3-03
PTR O.R No. 9850858 / 1-4-22 / Pasay City
MCLE No. VI-0016585 / 1-14-19

iPEOPLE

19 June 2023

THE SECURITIES AND EXCHANGE COMMISSION
7907 Makati Avenue, Salcedo Village
Bel-Air, Makati City 1209

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 nominees for director and executive officers who may be elected and appointed during the Company's Annual Stockholders' and Organizational Meetings to be held on 28 July 2023 are government employees.

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

Very truly yours,

SAMUEL V. TORRES
Corporate Secretary

SUBSCRIBED AND SWORN to before me JUN 19 2023 CITY OF MANILA Philippines. Affiant exhibiting to me her / his ________ on ______ at ______

ATTY. HENRY D. ADASA
NOTARY PUBLIC CITY OF MANILA
APPOINTMENT 097/12/31/2023 MANILA
IBP NO. 181139 / 01/03/2023
PTR N. 0801145 / 01/03/2023
ROLL NO. 29579, TIN NO. 172-528-620
MCLE COMP. NO. VII-0000165 VALID UNTIL APRIL 14, 2025
(13) 1411 TAYUMAN ST., STA. CRUZ, MANILA

DOC NO. 3cff
PAGE NO. 70
BOOK NO. XVII
SERIES OF 2023

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 28, 2023** 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, including the number of votes to be cast, I authorize and grant my proxy full discretion to act on my behalf and I understand that my proxy shall vote in accordance with the recommendation of the Management.**

For Proposal 1, nine (9) directors are to be elected, which shall be composed of six (6) Regular Directors and three (3) Independent Directors.

PROPOSAL	ACTION			
	FOR	AGAINST	ABSTAIN	NO. OF VOTES
1. Election of Directors				
Regular Directors:				
1. Reynaldo B. Vea	_____	_____	_____	_________
2. Gerardo C. Ablaza, Jr.	_____	_____	_____	_________
3. Alfredo Antonio I. Ayala	_____	_____	_____	_________
4. Medel T. Nera	_____	_____	_____	_________
5. Lorenzo V. Tan	_____	_____	_____	_________
6. Yvonne S. Yuchengco	_____	_____	_____	_________
7. Ernest K. Cuyegkeng	_____	_____	_____	_________
Independent Directors:				
8. Renato C. Valencia	_____	_____	_____	_________
9. Cesar A. Buenaventura	_____	_____	_____	_________
10. Herminia S. Jacinto	_____	_____	_____	_________

For Proposals 2 to 5, Management recommends a "FOR" vote.

PROPOSAL	ACTION		
	FOR	AGAINST	ABSTAIN
2. Approval of the Minutes of the Annual Stockholders' Meeting held on July 29, 2022			
3. Approval of the Management Report and the Audited Financial Statements for 2022			
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 Auditor			

THIS PROXY, SOLICITED ON BEHALF OF THE MANAGEMENT OF IPEOPLE, INC. SHOULD BE RECEIVED BY THE CORPORATE SECRETARY ON OR BEFORE 5:00 P.M OF JULY 18, 2023, THE DEADLINE FOR SUBMISSION OF PROXIES. FOR CORPORATE STOCKHOLDERS, PLEASE ATTACH TO THIS PROXY FORM THE SECRETARY'S CERTIFICATE ON THE AUTHORITY OF THE SIGNATORY TO APPOINT THE PROXY AND SIGN THIS FORM.

REVOCABILITY OF PROXY

THE SHAREHOLDER MAY REVOKE THE PROXY ISSUED BY HIM/HER 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 ASM2023@IPEOPLE.COM.PH, ON OR BEFORE 5:00 P.M. ON JULY 18, 2023. THE DULY EXECUTED HARD COPY SHOULD ALSO BE MAILED TO THE OFFICE OF THE CORPORATE SECRETARY, IPEOPLE, INC. AT THE 8/F MAPUA UNIVERSITY MAKATI CAMPUS, 1191 PABLO OCAMPO SR. EXTENSION, BRGY. STA. CRUZ, 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 ₱ 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 IN ACCORDANCE WITH THE DIRECTIVE AND INSTRUCTIONS OF THE CHAIRMAN OF THE MEETING WITH RESPECT TO ALL ITEMS IN THE AGENDA 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.

____________________	____________________	____________________	____________________
Signature of Stockholder	Printed Name	No. of Shares	Date

____

Address and Telephone Number

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

Please send this proxy form to:
ATTY. SAMUEL V. TORRES
CORPORATE SECRETARY
iPeople, Inc.
ADDRESS: 8/F Mapua University Makati Campus
1191 Pablo Ocampo Sr. Extension, Brgy. Sta. Cruz, Makati City
EMAIL: asm2023@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 18, 2023, via email at asm2023@ipeople.com.ph, of their intention to participate in the Company’s Annual Stockholders’ Meeting on 28 July 2023 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 28, 2023
2. When to Register - Registration period shall be from July 11, 2023 at 8:00am until July 18, 2023 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 asm2023@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 recent events, 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: asm2023@ipeople.com.ph on or before July 18, 2023.

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 asm2023@ipeople.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

For **Proposal 1,** nine (9) directors are to be elected, which shall be composed of six (6) Regular Directors and three (3) Independent Directors.

PROPOSAL	ACTION			
	FOR	AGAINST	ABSTAIN	NO. OF VOTES
1. Election of Directors				
Regular Directors:				
1. Reynaldo B. Vea	________	________	________	______________
2. Gerardo C. Ablaza, Jr.	________	________	________	______________
3. Alfredo Antonio I. Ayala	________	________	________	______________
4. Medel T. Nera	________	________	________	______________
5. Lorenzo V. Tan	________	________	________	______________
6. Yvonne S. Yuchengco	________	________	________	______________
7. Ernest K. Cuyegkeng	________	________	________	______________
Independent Directors:				
8. Renato C. Valencia	________	________	________	______________
9. Cesar A. Buenaventura	________	________	________	______________
10. Herminia S. Jacinto	________	________	________	______________

For **Proposals 2 to 5**, Management recommends a "FOR" vote.

PROPOSAL	ACTION		
	FOR	AGAINST	ABSTAIN
2. Approval of the Minutes of the Annual Stockholders' Meeting held on July 29, 2022			
3. Approval of the Management Report and the Audited Financial Statements for 2022			
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 Auditor			

DATE: ____________________________

STOCKHOLDER'S NAME: _________________________________

STOCKHOLDER'S SIGNATURE: ____________________________

**Please submit this form on or before the end of the business day of July 18, 2023, and accompanied by any government issued identification.*

ANNEX 'C'

iPEOPLE

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, 2022 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 in the Philippine Stock Exchange (PSE:IPO).

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

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

On October 1, 2018, the Board of Directors (BOD) of IPO (Parent Company) executed a memorandum of agreement (MOA) for a proposed Plan of Merger between iPeople and AC Education, Inc. (AEI), the wholly owned education arm of Ayala Corporation (AC), with iPeople as the surviving entity and HI and AC controlling 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 merger was subsequently approved by the Parent Company's Stockholders, by the Philippine Competition Commission (PCC) and the Securities and Exchange Commission (SEC). The merger by and between the Company and 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.

1.1 Business of the Issuer

<u>The Holding Company</u>

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. iPeople 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.

The Company reviews and conducts a group-wide risk assessment periodically, monitors the identified risks to ensure that these are current and regularly taken into account. 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. The Company's reputation may be closely tied to the performance and reputation of its education subsidiaries. Negative publicity or poor performance by the subsidiaries may possibly damage the Company's reputation which may impact stakeholder confidence.

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. The Company may face challenges in attracting and retaining top talent. The success of the Company depends on the quality and effectiveness of the leadership and employees and may face challenges in attracting and retaining top talent.

Market

The Philippine and Global economic condition may impact the Company's investment and growth commitments to its stakeholders. The Company's lack of revenue-generating operations of its own could make it vulnerable to market fluctuations. The uncertainty of the economic condition may impact the performance of the Company's subsidiaries.

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. The Company may handle sensitive stakeholder data which can lead to privacy and cybersecurity risks such as data breaches and cyber-attacks.

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. Non-compliance with existing regulations, could result in fines, legal action, or reputational damage.

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 unceasingly fosters 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, Health Sciences, and Social Sciences and Education, and provides students with a learning environment that will make them globally competitive.

In 2022, Mapúa University realized its vision of being one of the best universities in the world after debuting in the Times Higher Education World University Rankings. Ranked 1501+, Mapúa is one of only four Philippine higher education institutions that made it to the rankings. It placed second in the research category among all Philippine schools and in three subject areas—Computer Science (801+), Engineering (1001+), and Physical Sciences (1001+).

The Quacquarelli Symonds (QS) Asia University Rankings 2023 named Mapúa a top 100 university in Southeast Asia (#88) and the whole Asian region (#551-600).

It also received a 4 Stars rating for excellence from 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 for its Computer Science program; and a 3 Stars rating for Internationalization and Academic Development.

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. Mapúa has the most 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) recognized as Centers of Excellence by the Philippine Commission Higher on Education. It is also a recognized Center of Excellence for Information Technology Education in the country, with program offerings Computer Science, Information Systems, and Information Technology.

The University's strong academic foundation ensures its graduates are of high caliber, taking lead roles in the global arena. To date, it has produced 399 topnotchers across 11of national professional licensure examinations since 2000. Its students are also prepared for the world of practice through their exposure to international exchange programs, international on-the-job training, international plant visits, conferences, and research, development, and innovation undertakings, which are achieved through the University's continuous forming of global linkages with prestigious companies and universities. In fact, in 2022, the University unveiled its partnership with Arizona State University, America's most innovative university, through Cintana Education, to expand the access of Filipino students to high-quality international education in business and health sciences.

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

Through Mapúa Ubiquitous Online Experience (ÚOx), an award-winning 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 to 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.

In the years to come, Mapúa aims the empowerment of the youth by providing world-class education grounded on academic excellence and strength of character. It continues to emphasize 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, and who can launch careers anywhere in the world.

MALAYAN COLLEGES LAGUNA, INC. A MAPUA SCHOOL (OPERATING UNDER THE NAME OF MAPÚA MALAYAN COLLEGES LAGUNA)

Located in Cabuyao, Laguna, alongside several science and industrial parks, Mapúa Malayan Colleges Laguna (Mapúa MCL) was established to extend the brand of Mapúa University to the south by offering programs in engineering and architecture, allied health sciences, accountancy, business, communication, computer science, information technology, maritime education, multimedia arts, and tourism management. It has 22 baccalaureate programs and 1 master's program. 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 5,059 students in both college and Senior High School (SHS). Mapúa MCL, like its parent school Mapúa University, offers SHS. Mapúa MCL also adapted Mapúa's design for its SHS curricula and embedded Internet of Things ("IoT") which gave Mapúa MCL a unique advantage in the secondary education sector, ensuring that our students and curricula remain globally competitive. Mapúa MCL-SHS was opened in 2016, welcoming 1,021 Grade 11 students.

As part of its pledge to provide quality education to its students, the seven Mapúa 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. Mapua MCL was also granted ISO21001 certification and has passed the DNV routine audit in December 2021 and November 2022.

Driven by a passion for knowledge, Mapúa 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, Mapúa MCL is envisioned as a Center of Excellence for science and technology education in Southern Luzon. Mapúa 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.

Mapúa 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, Mapúa 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.

Mapúa 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, Mapúa MCL has offered 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, Mapúa 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, Mapúa MCL took home the Blackboard Award for Optimizing Student Experience.

Mapúa MCL has achieved another milestone by obtaining a three-star overall rating from the Quacquarelli Symonds (QS) Star Rating System from the United Kingdom in 2020. Significantly, Mapúa MCL received a five-star rating for Employability, due to the competence of its graduates as professionals in their respective fields; a four-star rating for Facilities, for its smart campus and drive to deliver an advanced learning experience for students; and a three-star rating for Social Responsibility and Inclusiveness, for being true to its mission to contribute to the solution of industry's and society's problems through the various engagements of students with communities. With this achievement, Mapúa MCL received Certificate of Commendation from CHED in August 2022.

In 2021, Mapúa MCL was awarded the most outstanding school in the Laguna Excellence Awards. Mapúa MCL was also granted membership in the Philippine Association of Colleges and Universities in September 2022. In 2022, Mapúa MCL started to offer Allied Health Sciences and aligned its business programs in collaboration with Arizona State University through Cintana Alliance. It also offered Master of Science in Shipping Business program under CMET in partnership with Business College of Athens (BCA) in Greece. Through these partnerships, Mapúa MCL has leveled up its national stature, assuring students and stakeholders of its dedication to its vision.

MAPÚA MALAYAN COLLEGES MINDANAO

Incorporated in 2015, Malayan Colleges Mindanao (A Mapua School), Inc. operating under the name Mapúa Malayan Colleges Mindanao (MMCM), was established to offer Mapua-education in Davao and Mindanao. MMCM 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 an initial fourteen 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 intensified its 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. Continuing its expansion of its program offerings, in 2021, the school was granted permit to offer its first two health sciences programs, BS in Psychology and BS in Biology. Additionally, in school year 2021-2022, the Department of Education (DepEd) in Region XI granted approval to MMCM to offer Junior High School, completing the High School program offerings from Grade 7 to Grade 12. In 2022, MMCM has reached its milestone of 5,000 plus enrollees for its nineteen College programs together with the Junior and Senior High School departments. In addition, MMCM held its first Commencement Exercises for its first batch of college graduates in June 2022.

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 breakthrough with its DOST-funded research project, Risk Management and Enhanced Survival analysis Integrated through Longitudinal Infectious Disease data and statistical Epidemiological Model Using Clinical Risk Factors (RESILIEMC). Through the Office of Research, Development, and Innovation, MMCM 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. Furthermore, Manila Bulletin featured AMDABiDSS-Health, the first research center in Mindanao to improve disease surveillance and mitigation techniques of COVID-19 on April 5, 2022. The program is co-implemented by Mapua MCM and the University of the Philippines Mindanao.

This year 2023, MMCM has yet another research project, “Innovative technology for refractory gold extraction using deep eutectic solvent (DES) and hypochlorite solution,” which is one of the three projects of the program Green Tech: Enabling Technologies for Responsible Mineral Resource Utilization spearheaded by UP Diliman. The project primarily aims to address the problem of the mineral industry in the beneficiation of refractory gold ores by developing an economical and eco-efficient technology. Part of the study will investigate the geology and mineralogy of refractory gold ore resources. With this, MMCM intends to work closely with its sister school, the Mapúa University through its established minerals-related engineering programs and our research partners, UP Diliman, MSU-IIT and USeP, and its main industry partner, Apex Mining Co., Inc. (AMCI). 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.

As the world moves with time, changing industry demands continue to chase after progress and to further strengthen its mission of shaping globally competitive professionals, Malayan Colleges Mindanao, A Mapúa School (MCM) has been relaunched as Mapúa Malayan Colleges Mindanao (MMCM) in 2022 after receiving its amended articles of incorporation from the SEC on April 12, 2022. Mapúa MCM has recently partnered with Arizona State University (ASU), joining the Cintana Alliance in paving the way for Filipino students to get access to high quality international education in health sciences and business programs. ASU’s expertise in innovation and advanced research will be leveraged in shaping students in the country into highly skilled, globally competent professionals, and create opportunities for them in the country and abroad. Through this, Mapúa MCM students are provided with opportunities for international exposure through short-term immersive programs, semester exchange, pathways, and summer programs.

The Blackboard-Anthology Catalyst Award for Teaching and Learning was given to MMCM to recognize and honor the school for its innovation and excellence in advancing learning during the Anthology Together in Orlando, Florida, in July 2022. MMCM is the global winner of the 2022 Catalyst Award in the Teaching & Learning category for its MMCM-HyFlex Learning Modality, given by Blackboard-Anthology. The award affirms the role of MMCM as the champion and model in using EdTech in its teaching and learning. Moreover, Mapúa MCM was the first school in the Davao Region awarded with the CHED Safety Seal. The Safety Seal Certification affirms that an establishment complies with the government's minimum public health standards. The Seal was given on September 12, 2022.

MALAYAN HIGH SCHOOL OF SCIENCE, INC.

Established in 2006, Malayan High School of Science (MHSS), the Junior High school of Mapua University, is a leading junior high school and is the only private junior science high school in Manila. It aims to be a global center of excellence in Science, Technology, Engineering, and Mathematics (STEM) education.

Malayan High School of Science provides advanced STEM curriculum to Junior High School learners. Through state-of-the-art classrooms, laboratories, facilities, digital resources and technologies, and holistic approach to education, MHS ensures that it produces graduates who are globally competitive and socially relevant.

While MHSS has an established STEM-oriented curriculum, it acknowledges that balance is the key to gratifying learning experiences. Different student activities are prepared, which gives the students avenues in developing not only their knowledge-based but also their social, personal, and functional skills.

MHSS also implements a safe school policy and employs strict security measures, maintaining an environment that is safe and conducive to learning.

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

The National Teachers College, incorporated on September 29, 1928, was the Philippines' first Higher Education Institution (HEI) to offer collegiate programs dedicated to teacher education. Among the notable names that drove the institution to success were its founders Dr. Segundo M. Infantado, Sr., a former Director of Public Instruction in the Philippines, and Dr. Flora Amoranto-Ylagan, one of the country's leading educators, and its first chancellor, Dr. Jose P. Laurel, former president of the Republic of the Philippines. NTC opened its doors to the student public on June 10, 1929, and it was granted government recognition on February 17, 1930.

Among private educational institutions in the Philippines, it has attained a pre-eminent place in educational leadership, particularly in teacher education, evident in its consistently good performance in the Licensure Examination for Teachers.

With its mission of transforming Philippine society, NTC offered additional programs relevant to emerging industries. It moved several steps forward by including new courses from the Kindergarten to the Doctoral levels, intending to enable access to success by fulfilling its learners' personal and professional aspirations.

- The Basic Education Department houses the K-6 programs, Junior High School, and Senior High School, offering programs in ABM, HUMSS, STEM, and ICT.
- The School of Teacher Education (SOTE) houses the graduate program for teacher education and tertiary programs in teacher education.
- The School of Business offers Accountancy (SOB), Business Administration, Office Administration, Hospitality Management, and Tourism Management programs.
- The School of Arts, Sciences, and Technology (SOAST) grants degrees in IT, Library Science, and Psychology.

NTC endeavors to provide quality learning for Filipinos with several programs lined-up for accreditation with the Philippine Association of Colleges and Universities- Commission on Accreditation (PACU-COA). To date, the following programs have achieved accreditation by PACU-COA: 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 promotes learner-centered and industry-oriented education that enlightens the mind, strengthens the body, and builds character. Partnering with industry luminaries and experts in the modern-learning system, such as Google 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.

As a testament to NTC's legacy for excellence, NTC became an authorized learning service provider of the National Educators Academy of the Philippines (NEAP), an attached agency of the Department of Education (DepEd). In 2022, NTC was the only private HEI among DepEd NEAP's learning service providers.

Despite continuously upgrading its services and facilities, NTC maintains its affordability, bringing accessible quality education to transform the lives of Filipinos. With a student population of more than 16,000, NTC continues to perform its share in educating and training teachers, administrators, supervisors, and other professionals who will serve the interest of the Republic of the Philippines and the world at large.

In December 2022, the BOD and Stockholders of NTC approved the proposed merger of NTC and APEC, with NTC as the surviving entity. Both entities consider it to be in their best interests to merge into a single corporation to allow them to better achieve their goal of transforming lives through innovative education at affordable prices. Both entities are subsidiaries of IPO

The merger is still subject to the filing of the relevant applications and obtaining the requisite regulatory approvals, including the endorsement of the Commission on Higher Education (CHED) and Department of Education (DepEd), and the approval of the Philippine SEC of the merger application.

UNIVERSITY OF NUEVA CACERES

The University of Nueva Caceres (UNC), first university in Southern Luzon, traces its humble beginning with 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 a University Status.

His leadership was succeeded by one of his daughters, Dr. Dolores H. Sison. Her passion was to continually prepare the UNC for the challenges of the twenty-first century. She also introduced and implemented new programs and courses to keep abreast with the demands of global education.

In July 2015, the University of Nueva Caceres partnered with Ayala Corporation through Ayala Education, Inc to further enhance the quality of education through industry and technology-driven innovations. UNC is the first university of AEI bannering the blazing power of 1+1=3 which means that the combination of the two will yield extraordinary positive outcomes for the Bicol Region and the country as a whole. With Mr. Alfredo I. Ayala as the third University President, the curricula were tailor-fitted to the needs of the industry in such a way that we produce graduates who are trained to address the demands of compelling careers.

In 2019, with the merger of AC Education, Inc. and iPeople,inc., UNC became part of the iPeople Schools and its vision as articulated by iPeople President, has been elevated to a higher purpose of creating relevance and impact to the bigger community as enunciated in the vision of "Innovating education and research towards leading-edge outcomes for all."

Guided by the tri-visionary purposes, UNC's path towards the next 75 years is made vividly clear. UNC shall welcome and nurture students to be future-ready, work-ready, and life-ready. "Makatapos, Magkatrabaho at Magtagumpay." As present day stewards of UNC and under the current leadership of the fourth University President, Dr. Fay Lea Patria M. Lauraya, UNC endeavors to fulfill its tri-focal function of instruction, research, and extension while making education accessible and affordable. Our calling is to meet UNC's Big Hairy Audacious Goal of: From first to number 1, to be the top university of choice with its differentiating feature as A Future-Ready Outcomes-Based Education Leader in the Bicol Region.

The past presidents of UNC, Dr. Jaime Hernandez Sr, President Dolores H. Sison, and Mr. Fred Ayala were instrumental in establishing UNC's competencies in the fields of Engineering, Law, Architecture, Business, and Teacher Education. Building upon these competencies, UNC is creating new pathways for students who can access quality education from the core offerings to lifelong opportunities as the need for upskilling and re-skilling among those who are already in the workplace becomes an imperative given the changing demand of industry productivity.

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 Masters Degree programs in the Graduate Studies department.

As of 2022, a total of 40 programs are accredited by the Philippine Association of Colleges and Universities Commission on Accreditation (PACUCOA). It conferred Level III Status to five BS Business Administration programs; five Master of Arts in Education programs; Master of Business Administration; two Bachelor of Arts programs; two Bachelor of Elementary Education programs; Bachelor of Special Needs Education; and seven Bachelor of Secondary Education programs. UNC's Doctor of Philosophy, BS Biology, BS Accountancy, BS Nursing, BS Computer Science, BS Information Technology, Junior High School, and Elementary Education were accredited with Level II Status. It also recognized BS Electronics Engineering with Level I Accreditation Status. The Doctor of Education, BS Architecture, BS Civil Engineering, BS Mechanical Engineering, BS Electrical Engineering, and BS Computer Engineering were given Candidate Status, while the Senior High School and Master of Public Administration were given Associate Status. 3 UNC programs to wit: BS Criminology, BS Hospitality Management, and BS Tourism Management on the other hand were given by the Association of Christian Schools Colleges and Universities (ACSCU) Candidate Status.

During the last seventy-five years, the University of Nueva Caceres has produced 163 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 health clinic and guidance are also transformed 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 everyone makes it and is ready for every tomorrow.

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 17 school branches with 8,000 students and 441 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. In 2022, APEC Schools started offering Humanities and Social Sciences (HUMMS) academic strand.

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

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

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

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

In December 2022, the BOD and Stockholders of APEC approved the proposed merger of APEC and NTC, with NTC as the surviving entity. Both entities consider it to be in their best interests to merge into a single corporation to allow them to better achieve their goal of transforming lives through innovative education at affordable prices. Both entities are subsidiaries of IPO

The merger is still subject to the filing of the relevant applications and obtaining the requisite regulatory approvals, including the endorsement of the Commission on Higher Education (CHED) and Department of Education (DepEd), and the approval of the Philippine SEC of the merger application.

Risk Factors related to School Operations

Business Resiliency

The inability to bring the schools out of operational disruptions, resume critical processes, and restore normal operations may result to service breach and financial losses. The schools can be affected by natural disasters, may be vulnerable to cyber threats due to the increasing reliance on digital technologies, and can be affected by outbreaks of infectious diseases which may cause damage to facilities, may impact employee, student, and campus safety, and disrupt academic schedules.

Technology Risk

The nature of business of the schools may be impacted by technological innovations and/or changes which may affect its operations, competitiveness, and financial results. The education industry is rapidly evolving, and technology is playing an increasingly important role in teaching and learning which may significantly alter the way businesses operate.

Information and Cyber Security/Safety

The failure to protect the schools 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. The schools handle sensitive stakeholder data which can lead to privacy and cybersecurity risks such as data breaches and cyber-attacks.

Regulation

The schools' 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 schools are subject to a range of legal and regulatory requirements like accreditation, licensing, environmental and other relevant local and national regulations, non-compliance of which may result in fines, legal action, or reputational damages.

Talent

The probability that a critical role will become vacant and cannot be satisfactorily filled may negatively affect the schools' continuity of its strategic imperatives and/or products and services standards. The success of the schools depends on the quality and effectiveness of the leadership, faculty, and staff and may face challenges in attracting, developing, and retaining top talent.

Market

The Philippine and Global economic condition may impact the Company's investment and growth commitments to its stakeholders. The education industry is subject to cyclical trends and economic conditions, which can impact the schools' enrollment and performance.

Reputation

The inability of the schools to maintain and failure protect its reputation may adversely affect its objective of creating and growing its value for its stakeholders. Negative publicity or poor performance could damage the schools' reputation and lead to a loss of students and may impact stakeholder confidence.

Campus Safety and Security

The inability to provide a safe environment and/or operationalize adequate campus security and preventive measures may adversely affect the schools' reputation, student enrolment, and talent retention.

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 schools' daily activities may result to financial losses.

Item 2: Properties

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

PROPERTY DESCRIPTION	DATE ACQUIRED	AREA (SQ. M.)	TYPE
MALAYAN EDUCATION SYSTEM, INC.			
Intramuros, Manila	1999	17,997	School campus
Intramuros, Manila	2013	513.5	Vacant lot for expansion
Sta. Cruz, Makati City	2018	5,114	School Campus (Bldg. under construction)
MALAYAN HIGH SCHOOL OF SCIENCE INC.			
Paco, Manila	2002	3,624	School campus
MALAYAN COLLEGES LAGUNA, INC.			
Cabuyao, Laguna	2010	60,000	School campus
Cabuyao, Laguna	2012	14,640	Vacant lot for expansion
MALAYAN COLLEGES MINDANAO, INC.			
Brgy. Ma-a, Davao City	2015	23,000	School Campus
Brgy. Ma-a, Davao City	2018	7,000	School Campus
NATIONAL TEACHERS COLLEGE			
Quiapo, Manila	2019	7,316.7	School Campus
Quiapo, Manila	2019	535.3	School Campus
Quiapo, Manila	2019	714.4	School Campus

PROPERTY DESCRIPTION	DATE ACQUIRED	AREA (SQ. M.)	TYPE
UNIVERSITY OF NUEVA CACERES			
J. Hernandez Ave., Naga City	2019	49,917	School Campus
AC COLLEGE OF ENTERPRISE AND TECHOLOGY, INC.			
San Jose del Monte City, Bulacan	2019	6,098	Vacant Lot

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

PROPERTY DESCRIPTION	LOCATION	AREA (SQ. M.)	LEASE EXPIRATION
AFFORDABLE PRIVATE EDUCATION CENTER, INC.			
7-Storey Building	Head Office	350.00	11/01/2024
5-Storey Building	V. Luna	865.00	06/30/2030
3-Storey Building	North Fairview	1174.00	06/30/2032
4-Storey Building	C. Raymundo	1928.00	06/30/2032
4-Storey Building	Marikina Heights	1247.00	06/30/2032
4-Storey Building	Grace Park West	795.96	04/30/2027
5-Storey Building	Tondo	1204.00	06/30/2025
4-Storey Building	Muntinlupa	1080.00	06/30/2027
3-Storey Building	Sta. Rita Sucat	1500.00	04/30/2032
4-Storey Building	Dasmariñas	878.00	04/30/2032
4-Storey Building	Bacoor	1215.00	06/30/2034
3-Storey Building	Roxas Boulevard	537.00	04/30/2029
3-Storey Building	Pateros	1230.00	06/30/2033
3-Storey Building	Ortigas Ext., Cainta	960.00	12/31/2030
4-Storey Building	Kalumpang	1095.00	03/31/2028
1-Storey Building	JRU Lipa	1255.28	06/30/2024
3-Storey Building	Las Pinas	1266.00	06/30/2031
4-Storey Building	Concepcion Dos	756.00	06/30/2026
4-Storey Building	New Manila	781.00	04/30/2027

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 29 July 2022 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 2022 vs. Year 2021

BALANCE SHEET

Financial Position

Total consolidated assets increased from ₱16.13 billion to ₱17.70 billion, or a 10% increase compared to last year. The increase in total assets is mainly due to the higher cash balance of the Group, higher receivables and increase in the appraised value of land.

Current assets increased to ₱3.61 billion this year from ₱3.06 billion last year primarily due to higher cash and cash equivalents, higher receivables and higher other current assets 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 P1.18 billion. The 14% increase in receivable is mainly due to the normal collection cycle during the school term and higher receivables for professional training programs. Prepaid expenses and other current assets went up from ₱ 391 million to ₱465 million because of the increase in short-term money placements.

Total noncurrent assets this year is P14.09 billion. The increase in the balance of non-current assets is mainly due to the increase in the appraised value of land.

Total liabilities of the Group is P4.96 billion. There was no significant change in the balance of total liabilities. The change in total liabilities balance is only 1%.

Current liabilities increased to ₱3.52 billion this year from ₱2.18 billion last year primarily due to the reclassification of the long-term loans from noncurrent to current liabilities. Although the loans are classified as current, these will remain long-term based on the terms of the loan agreement and will not be paid in the next twelve months. The reclassification was done to comply with Philippine Financial Reporting Standards (PFRS).

Accounts payable and accrued expenses pertain largely to obligations to suppliers. Accounts payable and accrued expenses went up by 6% due to higher payable to suppliers.

Unearned income is higher from ₱658 million in December 2021 to ₱796 million due to the increase in unearned tuition fees because of higher enrollment and unearned revenue from professional training programs.

Noncurrent liabilities went down to ₱1.44 billion this year from ₱2.83 billion last year primarily due to the reclassification of the long-term loans from noncurrent to current liabilities.

Total consolidated equity increased from ₱11.12 billion in December 2021 to ₱12.74 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 ₱12.44 billion, from ₱10.87 billion in December 2021.

INCOME STATEMENT

Results of Operations

The Group posted a consolidated net income of ₱782 million, which is 18% higher than the ₱664 million net income in the previous year. The higher net income in 2022 is attributed to the better results of operations of IPO schools because of higher revenues.

Revenue from school operations is the primary source of revenue of the Group. Revenue went up by 18% to ₱3.94 billion from ₱3.35 billion last year. The increase in revenue was primarily due to higher enrolment in the current school year and higher revenue from professional training programs.

Cost of tuition and other fees and general and administrative expenses increased by 18% or ₱486 million higher than last year. The higher expenses in 2022 was primarily due to higher enrolment that directly affect the level of expenses, the resumption of face-to-face classes and higher depreciation due to the depreciation of the new Mapua Makati campus.

