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)

Contact Person	Company's Telephone Number/s
Atty. Denise Jordan P. Arenillo	8253-3637

Fiscal Year (Month)	Fiscal Year (Day)	FORM TYPE	Annual Meeting (Month)	Annual Meeting (Day)
12	31	**DEFINITIVE SEC FORM 20 - IS**	07	30

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

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/ASM2024/** on **Tuesday, July 30, 2024 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 28, 2023
4. Approval of the Management Report and the Audited Financial Statements for 2023
5. Amendment of Article Third of the Articles of Incorporation to reflect the change in the principal office address of the Company
6. 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
7. Election of Directors for 2024-2025
    a. Approval of the extension of the term and retention of Renato C. Valencia as Independent Director
8. Appointment of External Auditor
9. Such other business that may properly come before the meeting
10. Adjournment

Only stockholders of record at close of business on **June 28, 2024** 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 issued on February 23, 2024, 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 asm2024@ipeople.com.ph on or before **July 19, 2024**. 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 asm2024@ipeople.com.ph, for examination, validation, and recording no later than 5:00 pm of **July 19, 2024.** Proxies received thereafter shall not be recognized for the meeting. The validation of ballots and proxies shall be held on July 20, 2024, 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 recording in its website.

Makati City, June 07, 2024

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 asm2024@ipeople.com.ph, on or before July 19, 2024. 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 19, 2024 to the Office of the Corporate Secretary at asm2024@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 asm2024@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 28, 2023**

The copy of the minutes of the last Annual Stockholders' Meeting held on July 28, 2023 is attached to the Information Statement. It is also posted on the Company's website, at https://ipeople.com.ph/wp-content/uploads/2023/08/iPeople-Minutes.ASM-28-July-2023.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 2023**

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 2023 and year-to-date activities. A copy of the Audited Financial Statements ("AFS") of the Company for the year ended December 31, 2023 (as audited by SyCip, Gorres, Velayo & Co.) is incorporated in the Information Statement. A resolution noting the report and approving the 2023 AFS will be presented to the stockholders for approval.

5. **Amendment of Article Third of the Articles of Incorporation to reflect the change in the principal office address of the Company**

Article	From	To
Third	That the place where the principal office of the corporation is to be established or located is at 3rd Floor, Grepalife Building, 219 Sen. Gil Puyat Avenue, Makati City, Metro Manila, Philippines.	That the place where the principal office of the corporation is to be established or located is at 8th Floor, Mapua University Makati Campus, 1191 Pablo Ocampo Sr. Extension Ave., Brgy. Sta. Cruz, Makati City, Metro Manila, Philippines.

A resolution on the amendment of Article Third of the Company's Articles of Incorporation will be presented to the stockholders for approval.

6. **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.

7. **Election of Directors for 2024-2025**

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), our nominee for Lead Independent Director, Mr. Renato C. Valencia, is 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 as Lead Independent Director. Meritorious justification for his 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. The voting procedure is set forth in the Information Statement.

8. <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.

9. <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 30 2024 / 4:15 PM**
   Through remote communication, using this link: https://ipeople.com.ph/ASM2024/

9. Approximate date on which the Information Statement is first to be sent to security holders: **July 08, 2024**

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, 2024: 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 30, 2024**
Time of meeting	: **4:15 PM**
Place of meeting	: **Through remote communication, using this link:** https://ipeople.com.ph/ASM2024/
Approximate mailing date of this Information Statement	: **July 08, 2024**
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, 2024.

Only holders of the Company's stock of record at the close of business on June 28, 2024 are entitled to notice and to vote at the Annual Meeting to be held on July 30, 2024.

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, 2024, 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, 2024.

The following table shows the beneficial owners directly or indirectly owning more than 5% of the Company's capital stock as of May 31, 2024:

SHARE CLASS	NAME AND ADDRESS OF RECORD OWNER	NAME OF BENEFICIAL OWNER & RELATIONSHIP WITH RECORD OWNER	CITIZEN SHIP	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*	Filipino	503,098,749 [1]	48.18%
Common	**AYALA CORPORATION** *37F to 39F Ayala Triangle Gardens Tower*	**Messrs. Jaime Augusto Zobel de Ayala, Fernando Zobel de Ayala, Cezar P.**	Filipino	349,829,961	33.50%

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

	2, Paseo de Roxas corner Makati Avenue, Makati City	**Consing,** *and* **Delfin L. Lazaro,** *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. William H. Ottiger*** *President and COO is authorized to direct voting of the shares held by A. Soriano Corp.*	Swiss	93,301,434 [2]	8.90%

** Succeeded Mr. Ernest K. Cuyegkeng as President and COO of A. Soriano Corp., effective 17 April 2024*

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, 2024 according to the records of its stock and transfer agent, RCBC Trust Corporation:

SHARE CLASS	NAME OF BENEFICIAL OWNER	CITIZENSHIP	NATURE OF OWNERSHIP	SHARES OWNED	% OF CLASS
Common	Renato C. Valencia	Filipino	Indirect	1,300	0.0001%
Common	Cesar A. Buenaventura	Filipino	Indirect	68,850	0.0066%
Common	Gerardo C. Ablaza	Filipino	Direct	5	0.0000%
Common	Reynaldo B. Vea	Filipino	Direct	5	0.0000%
Common	Alfredo Antonio I. Ayala	Filipino	Direct	5	0.0000%
Common	Lorenzo V. Tan	Filipino	Direct	5	0.0000%
Common	William H. Ottiger	Swiss	Indirect	5	0.0000%
Common	Medel T. Nera	Filipino	Direct	100	0.0000%
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, 2024, there are 315,542 shares or 0.03% that are held by foreigners.

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

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:

DIRECTORS		
Name	**Position**	**Length of Service**
Dr. Reynaldo B. Vea	Chairman	9 years
Mr. Lorenzo V. Tan	Director	6 years
Mr. Medel T. Nera	Director	13 years
Ms. Yvonne S. Yuchengco	Director	23 years
Mr. Gerardo C. Ablaza	Director	5 years
Mr. Alfredo Antonio I. Ayala	Director	5 years

INDEPENDENT DIRECTORS		
Name	**Position**	**Length of Service**
Mr. Renato C. Valencia	Lead Independent Director	19 years
Mr. William H. Ottiger	Independent Director	9 months
Mr. Cesar A. Buenaventura, OBE *	Independent Director	33 years

**Mr. Buenaventura will no longer stand for re-election.*

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. Narciso A. Laput	Vice President – Information Technology
Mr. Victor V. Rafael	Vice President – 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, 72, 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 a **Director** of Malayan Education System, Inc. *(operating under the name Mapúa University)*, Mapua Malayan Colleges Laguna, (A Mapúa School), Inc., Mapua Malayan Colleges Mindanao (A Mapua School), Inc.; Malayan High School of Science, Inc., and Mapua Techserv; **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.; **Member** of the Multi-Sector Governing Council of the Maritime Industry Authority (MARINA) since July 2023 and the Standing Committee for Higher Education & Teacher Education and Development, Second Congressional Commission on Education (EDCOM II). ***His past experiences include:*** **President** of Malayan Education System, Inc. *(operating under the name Mapúa University)*, 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; **Chairman** of the Engineering Sciences and Technology Division of the National Academy of Science and Technologya and the Committee on Science and Technology in UNESCO National Commission; **Member** of Philippine Fulbright Commission and UNESCO National Commission; **Trustee** of Philippine Association Colleges and University; **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, 62, Filipino, was elected as **Director on January, 2018**. He is also currently the **Chairman** of EEI Corp.; **Director, President and Chief Executive Officer** of House of Investments, Inc., ATYC, Inc., RCBC Realty Corporation, Tarlac Terra Ventures, Inc., and San Lorenzo Ruiz Investment Holdings and Services, Inc.; **Vice Chairman** of Pan Malayan Management and Investment Inc. (PMMIC) and TOYM Foundation; **Director** at Smart Communications, Digitel Telecommunications, Malayan Insurance Company, Inc., Sunlife Grepa Financial, Inc., Manila Memorial Park Cemetery Inc., PetroEnergy Corporation, Philippine Realty and Holdings Corporation (Philrealty), Hi-Eisai Pharmaceutical Inc., Honda Cars Philippines and Isuzu Manila, Inc.; and **Member of the Board of Trustees** at De La Salle Zobel. ***His past experiences include:*** **President and Chief Executive Officer** of Rizal Commercial Banking Corporation. Prior to that he also served as the **President and CEO** of Sun Life of Canada (Philippine), Inc., the Philippine National Bank, and the United Coconut Planters Bank; **Managing Director** of Primeiro Partners, Inc.; **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, 63, 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 National Teachers College and 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)*, Mapua Malayan Colleges Laguna, *(A Mapúa School)*, Inc., Mapua Malayan Colleges Mindanao *(A Mapua School),* Inc.; Malayan High School of Science, Inc.; **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. ***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, 68, Filipino, is a **Director** since 2011 to present. He is also a **Director** of House of Investments, Inc., EEI Corp., Seafront Resources Corp., Metro Retail Sales Group, Inc., 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, 70, Filipino, is a **Director** since 2001 to present. She is also the **Chairperson and President** of Philippine Integrated Advertising Agency, Inc., Y Tower II Office Condominium Corp., Yuchengco Tower Office Condominium Corp., XYZ Assets Corporation, and Royal Commons, Inc.; **Chairperson** of Y Realty Corporation, and RCBC Capital 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., 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**. *Her past experiences include:* Director/Vice President and Treasurer** of Pan Managers, Inc.; **Director and Treasurer** of Honda Cars Kalookan, Inc. ***Educational Background:*** A.B. Interdisciplinary Studies from Ateneo de Manila University 1975