Interest expense and other finance charges decreased from ₱121 million last year to ₱113 million this year due to lower outstanding bank loan balance and lower interest related to lease liabilities.

CONSOLIDATED RESULTS – Year 2021 vs. Year 2020

BALANCE SHEET

Financial Position

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

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

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

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

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

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

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

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

INCOME STATEMENT

Results of Operations

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

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

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

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

CONSOLIDATED RESULTS - Year 2020 vs. Year 2019

BALANCE SHEET

Financial Position

Total consolidated assets decreased from ₱16.27 billion to ₱15.71 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 ₱2.66 billion this year from ₱2.32 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 ₱176 million to ₱271 million mainly because of the additional prepayment to suppliers.

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

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

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

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

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

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

INCOME STATEMENT

Results of Operations

The Group posted a consolidated net income of ₱242.17 million, which is 12% lower than the ₱274.09 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 ₱114 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 ₱129.34 million last year to ₱151.76 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 ₱11.86 million mainly because of lower interest rates.

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

Financial Ratios

Below are the financial ratios that are relevant to the Group for the year ended December 31, 2022 and 2021:

Financial ratios		**2022**	2021
Current ratio *Indicates the Group's ability to pay short-term obligation*	Current Assets / Current Liabilities	**1.03:1**	1.40:1
Acid Test Ratio *Indicates the Group's ability to use its quick or near cash assets to pay current liabilities immediately*	Current Assets – Prepaid Expenses / Current Liabilities	**0.90:1**	1.22:1
Solvency Ratio *Shows how likely a Group will be continue meeting its debt obligations*	Net Income + Depreciation / Total Liabilities	**0.25:1**	0.22:1
Debt-to-equity ratio *Measures the Group's leverage*	Total Debt / Equity	**0.40:1**	0.46:1
Asset to Equity Ratio *Shows how the company's leverage (debt) was used to finance the firm*	Total Assets / Equity	**1.39:1**	1.45:1

Interest Rate Coverage *Shows how easily a company can pay interest on outstanding debt*	EBIT / Interest Expense Excluding Interest Expense on Lease Liabilities	**9.93:1**	7.03:1
Return on Average Stockholders' Equity *Reflects how much the Group's has earned on the funds invested by the stockholders*	Net Income / Average Equity	**6.62%**	6.14%
Net Profit Margin *Reflects how much net income or profit is generated as percentage of revenue*	Net Profit Margin / Revenue	**19.83%**	19.81%
Return on Assets *Measure the ability to utilize the Group's assets to create profits*	Net Income / Total Assets	**4.42%**	4.12%

Current ratio provides the liquidity position of the business by comparing current assets to current liabilities. The current ratio went down from 1.40:1 in 2021 to 1.03:1 in 2022, primarily due to higher current liabilities. Consolidated current liabilities increased to P3.52 billion this year from P2.18 billion last year primarily due to the reclassification of long-term loans from noncurrent to current liabilities.

Acid test ratio went down from 1.22:1 in 2021 to 0.90:1 in 2022 which is due to reclassification of long-term loans from noncurrent to current liabilities .

Solvency ratio slightly increased from 0.22:1 in 2021 to 0.25:1 in 2022 mainly due to higher net income.

Debt-to-Equity ratio measures the Group's leverage. The total debt-to-equity ratio of the Group is 0.40:1 for 2022 and 0.46:1 for 2021. This is because of higher equity and no significant change in total liabilities.

Asset to Equity ratio decreased from 1.45:1 in 2021 to 1.39:1 in 2022 because of the increase in equity.

Interest Rate Coverage shows the capability of a company to pay interest on outstanding debt. The interest rate coverage ratio increased from 7.03:1 in 2021 to 9.93:1 in 2022 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 2022 has increased to 6.6% from 6.1% in 2021 because of higher net income during the period.

Net profit margin reflect how much net income or profit is generated as percentage of revenue. The net profit margin slightly increase to 19.83% in 2022, from 19.81% in 2021 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 2022 went up to 4.42%, from 4.12% in 2021.

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 16, 2023 (latest practicable trading date) is at P7.85 for high and P7.85 for low.

PERIOD	STOCK PRICE HIGH	LOW
2023 First Quarter	8.00	5.95
2022 Fourth Quarter	6.94	5.42
2022 Third Quarter	7.25	5.08
2022 Second Quarter	9.03	6.50
2022 First Quarter	8.87	6.58
2021 Fourth Quarter	7.69	6.81
2021 Third Quarter	7.50	6.66
2021 Second Quarter	8.00	6.02
2021 First Quarter	9.00	6.58
2020 Fourth Quarter	10.80	7.01
2020 Third Quarter	8.80	7.00
2020 Second Quarter	8.99	5.22

Top 20 owners of common stock as of May 31, 2023:

STOCKHOLDER	NUMBER OF SHARES	% OF TOTAL
HOUSE OF INVESTMENTS, INC.	501,940,749.00	48.07%
AYALA CORPORATION	349,829,961.00	33.50%
A. SORIANO CORPORATION	92,945,934.00	8.90%
PCD NOMINEE CORP - FILIPINO	89,380,245.00	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%

STOCKHOLDER	NUMBER OF SHARES	% OF TOTAL
LEY, FELY	243,750.00	0.02%
PCD NOMINEE CORP - NON-FILIPINO	229,524.00	0.02%
TECSON, BINGSON U.	195,000.00	0.02%
MENDOZA, ALBERTO MENDOZA &/OR JEANIE C.	165,750.00	0.02%
PHILIPPINE ASIA EQUITY SECURITIES INC. U-055	146,250.00	0.01%
KHO, DAVID L.	140,500.00	0.01%
ANSALDO GODINEZ & CO., INC.	133,438.00	0.01%
CHAN, VICKY L.	130,000.00	0.01%
SECURITIES INVESTORS PROTECTION FUND, INC.	130,000.00	0.01%
LI, LUISA	113,100.00	0.01%
UY, JOHNNY S.	97,500.00	0.01%
UY-TIOCO, GEORGE	97,500.00	0.01%
DE JESUS, REYNALDO	82,500.00	0.01%
UY TAN, JUANITA	82,500.00	0.01%
SUB TOTAL	***1,037,362,001***	***99.33%***
Others	6,901,196	0.67%
TOTAL	**1,044,263,197**	**100.00%**

iPeople has 2,000 shareholders owning a total of 1,044,263,197 shares as of May 31, 2023.

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
2023	₱0.19	₱198.41MM
2022	₱0.16	₱167.01MM
2021	₱0.06 (Q2) and P0.23940 (Q4)	₱312.66MM
2020	₱0.07	₱73.25MM

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 2022.

Description of Registrant's Securities: Common Stock

The equity capital structure of the firm as of December 31, 2022 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.

ANNEX ‘D’

iPeople, inc. and Subsidiaries
Consolidated Financial Statements
December 31, 2022 and 2021

and

Report of Independent Auditors

SGV
Building a better working world

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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, 2022 and 2021, 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, 2022, 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, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2022 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Key Audit Matters

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

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

Valuation of Land

The Group accounts for its land, where the school buildings and other facilities are located, using the revaluation model. As at December 31, 2022, the carrying value of the Group's land amounted to ₱7,578.4 million, representing 43% 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 goodwill and nonfinancial assets with indefinite useful life and for those nonfinancial assets with finite useful life, if there are indicators of impairment. The Group has goodwill attributable to the acquisition of Malayan Education System, Inc. amounting to ₱137.8 million, intellectual property rights with indefinite life amounting to ₱490.9 million, and property and equipment and right-of-use assets of a subsidiary aggregating to ₱416.0 million as of December 31, 2022 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 also 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, 2022 amounted to ₱337.62 million and ₱120.41 million, respectively.

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

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

Audit response

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

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

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

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2022, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2022 are expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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

SYCIP GORRES VELAYO & CO.

Ana Lea C. Bergado

Ana Lea C. Bergado
Partner
CPA Certificate No. 80470
Tax Identification No. 102-082-670
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 80470-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-063-2020, November 27, 2020, valid until November 26, 2023
PTR No. 9369782, January 3, 2023, Makati City

March 31, 2023

iPEOPLE

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **iPeople, inc. & Subsidiaries** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2022, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

DR. REYNALDO B. VEA
Chairman and Chief Executive Officer

ALFREDO ANTONIO I. AYALA
President and Chief Operating Officer

GEMA O. CHENG
EVP and Chief Finance Officer

APR 17 2023

Signed this ____ day of April, 2023

DOC NO. 497
PAGE NO. 100
BOOK NO.
SERIES OF 2023

ATTY. ROMEO M. MONFORT
NOTARY PUBLIC City of Makati
Until December 31, 2023
Appointment No. M-172
PTR No. 9563521 / Jan. 3, 2023
IBP No. 178089/ 2-14-22 Pasig City
MCLE NO. VI-0023417 Roll No. 27932
135 Amorsolo St., Legaspi Village, Makati City

iPEOPLE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	December 31	
	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7, 15 and 30)	**₱1,961,428**	₱1,604,129
Receivables (Notes 8 and 30)	**1,176,228**	1,032,851
Receivables from related parties (Notes 15 and 30)	**1,825**	26,077
Prepaid expenses and other current assets (Note 9)	**464,937**	391,021
Financial assets at fair value through profit or loss (FVTPL) [Note 30]	**9,332**	9,213
Total Current Assets	**3,613,750**	3,063,291
Noncurrent Assets		
Property and equipment at cost (Note 10)	**5,298,590**	5,407,008
Land at revalued amounts (Notes 10 and 11)	**7,578,412**	6,460,845
Intellectual property rights (Note 6)	**490,882**	523,103
Goodwill (Notes 6 and 12)	**151,326**	151,326
Student relationship (Note 6)	**10,759**	43,761
Right-of-use assets (Note 31)	**376,794**	309,391
Net pension assets (Note 25)	**38,701**	18,130
Deferred tax assets - net (Note 23)	**37,524**	38,118
Other noncurrent assets (Note 13)	**104,754**	113,671
Total Noncurrent Assets	**14,087,742**	13,065,353
	₱17,701,492	₱16,128,644
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 14 and 30)	**₱1,099,637**	₱1,036,119
Short-term loans (Notes 16 and 30)	**-**	400,000
Unearned income (Note 14)	**796,164**	658,389
Lease liabilities - current portion (Note 31)	**51,005**	50,550
Current portion of long-term debt (Note 17)	**1,521,448**	21,001
Income tax payable	**5,225**	2,157
Payables to related parties (Notes 15 and 30)	**16,797**	14,135
Dividends payable (Notes 18 and 30)	**26,154**	565
Total Current Liabilities	**3,516,430**	2,182,916
Noncurrent Liabilities		
Net pension liabilities (Note 25)	**129,811**	124,152
Long-term loans (Note 17)	**334,568**	1,853,645
Lease liabilities - net of current portion (Note 31)	**378,630**	307,276
Deferred tax liabilities - net (Note 23)	**590,311**	489,169
Other noncurrent liabilities (Note 31)	**11,544**	51,683
Total Noncurrent Liabilities	**1,444,864**	2,825,925
Total Liabilities	**4,961,294**	5,008,841

(Forward)

	December 31	
	2022	2021
Equity		
Common stock (Notes 6 and 18)	**₱1,044,263**	₱1,044,263
Additional paid-in capital (Note 6)	**3,294,368**	3,294,368
Other comprehensive income (loss):		
Revaluation increment on land - net (Note 11)	**2,603,159**	1,633,847
Remeasurement gains (losses) on defined benefit plans (Note 25)	**11,099**	(15,033)
Equity reserve (Note 6)	**(230,494)**	(230,494)
Retained earnings (Note 18)	**5,719,050**	5,142,420
Equity attributable to equity holders of the Parent Company	**12,441,445**	10,869,371
Non-controlling interest in consolidated subsidiaries (Note 27)	**298,753**	250,432
Total Equity	**12,740,198**	11,119,803
	₱17,701,492	₱16,128,644

See accompanying Notes to Consolidated Financial Statements.

iPEOPLE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands)

	Years Ended December 31		
	2022	2021	2020
REVENUE FROM CONTRACTS WITH CUSTOMERS (Note 19)			
Revenue from schools and related operations	**₱3,944,946**	₱3,351,067	₱3,017,106
COSTS AND EXPENSES			
Cost of schools and related operations (Note 20)	**(2,259,172)**	(1,914,579)	(2,015,408)
GROSS PROFIT	**1,685,774**	1,436,488	1,001,698
GENERAL AND ADMINISTRATIVE EXPENSES (Note 21)	**(861,012)**	(719,501)	(633,170)
INTEREST AND OTHER FINANCE CHARGES (Note 22)	**(113,293)**	(121,435)	(138,534)
INTEREST INCOME (Note 22)	**20,105**	6,192	10,897
OTHER INCOME (CHARGES) - Net (Note 11)	**45,380**	31,670	34,101
INCOME BEFORE INCOME TAX	**776,954**	633,414	274,992
BENEFIT FROM (PROVISION FOR) INCOME TAX (Note 23)	**5,148**	30,375	(32,818)
NET INCOME	**782,102**	663,789	242,174
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:			
Revaluation increment on land - net of tax (Note 11)	**1,004,966**	201,075	498,606
Remeasurement gains (losses) on defined benefit plans – net of tax (Note 25)	**26,000**	67,827	(55,304)
Reversal of deferred tax liability on revaluation increment of land sold through sale of subsidiary - net of tax (Note 11)	–	–	146,983
Reversal of deferred tax liability on revaluation increment due to change in tax rate	–	7,764	–
	1,030,966	276,666	590,285
TOTAL COMPREHENSIVE INCOME	**₱1,813,068**	₱940,455	₱832,459
Net income attributable to:			
Equity holders of the parent (Note 26)	**₱769,302**	₱659,108	₱245,818
Non-controlling interest in consolidated subsidiaries (Note 27)	**12,800**	4,681	(3,644)
	₱782,102	₱663,789	₱242,174
Total comprehensive income attributable to:			
Equity holders of the parent	**₱1,764,746**	₱929,611	₱815,984
Non-controlling interest in consolidated subsidiaries (Note 27)	**48,322**	10,844	16,475
	₱1,813,068	₱940,455	₱832,459
Basic/Diluted Earnings Per Share (Note 26)	**₱0.7367**	₱0.6312	₱0.2354

See accompanying Notes to Consolidated Financial Statements.

iPEOPLE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

	Attributable to Equity Holders of the Parent Company										
	Common Stock (Notes 6 and 18)	Additional Paid-in Capital (Note 6)	Fair Value Reserve of Equity instruments at FVOCI (Note 30)	Revaluation Increment on Land - net of tax (Note 11)	Remeasurement Gains (Losses) on Net Defined Benefit Plans (Note 25)	Equity Reserve (Note 6)	Retained Earnings (Note 18)	Treasury Stock (Note 18)	Total	Non - controlling Interest (Note 27)	Total
Balances as at January 1, 2022	**₱1,044,263**	**₱3,294,368**	**₱–**	**₱1,633,847**	**(₱15,033)**	**(₱230,494)**	**₱5,142,420**	**₱–**	**₱10,869,371**	**₱250,432**	**₱11,119,803**
Net income	–	–	–	–	–	–	769,302	–	769,302	12,800	782,102
Other comprehensive income	–	–	–	969,312	26,132	–	–	–	995,444	35,522	1,030,966
Total comprehensive income	–	–	–	969,312	26,132	–	769,302	–	1,764,746	48,322	1,813,068
Other adjustments	–	–	–	–	–	–	–	–	–	(1)	(1)
Dividends declared	–	–	–	–	–	–	(192,672)	–	(192,672)	–	(192,672)
Balances as at December 31, 2022	**₱1,044,263**	**₱3,294,368**	**₱–**	**₱2,603,159**	**₱11,099**	**(₱230,494)**	**₱5,719,050**	**₱–**	**₱12,441,445**	**₱298,753**	**₱12,740,198**
Balances as at January 1, 2021	₱1,044,263	₱3,294,368	₱–	₱1,425,033	(₱76,722)	(₱230,494)	₱4,795,968	(₱0.21)	₱10,252,416	₱239,588	₱10,492,004
Net income	–	–	–	–	–	–	659,108	–	659,108	4,681	663,789
Other comprehensive income	–	–	–	208,814	61,689	–	–	–	270,503	6,163	276,666
Total comprehensive income	–	–	–	208,814	61,689	–	659,108	–	929,611	10,844	940,455
Other adjustments	–	–	–	–	–	–	–	0.21	0.21	–	0.21
Dividends declared	–	–	–	–	–	–	(312,656)	–	(312,656)	–	(312,656)
Balances as at December 31, 2021	₱1,044,263	₱3,294,368	₱–	₱1,633,847	(₱15,033)	(₱230,494)	₱5,142,420	₱–	₱10,869,371	₱250,432	₱11,119,803
Balances as at January 1, 2020	₱1,044,263	₱3,294,368	(₱880)	₱1,583,743	(₱19,766)	(₱230,494)	₱3,838,446	(₱0.21)	₱9,509,680	₱223,113	₱9,732,793
Net income	–	–	–	–	–	–	245,818	–	245,818	(3,644)	242,174
Other comprehensive income	–	–	–	627,122	(56,956)	–	–	–	570,166	20,119	590,285
Total comprehensive income	–	–	–	627,122	(56,956)	–	245,818	–	815,984	16,475	832,459
Transfer of revaluation increment to retained earnings due to sale of land	–	–	–	(785,832)	–	–	785,832	–	–	–	–
Transfer to retained earnings	–	–	880	–	–	–	(880)	–	–	–	–
Dividends declared	–	–	–	–	–	–	(73,248)	–	(73,248)	–	(73,248)
Balances as at December 31, 2020	₱1,044,263	₱3,294,368	₱–	₱1,425,033	(₱76,722)	(₱230,494)	₱4,795,968	(₱0.21)	₱10,252,416	₱239,588	₱10,492,004

See accompanying Notes to Consolidated Financial Statements.

iPEOPLE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Years Ended December 31		
	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱776,954**	₱633,414	₱274,992
Adjustments for:			
Depreciation and amortization (Note 21)	**475,307**	456,685	463,422
Interest expense and other finance charges (Note 22)	**115,664**	140,949	178,294
Provision for doubtful accounts (Notes 8 and 21)	**120,408**	114,229	48,755
Interest income (Note 22)	**(20,105)**	(6,192)	(10,897)
Unrealized foreign exchange loss (gain) - net	**639**	(450)	(1,830)
Unrealized market gain on financial assets at FVTPL	**(119)**	492	(355)
Reversal of impairment on land (Note 11)	**–**	(15,763)	(5,238)
Operating income before working capital changes	**1,468,748**	1,323,364	947,143
Decrease (increase) in:			
Receivables	**(263,704)**	(110,641)	(95,364)
Prepaid expenses and other current assets	**(73,916)**	(120,416)	(94,656)
Increase (decrease) in:			
Accounts payable and other current liabilities	**63,520**	(100,017)	(58,029)
Unearned income	**137,775**	(22,189)	(100,128)
Other noncurrent liabilities	**(20,074)**	10,713	(2,291)
Net pension assets and liabilities	**8,816**	(54)	40,748
Net cash generated from operations	**1,321,165**	980,760	637,423
Interest paid	**(113,293)**	(137,410)	(139,909)
Income taxes paid	**(380)**	(567)	(41,025)
Interest received	**20,023**	6,050	10,734
Net cash flows from operating activities	**1,227,515**	848,833	467,223
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property and equipment (Notes 10 and 29)	**(272,857)**	(183,735)	(881,887)
Computer software (Note 13)	**(4,414)**	(15,479)	(1,840)
Proceeds from disposal of:			
Land through sale of subsidiary (Note 11)		–	1,754,800
Decrease (increase) in:			
Receivables from related parties	**24,252**	(28)	(25,445)
Other noncurrent assets	**38,691**	5,284	1,819
Net cash flows from (used in) investing activities	**(214,328)**	(193,958)	847,447

(Forward)

	Years Ended December 31		
	2022	2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of short-term loans (Notes 16 and 29)	**(₱400,000)**	(₱375,000)	(₱1,254,330)
Proceeds from short-term loans (Notes 16 and 29)	**–**	400,000	230,530
Payment of lease liabilities (Note 31)	**(69,827)**	(67,196)	(68,826)
Dividends paid to stockholders (Note 29)	**(167,083)**	(312,656)	(73,248)
Increase (decrease) in payables to related parties (Note 27)	**2,662**	(15,345)	14,070
Payments of long-term loans (Note 29)	**(21,001)**	–	–
Net cash flows used in financing activities	**(655,249)**	(370,197)	(1,151,804)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(639)**	449	1,830
NET INCREASE IN CASH AND CASH EQUIVALENTS	**357,299**	285,127	164,696
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,604,129**	1,319,002	1,154,306
CASH AND CASH EQUIVALENTS AT END OF YEAR (Notes 7 and 30)	**₱1,961,428**	₱1,604,129	₱1,319,002

See accompanying Notes to Consolidated Financial Statements.

IPEOPLE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

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

The Parent Company, a subsidiary of House of Investments, Inc. (HI), is a holding and management company. iPeople, inc. and its subsidiaries (collectively referred to as "the Group") are mainly involved in education sector with the list of subsidiaries disclosed in Note 2.

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

The Parent Company's principal office address is at 3rd Floor, Grepalife Building, 219 Sen. Gil J. Puyat Avenue, Makati City as of December 31, 2022. In 2023, the Parent Company changed its registered office address as disclosed in Note 32.

Merger with AC Education, Inc.
With the effectivity of the merger on May 2, 2019 between iPeople, inc. and AC Education, Inc. (AEI), the wholly owned education arm of Ayala Corporation (AC), iPeople, inc. became 48.18% owned by HI and 33.5% owned by AC. Details of the merger is disclosed in Note 6.

2. Basis of Preparation

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

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

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Group as at December 31, 2022 and 2021, and for each of the three years in the period ended December 31, 2022, 2021 and 2020.

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

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

	Percentage of Ownership		
	2022	2021	2020
Malayan Education System, Inc. (MESI) [Operating Under the Name of Mapua University] and subsidiaries	**100%**	100%	100%
Direct ownership of MESI on its subsidiaries:			
Malayan Colleges Laguna, Inc., A Mapua School (MCLI)	**100**	100	100
Malayan Colleges Mindanao (A Mapua School), Inc. (MCMI)	**100**	100	100
Malayan High School of Science, Inc. (MHSSI)	**100**	100	100
Mapua Information Technology Center, Inc. (MITC)	**100**	100	100
Mapua Techserv, Inc.	**100**	100	100
Mapua Techpower, Inc.	**75**	75	75
People eServe Corporation	**100**	100	100
Pan Pacific Computer Center, Incorporated (PPCCI)	**100**	100	100
Affordable Private Education Center, Inc. doing business under the name of APEC Schools	**100**	100	100
National Teachers College doing business under the name/s and style/s of The National Teachers College	**99.79**	99.79	99.79
University of Nueva Caceres	**83.62**	83.62	83.62
AC College of Enterprise and Technology, Inc.	**100**	100	100
LINC Institute, Inc. doing business under the Name and Style of LINC Academy	**100**	100	100

All subsidiaries were incorporated in the Philippines.

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

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

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

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

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

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

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

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

3. Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective as at January 1, 2022. The adoption of these pronouncements did not have any significant impact on the Group's financial position or performance.

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

Effective beginning on or after January 1, 2023
- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Effective beginning on or after January 1, 2024
- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

Effective beginning on or after January 1, 2025
- PFRS 17, *Insurance Contracts*

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

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

The Group continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to 2022 on the Group's consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the consolidated financial statements when these amendments are adopted.

4. Summary of Significant Accounting Policies

Current versus Noncurrent Classification
The Group presents assets and liabilities in the consolidated statement of financial position based on current/noncurrent classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve (12) months after the end of the financial reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the end of the financial reporting period.

The Group classifies all other assets as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve (12) months after the end of the financial reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve (12) months after the end of the financial reporting period.

The Group classifies all other liabilities as noncurrent.

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

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

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

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

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

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

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

- *Level 1* – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- *Level 2* – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- *Level 3* – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each financial reporting date.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

Financial Instruments
Initial recognition and subsequent measurement
The Group recognizes a financial asset or a financial liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date.

Financial assets – Initial recognition and measurement)
Financial assets are classified, at initial recognition, as "subsequently measured at amortized cost"; fair value through other comprehensive income (FVOCI); and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flow that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Group has financial assets at amortized cost (debt instruments) and financial assets at FVTPL.

Financial assets at amortized cost (debt instruments)
The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

This accounting policy relates to the Group's cash and cash equivalents, receivables, receivables from related parties, short-term investments, and refundable deposits.

Financial assets at fair value through profit or loss
A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income (OCI). However, an entity may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in OCI.

The Group may, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Included in this classification is the peso-denominated investment in Unit Investment Trust Fund (UITF) in Rizal Commercial Banking Corporation (RCBC).

Derecognition of financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets
The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

An impairment analysis is performed at each reporting date and the Group generally used the provision matrix to measure ECL. The mechanics of the ECL calculations and the key elements are, as follows:

a. *Probability of default (PD)* is an estimate of the likelihood of default over a given time horizon.
b. *Exposure at default (EAD)* is an estimate of the exposure at a future default date taking into account expected changes in the exposure after the reporting date.
c. *Loss given default (LGD)* is an estimate of the loss arising in the case where a default occurs at a given time.

The Group's debt instruments at amortized cost comprise of cash and cash equivalents, short-term investments and refundable deposits that are considered to have low credit risk. Hence, it is the Group's policy to measure ECL on such instrument on a 12-month basis applying the low credit risk simplification and based on the PD which is publicly available. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses external credit ratings both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECL.

For tuition and other fees receivables, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. The Group generally uses a provision matrix to calculate ECL. The provision rates are based on days past due for groupings based on school term. The provision matrix is initially based on the Group's historical observed default rates. The Group will then consider directly relevant forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are considered.

Primary drivers like macroeconomic indicators of qualitative factors such as forward-looking data on inflation rate and unemployment rate were added to the ECL calculation to reach a forecast supported by both quantitative and qualitative data points.

The Group may consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Liabilities – Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate, and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include loans and borrowings.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss
- Loans and borrowings

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. The EIR amortization is included as finance costs in the statement of comprehensive income.

This accounting policy applies primarily to accounts payable and other current liabilities (excluding payables to government), payables to related parties, dividends payable, lease liabilities, and loans payable.

Derecognition of financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

'Day 1' difference
Where the transaction price in a non-active market is different to the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in profit or loss, unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1' difference amount.

Prepaid Expenses and Other Current Assets
Prepaid expenses and other current assets pertain to resources controlled by the Group as a result of past events and from which future economic benefits are expected to flow to the Group. This account includes the following:

Prepaid Expenses
These are expenses paid in advance to be amortized over the benefit period or to be expense once incurred or consumed. These consist of prepaid insurance and subscriptions, among others.

Short-term investments
This pertains to interest bearing time deposits with terms of not more than one year and held for investment purposes.

Creditable Withholding Tax (CWT)
This pertains to the tax withheld source by the Group's customers and lessees and is creditable against its income tax liability.

Inventories
Inventories are stated at the lower of cost and net realizable value (NRV). NRV is the selling price in the ordinary course of the business, less costs of completion, marketing and distribution. Cost is determined using weighted and simple average methods for textbooks, printed materials and supplies intended for sale.

Value-added Tax (VAT)
The input VAT pertains to the 12% indirect tax paid by the Group in the course of the Group's trade or business on local purchases of goods or services. Input VAT that is not expected to be fully applied against the output VAT of the succeeding year is presented as noncurrent asset.

When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

Output VAT pertains to the 12% tax due on the local sale of goods or services by the Group.

Property and Equipment
Property and equipment, except for land, is stated at cost, less accumulated depreciation and any impairment in value.

The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the assets have been put into operation, such as repairs and maintenance, are normally charged to operations in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Construction in progress represents property under construction and is stated at cost. This includes cost of construction and other direct costs. Construction in progress is not depreciated until such time that the relevant assets are ready for their intended use.

Depreciation is computed using the straight-line method over the estimated useful lives (EUL) of the related assets as follows:

	Years
Buildings and improvements	10-40
Office furniture and equipment	5-10
Transportation equipment	5

Leasehold improvements are amortized over the term of the lease or the estimated useful lives of the improvements, whichever is shorter.

The EUL and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated property and equipment are retained in the accounts until they are no longer in use and no further depreciation and amortization are credited to or charged against current operations.

When assets carried at cost are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected as part of current operations. When land carried at revalued amount are retired or otherwise disposed of, the carrying amount, which is the fair value at the time of sale or disposal, is derecognized and no gain or loss is recognized.

Land at Revalued Amounts
Land is carried at its revalued amount. The appraised values used for revaluation were determined by independent firms of appraisers.

The initial cost of land consists of its purchase price and directly attributable costs of bringing the asset to its working condition and location for its intended use.

The appraisal increment (net of deferred tax) resulting from the revaluation is credited to OCI and accumulated in equity under "revaluation increment on land – net" account. Decreases in valuation is charged to profit or loss, except to the extent that it reverses the existing accumulated revaluation increment on the same asset and therefore such decrease is recognized in OCI. The decrease recognized in OCI reduces the revaluation increment on land – net account in equity. In case a subsequent revaluation increase of an asset reverses a revaluation decrease previously recognized in profit or loss, such increase is credited to income in profit or loss.

The same rules apply to impairment losses. An impairment loss on a revalued asset is first used to reduce the revaluation increment for that asset. Only when the impairment loss exceeds the amount in the revaluation increment for that same asset is any further impairment loss recognized in profit or loss.

Upon disposal, any revaluation increment relating to the land being sold is transferred to retained earnings.

Right-of-use Assets and Lease Liabilities
The Group recognizes right-of-use assets and lease liabilities on contracts that qualify as leases under PFRS 16. The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease

liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Right-of-use assets are subject to impairment. Refer to the accounting policies on Impairment of Nonfinancial Assets.

Lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate (IBR) at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group applies the short-term lease recognition exemption to its short-term leases of office space. It also applies the low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Business Combination and Goodwill

An acquisition of a business (i.e. an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return directly to investors) is a business combination. Business combinations are accounted for using the acquisition method. The acquired identifiable tangible and intangible assets, liabilities and contingent liabilities are measured at their fair values at the date of the acquisition. Any excess of the acquisition cost over the net fair value of the identifiable assets acquired and liabilities assumed is recognized as goodwill. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with PAS 39 either in profit or loss or as a change to OCI. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the consolidated statement of comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Impairment losses relating to goodwill cannot be reversed in future periods. The Group performs its impairment test of goodwill at least annually.

The goodwill recognized in the Group's consolidated statement of financial position pertains to the acquisition of MESI and merger with AEI as disclosed in Notes 6 and 12.

Intangible Assets Other Than Goodwill

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Subsequently, intangible assets are measured at cost less accumulated amortization and provision for impairment loss, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the consolidated statement of income in the year in which the expenditure is incurred.

The estimated useful life of intangible assets is assessed as either finite or indefinite. The estimated useful lives of intangible assets are as follows:

	Number of Years
Intellectual property rights	Indefinite
Student relationship	5-7
Software cost	3

The estimated useful lives of intangible assets with finite lives are assessed at the individual asset level. Intangible assets with finite lives are amortized over their estimated useful lives on a straight-line basis. Periods and method of amortization for intangible assets with finite useful lives are reviewed annually or earlier when an indicator of impairment exists.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive income in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite useful life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

A gain or loss arising from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible assets and is recognized in the consolidated statement of comprehensive income when the intangible asset is derecognized.

Impairment of Nonfinancial Assets

Property and equipment, student relationship, right-of-use assets, and other noncurrent assets

The Group assesses as of reporting date whether there is an indication that nonfinancial assets may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of the asset's or CGU's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

An assessment is made at each financial reporting date as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase in OCI to the extent that it reverses a revaluation decrease of the same asset that was previously recognized in OCI. After such reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Goodwill and intellectual property rights

Goodwill and intellectual property rights are reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment on goodwill and intellectual property rights are determined by assessing the recoverable amount of the cash-generating unit, to which these assets relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Equity

The Group records common stock at par value for all shares issued and outstanding, and additional paid-in capital for the excess of the total contributions received over the aggregate par values of the equity shares. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax. When any member of the Group purchases the Group's capital stock (treasury shares), the consideration paid, including any attributable incremental costs, is deducted from equity attributable to the Group's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Parent Company's own equity investments.

Retained earnings represent accumulated earnings less dividends declared and any adjustment arising from application of new accounting standards, policies or correction of errors applied retroactively.

The individual accumulated earnings of the subsidiaries are available for dividend declaration when these are declared as dividends by the respective subsidiaries as approved by their respective BOD or BOT, as applicable.

Revenue and Income Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer. Revenue is recognized when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the goods or service. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as principal in all of its revenue arrangements.

Revenue from schools and related operations consist of the following:

Revenue from tuition and other matriculation fees

Revenue from tuition fees and other matriculation fees are recognized over time over the corresponding school term using the output method (i.e., time lapsed over the service period such as semester or school year, depending on the curriculum registered). Upon enrollment, students have the option to pay the tuition and other matriculation fees in full or in installment.

Other student-related income

Other student-related income is recognized at a point in time upon delivery of the promised goods to the customer or at point in time when services has been rendered. These mainly consist of the following:

Admission, examination and other fees

Admission, examination and other fees are recognized as income when examination has been granted by the school and related services have been provided to the students (at point in time).

Bookstore income

Bookstore income is recognized when goods have been delivered to the buyer (at point in time).

Seminar income

Seminar income is recognized as income over the corresponding term or as the services are rendered (at point in time or over time).

Miscellaneous income

Miscellaneous income is recognized when earned (at point in time).

Sale of goods is recognized as revenue upon delivery of the goods to the buyer (at point in time).

Sale of services is recognized when services are rendered (over time).

Following are contract balances relative to PFRS 15:

Receivables
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to a customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract. The Group's contract liabilities represent the unearned income on tuition fees (presented under unearned income) and accounts payable to students (presented under accounts payable and other current liabilities) and will be recognized as revenue when the related educational services are rendered. Accounts payable to students are advance collections from students to be applied to the next school year or school term.

Costs and Expenses
The Group's costs and expenses constitute costs of operating the business recognized in the consolidated statement of comprehensive income as incurred.

Cost of schools and related operations
Cost of schools and related operations constitute expenses directly related to the Group's school and related operations which include expenses for salaries and wages of teaching and academic support personnel, student welfare activities, and all other student-related costs and expenses. Cost of schools and related operations are recognized as expense when the school and related services have been provided to the students.

General and Administrative Expenses
These expenses constitute costs of administering the business. General and administrative expenses, except for rent expense, are recognized as incurred.

Interest and Financing Charges
Interest and financing charges, excluding capitalizable borrowing costs, is recognized as expense in the period in which it is incurred.

Borrowing costs are capitalized if they are directly attributable to the acquisition or construction of a qualifying asset. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for their intended use.

Retirement Benefits
Retirement benefits cost is actuarially determined using the projected unit credit method. This method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Retirement benefits cost comprises the following:

- Service costs
- Net interest on the net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on nonroutine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

Income Taxes

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the financial reporting date.

Deferred tax

Deferred tax is provided, using the balance sheet liability method, on all temporary differences at the financial reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, net operating loss carry over (NOLCO) and minimum corporate income tax (MCIT) to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each financial reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

When a subsidiary is disposed, and said subsidiary has a single asset, land, which is classified as property and equipment carried at revalued amount in the consolidated financial statements, the tax paid on disposal of the subsidiary, emanating from the difference between the cost of the land and its selling price, is taken to OCI in the consolidated statement of comprehensive income. The related tax, e.g. capital gains tax (CGT), is netted against the reversal of deferred tax liability on revaluation increment of land sold through sale of subsidiary.

Deferred income tax that relates to items that are recognized: (a) in other comprehensive income shall be recognized in other comprehensive income; and (b) directly in equity shall be recognized directly in equity.

Deferred income tax assets and liabilities are offset if a legally enforceable right to offset current income tax against current income tax liabilities and the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current income tax liabilities and assets on a net basis or to realize the assets and settle the liabilities simultaneously, on each future period in which significant amounts of deferred income tax assets and liabilities are expected to be settled or recovered. Subsidiaries operating in the Philippines file income tax returns on an individual basis. Thus, the deferred tax assets and deferred tax liabilities are offset on a per entity basis.

Leases – Group as Lessor
Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the leased term on the same bases as rental income. Rental income is recognized on a straight-line basis over the term of the lease.

Foreign Currency-denominated Transactions and Translation
Foreign currency-denominated transactions are recorded using the prevailing exchange rates at the time of transactions. Foreign currency-denominated monetary assets and liabilities are translated to Philippine Peso closing rate of exchange prevailing at the reporting date. Exchange gains or losses arising from foreign currency are charged to profit or loss.

Basic Earnings Per Share (EPS)
Basic earnings per common share is computed based on weighted average number of issued and outstanding common shares, less treasury shares, after giving retroactive effect for any stock dividends. Diluted earnings per share, if applicable, is computed on the basis of the weighted average number of shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. There are no dilutive potential common shares that would require disclosure of diluted earnings per common share in the consolidated financial statements.

Segment Reporting
The Group's operating business are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 28 to the consolidated financial statements.

Provisions
Provisions are recognized when (a) the Group has a present obligation (legal or constructive) as a result of a past event, (b) it is probable that an outflow of assets embodying economic benefits will be required to settle the obligation and (c) a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

Events after the Financial Reporting Date
Post year-end events up to the date of the auditor's report that provide additional information about the Group's position at financial reporting date (adjusting event) are reflected in the consolidated financial statements. Any post year-end events that are not adjusting events are disclosed when material to the consolidated financial statements.

5. Significant Accounting Judgments and Estimates

The preparation of the consolidated financial statements requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. Future events may occur which can cause the assumptions used in arriving at those estimates to change. The effects of any changes in estimates will be reflected in the consolidated financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fair valuation of land
The Group measures land at revalued amount with changes in fair value being recognized in other comprehensive income. The Group engaged an independent firm of appraisers to determine the fair value as at December 31, 2022 and 2021. The key assumptions used to determine fair value are disclosed in Note 11.

As at December 31, 2022 and 2021, the fair value of land amounted to ₱7,578.4 million and ₱6,460.8 million, respectively (Note 11).

Estimation of allowance for ECL on tuition and other fees receivables
The Group generally uses provision matrix to calculate ECL for tuition and other fees receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will then consider directly relevant forward-looking information. At every reporting date, the historical observed default rates are updated and forward-looking factors specific to the debtors and the economic environment are updated to consider the impact of the coronavirus pandemic.

The Group also applied weights to various scenarios in the computation of the allowance for ECL to incorporate impact of uncertainty due to the current economic conditions such as the impact of the coronavirus pandemic. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

Allowance for ECL on tuition and other fees receivables and related carrying value are disclosed in Note 8.

Leases under PFRS 16 – Estimating the IBR
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses IBR to measure lease liabilities. The IBR is the rate of interest that an entity would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the entities 'would have to pay', which requires estimation when no observable rates are available (such as for entities that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the stand-alone credit rating).

The Group's right-of-use assets and lease liabilities are disclosed in Note 31.

Impairment of nonfinancial assets
Impairment of goodwill and intellectual property rights (nonfinancial assets with indefinite useful) are assessed at least on an annual basis. In assessing the impairment, the Group determines the recoverable amount using value in use with details disclosed in Notes 6 and 12. In 2022, an impairment loss on intellectual property right attributable to APEC amounting ₱32.2 million to was recognized (nil in 2021 and 2020). The carrying value of these assets are disclosed in Notes 6 and 12.

As to the Group's student relationship, an impairment loss was recognized in 2021 for student relationship attributable to APEC (nil in 2022 and 2020) [Note 6].

In 2022 and 2021, the Group performed an impairment testing of the property and equipment and right-of-use assets of APEC amounting to ₱416.0 million and ₱355.2 million as of December 31, 2022 and 2021, respectively, due to the continuing losses and significant decline in thenumber of students due to the coronavirus pandemic. In assessing the impairment, the Group determines the recoverable amount using value in use, with details disclosed in Note 31. Management assessed that these assets as of December 31, 2022 and 2021 are not impaired considering that the calculated recoverable amount is higher than the carrying value (see Notes 10 and 31).

Estimation of pension obligations and other retirement benefits
The determination of the Group's pension cost and liabilities is dependent on the selection of certain assumptions used in calculating such amounts. Those assumptions include, among others, discount rate and salary increase rate which were disclosed in Note 25 and to which the cash flows are most sensitive to. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in assumptions may materially affect the retirement expense and related asset or liability.

As at December 31, 2022 and 2021, the net pension liabilities amounted to ₱129.8 million and ₱124.2 million, respectively, while net pension assets amounted to ₱38.7 million and ₱18.1 million as at December 31, 2022 and 2021, respectively (Note 25).

Deferred tax assets
The Group reviews the carrying amounts of deferred tax assets at each financial reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred income tax assets to be utilized. Where there is no absolute assurance that each legal entity in the Group will generate sufficient taxable profit to allow all or part of its deferred tax assets to be utilized, deferred tax assets are not recognized.

Deferred tax assets recognized and temporary differences on which deferred tax assets were not recognized are disclosed in Note 23.

Provisions
The Group is currently involved in certain legal proceedings and claims in the ordinary course of business. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The ultimate disposition of these matters cannot be determined with certainty. The Group will exhaust all legal remedies available to it in defending itself in these claims and proceedings (Notes 14 and 31).

6. Intangible Assets Arising from the Merger

As a result of the merger which was disclosed in Note 1, iPeople, inc. issued to AC an aggregate of 295,329,976 shares with par value of ₱1.0 per share for a total fair value of ₱3,591.21 million based on iPeople, inc.'s quoted closing rate per share as of May 2, 2019 in exchange for the transfer of the net assets of AEI. The excess of the fair value of shares issued over the par value was recognized as additional paid-in capital.

The Group recognized the following intangible assets in 2019 as a result of the merger:

Intellectual property rights	₱523,103
Student relationship	116,009
Goodwill (Note 12)	13,472
	₱652,584

Intellectual property rights have infinite life and the student relationship have an estimated useful life of 5 years to 7 years based on the contractual relationship between the school entities and its students. These assets are attributed from the acquisition of operating schools NTC, APEC and UNC.

Intellectual Property Rights
As of December 31, 2022 and 2021, the Group performed impairment testing on intellectual property rights using the income approach (royalty relief method) wherein recoverable value is computed based on royalty savings. Key assumptions used are as follows:

- Revenue projections and long-term growth rate (3% for 2022 and 2021). Revenue projections based on financial budgets approved by management and the BOD and considers the impact of the coronavirus pandemic. The long-term growth rate considers the expected growth rate in the education industry sector.
- Discount rates (16% to 17% for 2022 and 14% to 15% for 2021). The discount rate used for the computation of the net present value is the weighted average cost of capital and was determined by reference to comparable listed companies in the educational sector.

- Royalty rates (1% to 6% for 2022 and 2021). This is based on the publicly available information on franchising of educational institutions in the Philippines, with consideration on the operational risk of the involved entity.

The Group's impairment testing on intellectual property rights resulted to the recognition of ₱32.2 million impairment loss on APEC in 2022 (nil in 2021 and 2020). The carrying value of intellectual property rights as of December 31, 2022 and 2021 amounted to ₱490.9 million and ₱523.1 million, respectively.

Student Relationship
The carrying value and movement of student relationship as of and for the year ended December 31 follows:

	2022	2021
Cost from business combination	**₱116,009**	₱116,009
Accumulated amortization:		
Beginning balance	**(72,248)**	(37,184)
Amortization and impairment (Note 20a)	**(33,002)**	(35,064)
Ending balance	**(105,250)**	(72,248)
Balance at end of the year	**₱10,759**	₱43,761

Amortization amounted to ₱33.0 million in 2022 and ₱22.3 million in 2021 and 2020. In 2021, the Group recognized ₱12.8 million impairment loss on APEC student relationship because the remaining students from the time of the merger in 2019 significantly decline as of December 31, 2021 due to the impact of coronavirus pandemic.

7. Cash and Cash Equivalents

This account consists of:

	2022	2021
Cash on hand	**₱3,100**	₱2,360
Cash in banks (Note 15)	**544,228**	448,853
Cash equivalents (Note 15)	**1,414,100**	1,152,916
	₱1,961,428	₱1,604,129

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents have terms with varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest at the prevailing short-term investment rates.

Interest income from cash in banks and cash equivalents amounted to ₱20.0 million, ₱6.0 million and ₱10.7 million in 2022, 2021 and 2020, respectively (Note 22).

8. Receivables

This account consists of:

	2022	2021
Tuition and other fees	**₱1,429,781**	₱1,246,586
Advances to officers and employees	**29,870**	21,529
Others	**62,966**	54,626
	1,522,617	1,322,741
Allowance for ECL	**(346,389)**	(289,890)
	₱1,176,228	₱1,032,851

Tuition and other fees pertain to tuition and other matriculation fees which are normally collected at end of every school term before the students can proceed to the next term. This also includes receivable from Department of Education (DepEd) amounting to ₱319.8 million and ₱140.8 million as at December 31, 2022 and 2021, respectively, arising from the Senior High School (SHS) Voucher Program wherein qualified SHS students are given assistance on tuition fees. These receivables are noninterest-bearing and are generally collectible within one year.

The changes in allowance for ECL as at December 31 follow:

	2022		
	Tuition and other fees	**Others**	**Total**
Balance at beginning of year	**₱281,120**	**₱8,770**	**₱289,890**
Provisions for the year (Note 21)	**120,408**	**–**	**120,408**
Write-off	**(63,909)**	**–**	**(63,909)**
Balance at end of year	**₱337,619**	**₱8,770**	**₱346,389**
Gross receivables	**₱1,429,781**	**₱62,966**	**₱1,492,747**

	2021		
	Tuition and other fees	Others	Total
Balance at beginning of year	₱168,978	₱8,770	₱177,748
Provisions for the year (Note 21)	114,229	–	114,229
Write-off	(2,087)	–	(2,087)
Balance at end of year	₱281,120	₱8,770	₱289,890
Gross receivables	₱1,246,586	₱54,626	₱1,301,212

9. Prepaid Expenses and Other Current Assets

	2022	2021
Prepaid expenses	**₱163,416**	₱192,032
Short-term investments	**161,153**	44,842
CWT	**10,352**	7,298
Books inventories	**6,160**	5,095
Office supplies	**3,904**	3,805
Others	**119,952**	137,949
	₱464,937	₱391,021

Prepaid expenses mainly include prepayments for membership fees, subscriptions, and insurance, among others.

Short-term investments earn interest at the prevailing investment rates and have maturity of less than one year. These include investments held for government and private entities for the purpose of undertaking socio-economic studies and development projects amounting to ₱40.19 million and ₱34.82 million as of December 31, 2022 and 2021, respectively.

Others relate to rent deposits and other supplies. This also includes payments made on certain claims that are under protest (Note 31).

10. Property and Equipment

The rollforward analysis of this account follows:

	2022				
	Buildings and Improvements	Office Furniture and Equipment	Transportation Equipment	Construction In Progress	Total
Cost					
Balance at beginning of year	₱4,900,055	₱2,572,710	₱51,977	₱1,645,080	₱9,169,822
Acquisitions	150,459	132,287	1,780	45,670	330,196
Disposals/retirement	–	(3,337)	(761)	–	(4,098)
Reclassifications and adjustments	1,427,459	191,575	(1,820)	(1,669,974)	(52,760)
Balance at end of year	6,477,973	2,893,235	51,176	20,776	9,443,160
Accumulated depreciation, amortization and impairment loss					
Balance at beginning of year	1,590,059	2,135,982	36,773	–	3,762,814
Depreciation (Notes 20 and 21)	191,390	183,494	6,391	–	381,275
Disposals/retirement	–	(3,349)	(761)	–	(4,110)
Reclassifications and adjustments	–	6,611	(2,020)	–	4,591
Balance at end of year	1,781,449	2,322,738	40,383	–	4,144,570
Net book value at cost	4,696,524	570,497	10,793	20,776	5,298,590
Land at revalued amounts (Note 11)	–	–	–	–	7,578,412
Total	₱4,696,524	₱570,497	₱10,793	₱20,776	₱12,877,002

	2021				
	Buildings and Improvements	Office Furniture and Equipment	Transportation Equipment	Construction In Progress	Total
Cost					
Balance at beginning of year	₱4,914,555	₱2,365,584	₱48,521	₱1,654,804	₱8,983,464
Acquisitions	46,919	85,600	6,353	72,498	211,370
Disposals/retirement	(120,388)	(4,398)	–	–	(124,786)
Reclassifications and adjustments	58,969	125,924	(2,897)	(82,222)	99,774
Balance at end of year	4,900,055	2,572,710	51,977	1,645,080	9,169,822
Accumulated depreciation, amortization and impairment loss					
Balance at beginning of year	₱1,532,900	₱1,832,916	₱32,136	₱–	₱3,397,952
Depreciation (Notes 20 and 21)	198,864	156,312	7,063	–	362,239
Disposals/retirement	(120,388)	(2,223)	–	–	(122,611)
Reclassifications and adjusments	(21,317)	148,977	(2,426)	–	125,234
Balance at end of year	1,590,059	2,135,982	36,773	–	3,762,814
Net book value at cost	3,309,996	436,728	15,204	1,645,080	5,407,008
Land at revalued amounts (Note 11)	–	–	–	–	6,460,845
Total	₱3,309,996	₱436,728	₱15,204	₱1,645,080	₱11,867,853

Construction in progress as at December 31, 2021 mainly includes the general cost of construction of MESI's new school building in Makati City and other direct costs which was completed in 2022 (Note 11).

The land and related improvements owned by MCMI with carrying value of ₱2,385.5 million and ₱2,382.0 million as of December 31, 2022 and 2021, respectively, were used to secure the long-term loans of MCMI as disclosed in Note 17.

The Group performed an impairment testing of the property and equipment and right-of-use assets of APEC in which further disclosures are made in Note 31.

11. Land at Revalued Amounts

This account, classified as property and equipment (see Note 10), consists of:

	2022	2021
Land at cost	**₱4,066,906**	₱4,066,906
Provision for impairment:		
Balance at beginning of year	**–**	(15,763)
Reversal during the year charged to profit or loss	**–**	15,763
Balance at end of year	**–**	–
Revaluation increment on land:		
Balance at beginning of year	**2,393,939**	2,168,629
Change in revaluation increment	**1,117,567**	225,310
Balance at end of year	**3,511,506**	2,393,939
	₱7,578,412	₱6,460,845

Land at revalued amounts consists of owner-occupied property wherein the school buildings and other facilities are located.

These land were appraised by SEC-accredited independent firms of appraisers to determine the revalued amounts as at December 31, 2022 and 2021.

The valuation was derived through the market approach based upon prices paid in actual market transactions. This approach relies on the comparison of recent sale transactions or offerings of similar properties which have occurred and/or offered with close proximity to the subject properties, adjusted based on certain elements of comparison (e.g. location, size and road frontage).

The parcels of land were valued in terms of their highest and best use which is categorized under Level 3 of the fair value hierarchy.

Presented below are the land location and the ranges of the land fair value per square meter based on the appraisal reports.

	Range	
Location	**2022**	2021
Makati and Intramuros, Manila	**₱85,050 to ₱246,926**	₱57,375 to ₱266,000
Cabuyao, Laguna	**₱11,875 to ₱13,500**	₱10,412 to ₱13,500
Davao City, Davao Del Sur	**₱22,088 to 35,340**	₱23,750 to 32,148
Pandacan, Metro Manila	**₱85,781 to ₱102,375**	₱61,200 to ₱79,475
San Jose Del Monte City, Bulacan	**₱55,510 to 60,493**	₱55,510 to 59,993
Naga City, Camarines Sur	**₱19,000 to ₱34,913**	₱18,573 to ₱27,075
Quiapo, Manila	**₱89,100 to 135,000**	₱70,837 to 130,625

Adjustment factors arising from external and internal factors (i.e., location, size and road frontage) affecting the subject properties as compared to the market listing of comparable properties, range from -20% to +15% in 2022 and from -25% to +20% in 2021.

Significant increases (decreases) in estimated price per square meter would result in a significantly higher (lower) fair value of the land.

In 2019, the Group recorded provision for impairment in value of ₱21.0 million on a parcel of land charged to profit or loss as there was no previous revaluation increment recognized on said land. Based on the 2021 and 2020 appraisal of the same parcel of land, there was an increase in value that resulted to the reversal of the previously recognized impairment loss amounting to ₱15.8 million in 2021 and ₱5.2 million in 2020. The increase was credited to profit or loss as "Other income (charge) – net" in the 2021 and 2020 statement of comprehensive income.

In December 2020, MESI sold its investment in its subsidiary, San Lorenzo Ruiz Investment Holdings and Services Inc., to HI for ₱1,946.6 million and paid CGT of ₱126.8 million on the gain on sale. The Group treated the sale of investment as disposal of the net assets of the subsidiary which mainly represents the land classified as property and equipment. As the land is carried at revalued amount, prior to the sale, the Group recorded revaluation increment of ₱188.7 million (gross of tax) to reflect the land's fair value of ₱1,946.6 million, which is equivalent to the selling price of said land. The revaluation increment (net of tax) of ₱132.1 million was credited to OCI. Upon sale of the subsidiary in 2020, the Group recorded the following:

- Reversal through OCI of the related deferred tax liability on revaluation increment of subsidiary's land amounting to ₱273.8 million;
- Recognition of CGT on the sale of the subsidiary through OCI amounting to ₱126.8 million, which is netted against Reversal of deferred tax liability on revaluation increment of land sold through sale of subsidiary in the consolidated statement of comprehensive income; and
- Transfer of revaluation increment of the subsidiary's land accumulated in equity (net of tax) amounting to ₱785.8 million to retained earnings.

Since the land of the sold subsidiary was carried at revalued amount, in accordance with the Group's accounting policy, gain or loss on sale will not recycle to profit or loss but the corresponding revaluation increment in equity was transferred directly to retained earnings.

12. Goodwill

The goodwill recognized in the consolidated statement of financial position amounting to ₱151.3 million as at December 31, 2022 and 2021 pertains to the ₱137.8 million goodwill from acquisition of MESI in 1999 and ₱13.5 million goodwill from the 2019 acquisition of AEI subsidiaries (see Note 6).

The Group performed impairment testing on goodwill arising from acquisition of MESI wherein MESI was considered as the CGU. No impairment testing was done on the ₱13.5 million goodwill as the Group assessed it as not material to the consolidated financial statements. In 2022, 2021 and 2020, management assessed that no impairment loss should be recognized.

Key assumptions used in the value in use (VIU) calculation
As at December 31, 2022 and 2021, the recoverable amount of the CGU has been determined based on a VIU calculation using five-year cash flow projections. Key assumptions in the VIU calculation of the CGU are most sensitive to the following:

- Future revenues and revenue growth rates. Cash flow projections based on financial budgets approved by management and the BOD covering a five-year period and considers the impact of the coronavirus pandemic, among others.
- Long-term growth rates (5.79% for 2022 and 4.84% for 2021). The long-term growth rate considers the historical growth rate of MESI and the long-term growth rate for the education industry sector.
- Discount rate (14% for 2022 and 11% for 2021). The discount rate used for the computation of the net present value is the weighted average cost of capital and was determined by reference to comparable listed companies in the educational sector.

Sensitivity to changes in assumptions
Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of goodwill to materially exceed its recoverable amount.

13. Other Noncurrent Assets

This account consists of:

	2022	2021
Input VAT – net	**₱35,526**	₱39,146
Miscellaneous deposits	**26,404**	27,081
Creditable withholding tax	**22,032**	22,714
Computer software	**17,008**	19,464
Books and periodicals	**3,784**	5,266
	₱104,754	₱113,671

Miscellaneous deposits include rent deposits of the Group amounting to ₱14.2 million and ₱15.2 million as of December 31, 2022 and 2021, respectively.

Computer software is amortized over a period of three years. The rollforward analysis of computer software follows:

	2022	2021
Cost		
Balance at the beginning of the year	**₱59,504**	₱44,025
Additions	**4,414**	15,479
Reclassifications	**114**	–
Balance at the end of the year	**64,032**	59,504
Accumulated Amortization		
Balance at the beginning of the year	**40,040**	34,989
Amortization (Notes 20 and 21)	**6,860**	4,551
Reclassifications	**124**	500
Balance at the end of the year	**47,024**	40,040
Net Book Value	**₱17,008**	₱19,464

14. Accounts Payable and Other Current Liabilities and Unearned Income

Accounts Payable and Other Current Liabilities
Accounts payable and other current liabilities consists of:

	2022	2021
Accounts payable	**₱434,281**	₱397,869
Accrued expenses	**223,048**	226,333
Funds payable	**238,987**	240,628
Provisions (Note 31)	**168,717**	159,266
Other payables	**34,604**	12,023
	₱1,099,637	₱1,036,119

Accounts payable pertains to the Group's obligation to local suppliers. Accounts payable also includes payables to students which are considered contract liabilities amounting to ₱35.82 million and ₱35.80 million as at December 31, 2022 and 2021, respectively.

Accrued expenses consist of:

	2022	2021
Payable to suppliers	**₱67,117**	₱111,979
Accrued salaries and wages	**48,261**	19,222
Accrued professional fees	**17,134**	15,359
Accrued interest (Note 18)	**17,468**	18,057
Accrued communication expense	**3,259**	3,998
Withholding taxes and others	**19,121**	15,864
SSS and other contributions	**7,344**	5,136
Contracted services	**5,643**	5,665
Accrued utilities	**5,501**	4,311
Output VAT payable	**7,527**	5,181
Insurance	**4,875**	3,081
Others	**19,798**	18,480
	₱223,048	₱226,333

Accounts payable, accrued expenses, and other payables are noninterest-bearing and are expected to be settled within a year after the financial reporting date. Funds payables are noninterest-bearing and are expected to be settled upon payout related to the funded projects and scholarship programs.

Funds payable includes funds received by the Group from Department of Science and Technology (DOST), Commission on Higher Education (CHED) and private entities for their scholarship programs to be granted to the Group's students, and NSTP and CWTS fees collected from students.

Unearned Income
Unearned income consists mainly of unearned tuition fees and seminar fees amounting to ₱796.2 million and ₱658.4 million as at December 31, 2022 and 2021, respectively, which are considered contract liabilities.

Contract Liabilities
As at December 31, 2022, contract liabilities amounted to ₱828.68 million and these will be recognized as revenue in the following year. Contract liabilities as of January 1, 2022 amounting to ₱691.4 million were recognized as revenue in 2022. The increase in contract liabilities in 2022 is mainly due to increase in number of students and timing of enrollment period for School Year 2022-2023.

15. Related Party Transactions

Related party relationships exist when the entity has the ability to control, directly or indirectly, through one or more intermediaries, or exercise significant influence over the entity in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity and its key management personnel, directors or stockholders. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form.

Following are the transactions with related parties and the balances as at December 31:

	Year	Amount / Volume	Receivables from (Payables to)	Terms and Conditions
Controlling entity – HI				
a) Payable to HI				
	2022	**P–**	**(P17,003)**	
	2021	P–	(P13,566)	**Noninterest-bearing; unsecured; due and demandable**
Management fee and other professional fees (Notes 20 and 21)	**2022**	**98,402**	–	–
	2021	51,534	–	–
	2020	66,973	–	–
b) Receivable from HI				
	2022	–	**255**	**Noninterest-bearing; unsecured; due and demandable; no impairment**
	2021	–	248	
Reimbursements	**2022**	–	–	–
	2021	229	–	–
	2020	33	–	–
Entities under common control of HI				
c) Receivables from related parties				
	2022	–	**499**	**Noninterest-bearing; unsecured; due and demandable; no impairment**
	2021	–	25,328	
Reimbursements	2020	25,325	–	–
Rental income	**2022**	**(5,022)**	**1,051**	–
	2021	–	483	–
	2020	(467)	–	–
d) Payables to related parties				
	2022	–	**(206)**	**Noninterest-bearing; unsecured; due and demandable**
	2021	–	(569)	
Contracted services (Notes 20 and 21)				
	2022	**65,296**	–	–
	2021	36,934	–	–
	2020	37,660	–	–
e) Accounts payable (Notes 10 and 14)	**2022**	–	–	**Noninterest-bearing; unsecured; payable on demand**
	2021	–	(352)	
Entities under common control of PMMIC				
f) Cash and cash equivalents (Note 7)				
	2022	–	**1,333,517**	**Interest at prevailing deposit and short-term rates; unsecured; no impairment**
	2021	–	1,146,315	
Interest income (Note 22)				
	2022	**20,023**	–	–
	2021	6,050	–	–
	2020	10,734	–	–
g) Receivables from related parties				
	2022	**2**	**18**	**Noninterest-bearing; unsecured; due and demandable; no impairment**
	2021	–	18	
h) Insurance expense				
	2022	**14,923**	–	
	2021	13,279	–	
	2020	12,803	–	

(Forward)

	Year	Amount / Volume	Receivables from (Payables to)	Terms and Conditions
Financial asset at FVTPL (Note 30)				
	2022	**P–**	**P9,332**	
	2021	P–	P9,213	**Carried at fair value; No impairment**
Short-term investments (Note 9)	**2022**	**–**	**40,191**	**Interest at prevailing deposit and short-term rates; unsecured; no impairment**
	2021	–	34,816	
Entities with significant influence				
i) Payable to related parties	**2022**	**–**	**–**	**Due on demand, noninterest-bearing; unsecured; no impairment**
	2021	–	–	
Management fee and other professional fees (Notes 20 and 21)	**2022**	**9,000**	**–**	
	2021	9,900	–	–
	2020	10,530	–	–
Others				
j) Accounts payable				
	2022	**–**	**–**	**Noninterest-bearing; unsecured; due and demandable; no impairment**
	2021	–	(3)	
Utilities				
	2022	**–**	**–**	–
	2021	–	–	
	2020	167	–	
Professional fees				
	2022	**158**	**–**	–
	2021	449	–	
	2020	3,644	–	
Others				
	2022	**–**	**–**	–
	2021	454	–	–

The Group's significant transactions with related parties follow:

a) *Payable to HI*
This account pertains to management and other professional fees charged by HI for administering the subsidiaries' operations (Notes 20 and 21).

b) *Receivables from HI*
This account pertains to fuel consumption, car plan and gym rental advanced by the Group. These are noninterest-bearing and are payable on demand.

c) *Receivables from entities under common control of HI*
Receivables from entities under common control of HI arise from HI subsidiaries' lease of the Group's canteen kiosks in its Makati and Intramuros properties and expenses advanced by the Group. The term of the lease is for one year and renewable with uniform rental payments.

d) *Payables to entities under common control of HI*
Payables to entities under common control of HI pertain to property management and janitorial and security services (contractual services).

e) *Accounts payable to entities under common control of HI*
Accounts payable pertains to the outstanding balance of general cost of construction of school buildings and other facilities and professional fees related to the building construction (Notes 10 and 14)

f) *Cash and Cash Equivalents*
The Company maintains cash and cash equivalent with its affiliate bank and earns interest income at prevailing deposit and short-term investment rates (Note 7).

g) *Receivables from entities under common control of PMMIC*
Due from entities under common control of PMMIC arises from RCBC's rental of the Group's office spaces in its Makati property.

h) *Payables to entities under common control of PMMIC*
The Group obtains property and personnel insurance with its affiliated insurance company, Malayan Insurance Company, Inc. (MICO). Insurance contract coverage pertains to the Group's fire, accident, group and other insurance policies.

i) *Payable to related parties*
Payable to related parties mainly pertains to management fees charged by AC for the administration of the Parent Company's operations.

j) *Accounts payable to related parties*
Pertains to the water utility bills and professional fees payable to other affiliates.

Other related party transactions follow:

a) The Group maintains its retirement fund with RCBC Trust Division (Note 25). Trust fees paid by the retirement plan to RCBC amounted to ₱0.46 million, ₱1.23 million and ₱0.90 million for the years ended December 31, 2022, 2021 and 2020, respectively.

Compensation of key management personnel of the Group

The remuneration of directors and other members of key management are as follows:

	2022	2021	2020
Short-term benefits	**₱269,022**	₱144,164	₱37,044
Post-employment benefits	**6,651**	1,400	1,342
	₱275,673	₱145,564	₱38,386

Terms and conditions of transaction with related parties
Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash. For the years ended December 31, 2022 and 2021, the Group has not recorded any impairment losses on receivables relating to amounts owed by related parties. This assessment is undertaken each year through examining the financial position of the related party and the market in which the related party operates.

16. Short-term Loans

In 2017, the Group, through MCMI, obtained a short-term loan (STL) facility with Bank of Philippine Island (BPI), which was earmarked from the long-term loan facility of the Group from same bank, to finance the construction of MCMI's school building. Each STL facility may be re-availed, renewed or extended within a period of one year provided that the sum of the terms of re-availments/renewals/ extension will not exceed 360 days. The STL facility may be converted into a 10-year term loan facility which shall be partially secured by the real estate mortgage on the real property of MCMI.

The STL facility is secured by the Continuing Suretyship Agreement of MESI. Annual interest rates range from 3.00% to 5.50%. Short-term loans amounting to ₱400.0 million as at December 31, 2021 was paid in 2022.

Interest expense charged to operations in 2022, 2021 and 2020 amounted to ₱3.7 million, ₱6.7 million and ₱18.3 million, respectively (Note 22).

17. Long-term Loans

This account consists of the following as of December 31:

	2022	2021
Unsecured bank loans	**₱358,998**	₱380,000
Secured bank loans	**1,497,018**	1,494,646
Total	**1,856,016**	1,874,646
Less: Current portion of unsecured bank loans	**24,430**	21,001
Reclassification to current liability of secured loans	**1,497,018**	–
Current portion of long-term loans	**1,521,448**	21,001
Noncurrent portion of long-term loans	**₱334,568**	₱1,853,645

Unsecured

The Group, through NTC, entered into a 10-year unsecured term loan facility with a third party local bank for ₱650.0 million to finance its building refurbishment and/or expansion (see Note 10). The principal payments will be made in 28 quarterly payments starting May 2022. As of December 31, 2020, total drawdown from the long-term loan facility amounted to ₱380 million. The ₱300 million is subject to 5.5% fixed rate and the ₱80 million is subject to annual repricing based on higher of 5.5% or the prevailing one year benchmark rate or done rate of a liquid/active security, as agreed by the parties, with the same tenor if benchmark rate is not reflective of market rate, plus interest spread.

In September 2021, the ₱80 million was converted to a 5.5% fixed rate.

The loan is subject to certain covenants including maintaining a maximum debt-to-equity (D:E) structure ratio of 3:1. As of December 31, 2022 and 2021, NTC has complied with its covenant obligations, including maintaining the required D:E ratio.

Interest expense recognized in profit or loss in 2022, 2021 and 2020 amounted to ₱21.4 million, ₱21.3 million and ₱8.5 million, respectively (Note 22).

Secured

In 2019, the Group, through MCMI, entered into a ten-year secured long-term loan agreement with a local bank for ₱1,500.0 million to refinance the construction of MCMI's school buildings and facilities that were initially funded by short-term loans. MCMI made partial drawdowns against this agreement amounting to ₱680.0 million, ₱350.0 million and ₱470.0 million in January, June and July 2019, respectively. The loans were subject to prevailing borrower's rate, plus a minimum spread of 0.50% per annum, but in no case lower than 4% per annum, subject to quarterly repricing. MCMI shall repay the loan in 20 equal quarterly installments to start at the end of 21st quarter from the initial drawdown date. The loans were secured by the land and related improvements owned by MCMI with carrying value of ₱2,385.0 million and ₱2,382.0 million as of December 31, 2022 and 2021, respectively, and suretyship of MESI (Note 10). The loans were subject to certain positive and negative covenants such as the requirement for MCMI to maintain its debt service cover ratio of at least 1.0 at all times and maximum D:E ratio of 75:25 starting on the third year of the loan (January 2022) reckoned from initial drawdown date of January 2019.

In April 2022, MCMI requested the bank to waive the compliance in D:E ratio requirement in 2022. In February 2023, the bank confirmed in writing the approval of the non-declaration of MCMI in default for not meeting the required financial covenant for D:E ratio for as long as MCMI continues to follow the existing payment term/schedule and other terms and conditions stipulated in the loan agreement.

As of December 31, 2022, the D:E ratio of 77:23 did not meet the required D:E ratio. Hence, MCMI classified the loan from bank amounting to ₱1.5 billion as current liability. The loans were reclassified from noncurrent to current because the letter from the bank was issued after December 31, 2022. Although the loans are classified as current as of December 31, 2022, it will remain long-term based on the terms of the loan agreement and will not be paid in the next twelve months. The reclassification was done to comply with PFRS.

MCMI incurred debt issue cost amounting to ₱11.2 million which is being amortized over the loan term of 10 years using the effective interest method. The amortization of debt issue cost amounting to ₱2.4 million in 2022, 2021 and 2020 were recorded as part of interest expense.

Interest expense, including amortization of debt issue cost, amounted to ₱64.5 million, ₱63.6 million and ₱58.3 million in 2022, 2021 and 2020, respectively (Note 22).

Outstanding balance of secured long-term loans as of December 31 follows:

	2022	2021
Principal	**₱1,500,000**	₱1,500,000
Unamortized debt issue cost	**(2,982)**	(7,725)
	₱1,497,018	₱1,492,275

18. Equity

Capital Stock

Capital stock consists of 2,000,000,000 authorized with 1,044,263,197 issued and outstanding common shares as of December 31, 2022 and 2021, with a par value of ₱1 per share.

On September 15, 1989, SEC approved the registration of the Group's entire authorized capital stock with a Certificate of Permit to Sell Securities authorizing the sale of 25 billion shares worth ₱250.00 million. The Group's capital stock was listed in both Manila and Makati Stock Exchanges on January 24, 1990. Actual number of shares initially listed is 15 billion at an offer price of ₱0.01 per share.

Below is the summary of the Group's outstanding number of shares and holders of securities as at December 31, 2022:

Year	Number of shares registered	Number of holders of securities as at year end
January 1, 2021	1,044,262,925	2,013
Add (deduct) movement	272	(7)
December 31, 2021	1,044,263,197	2,006
Add (deduct) movement	–	(3)
December 31, 2022	1,044,263,197	2,003

Retained Earnings
In accordance with Revised Securities Regulation Code (SRC) Rule No. 68, the Parent Company's retained earnings available for dividend declaration as at December 31, 2022 and 2021 amounted to ₱1,215.3 million and ₱1,259.2 million, respectively. The Parent Company and its subsidiaries will declare dividends out of their retained earnings available for dividend declaration.

The retained earnings account in the consolidated statements of financial position includes the accumulated equity in undistributed earnings of consolidated subsidiaries amounting ₱6,405.31 million and ₱6,256.53 million as at December 31, 2022 and 2021, respectively. These are not available for dividends until declared by the subsidiaries.

The BOD declared cash dividends as follows:

	2022	2021	2020
April 1, 2022, (₱0.16 per share) to stockholders ofrecord as of April 29, 2022, payable on or before May 20, 2022	**₱167,082**	₱–	₱–
November 12, 2021, (₱0.239403 per share) to stockholders of record as of November 29, 2021, payable on December 22, 2021	–	250,000	–
April 8, 2021, (₱0.06 per share to stockholders of record as of May 7, 2021, payable on May 31, 2021	–	62,656	–
March 27, 2020, (₱0.070143 per share) to stockholders of record as of April 14, 2020, payable on May 8, 2020	–	–	73,248
	₱167,082	₱312,656	₱73,248

On March 31, 2023, the BOD declared ₱198.41 million cash dividends (₱0.19 per share) to stockholders of record as of April 28, 2023, payable on or before May 19, 2023.

Transactions with Non-Controlling Interests
On May 9, 2019, the Parent Company acquired the 281,642 shares of MESI owned by HI, representing 7% ownership in MESI. With this acquisition, MESI became a 100%-owned subsidiary of the Parent Company. The ₱354.2 million excess of the consideration paid over the book value of non-controlling interest acquired was recognized in equity by debiting "Equity reserve".

In December 2019, the Parent Company acquired 2,743 additional shares of UNC from various stockholders representing 24.99% ownership in UNC. With the acquisition, the Parent Company now owned 83.62% of UNC. The ₱123.8 million excess of book value of non-controlling interest acquired over the consideration paid was recognized in equity by crediting "Equity reserve".

Capital Management
The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group considers its equity attributable to equity holders of the Parent Company as Capital.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended December 31, 2022 and 2021.

As at December 31, 2022 and 2021, the Group is not subject to externally imposed capital requirements except for the long-term loans of NTC and MCMI that are subject to debt to equity ratio requirement (Note 17).

The Group monitors capital using a debt-to-equity ratio, which is total liabilities divided by total equity attributable to equity holders of Parent Company. The Group's policy is to keep the debt-to-equity ratio not to exceed 2:1.

	2022	2021
Liabilities (a)	**₱4,961,294**	₱5,008,841
Equity (b)	**12,441,445**	10,869,371
Debt-to-equity ratio (a/b)	**0.40:1.00**	0.46:1.00

19. Revenue from Contracts with Customers

Revenue from schools and related operations consists of:

	2022	2021	2020
Tuition and other matriculation fees	**₱4,032,966**	₱3,570,963	₱3,223,956
Less: Scholarship grants and discounts	**(225,742)**	(289,692)	(273,208)
	3,807,224	3,281,271	2,950,748
Other student related income and auxiliary services	**137,722**	69,796	66,358
	₱3,944,946	₱3,351,067	₱3,017,106

Other student related income and auxiliary services income consists of seminar fees and other student-related income which are other than payment for tuition fees. These include, but not limited to, entrance examination fees, exit examination fees, oral examination fees, graduation fees, certification of grades, good moral and other school credentials, photocopying printing, and bookstore sales, among others.

Revenue from tuition and other matriculation fees are recognized over time and for other student related income and auxiliary services income, the revenue is recognized over time or at a point in time.

For the Group's receivables and contract liabilities, these are disclosed in Notes 8 and 14, respectively.

20. Cost of Schools and Related Operations

Cost of schools and related operations account consists of:

	2022	2021	2020
Personnel expenses (Note 24)	**₱1,086,585**	₱1,032,944	₱1,037,808
Depreciation and amortization	**338,315**	344,366	367,984
Management and other professional fees (Note 15)	**142,905**	91,716	129,208
Student-related expenses	**158,725**	70,926	111,052
Periodicals	**139,507**	94,060	89,554
IT expense – software license	**98,623**	79,620	76,467
Utilities	**82,589**	50,131	61,547
Accreditation cost	**31,268**	23,077	31,682
Repairs and maintenance	**34,443**	24,629	20,049
Advertising	**45,019**	30,388	18,478
Tools and library books (Notes 10 and 13)	**27,907**	15,992	17,587
Research and development fund	**20,403**	19,870	10,738
Seminar	**11,180**	7,621	7,267
Insurance	**13,886**	10,325	10,601
Taxes and licenses	**7,297**	7,978	7,321
Transportation and travel	**4,134**	1,150	917
Office supplies	**3,756**	2,432	6,437
Laboratory supplies	**3,192**	1,601	3,728
Rent (Note 31)	**2,688**	265	184
Entertainment, amusement and recreation	**1,775**	1,124	1,210
Miscellaneous	**4,975**	4,364	5,589
Total	**₱2,259,172**	₱1,914,579	₱2,015,408

1. Details of depreciation and amortization follows:

	2022	2021	2020
Depreciation (Note 10)	**₱381,276**	₱362,238	₱379,852
Depreciation – ROU assets ' (Note 31)	**54,167**	54,832	58,985
Amortization – Student relationship (Note 6)	**33,002**	35,064	22,310
Amortization (Note 13)	**6,862**	4,551	2,275
	₱475,307	₱456,685	₱463,422

b. Depreciation and amortization expenses as function of expense follows:

	2022	2021	2019
Cost of schools and related operations	**₱286,481**	₱292,353	₱312,302
Cost of schools and related operations – ROU assets (Note 31)	**51,834**	52,013	55,682
	338,315	344,366	367,984
General and administrative expenses (Note 21)	**136,992**	112,319	95,438
	₱475,307	₱456,685	₱463,422

21. General and Administrative Expenses

This account consists of:

	2022	2021	2020
Personnel expenses (Note 24)	**₱203,203**	₱195,388	₱212,163
Management and other professional fees (Note 15)	**178,026**	136,951	150,649
Depreciation and amortization (Note 20)	**136,992**	112,319	95,438
Provisions for doubtful accounts (Note 8)	**120,408**	114,229	48,755
Advertising	**58,123**	40,147	26,517
Provision for impairment (Note 6)	**32,221**	8,543	–
Taxes and licenses	**25,805**	15,442	19,970
Repairs and maintenance	**10,670**	11,876	15,422
Utilities	**19,533**	12,839	13,914
Insurance	**4,844**	6,944	5,125
Donations	**3,123**	3,877	4,452
IT expense – software license	**2,353**	2,699	3,983
Transportation and travel	**4,400**	2,330	2,900
Entertainment, amusement, and recreation	**3,571**	2,326	2,549

(Forward)

	2022	2021	2020
Commission	**₱3,148**	₱3,184	₱2,230
Seminar	**3,504**	4,369	2,087
Office supplies	**2,982**	773	1,720
Investor relations	**1,792**	5,998	1,306
Rent (Note 31)	**277**	180	547
Miscellaneous	**46,037**	39,087	23,443
	₱861,012	₱719,501	₱633,170

Management and other professional fees consist of property management fees, janitorial and security service fees, lawyers, payroll specialists and other professional service fees (Note 15).

Miscellaneous expense includes dues and subscriptions, training materials, periodicals, provisions, and other contracted services, among others.

22. Interest Income, Interest and Other Finance Charges

The Group's interest income consists of interest from the following sources:

	2022	2021	2020
Cash in banks and cash equivalents (Note 7)	**₱20,023**	₱6,050	₱10,734
Advances to officers and employees (Note 8)	**82**	142	163
	₱20,105	₱6,192	₱10,897

The Group's interest and other financing charges consist of interest on the following:

	2022	2021	2020
Short-term loans (Note 16)	**₱3,747**	₱6,706	₱18,305
Long-term loans (Note 17)	**85,917**	84,870	84,845
Interest expense on lease liabilities (Note 31)	**23,629**	29,858	35,384
	₱113,293	₱121,434	₱138,534

23. Income Tax

President Rodrigo Duterte signed into law on March 26, 2021 the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Group:

- Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding ₱5 million and with total assets not exceeding ₱100 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.
- Minimum corporate income tax (MCIT) rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.
- Effective January 1, 2021, income tax rate for nonresident foreign corporation is reduced from 30% to 25%.
- Preferential income tax rate for proprietary educational institutions and hospitals which are nonprofit is reduced from 10% to 1% effective July 1, 2020 to June 30, 2023.
- Imposition of improperly accumulated earnings tax (IAET) is repealed.

As of December 31, 2020, the impact of CREATE Act was considered as a non-adjusting subsequent event. Hence, the impact on current and deferred tax was recognized in the 2021 consolidated financial statements.

Benefit from (provision for) income tax consists of:

	2022	2021	2020
Current	**(₱3,449)**	₱16,823*	(₱47,142)
Deferred	**8,597**	13,552	14,324
	₱5,148	₱30,375	(₱32,818)

**Due to CREATE impact*

The reconciliation of statutory tax rates to effective income tax rates follows:

	2022	2021	2020
Income before income tax at statutory rate	**25.00%**	25.00%	30.00%
Add (deduct) reconciling items:			
Difference in income tax rate	**(22.51)**	(23.55)	(21.87)
Others	**(3.15)**	(6.24)	3.80
	(0.66%)	(4.79%)	11.93%

MESI, MHSSI, MCLI, MCMI, UNC, NTC and APEC are educational institutions which are subject to a lower or preferential income tax rate of 10% until June 2020 and 1% thereafter until June 2023.

The Group's net deferred tax assets and liabilities consist of the following:

	2022	2021
Deferred tax assets – net		
Allowance for ECL	**₱35,648**	₱16,042
Retirement asset	**2,924**	5,987
NOLCO	**–**	16,005
Deferred school fees	**(1,047)**	84
Unrealized foreign exchange loss	**(1)**	–
	37,524	38,118

(Forward)

	2022	2021
Deferred tax liabilities – net		
Revaluation increment on land	**₱565,577**	₱464,044
Intellectual property rights and student relationship	**59,987**	56,686
Accruals	**(16,479)**	(15,431)
Retirement liabilities	**(9,773)**	(10,539)
Allowance for ECL – net	**(9,691)**	(6,693)
Allowance for inventory obsolescence	**(53)**	(53)
Others	**743**	1,155
	590,311	489,169
	₱552,787	₱451,051

The movements of the Group's net deferred tax liabilities follow:

	2022	2021
Beginning	**₱451,051**	₱445,076
Provisions during the year	**(11,216)**	(10,164)
Tax effects of:		
Revaluation increment on land (Note 11)	**112,899**	16,471
Remeasurement gains (losses) on defined benefit plans (Note 25)	**53**	(332)
Ending	**₱552,787**	₱451,051

The Group did not recognize deferred tax assets on the following temporary differences because the Group believes that it may not be probable that sufficient taxable income will be available in the future against which the tax benefit can be realized.

	2022	2021
NOLCO	**₱23,968**	₱28,337
Allowance for ECL	**1,742**	1,703
MCIT	**682**	528
Provision for retirement and others	**723**	1,020
Others	**(49)**	33
	₱27,066	₱31,621

As at December 31, 2022 and 2021, the details of NOLCO and MCIT, which are available for offset against future taxable income and tax payable, respectively, follow:

	NOLCO		MCIT	
	2022	2021	**2022**	2021
Beginning balance	**₱424,906**	₱502,175	**₱1,838**	₱1,396
Additions	**59,702**	88,418	**682**	528
Expiration	**(175,607)**	(165,687)	**–**	(86)
Ending balance	**₱309,001**	₱424,906	**₱2,520**	₱1,838

	NOLCO				MCIT	
Year Incurred	Year of Expiration	**2022**	2021	Year of Expiration	**2022**	2021
2022	2025	**₱59,702**	₱–	2025	**₱682**	₱–
2021	2026	**88,418**	88,418	2024	**528**	528
2020	2025	**160,881**	160,881	2023	**730**	730
2019	2022	**–**	175,607	2022	**–**	580
		₱309,001	₱424,906		**₱1,940**	₱1,838

NOLCO incurred in 2021 and 2020 can be carried over for the next five years by the respective entities in accordance with the provision of Republic Act (RA) No. 11494, Bayanihan to Recover As One Act, with implementing guidelines covered by Revenue Regulations No. 25-2020.

24. Personnel Expenses

a. Details of personnel expenses are as follows:

	2022	2021	2020
Compensation	**₱1,186,567**	₱1,125,482	₱1,116,607
Retirement benefits (Note 25)	**33,208**	45,590	34,241
Miscellaneous benefits	**70,013**	57,260	106,099
	₱1,289,788	₱1,228,332	₱1,256,947

Miscellaneous benefits pertain to honoraria and mandatory government benefits, among others.

b. Personnel expenses as function of expense follows:

	2022	2021	2020
Cost of schools and related operations (Note 20)	**₱1,086,585**	₱1,032,944	₱1,037,808
General and administrative expenses (Note 21)	**203,203**	195,388	212,163
	₱1,289,788	₱1,228,332	₱1,249,971

25. Retirement Plans

The Group has a noncontributory and defined benefit retirement plan covering all of its regular employees. The benefits are based on the years of service and percentage of latest monthly salary. The retirement benefit is the only long-term benefit given to employees. Short-term benefits are expensed outright.

The most recent actuarial valuations were carried out in January and February 2023 for the retirement plan of the Group as at December 31, 2022.

The following tables summarize the components of the benefit expense recognized in the consolidated statements of comprehensive income and amounts recognized in the consolidated statements of financial position for the retirement obligation/asset.

	2022	2021
Net pension assets	**₱38,701**	₱18,130
Net pension liabilities	**129,811**	124,152

Components of pension expense follow:

	2022	2021	2020
Current service cost	**₱35,115**	₱40,870	₱37,410
Net interest cost on defined benefit obligation	**909**	4,720	4,320
Curtailment gain	**(2,816)**	–	(7,489)
Net pension expense (Note 24)	**₱33,208**	₱45,590	₱34,241

The net pension assets recognized in the consolidated statements of financial position as at December 31, 2022 and 2021 is as follows:

	2022	2021
Fair value of plan assets	**₱121,985**	₱119,646
Present value of defined benefit obligation	**(77,599)**	(101,169)
Effect of asset ceiling	**(5,685)**	(347)
	₱38,701	₱18,130

The net pension liabilities recognized in the consolidated statements of financial position as at December 31, 2022 and 2021 is as follows:

	2022	2021
Fair value of plan assets	**₱204,514**	₱214,626
Present value of defined benefit obligation	**(334,325)**	(338,778)
	(₱129,811)	(₱124,152)

The Group's combined net pension liabilities are derived as follows:

	2022	2021
Net pension assets	**₱38,701**	₱18,130
Net pension liabilities	**(129,811)**	(124,152)
	₱91,110	₱106,022

The movements in the Group's combined net pension liabilities follow:

	2022	2021
At beginning of year	**₱106,023**	₱163,407
Contribution paid	**(18,165)**	(25,290)
Net pension expense	**33,208**	45,590
Remeasurement losses recognized in OCI	**(26,806)**	(69,154)
Adjustments and reversals	**33**	(2,667)
Benefits paid	**(3,183)**	(5,863)
At end of the year	**₱91,110**	₱106,023

The Group's combined net pension liabilities as of December 31 were derived as follows:

	2022	2021
Present value of defined benefit obligation	**₱411,644**	₱440,079
Fair value of plan assets	**(326,219)**	(334,403)
Effect of asset ceiling	**5,685**	347
Net pension liabilities	**₱91,110**	₱106,023

The reconciliation of the present value of defined benefit obligation is as follows:

	2022	2021
Beginning balance	**₱440,079**	₱500,447
Interest cost	**16,498**	18,436
Current service cost	**24,696**	44,799
Benefits paid	**(21,934)**	(39,257)
Curtailment gain	**(2,816)**	(4,934)
Remeasurement losses (gains) on obligation:		
Experience adjustments	**3,847**	(27,979)
Changes in demographic assumptions	**293**	(2,527)
Changes in financial assumptions	**(49,019)**	(48,906)
Ending balance	**₱411,644**	₱440,079

The reconciliation of the fair value of plan assets is as follows:

	2022	2021
Beginning balance	**₱334,403**	₱337,194
Interest income	**20,695**	12,717
Contributions paid	**12,938**	25,187
Benefits paid	**(24,238)**	(30,361)
Remeasurement gains (losses) on plan assets	**(22,592)**	(8,273)
Withdrawal	**–**	(1,582)
Adjustment to plan assets	**5,013**	(479)
Ending balance	**₱326,219**	₱334,403

Remeasurement losses (gains) recognized in OCI follow:

	2022	2021
Remeasurement losses (gains)	**(₱39,507)**	(₱77,661)
Return on assets excluding amount included in net interest cost	**12,701**	8,507
Total remeasurement losses (gains) recognized in OCI	**(₱26,806)**	(₱69,154)

The distribution of plan assets as at December 31, 2022 and 2021 is as follows:

	2022		2021	
	Amount	**%**	Amount	%
Cash and cash equivalents	**₱139,555**	**36.48%**	₱121,900	36.48%
Investments in:				
Government securities	**126,730**	**45.21%**	151,080	45.21%
Certificate of time deposits	**-**	**-**	-	-
Equity instruments	**50,695**	**15.58%**	52,064	15.58%
Interest and other receivables	**9,640**	**3.11%**	10,381	3.11%
Accrued trust fees	**(401)**	**-0.37%**	(1,022)	-0.37%
	₱326,219	**100.00%**	₱334,403	100.00%

Actual return on plan assets amounted to ₱13.04 million and ₱8.26 million in 2022 and 2021, respectively.

The Group plans to contribute ₱34.6 million in 2023.

The principal actuarial assumptions used in determining retirement expense are as follows:

	2022	2021
Discount rate:		
Beginning	**4.95%-5.17%**	3.65%-4.07%
End	**7.17%-8.03%**	4.95%-5.17%
Salary increase rate:		
Beginning	**3.31%-5.00%**	3.00%-5.91%
End	**2.95%-5.00%**	3.31%-5.00%

The sensitivity analysis that follows has been determined based on reasonably possible changes of each significant assumption on the retirement benefit obligation as of the end of reporting period, assuming all other assumptions were held constant.

As at December 31, 2022

	Rate	**Increase (Decrease)**	**PVO**
Discount rate	**3.92%**	**+100bps**	**(₱289,822))**
	3.12%	**-100bps**	**337,614**
Salary rate	**3.00%**	**+100bps**	**₱339,411**
	2.20%	**+100bps**	**(203,982))**

As at December 31, 2021

	Rate	Increase (Decrease))	PVO
Discount rate	5.68%	+100bps	(₱293,386))
	4.86%	-100bps	348,271
Salary rate	5.72%	+100bps	₱360,722
	4.55%	-100bps	(298,365)

The sensitivity analysis above has been determined based on a method that extrapolates the impact of defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the balance sheet date. There were no changes from the previous period in the methods and assumptions used in preparing sensitivity analysis.

Each year, an Asset-Liability Matching Study (ALM) is performed with the result being analyzed in terms of risk-and-return profiles. It is the policy of the Trustee that immediate and near-term retirement liabilities of the Group's Retirement Fund are adequately covered by its assets. As such, due considerations are given that portfolio maturities are matched in accordance with due benefit payments. The Retirement Fund's expected benefits payments are determined through the latest actuarial reports.

26. Earnings Per Share

Earnings per share amounts attributable to equity holders of Parent Company are computed as follows:

	2022	2021	2020
Net income attributable to equity holders of Parent Company (a)	**₱769,302**	₱659,108	₱245,818
Weighted average number of outstanding shares – net of treasury shares (b)	**1,044,263**	1,044,263	1,044,263
Earnings per share (a/b)	**₱0.7367**	₱0.6312	₱0.2354

There are no dilutive potential shares that would require disclosure of diluted earnings per share in the consolidated financial statements.

27. Non-controlling Interest in Consolidated Subsidiaries

This represents shareholdings in material subsidiaries not held by the Group. Proportion of equity interest held by non-controlling interests (NCI) in material subsidiaries for 2022 and 2021 follows:

	2022	2021
University of Nueva Caceres	**16.38%**	16.38%
National Teachers College	**0.21%**	0.21%

Non-controlling interests in material subsidiaries as at December 31 follows (in million pesos):

	2022	2021
University of Nueva Caceres	**₱295**	₱248
National Teachers College	**3**	2

Dividends paid to non-controlling interest in consolidated subsidiaries amounted to ₱25.6 million in 2022 (nil in 2021).

As at December 31, 2022 and 2021, the summarized financial information attributable to non-controlling interests in material subsidiaries is shown in the next page.

(In million pesos)

	University of Nueva Caceres		National Teachers College	
	2022	2021	**2022**	2021
Assets				
Current assets	**₱455**	₱364	**₱715**	₱391
Noncurrent assets	**1,634**	1,400	**1,467**	1,270
	₱2,089	₱1,764	**₱2,182**	₱1,661
Liabilities and Equity				
Current liabilities	**₱298**	₱114	**₱253**	₱157
Noncurrent liabilities	**153**	153	**424**	447
	451	267	**677**	604
Equity	**1,638**	1,497	**1,505**	1,057
	₱2,089	₱1,764	**₱2,182**	₱1,661

(Forward)

	University of Nueva Caceres		National Teachers College	
	2022	2021	2022	2021
Attributable to:				
Equity holders of parent	₱1,370	₱1,252	₱1,503	₱1,055
Non-controlling interest	268	246	3	3
Net revenue	₱378	₱342	₱670	₱390
Gross profit (loss)	204	185	450	209
Net income (loss)	74	27	283	81
Attributable to:				
Equity holders of parent	₱62	₱23	₱283	₱81
Non-controlling interest	12	4	–	–

28. Operating Segment Information

Business Segment

The business segment is determined as the primary segment reporting format as the Group's risks and rates of return are affected predominantly by each operating segment.

Management monitors the operating results of its operating segments separately for the purpose of making decision about resources allocation and performance assessment. Group financing (including interest income, dividend income and interest expense) and income taxes are managed on a group basis and are not allocated to operating segments. The Group evaluates performance based on income before income tax, and earnings before income tax, depreciation and amortization. The Group does not report its results based on geographical segments because the Group operates only in the Philippines.

The amount of segment assets and liabilities are based on the measurement principles that are similar with those used in measuring the assets and liabilities in the consolidated statement of financial position which is in accordance with PFRSs.

For management purposes, the Group is organized into business units based on the products and services it provides, which comprise of two (2) main groupings as follows:

Education – primarily consists of revenues of MESI, MCLI, MHSS, MCMI, NTC, UNC, and APEC in education.

Others – represent support services which cannot be directly identified with the reportable segment mentioned above.

Segment financial information is reported on the basis that it is used internally for evaluating segment performance and allocating resources to segments.

Segment assets and liabilities exclude deferred tax assets and liabilities.

Segment reporting is consistent in all periods presented as there are no changes in the structure of the Group's internal organization that will cause the composition of its reportable segment to change.

Capital expenditures consist of additions to property and equipment.

(In million pesos)

	Education			Others			Elimination			Consolidated		
	2022	2021	2020	**2022**	2021	2020	**2022**	2021	2020	**2022**	2021	2020
Revenues												
Income from external customers	**₱3,945**	₱3,351	₱3,017	**₱-**	₱-	₱-	**₱-**	₱-	₱-	**₱3,945**	₱3,351	₱3,017
Total Revenues	**₱3,945**	₱3,351	₱3,017	**₱-**	₱-	₱-	**₱-**	₱-	₱-	**₱3,945**	₱3,351	₱3,017
Net Income attributable to Parent Company	**₱941**	₱814	₱310	**₱123**	₱589	(₱1)	**(₱294)**	(₱744)	(₱63)	**₱769**	₱659	₱246
Other Information												
Segment assets	**₱18,186**	₱16,336	₱15,744	**₱6,028**	₱6,067	₱5,838	**(₱6,512)**	(₱6,275)	(₱5,870)	**₱17,701**	₱16,129	₱15,712
Segment liabilities	**5,555**	5,436	5,217	**115**	114	168	**(709)**	(541)	(165)	**4,961**	5,009	5,220
Deferred tax assets	**37**	37	28	**1**	2	2	**–**	–	2	**38**	38	32
Deferred tax liabilities	**487**	380	358	**43**	42	47	**60**	67	72	**590**	489	477
Cash flows arising from:												
Operating activities	**1,021**	1,024	523	**0**	(75)	(31)	**210**	(100)	(397)	**1,231**	849	95
Investing activities	**(265)**	(82)	893	**1**	280	(6)	**50**	(391)	333	**(214)**	(194)	1,220
Financing activities	**(547)**	(412)	(1,125)	**(0)**	(301)	(62)	**(111)**	343	35	**(659)**	(370)	(1,152)
Interest expense	**126**	150	153	**1**	–	–	**(13)**	(12)	(1)	**113**	139	152
Provision for income tax	**2**	(28)	35	**1**	0	1	**(7)**	(3)	(3)	**(5)**	(30)	33
Capital expenditures	**228**	206	847	**2**	2	7	**100**	3	48	**330**	211	902
Depreciation and amortization	**429**	412	432	**6**	1	–	**40**	44	31	**475**	457	463

29. Notes on Consolidated Statements of Cash Flows

- Changes in the Group's liabilities arising from financing activities follow:

		Non-cash Changes						
	2021	Declaration of Cash Dividend	Amortization of debt issue cost	Additions on Lease liabilities	Interest Expense	Other Non-Cash	Cash Flows	2022
Short-term loans	₱400,000	₱–	₱–	₱	₱–	₱–	(₱400,000)	₱–
Current portion of long-term loans	21,001					1,521,448	(21,001)	1,521,448
Long-term loans	1,853,645	–	2,371	–	–	(1,521,448)		334,568
Dividends payable	565	167,082	–	–	–	25,590	(167,083)	26,154
Payables to related parties	14,135	–	–	–	–	–	2,662	16,797
Lease liabilities	357,826	–	–	118,006	23,630	–	(69,827)	429,635
	₱2,647,172	**₱167,082**	**₱2,371**	**₱118,006**	**₱23,630**	**₱25,590**	**(₱655,249)**	**₱2,328,602**

		Non-cash Changes						
	2020	Declaration of Cash Dividend	Amortization of debt issue cost	Additions on Lease liabilities	Interest Expense	Other Non-Cash	Cash Flows	2021
Short-term loans	₱375,000	₱–	₱–	₱	₱–	₱–	₱25,000	₱400,000
Current portion of long-term loans	–	–	–	–	–	21,001		21,001
Long-term loans	1,872,275	–	2,371	–	–	(21,001)	–	1,853,645
Dividends payable	565	312,656	–	–	–	–	(312,656)	565
Payables to related parties	29,481	–	–	–	–	–	(15,345)	14,135
Lease liabilities	392,582	–	–	3,599	28,841	–	(67,196)	357,826
	₱2,669,903	₱312,656	₱2,371	₱3,599	₱28,841	₱ –	(₱370,197)	₱2,647,172

		Non-cash Changes						
	2019	Declaration of Cash Dividend	Liabilities assumed from Merger	Additions on Lease liabilities	Interest Expense	Other Non-Cash	Cash Flows	2020
Short-term loans	₱1,398,800	₱–	₱–	₱	₱–	₱–	(₱1,023,800)	₱375,000
Long-term loans	1,869,903	–	2,371	–	–	–	–	1,872,275
Dividends payable	565	73,248	–	–	–	–	(73,248)	565
Payables to related parties	15,411	–	–	–	–	–	14,070	29,481
Lease liabilities	419,340	–	–	6,684	35,384	–	(68,826)	392,582
	₱3,704,019	₱73,248	₱2,371	₱6,684	₱35,384	₱–	(₱1,151,804)	₱2,669,903

- Noncash investing activities in 2022, 2021 and 2020 pertain to the revaluation of land amounting ₱1,005.0 million, ₱208.8 million and ₱600.3 million, respectively (Note 11).

30. **Financial Instruments**

Fair Value of Financial Instruments

The following tables set forth the carrying values and estimated fair values of the Group's financial assets and liabilities recognized as at December 31, 2022 and 2021:

	Carrying Amount	**2022** Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:					
Financial assets at FVTPL	**₱9,332**	**₱9,332**	**₱–**	**₱–**	**₱9,332**

	Carrying Amount	2021 Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:					
Financial assets at FVTPL	₱9,213	₱9,213	₱–	₱–	₱9,213

The Group uses the following hierarchy in determining and disclosing the fair value of financial instruments by valuation techniques:

- *Level–1* – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- *Level–2* – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- *Level–3* – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

- *Cash and cash equivalents, receivables, receivables from related parties, short-term investments, refundable deposits, accounts payable and accrued expenses, payables to related parties, dividends payable, and short-term loans* – carrying amounts approximate fair values due to the short-term nature of these accounts.

- *Financial assets at FVTPL* – the fair values are based on net assets value per unit (NAVPU).

- *Equity instruments at FVOCI* – fair values were determined using quoted market prices at financial reporting date. The investments are included within the level 1 of the hierarchy. The movement in the cost and gain on disposal in 2019 are as follow:

	2019
As at January 1	₱14,390
Changes in fair value	3,092
Disposal	(17,482)
As at December 31	₱–

The remaining unrealized loss on equity instruments at FVOCI amounting to ₱880 was closed to retained earnings in 2020.

- *Long-term loans* – the carrying value approximates the fair value using the EIR method because future payments are discounted based on interest at market rate.

As at December 31, 2022 and 2021, there were no transfers between Level 1 and Level 2 fair value measurements. There are no financial assets and financial liabilities recognized at fair value based on Level 3 and there are no transfers in and out of Level 3 categories in 2022 and 2021. No financial instrument fall within Level 3.

Financial Risk Management Objectives and Policies
The Group's principal financial instruments comprise of cash and cash equivalents, receivables, receivables from related parties, financial assets at FVTPL, short-term investments, refundable deposits, accounts payable and accrued expenses, payables to related parties, dividends payable, lease liabilities, and loans. The main purpose of these financial instruments is to raise finances for the Group's operations.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The BOD reviews and approves the policies for managing these risks. The Audit Committee and the Risk Management Committee of the Board meets regularly and exercises an oversight role in managing risks.

The Group's risk management policies are summarized as follows:

Credit risk and concentration of credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. The Group's exposure to credit risk relates primarily to the inability of the debtors and students to pay and to fully settle the unpaid balance of tuition fees and other charges, respectively, which are owed to the Group based on the installment payment schemes. The Group manages its credit risk in accordance with its credit policies by maintaining strict policies like not allowing students to enroll in the following term unless the unpaid balance in the previous term has been paid. The Group also withholds the academic records and clearance of the students with unpaid balances. The Group's exposure to credit risk arising from its other receivables from debtors and related parties is managed through close account monitoring and setting of limits.

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Group does not have any significant exposure to any individual customer or counterparty. With respect to credit risk arising from cash and cash equivalents, receivables, amounts due from related parties, financial assets at FVTPL, and refundable deposits, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. As at December 31, 2022 and 2021, there are no collaterals held in relation to the Group's financial assets.

The table below shows the credit risk exposure on the Group's financial assets as at December 31, 2022:

	Gross carrying amount at default	Expected credit loss (Impaired)
Cash in banks	**₱544,228**	**₱–**
Cash equivalents	**1,414,100**	**–**
Receivables from:		
Tuition and other fees	**1,429,781**	**337,619**
Related parties	**1,825**	**–**
Others	**62,966**	**8,770**
Short-term investments	**120,962**	**–**
Financial assets at FVTPL	**9,332**	**–**
Deposits	**26,404**	**–**
	₱3,609,598	**₱346,389**

December 31, 2021:

	Gross carrying amount at default	Expected credit loss (Impaired)
Cash in banks	₱448,853	₱–
Cash equivalents	1,152,916	–
Receivables from:		
Tuition and other fees	1,246,586	281,120
Related parties	26,077	–
Others	54,626	8,770
Financial assets at FVTPL	9,213	–
Deposits	27,081	–
	₱2,965,352	₱289,890

As disclosed in Note 4, the Group recognizes an allowance for ECLs for all debt instruments not held at fair value. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The mechanics of the ECL calculations and the key elements are, as follows:

a. *Probability of default (PD)* is an estimate of the likelihood of default over a given time horizon.
b. *Exposure at default (EAD)* is an estimate of the exposure at a future default date taking into account expected changes in the exposure after the reporting date.
c. *Loss given default (LGD)* is an estimate of the loss arising in the case where a default occurs at a given time.

The Group's debt instruments at amortized cost comprise of cash and cash equivalents, short-term investments, and refundable deposits that are considered to have low credit risk. Hence, it is the Group's policy to measure ECL on such instrument on a 12-month basis applying the low credit risk simplification and based on the PD which is publicly available. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses external credit ratings both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECL.

For tuition and other fees receivables, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. The Group generally uses a provision matrix to calculate ECL. The provision rates are based on days past due for groupings based on school term. The provision matrix is initially based on the Group's historical observed default rates. The Group will then consider directly relevant forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are considered.

The Group may consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The aging of tuition and other fees (current and past due accounts) and the ECL as at December 31 follows:

	2022					
		Past Due				
	Current	< 1 quarter	1 – 2 quarters	> 2 quarters	ECL	Total
Tuition and other fees	**₱684,401**	**₱22,651**	**₱355,466**	**₱367,263**	**(₱337,619)**	**₱1,092,162**

	2021					
		Past Due				
	Current	< 1 quarter	1 – 2 quarters	> 2 quarters	ECL	Total
Tuition and other fees	₱623,937	₱30,377	₱226,476	₱365,796	(₱281,120)	₱965,466

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its obligations as they fall due.

The Group seeks to manage its liquidity risk to be able to meet its operating cash flow requirements, finance capital expenditures and service maturing debts. As an inherent part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. The Treasury Department is responsible for monitoring the short-term loans and demand deposits of the Group. It assesses the status and maturity period of the loans and deposits to be able to determine the financial standing of the Group and whether the funds being maintained will be able to accommodate any maturing liabilities. Short-term and long-term funding are obtained to finance capital expenditures and working capital. To cover its short-term and long-term funding requirements, the Group intends to use internally generated funds and available credit facilities. Credit lines are obtained from BOD-designated banks at amounts based on financial forecasts approved by BOD. As at December 31, 2022 and 2021, the Group has available short-term credit facilities with banks aggregating ₱1.78 billion. In addition, the Group also has available long-term credit facilities with a bank amounting to ₱2.1 billion as of December 31, 2022. Short-term loans obtained by the Group are renewable subject to the terms of the agreements.

The tables below summarize the maturity profile of the Group's financial assets held for liquidity purposes. The maturity groupings are based on the remaining period from the end of the financial reporting date to the contractual maturity date.

	2022			
	On demand	**Less than 1 year**	**More than 1 year**	**Total**
Financial assets at amortized cost				
Cash	**₱544,228**	**₱–**	**₱–**	**₱544,228**
Cash equivalents	**1,414,100**	–	–	**1,414,100**
Receivables*	**366,030**	**765,456**	–	**1,131,486**
Receivables from related parties	**1,825**	–	–	**1,825**
Short-term investments	**120,962**	–	–	**120,962**
Financial assets at FVTPL	**9,332**	–	–	**9,332**
Deposits	–	–	**26,404**	**26,404**
	₱2,456,477	**₱765,456**	**₱26,404**	**₱3,248, 337**

**excluding advances to officers and employees*

	2021			
	On demand	Less than 1 year	More than 1 year	Total
Financial assets at amortized cost				
Cash	₱448,853	₱–	₱–	₱448,853
Cash equivalents	1,152,916	–	–	1,152,916
Receivables*	581,425	429,817	–	1,011,242
Receivables from related parties	26,077	–	–	26,077
Financial assets at FVTPL	9,213	–	–	9,213
Deposits	–	–	27,081	27,081
	₱2,218,484	₱429,817	₱27,081	₱2,675,382

**excluding advances to officers and employees*

The tables below summarize the maturity profile of the Group's other financial liabilities as at December 31 based on contractual undiscounted payments and contractual remaining maturities.

	2022			
	On demand	**Less than 1 year**	**More than 1 year**	**Total**
Accounts payable and accrued expenses*	**₱559,892**	**₱113,220**	**₱–**	**₱673,112**
Payables to related parties	**16,797**	–	–	**16,797**
Dividends payable	**26,154**	–	–	**26,154**
Lease liabilities	–	**74,235**	**483,509**	**557,744**
Current portion of the long-term loans		**24,430**	**1,497,018**	**1,521,448**
Long-term loans	–	–	**334,568**	**334,568**
	₱602,843	**₱211,885**	**₱2,315,095**	**₱3,129,823**

**excluding payables to regulatory bodies, funds payable and provisions*

	2021			
	On demand	Less than 1 year	More than 1 year	Total
Accounts payable and accrued expenses*	₱550,955	₱69,535	₱–	₱620,490
Payables to related parties	14,135	–	–	14,135
Dividends payable	565	–	–	565
Short-term loans	–	400,000	–	400,000
Lease liabilities	–	75,419	362,773	438,192
Current portion of the long term loan	–	24,430	–	24,430
Long term loan	–	–	1,853,645	1,853,645
	₱565,655	₱569,384	₱2,216,418	₱3,351,457

**excluding payables to regulatory bodies, funds payable and provisions*

31. Commitments and Contingencies

Lease Commitments

Group as a lessor

The Group's Intramuros and Makati campuses lease spaces to third parties. The lease terms cover lease periods of between three (3) years to ten (10), years with escalation rates ranging from 3% to 10%.

The future minimum rentals receivable under the aforementioned lease agreements follow:

	2022	2021
Within one year	**₱797**	₱797
More than one year but not more than five years	**3,643**	3,643
	₱4,440	₱4,440

Group as lessee

The Group leases building spaces for office and school sites and annexes from third-party lessors for a period ranging from two to ten years. The Group applies the 'short-term lease' recognition exemption for those leases with lease terms of one year or less.

The Group, through APEC, recognized right-of-use assets and lease liabilities from these operating lease agreements. For those leases subjected to PFRS 16, the IBR used in the computation of lease liabilities ranges from 6.29 to 7.40% in 2022 and from 6.60% to 7.50% in 2021 (see Note 5).

The rollforward analysis of right-of-use assets follows:

	2022	2021
Net Book Value at January 1	**₱309,391**	₱346,905
Additions	**139,474**	38,013
Amortization (Note 20a)	**(57,122)**	(61,961)
Pre-termination/expiration	**(14,949)**	(13,566)
Net Book Value at December 31	**₱376,794**	₱309,391

The following are the amounts recognized in the 2022, 2021 and 2020 statement of comprehensive income (Note 20):

	2022	2021	2020
Depreciation expense of right-of-use assets*	**₱54,167**	₱54,832	₱58,985
Interest expense on lease liabilities	**23,629**	28,841	35,384
Gain on pre-termination of lease	**(3,754)**	(13,720)	–
Total amount recognized in profit or loss	**₱74,042**	₱69,953	₱94,369

**Net of lease concession amounting to ₱2.95 million in 2022 and ₱7.13 million in 2021*

The rollforward analysis of lease liabilities from APEC follows:

	2022	2021
As at January 1	**₱357,826**	₱392,582
Additions	**118,006**	3,599
Interest expense (Note 22)	**23,630**	28,841
Payments	**(69,827)**	(67,196)
As at December 31	**₱429,635**	₱357,826

The balance of lease liabilities as of December 31, 2022 and 2021 are as follows:

	2022	2021
Lease liabilities – current	**₱51,005**	₱50,550
Lease liabilities – noncurrent	**378,630**	307,276
	₱429,635	₱357,826

Shown below is the maturity analysis of the undiscounted lease payments as of December 31, 2022 and 2021:

	2022	2021
Within one year	**₱74,235**	₱75,419
More than one year but less than five years	**315,474**	285,777
Five years and more	**168,035**	76,996
	₱557,744	₱438,192

As disclosed in Notes 5 and 10, the Group performed an impairment testing of the property and equipment and right-of-use assets of APEC, the aggregate carrying value for which amounted to ₱ 416.01 million and ₱355.18 million as of December 31, 2022 and 2021, respectively, due to the continuing losses and significant decline in the number of students mainly brought about by the coronavirus pandemic. Key assumptions used are as follows:

- Revenue projections. The revenue projections were based on financial budgets approved by management and BOD and considered the impact of the coronavirus pandemic.
- Discount rate (14% in 2022 and 11% in 2021). The discount rate used for the computation of the net present value is the weighted average cost of capital and was determined by reference to comparable listed companies in the educational sector.

Management assessed that these assets as of December 31, 2022 and 2021 are not impaired considering that the calculated recoverable amount is higher than the carrying value.

Provisions
The Group is involved in certain claims arising from the ordinary conduct of business which are either pending decision by the courts or are being contested, the outcome of which are not presently determinable. The estimate of the probable costs for the resolution of these claims has been developed in consultation with external counsels handling the defense in these matters and is based upon an analysis of potential results. The ultimate disposition of these matters cannot be determined with certainty. The Group will exhaust all legal remedies available to it in defending itself in these claims and proceedings. Provisions disclosed in Note 14 as of December 31, 2022 and 2021 amounted to ₱168.7 million and ₱159.3 million, respectively. Provisions recognized in 2022 amounted to ₱9.5 million (nil in 2021 and 2020) [Note 21]. Other provisions recognized by the Group for certain claims are presented as part of Other noncurrent liabilities in the statement of financial position.

The disclosure of additional details beyond the present disclosure may prejudice the Group's position and negotiation strategies with respect to these matters. Thus, as allowed under paragraph 92 of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, only a general description is provided.

32. **Other Matters**

- With the transfer to its new office, the Parent Company is in the process of updating its registered office address to 8th Floor Mapua University Makati Campus, 1191 Pablo Ocampo Sr. Extension Ave., Brgy. Sta. Cruz, Makati City, Metro Manila.

- In a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President of the Philippines issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. This resulted to community quarantine that suspended the schools' face-to-face classes and activities.

  With the continued positive development on COVID-19 vaccination and the lifting of the community quarantine, face-to-face classes were resumed for SY2022-2023.

  The Group recognized the health and business risks posed by the virus to the general public and the need to join the collective effort in mitigating the spread of COVID-19. In the face of this global crisis, the Group remains collected and vigilant as it operates and maintains mitigation efforts to help safeguard the health and safety of its employees and students. Considering the evolving nature of this outbreak, the Group is continuously assessing at this time the impact to its financial position, performance and cash flows. The Group has taken measures to manage the risks and uncertainties brought about by the outbreak and will continue to monitor the situation.

33. **Approval of the Consolidated Financial Statements**

The consolidated financial statements of the Group as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, 2021 and 2020 were approved and authorized for issuance by the BOD on March 31, 2023.

SGV
Building a better working world

SyCip Gorres Velayo & Co.
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Philippines

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of iPeople, inc. and its subsidiaries (the Group) as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, and have issued our report thereon dated March 31, 2023. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Ana Lea C. Bergado

Ana Lea C. Bergado
Partner
CPA Certificate No. 80470
Tax Identification No. 102-082-670
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 80470-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-063-2020, November 27, 2020, valid until November 26, 2023
PTR No. 9369782, January 3, 2023, Makati City

March 31, 2023

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INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of iPeople, inc. and its subsidiaries (the Group) as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, and have issued our report thereon dated March 31, 2023. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Ana Lea C. Bergado

Ana Lea C. Bergado
Partner
CPA Certificate No. 80470
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PTR No. 9369782, January 3, 2023, Makati City

March 31, 2023

IPEOPLE, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES

SUPPLEMENTARY SCHEDULES

IPEOPLE, INC. AND SUBSIDIARIES

ANNEX 68-J: SCHEDULES

DECEMBER 31, 2022

Below are the additional information and schedules required by Revised Securities Regulation Code Rule 68. This information is presented for purposes of filing with the SEC and is not required parts of the basic financial statements.

Schedule A. Financial Assets in Equity Securities
As at December 31, 2022, the Group has no financial assets in Equity Securities.

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties)

Below is the schedule of advances to officers and employees of the Group with balances above ₱100,000 as at December 31, 2022:

Name	As at December 31, 2021	Additions	Liquidations/ Collections	As at December 31, 2022
Adanza, Carina Victoria T.	₱333,980	₱–	68,200	₱265,780
Agbulos, Erlin C.	417,167	–	77,253	339,914
Balan, Ariel Kelly	252,817	–	70,743	182,074
Delos Santos, Mira	387,296	–	70,110	317,186
Doma, Bonifacio T. Jr.	33,206	560,364	225,337	368,232
Gan, Maria Eloisa	284,630	–	88,947	195,683
Hernaez, Alodia C.	389,000	–	11,383	377,617
Lopez, Jonathan	200,940	–	82,694	118,246
Lozada, Katrina	128,764	–	–	128,764
Abalos, Mark Arthur	–	581,333	133,222	448,111
Correa, Helen	2,073	200,000	2,073	200,000
Mesina, James Ronald	224,933	–	66,500	158,433
Paglinawan, Arnold	365,848	–	67,893	297,955
Papas, Aileen Kate A.	270,324	–	77,236	193,088
Quisaot, Concordio	177,300	–	65,667	111,634
Sabino, Lilibeth	12,366	406,500	67,854	351,013
Songsong, Maribel	389,563	–	67,750	321,813
Villa, Robert Joseph	253,382	–	67,859	185,523
Yap, Maria Elizabeth	325,375	–	112,707	212,668
Young, Michael	409,000	–	95,433	313,567
	₱4,857,964	₱1,748,197	₱1,518,861	₱5,087,301

These advances pertain to the officers and employees car plan agreements. Such advances are interest-bearing and shall be liquidated on a monthly basis. There were no amounts written off during the year.

Schedule C. Amounts Receivable/Payables from and to Related Parties which are Eliminated During the Consolidation of Financial Statements

Below is the schedule of receivables and payables with related parties, which are eliminated in the consolidated financial statements as at December 31, 2022:

Name	Balance at beginning of year	Additions	Collections/ Liquidations	Balance at end of year
Pan Pacific Computer Center, Inc.	₱1,104,410	₱–	₱–	₱1,104,410
Malayan Education System, Inc.	6,960,068	15,151,523	(12,216,492)	9,895,099
Malayan Colleges Laguna, Inc.	5,409,274	29,998,587	(30,938,566)	4,469,295
Malayan Colleges Mindanao, Inc.	7,243,056	9,583,091	(12,023,604)	4,802,543
University of Nueva Caceres	582,083	7,662,695	(6,900,281)	1,344,497
National Teachers College	939,914	14,150,002	(12,837,633)	2,252,283
Affordable Private Education Center, Inc.	880,000	–	(297,916)	582,084
Landev Corporation	–	60,270	(15,068)	45,203
House of Investments, Inc.	–	77,084	(53,957)	23,127

Schedule D. Long-term debt

As at December 31, 2022, the Group has outstanding long-term debts as follow (in thousands):

Unsecured bank loans	**₱358,998**
Secured bank loans	**1,497,018**
Total	**1,856,016**
Less: current portion of unsecured bank loans	**24,430**
reclassification to current liability of secured loans	**1,497,018**
	1,521,448
Noncurrent portion of long-term loans	**₱334,568**

Unsecured

The Group, through NTC, entered into a 10-year unsecured term loan facility with a third party local bank for ₱650.00 million to finance its building refurbishment and/or expansion. The principal payments will be made in 28 quarterly payments starting May 2022. As of December 31, 2020, total drawdown from the long-term loan facility amounted to ₱380 million. The ₱300 million is subject to 5.5% fixed rate and the ₱80 million is subject to annual repricing based on higher of 5.5%.

Secured

In 2019, the Group, through MCMI, entered into a ten-year secured long-term loan agreement with a third party local bank for ₱1,500.00 million to refinance the construction of MCMI's school buildings and facilities that were initially funded by short-term loans. MCMI made partial drawdowns against this agreement amounting to ₱680.00 million, ₱350.00 million and ₱470.00 million in January, June and July 2019, respectively. The loans were subject to prevailing borrower's rate, plus a minimum spread of 0.50% per annum, but in no case lower than 4% per annum, subject to quarterly repricing. MCMI shall repay the loan in 20 equal quarterly installments to start at the end of 21st quarter from the initial drawdown date. The loans were secured by the land and related improvements owned by MCMI with carrying value of ₱2,376.76 million as of December 31, 2019 and suretyship of MESI.

Schedule E. Indebtedness to Related Parties (Long Term Loans from Related Companies)
As at December 31, 2022, the Group has no outstanding long-term debt from/to related parties.

Schedule F. Guarantees of Securities of Other Issuers
As at December 31, 2022, the Group does not guarantee any securities.

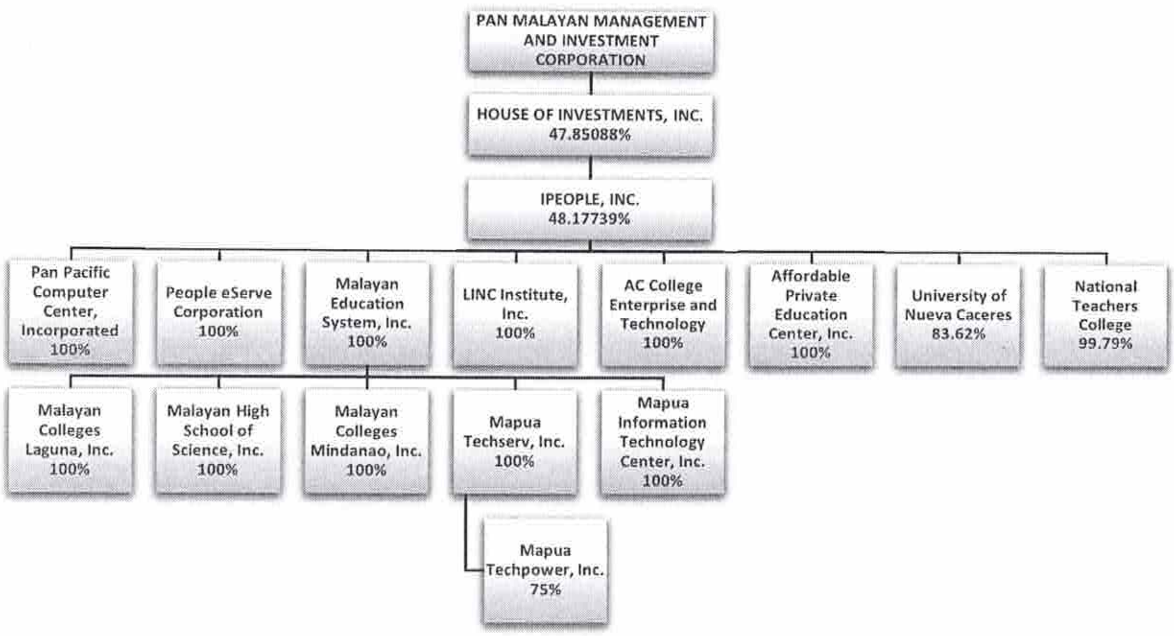
Schedule G. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
Common Shares	2,000,000,000	1,044,263,197	-	885,453,681	168,775	158,640,741

SCHEDULE III

IPEOPLE, INC. AND SUBSIDIARIES
GROUP STRUCTURE
DECEMBER 31, 2022

Group Structure
Below is a map showing the relationship between and among the Group and its ultimate parent company and subsidiaries as at December 31, 2022:



SCHEDULE I

IPEOPLE, INC. AND SUBSIDIARIES

ANNEX 68-D: RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION*

DECEMBER 31, 2022
Amounts in Thousands

Items	Amount	
Unappropriated retained earnings, *as adjusted to available for distribution, beginning*		**₱1,259,240**
Add: Net income actually earned/realized during the period		
Net income (loss) during the period closed to retained earnings	**₱123,175**	
Less: Non-actual/unrealized income net of tax		
Equity in net income of associate/joint venture	–	
Unrealized foreign exchange gain - net (except those attributable to cash and cash equivalents)	–	
Unrealized actuarial gain	–	
Fair value adjustment (M2M gains)	–	
Fair value adjustment of Investment Property resulting to gain	–	
Adjustment due to deviation from PFRS/GAAP-gain	–	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	–	
Sub-total	–	
Add: Non-actual losses		
Depreciation on revaluation increment (after tax)	–	
Adjustments due to deviation from PFRS/GAAP - loss	–	
Loss on fair value adjustment of investment property (after tax)	–	
Sub-total	–	
Net income actually realized during the period		**123,175**
Add (Less):		
Dividends declaration during the year	**(167,082)**	
Appropriations of retained earnings during the period	–	
Reversal of appropriations	–	
Effects of appropriations	–	
Effects of prior period adjustments	–	
Treasury shares	–	
Transfer to retained earnings of fair value reserve of equity instruments	–	
		(167,082)
Total Retained Earnings, End Available for Dividend		**₱1,215,333**

**Based on December 31, 2022 Parent Company Supplementary Schedule.*

IPEOPLE, INC. AND SUBSIDIARIES

ANNEX 68-E: SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2022 AND 2021

Below are the financial ratios that are relevant to the Group's for the years ended December 31:

Financial ratios		**2022**	2021
Current ratio *Indicates the Group's ability to pay short-term obligation*	Current Assets / Current Liabilities	**1.03:1**	1.40:1
Acid-test ratio *Indicates the Group's ability to use its quick or near cash assets to pay current liabilities immediately*	Current Assets – Prepaid expenses / Current Liabilities	**0.90:1**	1.22:1
Solvency Ratio *Shows how likely a Group will be to continue meeting its debt obligations*	Net Income+Depreciation / Total Liabilities	**0.25:1**	0.22:1
Debt-to-equity ratio *Measures the Group's leverage*	Total Debt / Equity	**0.40:1**	0.46:1
Asset to Equity Ratio *Shows how the Group's leverage (debt) was used to finance the firm*	Total Assets / Equity	**1.39:1**	1.45:1
Interest Rate Coverage *Shows how easily a Group can pay interest on outstanding debt*	EBIT* / Interest Expense Excluding Interest Expense on Lease Liabilities	**9.93:1**	7.03:1
Return on Average Stockholders' Equity *Reflects how much the Group's has earned on the funds invested by the stockholders*	Net Income / Average Equity	**6.56%**	6.14%
Net profit margin *Reflect how much net income or profit is generated as percentage of revenue*	Net Profit Margin / Revenue	**19.83%**	19.81%
Return on Assets *Measure the ability to utilize the Group's assets to create profits*	Net Income / Total Assets	**4.42%**	4.12%

**Earnings before interest and taxes (EBIT)*

ANNEX 'E'

iPeople, inc. and Subsidiaries

Consolidated Financial Statements
as of March 31, 2023 and December 31, 2022
and
Three Months Ended
March 31, 2023, 2022 and 2021

iPEOPLE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	Unaudited March 2023	Audited December 2022
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7 and 15)	**₱2,192,122**	₱1,961,428
Receivables (Note 8)	**1,149,895**	1,176,228
Receivables from related parties (Note 15)	**2,881**	1,825
Prepaid expenses and other current assets (Note 9)	**403,718**	464,937
Financial assets at fair value through profit or loss (FVTPL)	**9,448**	9,332
Total Current Assets	**3,758,064**	3,613,750
Noncurrent Assets		
Property and equipment at cost (Note 10)	**5,388,296**	5,298,590
Land at revalued amounts (Notes 10 and 11)	**7,578,412**	7,578,412
Intellectual property rights (Note 6)	**490,882**	490,882
Goodwill (Notes 6 and 12)	**151,326**	151,326
Student relationship (Note 6)	**9,577**	10,759
Right-of-use assets (Note 27)	**360,763**	376,794
Net pension assets	**38,701**	38,701
Deferred tax assets - net	**37,849**	37,524
Other noncurrent assets (Note 13)	**101,772**	104,754
Total Noncurrent Assets	**14,157,578**	14,087,742
	₱17,915,642	₱17,701,492

LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 14 and 27)	**₱1,144,506**	₱1,099,637
Unearned income (Note 14)	**728,706**	796,164
Lease liabilities - current portion (Note 27)	**40,449**	51,005
Current portion of long-term debt (Note 17)	**16,287**	1,521,448
Income tax payable	**6,327**	5,225
Payables to related parties (Note 15)	**18,138**	16,797
Dividends payable (Note 18)	**224,564**	26,154
Total Current Liabilities	**2,178,996**	3,516,430
Noncurrent Liabilities		
Net pension liabilities	**136,165**	129,811
Long-term loans (Note 17)	**1,831,191**	334,568
Lease liabilities - net of current portion (Note 27)	**378,239**	378,630
Deferred tax liabilities - net	**589,929**	590,311
Other noncurrent liabilities (Note 27)	**11,544**	11,544
Total Noncurrent Liabilities	**2,947,068**	1,444,864
Total Liabilities	**5,126,064**	4,961,294

(Forward)

	Unaudited March 2023	Audited December 2022
Equity		
Common stock (Notes 6 and 18)	**₱1,044,263**	₱1,044,263
Additional paid-in capital (Note 6)	**3,294,368**	3,294,368
Other comprehensive income (loss):		
Revaluation increment on land - net (Note 11)	**2,603,159**	2,603,159
Remeasurement losses on defined benefit plans	**11,099**	11,099
Equity reserve (Note 6)	**(230,494)**	(230,494)
Retained earnings (Note 18)	**5,765,376**	5,719,050
Equity attributable to equity holders of the Parent Company	**12,487,771**	12,441,445
Non-controlling interest in consolidated subsidiaries (Note 24)	**301,807**	298,753
Total Equity	**12,789,578**	12,740,198
	₱17,915,642	₱17,701,492

See accompanying Notes to Consolidated Financial Statements.

iPEOPLE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)

	January 1 to March 31		
	2023	2022	2021
REVENUE FROM CONTRACTS WITH CUSTOMERS (Note 19)			
Revenue from schools and related operations	**₱1,073,364**	₱870,502	₱803,005
COSTS AND EXPENSES			
Cost of schools and related operations (Note 20)	**575,797**	476,675	438,108
GROSS PROFIT	**497,567**	393,827	364,897
GENERAL AND ADMINISTRATIVE EXPENSES (Note 21)	**(228,268)**	(168,923)	(161,450)
INTEREST AND OTHER FINANCE CHARGES (Note 22)	**(39,879)**	(29,322)	(33,962)
INTEREST INCOME (Notes 7 and 22)	**14,324**	1,586	1,944
OTHER INCOME (CHARGES) - Net	**5,883**	1,018	620
INCOME BEFORE INCOME TAX	**249,627**	198,186	172,049
PROVISION FOR INCOME TAX	**1,837**	1,647	939
NET INCOME	**247,790**	196,539	171,110
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:			
	–	–	–
TOTAL COMPREHENSIVE INCOME	**₱247,790**	₱196,539	₱171,110
Net income attributable to:			
Equity holders of the parent (Note 23)*	**₱244,737**	₱195,586	₱171,945
Non-controlling interest in consolidated subsidiaries (Note 24)	**3,053**	953	(835)
	₱247,790	₱196,539	₱171,110
Total comprehensive income attributable to:			
Equity holders of the parent	**₱244,737**	₱196,586	₱171,945
Non-controlling interest in consolidated subsidiaries (Note 24)	**3,053**	953	(835)
	₱247,790	₱196,539	₱171,110
***Basic/Diluted Earnings Per Share** (Note 23)	**₱0.2344**	₱0.1873	₱0.1647

See accompanying Notes to Consolidated Financial Statements.

iPEOPLE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

	Attributable to Equity Holders of the Parent Company									
	Common Stock (Notes 6 and 18)	**Additional Paid-in Capital** (Note 6)	**Revaluation Increment on Land - net of tax** (Note 11)	**Remeasurement Gains (Losses) on Net Defined Benefit Plans**	**Equity Reserve** (Note 6)	**Retained Earnings** (Note 18)	**Treasury Stock** (Note 18)	**Total**	**Non - controlling Interest** (Note 24)	**Total**
Balances as at January 1, 2023	**₱1,044,263**	**₱3,294,368**	**₱2,603,159**	**₱11,099**	**(₱230,494)**	**₱5,719,050**	**₱–**	**₱12,441,445**	**₱298,753**	**₱12,740,198**
Net income	–	–	–	–	–	**244,737**	–	**244,737**	**3,053**	**247,790**
Other comprehensive income	–	–	–	–	–	–	–	–	–	–
Total comprehensive income	–	–	–	–	–	**244,737**	–	**244,737**	**3,053**	**247,790**
Dividends declared	–	–	–	–	–	**(198,410)**	–	**(198,410)**	–	**(198,410)**
Balances as at March 31, 2023	**₱1,044,263**	**₱3,294,368**	**₱2,603,159**	**₱11,099**	**(₱230,494)**	**₱5,765,376**	**₱–**	**₱12,487,771**	**₱301,806**	**₱12,789,578**
Balances as at January 1, 2022	₱1,044,263	₱3,294,368	₱1,633,847	(₱15,033)	(₱230,494)	₱5,142,420	₱–	₱10,869,371	₱250,432	₱11,119,803
Net income	–	–	–	–	–	195,586	–	195,586	953	196,539
Other comprehensive income	–	–	–	–	–	–	–	–	–	–
Total comprehensive income	–	–	–	–	–	195,586	–	195,586	953	196,539
Balances as at March 31, 2022	₱1,044,263	₱3,294,368	₱1,633,847	(₱15,033)	(₱230,494)	₱5,338,006	₱–	₱11,064,957	₱251,385	₱11,316,342
Balances as at January 1, 2021	₱1,044,263	₱3,294,368	₱1,425,033	(₱76,722)	(₱230,494)	₱4,795,968	(₱0.21)	₱10,252,416	₱239,588	₱10,492,004
Net income	–	–	–	–	–	171,945	–	171,945	(835)	171,110
Other comprehensive income	–	–	–	–	–	–	–	–	–	–
Total comprehensive income	–	–	–	–	–	171,945	–	171,945	(835)	171,110
Balances as at March 31, 2021	₱1,044,263	₱3,294,368	₱1,425,033	(₱76,722)	(₱230,494)	₱4,967,913	(₱0.21)	₱10,424,361	₱238,753	₱10,663,114

See accompanying Notes to Consolidated Financial Statements.

iPEOPLE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	January 1 to March 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱249,627**	₱198,186	₱172,049
Adjustments for:			
Depreciation and amortization (Notes 10, 13, 20 and 21)	**122,387**	104,994	108,561
Interest expense and other finance charges (Note 22)	**39,484**	29,915	29,643
Provision for doubtful accounts (Notes 8 and 21)	**5,518**	16,935	8,969
Interest income (Note 22)	**(14,324)**	(1,586)	(1,944)
Unrealized foreign exchange loss (gain) - net	**1,020**	(129)	(89)
Unrealized market loss (gain) on financial assets at FVTPL	**(116)**	–	561
Operating income before working capital changes	**403,596**	348,315	317,750
Decrease (increase) in:			
Receivables	**20,866**	81,954	(37,023)
Prepaid expenses and other current assets	**61,219**	(50,416)	(43,264)
Increase (decrease) in:			
Accounts payable and other current liabilities	**44,869**	(77,937)	97,228
Unearned income	**(67,438)**	(50,050)	(37,776)
Other noncurrent liabilities	**7,130**	7,764	9,839
Net pension assets and liabilities	**5,647**	6,306	3,603
Net cash generated from operations	**475,888**	265,935	310,358
Interest paid	**(39,879)**	(14,025)	(25,472)
Income taxes paid	**(736)**	(1,847)	(132)
Interest received	**14,274**	1,566	1,918
Net cash flows from operating activities	**449,547**	251,629	286,672
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property and equipment (Note 10)	**(193,285)**	(73,860)	(36,983)
Computer software (Note 13)	**(1,461)**	(7,299)	(2,381)
Decrease (increase) in:			
Receivables from related parties	**(1,056)**	(1,413)	(401)
Other noncurrent assets	**2,849**	521	1,269
Net cash flows from (used in) investing activities	**(192,954)**	(82,051)	(38,496)

(Forward)

	January 1 to March 31		
	2023	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term loans (Notes 16 and 26)	**₱–**	₱400,000	₱–
Payments of long-term loans	**(8,143)**	–	–
Payments of short-term loans (Notes 16 and 26)	–	–	(248,866)
Dividends paid to stockholders (Note 26)	–	–	(8)
Payment of lease liabilities (Notes 26 and 27)	**(18,076)**	(18,527)	(19,279)
Increase (decrease) in payables to related parties (Note 26)	**1,340**	6,392	(18,212)
Net cash flows from (used in) financing activities	**(24,879)**	(412,135)	(286,365)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(1,020)**	129	89
NET INCREASE IN CASH AND CASH EQUIVALENTS	**230,694**	(242,428)	(38,100)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,961,428**	1,604,129	1,319,002
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	**₱2,192,122**	₱1,361,701	₱1,280,902

See accompanying Notes to Consolidated Financial Statements.

IPEOPLE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. **Corporate Information**

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

The Parent Company, a subsidiary of House of Investments, Inc. (HI), is a holding and management company. iPeople, inc. and its subsidiaries (collectively referred to as "the Group") are mainly involved in education sector with the list of subsidiaries disclosed in Note 2.

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

The Parent Company's principal office address is at 8th Floor Mapua University Makati Campus, 1191 Pablo Ocampo Sr. Extension Ave., Brgy. Sta. Cruz, Makati City as of March 31, 2023. In 2023, the Parent Company changed its registered office address as disclosed in Note 32.

Merger with AC Education, Inc.
With the effectivity of the merger on May 2, 2019 between iPeople, inc. and AC Education, Inc. (AEI), the wholly owned education arm of Ayala Corporation (AC), iPeople, inc. became 48.18% owned by HI and 33.5% owned by AC. Details of the merger is disclosed in Note 6.

2. **Basis of Preparation**

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

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

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Group as at March 31, 2023 and December 31, 2022, and for each of the three years in the period ended March 31, 2023.

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

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

	Percentage of Ownership		
	2022	2021	2020
Malayan Education System, Inc. (MESI) [Operating Under the Name of Mapua University] and subsidiaries	**100%**	100%	100%
Direct ownership of MESI on its subsidiaries:			
Malayan Colleges Laguna, Inc., A Mapua School (MCLI)	**100**	100	100
Mapua Malayan Colleges Mindanao (A Mapua School), Inc. (MMCMI)	**100**	100	100
Malayan High School of Science, Inc. (MHSSI)	**100**	100	100
Mapua Information Technology Center, Inc. (MITC)	**100**	100	100
Mapua Techserv, Inc.	**100**	100	100
Mapua Techpower, Inc.	**75**	75	75
People eServe Corporation	**100**	100	100
Pan Pacific Computer Center, Incorporated (PPCCI)	**100**	100	100
Affordable Private Education Center, Inc. doing business under the name of APEC Schools	**100**	100	100
National Teachers College doing business under the name/s and style/s of The National Teachers College	**99.79**	99.79	99.79
University of Nueva Caceres	**83.62**	83.62	83.62
AC College of Enterprise and Technology, Inc.	**100**	100	100
LINC Institute, Inc. doing business under the Name and Style of LINC Academy	**100**	100	100

All subsidiaries were incorporated in the Philippines.

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

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

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

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

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

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

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

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

3. Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective as at January 1, 2022. The adoption of these pronouncementsdid not have any significant impact on the Group's financial position or performance.

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

Effective beginning on or after January 1, 2023
- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Effective beginning on or after January 1, 2024
- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

Effective beginning on or after January 1, 2025
- PFRS 17, *Insurance Contracts*

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

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

The Group continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to 2022 on the Group's consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included inthe consolidated financial statements when these amendments are adopted.

4. **Summary of Significant Accounting Policies**

Current versus Noncurrent Classification
The Group presents assets and liabilities in the consolidated statement of financial position based on current/noncurrent classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve (12) months after the end of the financial reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the end of the financial reporting period.

The Group classifies all other assets as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve (12) months after the end of the financial reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve (12) months after the end of the financial reporting period.

The Group classifies all other liabilities as noncurrent.

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

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

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

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

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

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

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

- *Level 1* – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- *Level 2* – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- *Level 3* – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each financial reporting date.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

Financial Instruments
Initial recognition and subsequent measurement
The Group recognizes a financial asset or a financial liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date.

Financial assets – Initial recognition and measurement)
Financial assets are classified, at initial recognition, as "subsequently measured at amortized cost"; fair value through other comprehensive income (FVOCI); and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flow that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrumentlevel.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will resultfrom collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Group has financial assets at amortized cost (debt instruments) and financial assets at FVTPL.

Financial assets at amortized cost (debt instruments)
The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

This accounting policy relates to the Group's cash and cash equivalents, receivables, receivables from related parties, short-term investments, and refundable deposits.

Financial assets at fair value through profit or loss
A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income (OCI). However, an entity may make an irrevocable election at initial recognition for particular investments in equity instruments thatwould otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in OCI.

The Group may, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Included in this classification is the peso-denominated investment in Unit Investment Trust Fund (UITF) in Rizal Commercial Banking Corporation (RCBC).

Derecognition of financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets
The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowanceis required for credit losses expected over the remaining life of the exposure, irrespective of timing ofthe default (a lifetime ECL).

An impairment analysis is performed at each reporting date and the Group generally used the provision matrix to measure ECL. The mechanics of the ECL calculations and the key elements are, as follows:

a. *Probability of default (PD)* is an estimate of the likelihood of default over a given time horizon.
b. *Exposure at default (EAD)* is an estimate of the exposure at a future default date taking into account expected changes in the exposure after the reporting date.
c. *Loss given default (LGD)* is an estimate of the loss arising in the case where a default occurs at a given time.

The Group's debt instruments at amortized cost comprise of cash and cash equivalents, short-term investments and refundable deposits that are considered to have low credit risk. Hence, it is the Group's policy to measure ECL on such instrument on a 12-month basis applying the low credit risk simplification and based on the PD which is publicly available. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses external credit ratings both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECL.

For tuition and other fees receivables, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. The Group generally uses a provision matrix to calculate ECL. The provision rates are based on days past due for groupings based on school term.The provision matrix is initially based on the Group's historical observed default rates. The Group will then consider directly relevant forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are considered.

Primary drivers like macroeconomic indicators of qualitative factors such as forward-looking data on inflation rate and unemployment rate were added to the ECL calculation to reach a forecast supported by both quantitative and qualitative data points.

The Group may consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off whenthere is no reasonable expectation of recovering the contractual cash flows.

Financial Liabilities – Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate, and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include loans and borrowings.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss
- Loans and borrowings

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIRamortization process. The EIR amortization is included as finance costs in the statement of comprehensive income.

This accounting policy applies primarily to accounts payable and other current liabilities (excluding payables to government), payables to related parties, dividends payable, lease liabilities, and loans payable.

Derecognition of financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

'Day 1' difference
Where the transaction price in a non-active market is different to the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in profit or loss, unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in profit or loss whenthe inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1' difference amount.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets pertain to resources controlled by the Group as a result of past events and from which future economic benefits are expected to flow to the Group. This account includes the following:

Prepaid Expenses

These are expenses paid in advance to be amortized over the benefit period or to be expense once incurred or consumed. These consist of prepaid insurance and subscriptions, among others.

Short-term investments

This pertains to interest bearing time deposits with terms of not more than one year and held for investment purposes.

Creditable Withholding Tax (CWT)

This pertains to the tax withheld source by the Group's customers and lessees and is creditable against its income tax liability.

Inventories

Inventories are stated at the lower of cost and net realizable value (NRV). NRV is the selling price in the ordinary course of the business, less costs of completion, marketing and distribution. Cost is determined using weighted and simple average methods for textbooks, printed materials and supplies intended for sale.

Value-added Tax (VAT)

The input VAT pertains to the 12% indirect tax paid by the Group in the course of the Group's trade or business on local purchases of goods or services. Input VAT that is not expected to be fully applied against the output VAT of the succeeding year is presented as noncurrent asset.

When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

Output VAT pertains to the 12% tax due on the local sale of goods or services by the Group.

Property and Equipment

Property and equipment, except for land, is stated at cost, less accumulated depreciation and any impairment in value.

The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location forits intended use. Expenditures incurred after the assets have been put into operation, such as repairs and maintenance, are normally charged to operations in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized asan additional cost of property and equipment.

Construction in progress represents property under construction and is stated at cost. This includes cost of construction and other direct costs. Construction in progress is not depreciated until such timethat the relevant assets are ready for their intended use.

Depreciation is computed using the straight-line method over the estimated useful lives (EUL) of the related assets as follows:

	Years
Buildings and improvements	10-40
Office furniture and equipment	5-10
Transportation equipment	5

Leasehold improvements are amortized over the term of the lease or the estimated useful lives of the improvements, whichever is shorter.

The EUL and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated property and equipment are retained in the accounts until they are no longer in use and no further depreciation and amortization are credited to or charged against current operations.

When assets carried at cost are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected as part of current operations. When land carried at revalued amount are retired or otherwise disposed of, the carrying amount, which is the fair value at the time of sale or disposal, is derecognized and no gain orloss is recognized.

Land at Revalued Amounts
Land is carried at its revalued amount. The appraised values used for revaluation were determined by independent firms of appraisers.

The initial cost of land consists of its purchase price and directly attributable costs of bringing the asset to its working condition and location for its intended use.

The appraisal increment (net of deferred tax) resulting from the revaluation is credited to OCI and accumulated in equity under "revaluation increment on land – net" account. Decreases in valuation is charged to profit or loss, except to the extent that it reverses the existing accumulated revaluation increment on the same asset and therefore such decrease is recognized in OCI. The decrease recognized in OCI reduces the revaluation increment on land – net account in equity. In case a subsequent revaluation increase of an asset reverses a revaluation decrease previously recognized in profit or loss, such increase is credited to income in profit or loss.

The same rules apply to impairment losses. An impairment loss on a revalued asset is first used to reduce the revaluation increment for that asset. Only when the impairment loss exceeds the amount in the revaluation increment for that same asset is any further impairment loss recognized in profit or loss.

Upon disposal, any revaluation increment relating to the land being sold is transferred to retained earnings.

Right-of-use Assets and Lease Liabilities
The Group recognizes right-of-use assets and lease liabilities on contracts that qualify as leases under PFRS 16. The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease

liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Right-of-use assets are subject to impairment. Refer to the accounting policies on Impairment of Nonfinancial Assets.

Lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate (IBR) at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group applies the short-term lease recognition exemption to its short-term leases of office space. It also applies the low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Business Combination and Goodwill

An acquisition of a business (i.e. an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return directly to investors) is a business combination. Business combinations are accounted for using the acquisition method. The acquired identifiable tangible and intangible assets, liabilities and contingent liabilities are measured at their fair values at the date of the acquisition. Any excess of the acquisition cost over the net fair value of the identifiable assets acquired and liabilities assumed is recognized as goodwill. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree’s identifiable net assets.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with PAS 39 either in profit or lossor as a change to OCI. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets ofthe subsidiary acquired, the difference is recognized in the consolidated statement of comprehensiveincome.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Impairment losses relating to goodwill cannot be reversed in future periods. The Group performs its impairment test of goodwill at least annually.

The goodwill recognized in the Group's consolidated statement of financial position pertains to the acquisition of MESI and merger with AEI as disclosed in Notes 6 and 12.

Intangible Assets Other Than Goodwill

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Subsequently, intangible assets are measured at cost less accumulated amortization and provision forimpairment loss, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the consolidated statement of income in the year in which the expenditure is incurred.

The estimated useful life of intangible assets is assessed as either finite or indefinite. The estimateduseful lives of intangible assets are as follows:

	Number of Years
Intellectual property rights	Indefinite
Student relationship	5-7
Software cost	3

The estimated useful lives of intangible assets with finite lives are assessed at the individual asset level. Intangible assets with finite lives are amortized over their estimated useful lives on a straight-line basis. Periods and method of amortization for intangible assets with finite useful lives are reviewed annually or earlier when an indicator of impairment exists.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive income in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite useful life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

A gain or loss arising from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible assets and is recognized in the consolidated statement of comprehensive income when the intangible asset is derecognized.

Impairment of Nonfinancial Assets

Property and equipment, student relationship, right-of-use assets, and other noncurrent assets

The Group assesses as of reporting date whether there is an indication that nonfinancial assets may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of the asset's or CGU's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows arediscounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

An assessment is made at each financial reporting date as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase in OCI to the extent that it reverses a revaluation decrease of the same asset that was previously recognized in OCI. After such reversal, the depreciation and amortization charge is adjusted in futureperiods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Goodwill and intellectual property rights

Goodwill and intellectual property rights are reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment on goodwill and intellectual property rights are determined by assessing the recoverable amount of the cash-generating unit, to which these assets relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Equity

The Group records common stock at par value for all shares issued and outstanding, and additional paid-in capital for the excess of the total contributions received over the aggregate par values of the equity shares. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax. When any member of the Group purchases the Group's capital stock (treasury shares), the consideration paid, including any attributable incremental costs, is deducted from equity attributable to the Group’s equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Parent Company’s own equity investments.

Retained earnings represent accumulated earnings less dividends declared and any adjustment arising from application of new accounting standards, policies or correction of errors applied retroactively.

The individual accumulated earnings of the subsidiaries are available for dividend declaration when these are declared as dividends by the respective subsidiaries as approved by their respective BOD or BOT, as applicable.

Revenue and Income Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer. Revenue is recognized when theGroup satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the goods or service. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as principal in all of its revenue arrangements.

Revenue from schools and related operations consist of the following:

Revenue from tuition and other matriculation fees

Revenue from tuition fees and other matriculation fees are recognized over time over the corresponding school term using the output method (i.e., time lapsed over the service period such as semester or school year, depending on the curriculum registered). Upon enrollment, students have the option to pay the tuition and other matriculation fees in full or in installment.

Other student-related income

Other student-related income is recognized at a point in time upon delivery of the promised goods to the customer or at point in time when services has been rendered. These mainly consist of the following:

Admission, examination and other fees

Admission, examination and other fees are recognized as income when examination has been granted by the school and related services have been provided to the students (at point in time).

Bookstore income

Bookstore income is recognized when goods have been delivered to the buyer (at point in time).

Seminar income

Seminar income is recognized as income over the corresponding term or as the services are rendered(at point in time or over time).

Miscellaneous income

Miscellaneous income is recognized when earned (at point in time).

Sale of goods is recognized as revenue upon delivery of the goods to the buyer (at point in time).

Sale of services is recognized when services are rendered (over time).

Following are contract balances relative to PFRS 15:

Receivables
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the paymentis due, a contract asset is recognized for the earned consideration that is conditional.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to a customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract. The Group's contract liabilities represent the unearned income on tuition fees (presented under unearned income) and accounts payable to students (presented under accounts payable and other current liabilities) and will be recognized as revenue when the related educational services are rendered. Accounts payable to students are advance collections from students to be applied to the next school year or school term.

Costs and Expenses
The Group's costs and expenses constitute costs of operating the business recognized in the consolidated statement of comprehensive income as incurred.

Cost of schools and related operations
Cost of schools and related operations constitute expenses directly related to the Group's school and related operations which include expenses for salaries and wages of teaching and academic support personnel, student welfare activities, and all other student-related costs and expenses. Cost of schoolsand related operations are recognized as expense when the school and related services have been provided to the students.

General and Administrative Expenses
These expenses constitute costs of administering the business. General and administrative expenses, except for rent expense, are recognized as incurred.

Interest and Financing Charges
Interest and financing charges, excluding capitalizable borrowing costs, is recognized as expense in the period in which it is incurred.

Borrowing costs are capitalized if they are directly attributable to the acquisition or construction of a qualifying asset. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred.Borrowing costs are capitalized until the assets are substantially ready for their intended use.

Retirement Benefits
Retirement benefits cost is actuarially determined using the projected unit credit method. This method considers each period of service as giving rise to an additional unit of benefit entitlement andmeasures each unit separately to build up the final obligation.

Retirement benefits cost comprises the following:

- Service costs
- Net interest on the net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on nonroutine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset.
Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

<u>Income Taxes</u>
Current tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the financial reporting date.

Deferred tax
Deferred tax is provided, using the balance sheet liability method, on all temporary differences at the financial reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, net operating loss carry over (NOLCO) and minimum corporate income tax (MCIT) to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each financial reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

When a subsidiary is disposed, and said subsidiary has a single asset, land, which is classified as property and equipment carried at revalued amount in the consolidated financial statements, the tax paid on disposal of the subsidiary, emanating from the difference between the cost of the land and its selling price, is taken to OCI in the consolidated statement of comprehensive income. The related tax, e.g. capital gains tax (CGT), is netted against the reversal of deferred tax liability on revaluation increment of land sold through sale of subsidiary.

Deferred income tax that relates to items that are recognized: (a) in other comprehensive income shall be recognized in other comprehensive income; and (b) directly in equity shall be recognized directly in equity.

Deferred income tax assets and liabilities are offset if a legally enforceable right to offset current income tax against current income tax liabilities and the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current income tax liabilities and assets on a netbasis or to realize the assets and settle the liabilities simultaneously, on each future period in which significant amounts of deferred income tax assets and liabilities are expected to be settled or recovered. Subsidiaries operating in the Philippines file income tax returns on an individual basis.
Thus, the deferred tax assets and deferred tax liabilities are offset on a per entity basis.

Leases – Group as Lessor
Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the leased term on the same bases as rental income. Rental income is recognized on a straight-line basis over the term of thelease.

Foreign Currency-denominated Transactions and Translation
Foreign currency-denominated transactions are recorded using the prevailing exchange rates at the time of transactions. Foreign currency-denominated monetary assets and liabilities are translated to Philippine Peso closing rate of exchange prevailing at the reporting date. Exchange gains or losses arising from foreign currency are charged to profit or loss.

Basic Earnings Per Share (EPS)
Basic earnings per common share is computed based on weighted average number of issued and outstanding common shares, less treasury shares, after giving retroactive effect for any stock dividends. Diluted earnings per share, if applicable, is computed on the basis of the weighted averagenumber of shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. There are no dilutive potential common shares that would require disclosure of diluted earnings per common share in the consolidated financial statements.

Segment Reporting
The Group’s operating business are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 28 to the consolidated financial statements.

Provisions
Provisions are recognized when (a) the Group has a present obligation (legal or constructive) as a result of a past event, (b) it is probable that an outflow of assets embodying economic benefits will berequired to settle the obligation and (c) a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discountingis used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

Events after the Financial Reporting Date
Post year-end events up to the date of the auditor's report that provide additional information aboutthe Group's position at financial reporting date (adjusting event) are reflected in the consolidated financial statements. Any post year-end events that are not adjusting events are disclosed when material to the consolidated financial statements.

5. Significant Accounting Judgments and Estimates

The preparation of the consolidated financial statements requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. Future events may occur which can cause the assumptions used in arriving at those estimates to change. The effects of any changes in estimates will be reflected in the consolidated financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fair valuation of land
The Group measures land at revalued amount with changes in fair value being recognized in other comprehensive income. The Group engaged an independent firm of appraisers to determine the fair value as at December 31, 2022 and 2021. The key assumptions used to determine fair value are disclosed in Note 11.

As at March 31, 2023 and December 31, 2022, the fair value of land amounted to ₱7,578.4 million (Note 11).

Estimation of allowance for ECL on tuition and other fees receivables
The Group generally uses provision matrix to calculate ECL for tuition and other fees receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will then consider directly relevant forward-looking information. At every reporting date, the historical observed default rates are updated and forward-looking factors specific to the debtors and the economic environment are updated to consider the impact of the coronavirus pandemic.

The Group also applied weights to various scenarios in the computation of the allowance for ECL to incorporate impact of uncertainty due to the current economic conditions such as the impact of the coronavirus pandemic. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

Allowance for ECL on tuition and other fees receivables and related carrying value are disclosed in Note 8.

Leases under PFRS 16 – Estimating the IBR
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses IBR to measure lease liabilities. The IBR is the rate of interest that an entity would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what theentities 'would have to pay', which requires estimation when no observable rates are available (such as for entities that do not enter into financing transactions) or when they need to be adjusted to reflectthe terms and conditions of the lease (for example, when leases are not in functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and isrequired to make certain entity-specific estimates (such as the stand-alone credit rating).

The Group's right-of-use assets and lease liabilities are disclosed in Note 31.

Impairment of nonfinancial assets
Impairment of goodwill and intellectual property rights (nonfinancial assets with indefinite useful) are assessed at least on an annual basis. In assessing the impairment, the Group determines the recoverable amount using value in use with details disclosed in Notes 6 and 12. In 2022, an impairment loss on intellectual property right attributable to APEC amounting ₱32.2 million to was recognized (nil in 2021 and 2020). The carrying value of these assets are disclosed in Notes 6 and 12.

In 2022 and 2021, the Group performed an impairment testing of the property and equipment andright-of-use assets of APEC amounting to ₱416.0 million and ₱355.2 million as of December 31, 2022 and 2021, respectively, due to the continuing losses and significant decline in the number of students due to the coronavirus pandemic. In assessing the impairment, the Group determines the recoverable amount using value in use, with details disclosed in Note 31. Management assessed that these assets as of March 31,2023 and December 31, 2022 are not impaired considering that the calculated recoverable amount is higher than the carrying value (see Notes 10 and 31).

Estimation of pension obligations and other retirement benefits
The determination of the Group's pension cost and liabilities is dependent on the selection of certain assumptions used in calculating such amounts. Those assumptions include, among others, discount rate and salary increase rate which were disclosed in Note 25 and to which the cash flows are most sensitive to. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in assumptions may materiallyaffect the retirement expense and related asset or liability.

As at March 31, 2023 and December 31, 2022, the net pension liabilities amounted to ₱136.2 million and ₱129.8 million, respectively, while net pension assets amounted to ₱38.7 million as at March 31, 2023 and December 31, 2022 (Note 25).

Deferred tax assets
The Group reviews the carrying amounts of deferred tax assets at each financial reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred income tax assets to be utilized. Where there is no absolute assurance that each legal entity in the Group will generate sufficient taxable profit to allow all or part of its deferred tax assets to be utilized, deferred tax assets are not recognized.

Deferred tax assets recognized and temporary differences on which deferred tax assets were notrecognized are disclosed in Note 23.

Provisions
The Group is currently involved in certain legal proceedings and claims in the ordinary course of business. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysisof potential results. The ultimate disposition of these matters cannot be determined with certainty.

The Group will exhaust all legal remedies available to it in defending itself in these claims and proceedings (Notes 14 and 31).

6. **Intangible Assets Arising from the Merger**

As a result of the merger which was disclosed in Note 1, iPeople, inc. issued to AC an aggregate of 295,329,976 shares with par value of ₱1.0 per share for a total fair value of ₱3,591.21 million based on iPeople, inc.'s quoted closing rate per share as of May 2, 2019 in exchange for the transfer of thenet assets of AEI. The excess of the fair value of shares issued over the par value was recognized asadditional paid-in capital.

The Group recognized the following intangible assets in 2019 as a result of the merger:

Intellectual property rights	₱523,103
Student relationship	116,009
Goodwill (Note 12)	13,472
	₱652,584

Intellectual property rights have infinite life and the student relationship have an estimated useful life of 5 years to 7 years based on the contractual relationship between the school entities and its students. These assets are attributed from the acquisition of operating schools NTC, APEC and UNC.

Intellectual Property Rights
As of December 31, 2022 and 2021, the Group performed impairment testing on intellectual propertyrights using the income approach (royalty relief method) wherein recoverable value is computed based on royalty savings. Key assumptions used are as follows:

- Revenue projections and long-term growth rate (3% for 2022 and 2021). Revenue projections based on financial budgets approved by management and the BOD and considers the impact ofthe coronavirus pandemic. The long-term growth rate considers the expected growth rate in theeducation industry sector.
- Discount rates (16% to 17% for 2022 and 14% to 15% for 2021). The discount rate used for thecomputation of the net present value is the weighted average cost of capital and was

determinedby reference to comparable listed companies in the educational sector.

- Royalty rates (1% to 6% for 2022 and 2021). This is based on the publicly available information on franchising of educational institutions in the Philippines, with consideration on the operationalrisk of the involved entity.

The Group's impairment testing on intellectual property rights resulted to the recognition of ₱32.2 million impairment loss on APEC in 2022 (nil in 2023 and 2021). The carrying value of intellectual property rights as of March 31, 2023 and December 31, 2022 amounted to ₱490.9 million.

Student Relationship
The carrying value and movement of student relationship as of and for the year ended March 31, 2023 and December 31, 2022 follows:

	2023	2022
Cost from business combination	**₱116,009**	₱116,009
Accumulated amortization:		
Beginning balance	**(105,250)**	(72,248)
Amortization and impairment (Note 20a)	**(1,182)**	(33,002)
Ending balance	**(106,432)**	(105,250)
Balance at end of the year	**₱9,577**	₱10,759

In 2022 and 2021, the Group recognized impairment loss on APEC student relationship because the remaining students from the time of the merger in 2019 significantly declined due to the impact of corona virus pandemic.

7. Cash and Cash Equivalents

This account consists of:

	Unaudited March 2023	Audited December 2022
Cash on hand	**₱2,801**	₱3,100
Cash in banks (Note 15)	**669,777**	544,228
Cash equivalents (Note 15)	**1,519,544**	1,414,100
	₱2,192,122	₱1,961,428

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents have terms with varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest at the prevailing short-term investment rates.

Interest income from cash in banks and cash equivalents amounted to ₱14.27 million, ₱1.57 million and ₱1.92 million in 2023, 2022 and 2021, respectively (Note 22).

8. Receivables

This account consists of:

	Unaudited March 2023	Audited December 2022
Tuition and other fees	**₱1,395,946**	₱1,429,781
Advances to officers and employees	**38,173**	29,870
Others	**67,477**	62,966
	1,501,595	1,522,617
Allowance for ECL	**(351,700)**	(346,389)
	₱1,149,895	₱1,176,228

Tuition and other fees pertain to tuition and other matriculation fees which are normally collected at end of every school term before the students can proceed to the next term. This also includes receivable from Department of Education (DepEd) amounting to ₱272.9 million and ₱319.8 million as at March 31, 2023 and December 31, 2022, respectively, arising from the Senior High School (SHS) Voucher Program wherein qualified SHS students are given assistance on tuition fees. These receivables are noninterest-bearing and are generally collectible within one year.

The changes in allowance for ECL as at March 31 and December 31 follow:

	March 2023		
	Tuition and other fees	**Others**	**Total**
Balance at beginning of year	**₱337,619**	**₱8,770**	**₱346,389**
Provisions for the year (Note 21)	**5,518**	**–**	**5,518**
Write-off	**(206)**	**–**	**(206)**
Balance at end of year	**₱342,930**	**₱8,770**	**₱351,700**
Gross receivables	**₱1,395,946**	**₱67,477**	**₱1,463,422**

	December 2022		
	Tuition and other fees	Others	Total
Balance at beginning of year	₱281,120	₱8,770	₱289,890
Provisions for the year (Note 21)	120,408	–	120,408
Write-off	(63,909)	–	(63,909)
Balance at end of year	₱337,619	₱8,770	₱346,389
Gross receivables	₱1,429,781	₱62,966	₱1,492,747

9. Prepaid Expenses and Other Current Assets

	Unaudited March 2023	Audited December 2022
Prepaid expenses	**₱178,197**	₱163,416
Short-term investments	**85,583**	161,153
CWT	**11,685**	10,352
Books inventories	**3,610**	6,160
Office supplies	**4,127**	3,904
Others	**120,516**	119,952
	₱403,718	₱464,937

Prepaid expenses mainly include prepayments for membership fees, subscriptions, and insurance, among others.

Short-term investments earn interest at the prevailing investment rates and have maturity of less than one year. These include investments held for government and private entities for the purpose of undertaking socio-economic studies and development projects amounting to ₱39.53 million and ₱40.19 million as of March 31, 2023 and December 31, 2022, respectively.

Others relate to rent deposits and other supplies. This also includes payments made on certain claims that are under protest (Note 31).

10. Property and Equipment

The rollforward analysis of this account follows:

	March 2023				
	Buildings and Improvements	**Office Furniture and Equipment**	**Transportation Equipment**	**Construction In Progress**	**Total**
Cost					
Balance at beginning of year	**₱6,477,973**	**₱2,893,235**	**₱51,176**	**₱20,776**	**₱9,443,160**
Acquisitions	**28,687**	**159,357**	**3,628**	**2,853**	**194,526**
Balance at end of year	**6,506,660**	**3,052,593**	**54,804**	**23,630**	**9,637,687**
Accumulated depreciation, amortization and impairment loss					
Balance at beginning of year	**1,781,449**	**2,322,738**	**40,383**	**–**	**4,144,570**
Depreciation (Notes 20 and 21)	**55,658**	**46,438**	**1,483**	**–**	**103,579**
Reclassifications and adjustments	**–**	**1,236**	**5**	**–**	**1,241**
Balance at end of year	**1,837,108**	**2,370,412**	**41,871**	**–**	**4,249,391**
Net book value at cost	**4,669,552**	**682,181**	**11,933**	**23,630**	**5,388,296**
Land at revalued amounts (Note 11)	**–**	**–**	**–**	**–**	**7,578,412**
Total	**₱4,669,552**	**₱682,181**	**₱12,933**	**₱23,630**	**₱12,966,708**

	December 2022				
	Buildings and Improvements	Office Furniture and Equipment	Transportation Equipment	Construction In Progress	Total
Cost					
Balance at beginning of year	₱4,900,055	₱2,572,710	₱51,977	₱1,645,080	₱9,169,822
Acquisitions	150,459	132,287	1,780	45,670	330,196
Disposals/retirement	–	(3,337)	(761)	–	(4,098)
Reclassifications and adjustments	1,427,459	191,575	(1,820)	(1,669,974)	(52,760)
Balance at end of year	6,477,973	2,893,235	51,176	20,776	9,443,160
Accumulated depreciation, amortization and impairment loss					
Balance at beginning of year	1,590,059	2,135,982	36,773	–	3,762,814
Depreciation (Notes 20 and 21)	191,390	183,494	6,391	–	381,275
Disposals/retirement	–	(3,349)	(761)	–	(4,110)
Reclassifications and adjustments	–	6,611	(2,020)	–	4,591
Balance at end of year	1,781,449	2,322,738	40,383	–	4,144,570
Net book value at cost	4,696,524	570,497	10,793	20,776	5,298,590
Land at revalued amounts (Note 11)	–	–	–	–	7,578,412
Total	₱4,696,524	₱570,497	₱10,793	₱20,776	₱12,877,002

The land and related improvements owned by MMCMI with carrying value of ₱2,374.9 million and ₱2,385.5 million as of March 31, 2023 and December 31, 2022, respectively, were used to secure the long-term loans of MMCMI as disclosed in Note 17.

The Group performed an impairment testing of the property and equipment and right-of-use assets of APEC in which further disclosures are made in Note 31.

11. Land at Revalued Amounts

This account, classified as property and equipment (see Note 10), consists of:

	Unaudited March 2023	Audited December 2022
Land at cost	**₱4,066,906**	₱4,066,906
Revaluation increment on land:		
Balance at beginning of year	**3,511,506**	2,393,939
Change in revaluation increment	**–**	1,117,567
Balance at end of year	**3,511,506**	3,511,506
	₱7,578,412	₱7,578,412

Land at revalued amounts consists of owner-occupied property wherein the school buildings and other facilities are located.

Land were appraised by SEC-accredited independent firms of appraisers to determine the revalued amounts as at December 31, 2022 and 2021, respectively.

The valuation was derived through the market approach based upon prices paid in actual market transactions. This approach relies on the comparison of recent sale transactions or offerings of similar properties which have occurred and/or offered with close proximity to the subject properties, adjusted based on certain elements of comparison (e.g. location, size and road frontage).

The parcels of land were valued in terms of their highest and best use which is categorized under Level 3 of the fair value hierarchy.

Presented below are the land location and the ranges of the land fair value per square meter based on the appraisal reports.

	Range	
Location	**2022**	2021
Makati and Intramuros, Manila	**₱85,050 to ₱246,926**	₱57,375 to ₱266,000
Cabuyao, Laguna	**₱11,875 to ₱13,500**	₱10,412 to ₱13,500
Davao City, Davao Del Sur	**₱22,088 to 35,340**	₱23,750 to 32,148
Pandacan, Metro Manila	**₱85,781 to ₱102,375**	₱61,200 to ₱79,475
San Jose Del Monte City, Bulacan	**₱55,510 to 60,493**	₱55,510 to 59,993
Naga City, Camarines Sur	**₱19,000 to ₱34,913**	₱18,573 to ₱27,075
Quiapo, Manila	**₱89,100 to 135,000**	₱70,837 to 130,625

Adjustment factors arising from external and internal factors (i.e., location, size and road frontage) affecting the subject properties as compared to the market listing of comparable properties, range from -20% to +15% in 2022 and from -25% to +20% in 2021.

Significant increases (decreases) in estimated price per square meter would result in a significantlyhigher (lower) fair value of the land.

12. **Goodwill**

The goodwill recognized in the consolidated statement of financial position amounting to ₱151.3 million as at March 31, 2023 and December 31, 2022 pertains to the ₱137.8 million goodwill from acquisition of MESI in 1999 and ₱13.5 million goodwill from the 2019 acquisition of AEI subsidiaries (see Note 6).

The Group performed impairment testing on goodwill arising from acquisition of MESI wherein MESI was considered as the CGU. No impairment testing was done on the ₱13.5 million goodwill as the Group assessed it as not material to the consolidated financial statements. In 2023, 2022 and 2021, management assessed that no impairment loss should be recognized.

Key assumptions used in the value in use (VIU) calculation
As at December 31, 2022 and 2021, the recoverable amount of the CGU has been determined based on a VIU calculation using five-year cash flow projections. Key assumptions in the VIU calculation of the CGU are most sensitive to the following:

- Future revenues and revenue growth rates. Cash flow projections based on financial budgets approved by management and the BOD covering a five-year period and considers the impact ofthe coronavirus pandemic, among others.
- Long-term growth rates (5.79% for 2022 and 4.84% for 2021). The long-term growth rate considers the historical growth rate of MESI and the long-term growth rate for the educationindustry sector.
- Discount rate (14% for 2022 and 11% for 2021). The discount rate used for the computation of
  the net present value is the weighted average cost of capital and was determined by
reference to
  comparable listed companies in the educational sector.

Sensitivity to changes in assumptions
Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of goodwill to materially exceed its recoverable amount.

13. **Other Noncurrent Assets**

This account consists of:

	Unaudited March 2023	Audited December 2022
Input VAT - net	**₱33,602**	₱35,526
Miscellaneous deposits	**26,434**	26,404
Creditable withholding tax	**21,915**	22,032
Computer software	**16,541**	17,008
Books and periodicals	**3,280**	3,784
	₱101,772	₱104,754

Miscellaneous deposits include rent deposits of the Group amounting to ₱14.2 million as of March 31, 2023 and December 31, 2022.

Computer software is amortized over a period of three years. The rollforward analysis of computer software follows:

	Unaudited March 2023	Audited December 2022
Cost		
Balance at the beginning of the year	**₱64,032**	₱59,504
Additions	**1,461**	4,414
Reclassifications	–	114
Balance at the end of the year	**65,494**	64,032
Accumulated Amortization		
Balance at the beginning of the year	**47,024**	40,040
Amortization (Notes 20 and 21)	**1,595**	6,860
Reclassifications	**333**	124
Balance at the end of the year	**48,953**	47,024
Net Book Value	**₱16,541**	₱19,464

14. Accounts Payable and Other Current Liabilities and Unearned Income

Accounts Payable and Other Current Liabilities

Accounts payable and other current liabilities consists of:

	Unaudited March 2023	Audited December 2022
Accounts payable	**₱348,415**	₱434,281
Accrued expenses	**268,029**	223,048
Funds payable	**304,055**	238,987
Provisions (Note 31)	**169,749**	168,717
Other payables	**54,258**	34,604
	₱1,144,506	₱1,099,637

Accounts payable pertains to the Group's obligation to local suppliers. Accounts payable also includes payables to students which are considered contract liabilities amounting to ₱39.55 million and ₱35.80 million as at March 31, 2023 and December 31, 2022, respectively.

Accrued expenses consist of:

	Unaudited March 2023	Audited December 2022
Payable to suppliers	**₱100,619**	₱67,117
Accrued salaries and wages	**41,582**	48,261
Accrued professional fees	**12,318**	17,134
Accrued interest (Note 18)	**22,925**	17,468
Accrued communication expense	**4,629**	3,259
Withholding taxes and others	**14,322**	19,121
SSS and other contributions	**7,619**	7,344
Contracted services	**19,323**	5,643
Accrued utilities	**4,324**	5,501
Output VAT payable	**6,991**	7,527
Insurance	**2,537**	4,875
Others	**30,838**	19,798
	₱268,029	₱223,048

Accounts payable, accrued expenses, and other payables are noninterest-bearing and are expected to be settled within a year after the financial reporting date. Funds payables are noninterest-bearing andare expected to be settled upon payout related to the funded projects and scholarship programs.

Funds payable includes funds received by the Group from Department of Science and Technology (DOST), Commission on Higher Education (CHED) and private entities for their scholarship programs to be granted to the Group's students, and NSTP and CWTS fees collected from students.

Unearned Income
Unearned income consists mainly of unearned tuition fees and seminar fees amounting to ₱728.7 million and ₱796.2 million as at March 31, 2023 and December 31, 2022, respectively, which are considered contract liabilities.

Contract Liabilities
As at March 31, 2023, contract liabilities amounted to ₱764.78 million and these will be recognized as revenue in the next period. Contract liabilities as of January 1, 2023 amounting to P828.7 million were recognized as revenue in 2023. The decrease in contract liabilities in 2023 is mainly due to timing of enrollment period for School Year 2023-2024.

15. Related Party Transactions

Related party relationships exist when the entity has the ability to control, directly or indirectly, through one or more intermediaries, or exercise significant influence over the entity in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity and its key management personnel, directors or stockholders. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form.

Following are the transactions with related parties and the balances as at March 31:

	Year	Amount / Volume	Receivables from (Payables to)	Terms and Conditions
Controlling entity – HI				
a) Payable to HI				
	2023	**₱–**	**(₱15,508)**	**Noninterest-bearing; unsecured; due and demandable**
	2022	–	(₱13,609)	
Management fee and other professional fees (Notes 20 and 21)	**2023**	**22,139**	**–**	**–**
	2022	20,704	–	–
	2021	14,322	–	–
b) Receivable from HI				
	2023	**–**	**240**	**Noninterest-bearing; unsecured; due and demandable; no impairment**
	2022	–	1,653	
Entities under common control of HI				
c) Receivables from related parties				
	2023	**–**	**499**	**Noninterest-bearing; unsecured; due and demandable; no impairment**
	2022	–	25,328	
Rental income	**2023**	**(2,345)**	**2,124**	**–**
	2022	**–**	490	**–**
	2021	**–**	–	**–**

(Forward)

	Year	Amount / Volume	Receivables from (Payables to)	Terms and Conditions
d) Payables to related parties				
	2023	**₱–**	**(₱206)**	**Noninterest-bearing; unsecured; due**
	2022	–	(4,218)	**and demandable**
Contracted services (Notes 20 and 21)				
	2023	**20,993**	**–**	**–**
	2022	386	–	**–**
	2021	3,962	–	**–**
e) Accounts payable (Notes 10 and 14)	**2022**	–	–	**Noninterest-bearing; unsecured; payable on demand**
	2022	–	–	
Entities under common control of PMMIC				
f) Cash and cash equivalents (Note 7)				
	2023	**–**	**1,278,028**	**Interest at prevailing deposit and short-term rates; unsecured; no**
	2022	–	890,959	**impairment**
Interest income (Note 22)				
	2023	**14,274**	**–**	**–**
	2022	1,566	–	**–**
	2021	1,918	–	**–**
g) Receivables from related parties				
	2023	**–**	**18**	**Noninterest-bearing; unsecured; due**
	2022	–	18	**and demandable; no impairment**
h) Insurance expense				
	2023	**4,845**	**–**	
	2022	4,408	–	
	2021	4,059	–	
Financial asset at FVTPL (Note 30)				
	2023	**–**	**9,448**	
	2022	–	9,213	**Carried at fair value; No impairment**
Short-term investments (Note 9)	**2023**	**–**	**39,531**	**Interest at prevailing deposit and short-term rates; unsecured; no impairment**
	2022	**–**	35,058	
Entities with significant influence				
i) Payable to related parties	**2023**	**–**	**(2,835)**	**Due on demand, noninterest-bearing;**
	2022	–	(2,700)	**unsecured; no impairment**
Management fee and other professional fees (Notes 20 and 21)	**2023**	**2,835**	**–**	
	2022	2,700	–	**–**
	2021	2,700	–	**–**
Others				
j) Accounts payable				
	2023	**–**	**–**	**Noninterest-bearing; unsecured; due and demandable; no impairment**
	2022	–	(3)	
Utilities				
	2023	–	**–**	**–**
	2022	–	**–**	
	2021	167	**–**	
Professional fees				
	2023	**₱–**	**–**	**–**
	2022	–	**–**	
	2021	3,541	**–**	

The Group's significant transactions with related parties follow:

a) *Payable to HI*
This account pertains to management and other professional fees charged by HI for administeringthe subsidiaries' operations (Notes 20 and 21).

b) *Receivables from HI*
This account pertains to fuel consumption, car plan and gym rental advanced by the Group. Theseare noninterest-bearing and are payable on demand.

c) *Receivables from entities under common control of HI*
Receivables from entities under common control of HI arise from HI subsidiaries' lease of theGroup's canteen kiosks in its Makati and Intramuros properties and expenses advanced by theGroup. The term of the lease is for one year and renewable with uniform rental payments.

d) *Payables to entities under common control of HI*
Payables to entities under common control of HI pertain to property management and janitorialand security services (contractual services).

e) *Accounts payable to entities under common control of HI*
Accounts payable pertains to the outstanding balance of general cost of construction of school buildings and other facilities and professional fees related to the building construction (Notes 10and 14)

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f) *Cash and Cash Equivalents*
The Company maintains cash and cash equivalent with its affiliate bank and earns interest incomeat prevailing deposit and short-term investment rates (Note 7).

g) *Receivables from entities under common control of PMMIC*
Due from entities under common control of PMMIC arises from RCBC's rental of the Group'soffice spaces in its Makati property.

h) *Payables to entities under common control of PMMIC*
The Group obtains property and personnel insurance with its affiliated insurance company, Malayan Insurance Company, Inc. (MICO). Insurance contract coverage pertains to the Group'sfire, accident, group and other insurance policies.

i) *Payable to related parties*
Payable to related parties mainly pertains to management fees charged by AC for theadministration of the Parent Company's operations.

j) *Accounts payable to related parties*
Pertains to the water utility bills and professional fees payable to other affiliates.

Terms and conditions of transaction with related parties
Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash. For the quarters ended March 31, 2023 and 2022, the Group has not recorded any impairment losses on receivables relating to amounts owed by related parties. This assessment is undertaken each year through examining the financial position of the related party and the market in which the related party operates.

16. **Short-term Loans**

In 2017, the Group, through MMCMI, obtained a short-term loan (STL) facility with Bank of PhilippineIsland (BPI), which was earmarked from the long-term loan facility of the Group from same bank, to finance the construction of MMCMI's school building. Each STL facility may be re-availed, renewed or extended within a period of one year provided that the sum of the terms of re-availments/renewals/ extension will not exceed 360 days. The STL facility may be converted into a 10-year term loan facility which shall be partially secured by the real estate mortgage on the real property of MMCMI.

The STL facility is secured by the Continuing Suretyship Agreement of MESI. Annual interest rates range from 3.00% to 5.50%. Short-term loans amounting to ₱400.0 million as at December 31, 2021 was paid in 2022.

Interest expense charged to operations in 2022 and 2021 amounted to ₱1.37 million and ₱1.15 million, respectively (nil in 2023) (Note 22).

17. **Long-term Loans**

This account consists of the following as of March 31 and December 31:

	Unaudited March 2023	Audited December 2022
Unsecured bank loans	**₱350,855**	₱358,998
Secured bank loans	**1,496,623**	1,497,018
Total	**1,847,478**	1,856,016
Less: Current portion of unsecured bank loans	**16,287**	24,430
Reclassification to current liability of secured loans	–	1,497,018
Current portion of long-term loans	**16,287**	1,521,448
Noncurrent portion of long-term loans	**₱1,831,191**	₱334,568

Unsecured

The Group, through NTC, entered into a 10-year unsecured term loan facility with a third party local bank for ₱650.0 million to finance its building refurbishment and/or expansion (see Note 10). The principal payments will be made in 28 quarterly payments starting May 2022. As of December 31, 2020, total drawdown from the long-term loan facility amounted to ₱380 million. The ₱300 million is subject to 5.5% fixed rate and the ₱80 million is subject to annual repricing based on higher of 5.5% or the prevailing one year benchmark rate or done rate of a liquid/active security, as agreed by the parties, with the same tenor if benchmark rate is not reflective of market rate, plus interest spread.

In September 2021, the ₱80 million was converted to a 5.5% fixed rate.

The loan is subject to certain covenants including maintaining a maximum debt-to-equity (D:E) structure ratio of 3:1. As of March 31, 2023 and December 31, 2022, NTC has complied with its covenant obligations, including maintaining the required D:E ratio.

Interest expense recognized in profit or loss in 2023 and both 2022 and 2021 amounted to ₱5.1 million and ₱5.4 million, respectively (Note 22).

Secured

In 2019, the Group, through MMCMI, entered into a ten-year secured long-term loan agreement with a local bank for ₱1,500.0 million to refinance the construction of MMCMI's school buildings and facilities that were initially funded by short-term loans. MMCMI made partial drawdowns against this agreement amounting to ₱680.0 million, ₱350.0 million and ₱470.0 million in January, June and July 2019, respectively. The loans were subject to prevailing borrower's rate, plus a minimum spread of 0.50% per annum, but in no case lower than 4% per annum, subject to quarterly repricing. MMCMI shall repay the loan in 20 equal quarterly installments to start at the end of 21st quarter from the initial drawdown date. The loans were secured by the land and related improvements owned by MMCMI withcarrying value of ₱2,374.9 million and ₱2,385.0 million as of March 31, 2023 and December 31, 2022, respectively, and suretyship of MESI (Note 10). The loans were subject to certain positive and negative covenants such as the requirement for MMCMI to maintain its debt service cover ratio of at least 1.0 at all times and maximum D:E ratio of 75:25 starting on the third year of the loan (January 2022) reckoned from initial drawdown date of January 2019.

In April 2022, MMCMI requested the bank to waive the compliance in D:E ratio requirement in 2022. In February 2023, the bank confirmed in writing the approval of the non-declaration of MMCMI in default for not meeting the required financial covenant for D:E ratio for as long as MMCMI continuesto follow the existing payment term/schedule and other terms and conditions stipulated in the loan agreement.

As of December 31, 2022, the D:E ratio of 77:23 did not meet the required D:E ratio. Hence, MMCMIclassified the loan from bank amounting to ₱1.5 billion as current liability. The loans were reclassified from noncurrent to current because the letter from the bank was issued after December 31, 2022. Although the loans are classified as current as of December 31, 2022, it will remain long-term based on the terms of the loan agreement and will not be paid in the next twelve months. The long-term loans were only classified under current liability on December 31, 2022 to comply with Philippine Financial Reporting Standards (PFRS). After meeting the PFRS requirements, the long-term loans were reclassified and fairly presented as non-current liability on March 31, 2023.

MMCMI incurred debt issue cost amounting to ₱11.2 million which is being amortized over the loan term of 10 years using the effective interest method. The amortization of debt issue cost amounting to ₱0.40 million in 2023 and P0.59 million in 2022 were recorded as part of interest expense.

Interest expense, including amortization of debt issue cost, amounted to ₱27.8 million, ₱15.9 million and ₱18.87 million in 2023, 2022 and 2021, respectively (Note 22).

Outstanding balance of secured long-term loans as follows:

	March 2023	December 2022
Principal	**₱1,500,000**	₱1,500,000
Unamortized debt issue cost	**(3,377)**	(2,982)
	₱1,496,623	₱1,497,018

18. **Equity**

Capital Stock

Capital stock consists of 2,000,000,000 authorized shares with 1,044,263,197 issued and outstanding common shares as of March 31, 2023 and December 31, 2022, with a par value of ₱1 per share.

On September 15, 1989, SEC approved the registration of the Parent Company's entire authorized capital stock with a Certificate of Permit to Sell Securities authorizing the sale of 25 billion shares worth ₱250.00 million. The Parent Company's capital stock was listed in both Manila and Makati Stock Exchanges on January 24, 1990. Actual number of shares initially listed is 15 billion at an offer price of ₱0.01 per share.

Below is the summary of the Parent Company's outstanding number of shares and holders of securities as at March 31, 2023:

Year	Number of shares registered	Number of holders of securities as at year end
January 1, 2022	1,044,263,197	2,006
Add (deduct) movement	–	(3)
December 31, 2022	1,044,263,197	2,003
Add (deduct) movement	–	(3)
March 31, 2023	1,044,263,197	2,000

Retained Earnings

In accordance with Revised Securities Regulation Code (SRC) Rule No. 68, the Parent Company's retained earnings available for dividend declaration as at March 31, 2023 and December 31, 2022 amounted to ₱1,019.0 million and ₱1,215.3 million, respectively. The Parent Company and its subsidiaries will declare dividends out of their retained earnings available for dividend declaration.

The retained earnings account in the consolidated statements of financial position includes the accumulated equity in undistributed earnings of consolidated subsidiaries amounting ₱6,645.58 million and ₱6,405.31 million as at March 31, 2023 and December 31, 2022, respectively. These are not available for dividends until declared by the subsidiaries.

The BOD declared cash dividends as follows:

	2023	2022	2021
March 31, 2023, (₱0.19 per share) to stockholders of record as of April 28, 2023, payable on or before May 19, 2023	**₱198,410**	**₱–**	₱–
April 1, 2022, (₱0.16 per share) to stockholders of record as of April 29, 2022, payable on or before May 20, 2022	–	167,082	–
November 12, 2021, (₱0.239403 per share) to stockholders of record as of November 29, 2021, payable on December 22, 2021	–	–	250,000

	2023	2022	2021
April 8, 2021, (₱0.06 per share to stockholders of record as of May 7, 2021, payable on May 31, 2021	–	–	62,656
March 27, 2020, (₱0.070143 per share) to stockholders of record as of April 14, 2020, payable on May 8, 2020	–	–	–
	₱198,410	**₱167,082**	₱312,656

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group considers its equity attributable to equity holders of the Parent Company as Capital.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended March 31, 2023 and December 31, 2022.

As at March 31, 2023 and December 31, 2022, the Group is not subject to externally imposed capital requirements except for the long-term loan of NTC and MMCMI that are subject to debt to equity ratiorequirement (Note 17).

The Group monitors capital using a debt-to-equity ratio, which is total liabilities divided by total equity attributable to equity holders of Parent Company. The Group's policy is to keep the debt-to-equity ratio not to exceed 2:1.

	2023	2022
Liabilities (a)	**₱5,126,064**	₱4,961,294
Equity (b)	**12,487,771**	12,441,445
Debt-to-equity ratio (a/b)	**0.41:1.00**	0.40:1.00

19. **Revenue from Contracts with Customers**

Revenue from schools and related operations consists of:

	2023	2022	2021
Tuition and other matriculation fees	**₱1,087,113**	₱916,907	₱873,709
Less: Scholarship grants and discounts	**(45,039)**	(60,841)	(84,779)
	1,042,074	856,066	788,930
Other student-related income and auxiliary services	**31,290**	14,436	14,075
	₱1,073,364	₱870,502	₱803,005

Other student related income and auxiliary services income consists of seminar fees and other student-related income which are other than payment for tuition fees. These include, but not limited to, entrance examination fees, exit examination fees, oral examination fees, graduation fees, certification of grades, good moral and other school credentials, photocopying printing, and bookstoresales, among others.

Revenue from tuition and other matriculation fees are recognized over time and for other student related income and auxiliary services income, the revenue is recognized over time or at a point in time.

For the Group's receivables and contract liabilities, these are disclosed in Notes 8 and 14, respectively.

20. Cost of Schools and Related Operations

Cost of schools and related operations account consists of:

	2023	2022	2021
Personnel expenses	**₱279,481**	₱250,759	₱239,159
Depreciation and amortization	**87,364**	81,895	84,440
Periodicals	**33,930**	26,615	23,519
Management and other professional fees (Note 15)	**33,609**	23,751	20,760
IT expense - software license	**28,453**	23,942	19,358
Student-related expenses	**33,711**	15,715	14,740
Utilities	**27,313**	13,379	11,262
Repairs and maintenance	**6,694**	12,280	5,372
Accreditation cost	**8,376**	5,856	571
Taxes and licenses	**6,024**	4,829	3,940
Advertising	**4,795**	4,279	1,782
Insurance	**3,427**	3,925	1,920
Research and development fund	**7,934**	3,211	5,371
Tools and library books (Notes 10 and 13)	**5,596**	2,680	1,504
Seminar	**943**	859	1,675
Laboratory supplies	**1,057**	690	316
Office supplies	**1,224**	644	799
Entertainment, amusement and recreation	**435**	221	277
Transportation and travel	**2,164**	125	188
Rent (Note 27)	**1,740**	43	50
Miscellaneous	**1,527**	977	1,105
	₱575,797	₱476,675	₱438,108

a. Details of depreciation and amortization follows:

	2023	2022	2021
Depreciation (Note 10)	**₱103,579**	₱84,501	₱88,414
Depreciation - ROU assets (Note 27)	**16,031**	13,250	14,047
Amortization - Student relationship (Note 6)	**1,182**	5,578	5,578
Amortization (Note 13)	**1,595**	1,665	522
	₱122,387	₱104,994	₱108,561

b. Depreciation and amortization expenses as function of expense follows:

	2023	2022	2021
Cost of schools and related operations	**₱71,917**	₱69,229	₱71,267
Cost of schools and related operations - ROU assets (Note 27)	**15,448**	12,667	13,173
	87,364	81,895	84,440
General and administrative expenses (Note 21)	**35,022**	23,098	24,121
	₱122,387	₱104,994	₱108,561

21. General and Administrative Expenses

This account consists of:

	2023	2022	2021
Personnel expenses	**₱72,213**	₱46,219	₱53,233
Management and other service fees (Note 15)	**55,328**	42,453	38,939
Depreciation and amortization (Notes 10, 13 and 20)	**35,022**	23,098	24,121
Provisions for doubtful accounts (Note 8)	**5,581**	16,935	8,969
Taxes and licenses	**8,606**	10,933	8,958
Advertising	**18,002**	10,279	5,326
Utilities	**6,574**	3,398	2,981
Repairs and maintenance	**3,960**	2,029	4,198
Insurance	**2,391**	1,325	2,505
Seminar	**956**	1,023	275
IT expense - software license	**2,452**	973	538
Commission	**867**	919	900
Transportation and travel	**1,605**	721	443
Entertainment, amusement, and recreation	**813**	629	529
Investor relations	**278**	347	251
Office supplies	**848**	185	130
Donations	**-**	15	18
Rent (Note 27)	**589**	5	54
Miscellaneous	**12,183**	7,437	9,082
	₱228,268	₱168,923	₱161,450

Management and other professional fees consist of property management fees, janitorial and security service fees, lawyers, payroll specialists and other professional service fees (Note 15).

Miscellaneous expense includes dues and subscriptions, training materials, periodicals, provisions and other contracted services, among others.

22. Interest Income, Interest and Other Finance Charges

The Group's interest income consists of interest from the following sources:

	2023	2022	2021
Cash in banks and cash equivalents (Note 7)	**₱14,274**	₱1,566	₱1,918
Advances to officers and employees (Note 8)	**50**	20	26
	₱14,324	₱1,586	₱1,944

The Group's interest and other financing charges consist of interest on the following:

	2023	2022	2021
Short-term loans (Note 16)	**₱–**	₱1,375	₱1,151
Long-term loans (Note 17)	**32,749**	21,369	24,296
Interest expense on lease liabilities (Note 27)	**7,129**	6,578	8,515
	₱39,879	₱29,322	₱33,962

23. Earnings Per Share

Earnings per share amounts attributable to equity holders of Parent Company are computed as follows:

	2023	2022	2021
Net income attributable to equity holders of Parent Company (a)	**₱244,737**	₱195,586	₱171,945
Weighted average number of outstanding shares - net of treasury shares (b)	**1,044,263**	1,044,263	1,044,263
Earnings per share (a/b)	**₱0.2344**	₱0.1873	₱0.1647

There are no dilutive potential shares that would require disclosure of diluted earnings per share in the consolidated financial statements.

24. Non-controlling Interest in Consolidated Subsidiaries

This represents shareholdings in material subsidiaries not held by the Group. Proportion of equity interest held by non-controlling interests (NCI) in material subsidiaries for 2023 and 2022 follows:

	2023	2022
University of Nueva Caceres	**16.38%**	16.38%
National Teachers College	**0.21%**	0.21%

Non-controlling interests in material subsidiaries as at March 31, 2023 and December 31, 2022 follows (in million pesos):

	2023	2022
University of Nueva Caceres	**₱298**	₱295
National Teachers College	**4**	3

Dividends paid to non-controlling interest in consolidated subsidiaries amounted to nil in 2023 and 2022.

As at March 31, 2023 and December 31, 2022, the summarized financial information attributable to non-controlling interests in material subsidiaries is shown below.

(In million pesos)

	University of Nueva Caceres		National Teachers College	
	2023	2022	**2023**	2022
Assets				
Current assets	**₱496**	₱455	**₱846**	₱715
Noncurrent assets	**1,643**	1,634	**1,464**	1,467
	₱2,139	₱2,089	**₱2,310**	₱2,182
Liabilities and Equity				
Current liabilities	**₱330**	₱298	**₱314**	₱253
Noncurrent liabilities	**154**	153	**424**	424
	484	451	**738**	677
Equity	**1,656**	1,638	**1,572**	1,506
	₱2,139	₱2,089	**₱2,310**	₱2,182
Attributable to:				
Equity holders of parent	**₱1,384**	₱1,370	**₱1,569**	₱1,503
Non-controlling interest	**271**	268	**3**	3
Net revenue	**₱100**	₱81	**₱159**	₱130
Gross profit	**54**	42	**99**	84
Net income (loss)	**18**	5	**66**	53
Attributable to:				
Equity holders of parent	**₱15**	₱4	**₱66**	₱53
Non-controlling interest	**3**	1	**0**	0

25. **Operating Segment Information**

Business Segment
The business segment is determined as the primary segment reporting format as the Group's risks and rates of return are affected predominantly by each operating segment.

Management monitors the operating results of its operating segments separately for the purpose of making decision about resources allocation and performance assessment. Group financing (including interest income, dividend income and interest expense) and income taxes are managed on a group basis and are not allocated to operating segments. The Group evaluates performance based on income before income tax, and earnings before income tax, depreciation and amortization. The Group does not report its results based on geographical segments because the Group operates only in the Philippines.

The amount of segment assets and liabilities are based on the measurement principles that are similar with those used in measuring the assets and liabilities in the consolidated statement of financial position which is in accordance with PFRSs.

For management purposes, the Group is organized into business units based on the products and services it provides, which comprise of two (2) main groupings as follows:

Education - primarily consists of revenues of MESI, MCLI, MHSS, MMCMI, NTC, UNC, and APEC in education.

Others - represent support services which cannot be directly identified with the reportable segment mentioned above.

Segment financial information is reported on the basis that it is used internally for evaluating segment performance and allocating resources to segments.

Segment assets and liabilities exclude deferred tax assets and liabilities.

Segment reporting is consistent in all periods presented as there are no changes in the structure of the Group's internal organization that will cause the composition of its reportable segment to change.

Capital expenditure consists of additions to property and equipment, including land acquisition.

(In million pesos)

	Education			Others			Elimination			Consolidated		
	2023	2022	2021	**2023**	2022	2021	**2023**	2022	2021	**2023**	2022	2021
Revenues												
Income from external customers	**₱1,073**	₱871	₱803	**₱–**	₱–	₱–	**₱–**	₱–	₱–	**₱1,073**	₱871	₱803
Total Revenues	**₱1,073**	₱871	₱803	**₱–**	₱–	₱–	**₱–**	₱–	₱–	**₱1,073**	₱871	₱803
Net Income attributable to Parent Company	**₱245**	₱205	₱178	**₱2**	(₱2)	₱0	**(₱3)**	(₱7)	(₱6)	**₱245**	₱196	₱172
Other Information												
Segment assets	**₱18,471**	₱16,478	₱15,977	**₱6,020**	₱6,050	₱5,828	**(₱6,575)**	(₱6,708)	(₱6,133)	**₱17,916**	₱15,810	₱15,672
Segment liabilities	**5,592**	5,373	5,269	**303**	88	157	**(769)**	(968)	(417)	**5,126**	4,494	5,009
Deferred tax assets	**37**	33	29	**1**	2	2	**–**	–	2	**38**	35	33
Deferred tax liabilities	**487**	379	357	**43**	42	47	**60**	67	71	**590**	487	476
Interest expense	**42**	32	38	**0**	0	0	**(2)**	(3)	0	**40**	29	38
Provision for income tax	**2**	2	2	**0**	0	0	**(0)**	(1)	(0)	**2**	2	1
Depreciation and amortization	**118**	97	101	**1**	0	0	**3**	8	8	**122**	105	109

26. **Notes on Consolidated Statements of Cash Flows**

- Changes in the Group's liabilities arising from financing activities follow:

		Non-cash Changes					
	December 2022	**Declaration of Cash Dividend**	**Amortization of debt issue cost**	**Other Non-Cash**	**Interest Expense**	**Cash Flows**	**March 2023**
Current portion of long-term loans	**₱1,521,448**	**₱–**	**₱–**	**(₱1,497,018)**	**₱–**	**(₱8,143)**	**₱16,287**
Long-term loans	**334,568**	–	**(395)**	**1,497,018**	–	–	**1,831,191**
Dividends payable	**26,154**	**198,410**	–	–	–	–	**224,564**
Payables to related parties	**16,797**	–	–	–	–	**1,340**	**18,,138**
Lease liabilities	**429,635**	–	–	–	**7,129**	**(18,076)**	**418,688**
	₱2,328,602	**₱198,410**	**(₱395)**	**₱–**	**₱7,129**	**(₱24,879)**	**₱2,508,868**

		Non-cash Changes					
	December 2021	Declaration of Cash Dividend	Amortization of debt issue cost	Other Non-Cash	Interest Expense	Cash Flows	March 2022
Short-term loans	₱375,000	₱–	₱–	₱	₱–	(₱400,000)	₱–
Long-term loans	1,853,645	–	593	–	–	–	1,854,238
Dividends payable	565	–	–	–	–	–	565
Payables to related parties	14,135	–	–	–	–	6,392	20,527
Lease liabilities	357,826	–	–	–	6,578	(18,527)	345,877
	₱2,626,171	₱–	₱593	₱–	₱6,578	(₱412,135)	₱2,221,207

		Non-cash Changes					
	December 2020	Declaration of Cash Dividend	Amortization of debt issue cost	Other Non-Cash	Interest Expense	Cash Flows	March 2021
Short-term loans	₱375,000	₱–	₱–	₱	₱–	(₱248,866)	₱126,134
Long-term loans	1,872,275	–	593	–	–	–	1,872,868
Dividends payable	565	–	–	–	–	(8)	557
Payables to related parties	29,481	–	–	–	–	(18,212)	11,269
Lease liabilities	392,582	–	–	–	8,515	(19,279)	381,819
	₱2,669,903	₱–	₱593	₱–	₱8,515	(₱286,365)	₱2,392,646

27. Commitments and Contingencies

<u>Lease Commitments</u>

Group as a lessor

The Group's Intramuros and Makati campuses lease spaces to third parties. The lease terms cover lease periods of between three (3) years to ten (10), years with escalation rates ranging from 3% to 10%.

The future minimum rentals receivable under the aforementioned lease agreements follow:

	2022	2021
Within one year	**₱797**	₱797
More than one year but not more than five years	**3,643**	3,643
	₱4,440	₱4,440

Group as lessee

The Group leases building spaces for office and school sites and annexes from third-party lessors for a period ranging from one to ten years. The Group applies the 'short-term lease' recognition exemption for those leases with lease terms of one year or less.

The Group, through APEC, recognized right-of-use assets and lease liabilities from these operating lease agreements. For those leases subjected to PFRS 16, the IBR used in the computation of lease liabilities ranges from 6.29 to 7.40% in 2022 and from 6.60% to 7.50% in 2021 (see Note 5).

The rollforward analysis of right-of-use assets follows:

	March 2023	December 2022
Net Book Value at January 1	**₱376,794**	₱309,391
Additions	–	139,474
Amortization (Note 20a)	**(16,031)**	(57,122)
Pre-termination/expiration	–	(14,949)
Net Book Value, ending	**₱360,763**	₱376,794

The following are the amounts recognized in the 2023 and 2022 statement of comprehensive income (Note 20):

	2023	2022
Depreciation expense of right-of-use assets	**₱16,031**	₱13,250
Interest expense on lease liabilities	**7,129**	6,578
Total amount recognized in profit or loss	**₱23,160**	₱19,828

The rollforward analysis of lease liabilities from APEC follows:

	March 2023	December 2022
As at January 1	**₱429,635**	₱357,826
Additions	**-**	118,006
Interest expense (Note 22)	**7,129**	23,630
Payments	**(18,076)**	(69,827)
	₱418,688	₱429,635

The balance of lease liabilities as of March 31, 2023 and December 31, 2022 are as follows:

	2023	2022
Lease liabilities – current	**₱40,449**	₱51,005
Lease liabilities – noncurrent	**378,239**	378,630
	₱418,688	₱429,634

Shown below is the maturity analysis of the undiscounted lease payments as of March 31, 2023 and December 31, 2022:

	2023	2022
Within one year	**₱74,235**	₱74,235
More than one year but less than five years	**315,474**	315,474
Five years and more	**168,035**	168,035
	₱557,744	₱557,744

As disclosed in Notes 5 and 10, the Group performed an impairment testing of the property and equipment and right-of-use assets of APEC, the aggregate carrying value for which amounted to ₱ 416.01 million and ₱355.18 million as of December 31, 2022 and 2021, respectively, due to the continuing losses and significant decline in the number of students mainly brought about by the coronavirus pandemic. Key assumptions used are as follows:

- Revenue projections. The revenue projections were based on financial budgets approved by management and BOD and considered the impact of the coronavirus pandemic.
- Discount rate (14% in 2022 and 11% in 2021). The discount rate used for the computation of the net present value is the weighted average cost of capital and was determined by reference to comparable listed companies in the educational sector.

Management assessed that these assets as of December 31, 2022 and 2021 are not impaired considering that the calculated recoverable amount is higher than the carrying value.

Provisions
The Group is involved in certain claims arising from the ordinary conduct of business which are either pending decision by the courts or are being contested, the outcome of which are not presently determinable. The estimate of the probable costs for the resolution of these claims has been developed in consultation with external counsels handling the defense in these matters and is based upon an analysis of potential results. The ultimate disposition of these matters cannot be determined with certainty. The Group will exhaust all legal remedies available to it in defending itself in these claims and proceedings. Provisions disclosed in Note 14 as of March 31, 2023 and December 31, 2022 amounted to ₱169.7 million and ₱168.7 million, respectively. Other provisions recognized by the Group for certain claims are presented as part of Other noncurrent liabilities in the statement of financial position.

The disclosure of additional details beyond the present disclosure may prejudice the Group's position and negotiation strategies with respect to these matters. Thus, as allowed under paragraph 92 of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, only a general description is provided.

28. **Other Matters**

- With the transfer to its new office, the Parent Company is in the process of updating its registered office address to 8th Floor Mapua University Makati Campus, 1191 Pablo Ocampo Sr. Extension Ave., Brgy. Sta. Cruz, Makati City, Metro Manila.

  With the continued positive development on COVID-19 vaccination and the lifting of the community quarantine, face-to-face classes were resumed for SY2022-2023.

  The Group recognized the health and business risks posed by the virus to the general public and the need to join the collective effort in mitigating the spread of COVID-19. In the face of this global crisis, the Group remains collected and vigilant as it operates and maintains mitigation efforts to help safeguard the health and safety of its employees and students. The Group has taken measures to manage the risks and uncertainties brought about by the outbreak and will continue to monitor the situation.

  In December 2022, the BOD and Stockholders of NTC approved the proposed merger of NTC and APEC, with NTC as the surviving entity. Both entities consider it to be in their best interests to merge into a single corporation to allow them to better achieve their goal of transforming lives through innovative education at affordable prices. Both entities are subsidiaries of IPO.

  The merger is still subject to the filing of the relevant applications and obtaining the requisite regulatory approvals, including the endorsement of the Commission on Higher Education (CHED) and Department of Education (DepEd), and the approval of the Philippine SEC of the merger application.

IPEOPLE, INC. AND SUBSIDIARIES
INDEX TO THE SUPPLEMENTARY SCHEDULES

SUPPLEMENTARY SCHEDULES

Schedule	Content
I	Annex 68-D Reconciliation of Retained Earnings Available for Dividend Declaration
II	Annex 68-J Schedules • Schedule A. Financial Assets • Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties) • Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements • Schedule D. Long-term Debt • Schedule E. Indebtedness to Related Parties • Schedule F. Guarantees of Securities of Other Issuers • Schedule G. Capital Stock
III	Group Structure

SCHEDULE II

IPEOPLE, INC. AND SUBSIDIARIES

ANNEX 68-J: SCHEDULES

MARCH 31, 2023

Below are the additional information and schedules required by Revised Securities Regulation Code Rule 68. This information is presented for purposes of filing with the SEC and is not required parts of the basic financial statements.

Schedule A. Financial Assets

As at March 31, 2023, the Group has no financial assets in Equity Securities.

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties)

Below is the schedule of advances to officers and employees of the Group with balances above ₱100,000 as at March 31, 2023:

Name	As at December 31, 2022	Additions	Liquidations/ Collections	As at March 31, 2023
Abalos, Mark Arthur	₱448,111	₱–	24,222	423,889
Adanza, Carina Victoria T.	265,780	–	–	265,780
Agapito, Benigno Jr.	258,960	–	55,942	203,018
Agbulos, Erlin C.	339,914	–	–	339,914
Balan, Ariel Kelly	182,074	–	23,839	158,234
Correa, Helen	200,000	–	–	200,000
Delos Santos, Mira	317,186	–	48,225	268,961
Doma, Bonifacio T. Jr.	368,232	–	241,604	126,628
Gan, Maria Eloisa	195,683	–	–	195,683
Hernaez, Alodia C.	377,617	–	16,167	361,449
Lozada, Katrina	128,764	–	–	128,764
Mesina, James Ronald	158,433	–	–	158,433
Paglinawan, Arnold	297,955	–	56,599	241,356
Papas, Aileen Kate A.	193,088	–	–	193,088
Quisaot, Concordio	111,634	–	6,567	105,067
Rafael, Victor	–	549,000	23,724	525,276
Sabino, Lilibeth	351,013	–	30,487	320,525
Songsong, Maribel	321,813	–	–	321,813
Villa, Robert Joseph	185,523	–	5,599	179,924
Yap, Maria Elizabeth	212,668	–	50,172	162,496
Young, Michael	313,567	–	40,900	272,667
	₱5,228,015	₱549,000	₱624,049	₱5,152,966

These advances pertain to the officers and employees car plan agreements. Such advances are interest-bearing and shall be liquidated on a monthly basis. There were no amounts written off during the year.

Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements

Below is the schedule of receivables with related parties, which are eliminated in the consolidated financial statements as at March 31, 2023:

Name	Balance at beginning of year	Additions	Collections/ Liquidations	Balance at end of year
Pan Pacific Computer Center, Inc.	₱1,104,410	₱–	₱–	₱1,104,410
Malayan Education System, Inc.	9,895,099	1,418,638	(8,479,915)	2,833,822
Malayan Colleges Laguna, Inc.	4,469,295	5,871,776	(6,101,218)	4,239,853
Malayan Colleges Mindanao, Inc.	4,802,543	855,482	–	5,658,025
University of Nueva Caceres	1,344,497	1,114,495	(2,091,744)	367,248
National Teachers College	2,252,283	3,855,827	(5,410,620)	697,490
Affordable Private Education Center, Inc.	582,084	–	(582,084)	0
Landev Corporation	45,203	45,202	(75,338)	15,067
House of Investments, Inc.	23,127	–	(15,416)	7,710

Schedule D. Long-term debt

As at March 31, 2023, the Group has outstanding long-term debts as follow (in thousands):

Unsecured bank loans	**₱350,855**
Secured bank loans	**1,496,622**
Total	**1,847,478**
Less: current portion of unsecured bank loans	**16,287**
Noncurrent portion of long-term loans	**₱1,831,191**

Unsecured

The Group, through NTC, entered into a 10-year unsecured term loan facility with a third party local bank for ₱650.00 million to finance its building refurbishment and/or expansion. The principal payments will be made in 28 quarterly payments starting May 2022. As of December 31, 2020, total drawdown from the long-term loan facility amounted to ₱380 million. The ₱300 million is subject to 5.5% fixed rate and the ₱80 million is subject to annual repricing based on higher of 5.5%.

Secured

In 2019, the Group, through MMCMI, entered into a ten-year secured long-term loan agreement with a third party local bank for ₱1,500.00 million to refinance the construction of MMCMI's school buildings and facilities that were initially funded by short-term loans. MMCMI made partial drawdowns against this agreement amounting to ₱680.00 million, ₱350.00 million and ₱470.00 million in January, June and July 2019, respectively. The loans were subject to prevailing borrower's rate, plus a minimum spread of 0.50% per annum, but in no case lower than 4% per annum, subject to quarterly repricing. MMCMI shall repay the loan in 20 equal quarterly installments to start at the end of 21st quarter from the initial drawdown date. The loans were secured by the land and related improvements owned by MMCMI with carrying value of
₱2,376.76 million as of December 31, 2019 and suretyship of MESI.

Schedule E. Indebtedness to Related Parties (Long-Term Loans from Related Companies)

As at March 31, 2023, the Group has no outstanding long-term debt to related parties.

Schedule F. Guarantees of Securities of Other Issuers

As at March 31, 2023, the Group does not guarantee any securities.

Schedule G. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
Common Shares	2,000,000,000	1,044,263,197	-	885,453,681	168,775	158,640,741

SCHEDULE III

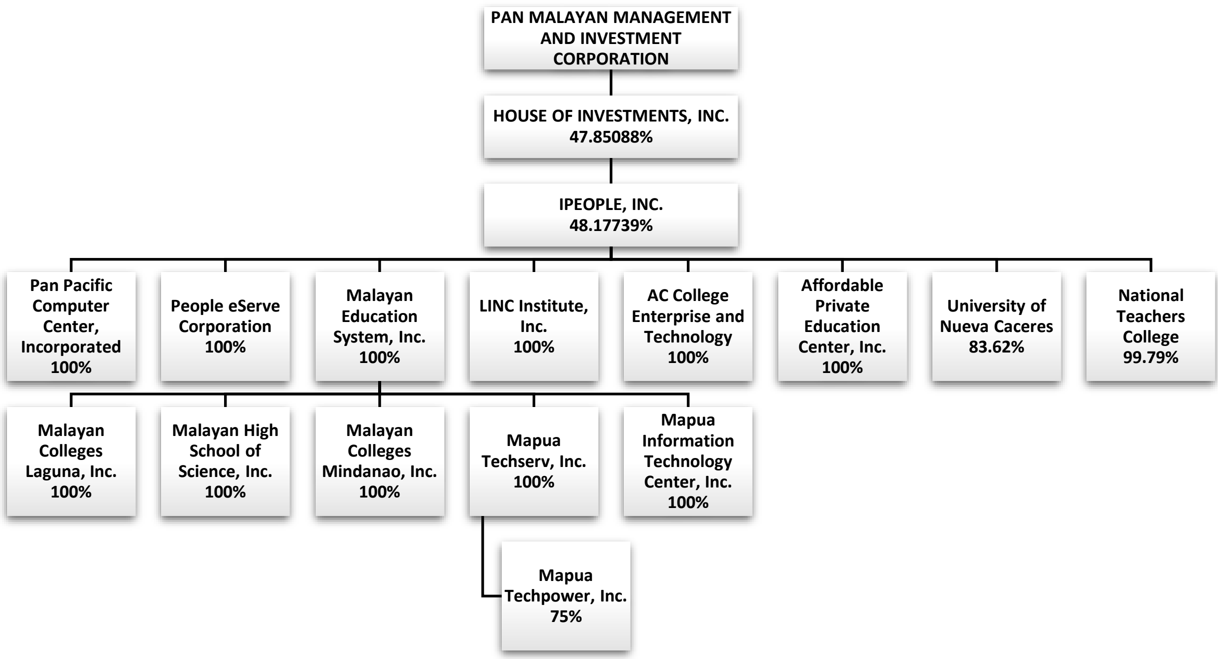
IPEOPLE, INC. AND SUBSIDIARIES

GROUP STRUCTURE

MARCH 31, 2023

Group Structure

Below is a map showing the relationship between and among the Group and its ultimate parent company and subsidiaries as at March 31, 2023:



SCHEDULE I

IPEOPLE, INC. AND SUBSIDIARIES

ANNEX 68-D: RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

MARCH 31, 2023

Items	Amount (in thousands)	
Unappropriated retained earnings, *as adjusted to available for distribution, beginning*		**₱1,215,333**
Add: Net income actually earned/realized during the period		
Net income (loss) during the period closed to retained earnings	**₱2,092**	
Less: Non-actual/unrealized income net of tax		
Equity in net income of associate/joint venture	–	
Unrealized foreign exchange gain - net (except those attributable to cash and cash equivalents)	–	
Unrealized actuarial gain	–	
Fair value adjustment (M2M gains)	–	
Fair value adjustment of Investment Property resulting to gain	–	
Adjustment due to deviation from PFRS/GAAP-gain	–	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	–	
Sub-total	–	
Add: Non-actual losses		
Depreciation on revaluation increment (after tax)	–	
Adjustments due to deviation from PFRS/GAAP - loss	–	
Loss on fair value adjustment of investment property (after tax)	–	
Sub-total	–	
Net income actually realized during the period		**2,092**
Add (Less):		
Dividends declaration during the year	**(198,410)**	
Appropriations of retained earnings during the period	–	
Reversal of appropriations	–	
Effects of appropriations	–	
Effects of prior period adjustments	–	
Treasury shares	–	
Transfer to retained earnings of fair value reserve of equity instruments	–	
		(196,318)
Total Retained Earnings, End Available for Dividend		**₱1,019,015**

iPeople, inc. and Subsidiaries
Aging of Accounts Receivable
For the quarter ended March 31, 2023

	No. of days due			
	0-30	**31-60**	**Over 61 days**	**Total**
Education	**₱897,961,293**	**₱163,470,952**	**₱369,513,362**	**₱1,430,945,608**
Others	**27,555,628**	**258,935**	**42,834,794**	**70,649,357**
Total	**925,516,921**	**163,729,887**	**412,348,157**	**1,501,594,965**
Less: Allowance for doubtful accounts	**(25,362,092)**	**(48,996,492)**	**(277,341,477)**	**(351,700,061)**
	₱900,154,829	**₱114,733,395**	**₱135,006,680**	**₱1,149,894,905**

IPEOPLE, INC. AND SUBSIDIARIES

ANNEX 68-E: SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

MARCH 31, 2023

Below are the financial ratios that are relevant to the Group's as of the period ended March 31, 2023, March 31, 2022 and December 31, 2022

Financial ratios		**Unaudited March 2023**	Unaudited March 2022	Audited December 2022
Current ratio *Indicates the Group's ability to pay short-term obligation*	Current Assets / Current Liabilities	**1.72:1**	1.67:1	1.03:1
Acid-test ratio *Indicates the Group's ability to use its quick or near cash assets to pay current liabilities immediately*	Current Assets – Prepaid expenses / Current Liabilities	**1.54:1**	1.40:1	0.90:1
Solvency Ratio *Shows how likely a Group will be to continue meeting its debt obligations*	Net Income+Depreciation / Total Liabilities	**0.07:1**	0.07:1	0.25:1
Debt-to-equity ratio *Measures the Group's leverage*	Total Debt / Equity	**0.41:1**	0.41:1	0.40:1
Asset to Equity Ratio *Shows how the Group's leverage (debt) was used to finance the firm*	Total Assets / Equity	**1.40:1**	1.40:1	1.39:1
Interest Rate Coverage *Shows how easily a Group can pay interest on outstanding debt*	EBIT* / Interest Expense Excluding Interest Expense on Lease Liabilities	**8.84:1**	10.00:1	9.93:1
Return on Average Stockholders' Equity *Reflects how much the Group's has earned on the funds invested by the stockholders*	Net Income / Average Equity	**2.09%**	1.80%	6.56%
Net profit margin *Reflect how much net income or profit is generated as percentage of revenue*	Net Profit Margin / Revenue	**23.09%**	22.58%	19.83%
Return on Assets *Measure the ability to utilize the Group's assets to create profits*	Net Income / Total Assets	**1.38%**	1.24%	4.42%

**Earnings before interest and taxes (EBIT)*

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and the Revised Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereto duly authorized, in the City of Makati on ____________________, 2023.

IN WITNESS WHEREOF, we have hereunto affixed our signatures and the seal of the Corporation this _____ day of May, 2023 at Makati City.

By:

DR. REYNALDO B. VEA
Chairman and Chief Executive Officer

GEMA O. CHENG
EVP and Chief Finance Officer

JONATHAN M. LOPEZ
Controller

ATTY. SAMUEL V. TORRES
Corporate Secretary

MAY 12 2023

SUBSCRIBED AND SWORN to before me this ____ day of May 2023, at Makati City. Affiant exhibited to me their Residence Certificate Numbers indicated below each name.

Names	Document No.	Date & Place of Issue/Expiration
Reynaldo B. Vea	Passport#P2200684C	10-28-2022 Manila City / 10-27-2032
Gema O. Cheng	DL#N06-84-036923	12-05-2022 Mandaluyong / 12-08-2032
Jonathan M. Lopez	DL#N01-02-001324	05-07-2019 Imus Cavite / 05-07-2024
Atty. Samuel V. Torres	Passport#P2022842C	10-14-202 Manila City / 10-13-2032

Doc. No. 292;
Page No. 60;
Book No. 32;
Series of 2023

ATTY. ROMEO M. MONFORT
NOTARY PUBLIC City of Makati
Until December 31, 2023
Appointment No. M-172
PTR No. 9563521 / Jan. 3, 2023
IBP No. 178089/ 2-14-22 Pasig City
MCLE NO. VI-0023417 Roll No. 27932
136 Amorsolo St., Legaspi Village, Makati City