GERARDO C. ABLAZA, JR., 70, Filipino, was elected as **Director** on May 06, 2019. He is also a **Consultant** for Ayala Corporation; **Director** of AC Healthcare Holdings, Inc., AC Energy and Infrastructure Corporation *(formerly AC Energy, Inc.)*, AC Infrastructure Holdings Company, BPI Asset Management and Trust Corporation *(doing business under the trade name and style of BPI Wealth)*, BPI Direct BanKo Inc., Ayala Retirement Fund Holdings, Inc., Purefoods International Limited, A.C.S.T. Business Holdings, Inc., Liveit Investments Limited, Asiacom Philippines, Inc.; **Independent Director** of Advanced Info Services, PLC (Thailand) and Roxas and Company, Inc.; **Chairman of the Board of Trustees** of The BPI Foundations, Inc.; **Member of the Board of Trustees** of Ayala 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, 82, Filipino, has been the **Lead Independent Director** of iPeople, Inc since May 10, 2017. 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.

WILLIAM H. OTTIGER, 56, Swiss, was elected as **Independent Director** of the Company on August 15, 2023. An experienced executive with a depth of marketing and finance experience across a variety of industries in Asia, Europe and the US, he is also currently **President and Chief Operating Officer** at A. Soriano Corporation. He is also **Director** of Anscor International, Inc.; Seven Seas Resorts and Leisure, Inc., ATRAM Trust Corporation, ATR Asset Management, Inc., and Phelps Dodge International Philippines, Inc. ***His past experiences include***: **Chief Executive Officer** of Cirrus Medical Staffing, Inc., a US based healthcare staffing company owned by A. Soriano Corporation from 2005 to 2017; **Associate Director** at UBS Investment Bank in London, UK from 2001 to 2003; **General Manager for Marketing** at San Miguel Brewery Hong Kong, Ltd., a publicly listed brewer and subsidiary of San Miguel Corporation; **Director** of AG&P International Holdings Pte. Ltd. ***Educational Background:*** MBA from London Business School (with an emphasis on Finance); Bachelor of Arts in European History from Washington & Lee University

CESAR A. BUENAVENTURA*, OBE, 94, Filipino is an **Independent Director** since 1991 to present. He is also **Chairman** of Buenaventura Echauz and Partners, Inc. and Via Technik Inc.; **Vice Chairman** of DMCI Holdings, Inc.; **Independent Director** of Manila Water Company, Inc., Concepcion Industrial 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.
**Mr. Buenaventura will no longer stand for re-election as Independent Director for 2024-2025*

HERMINIA S. JACINTO, 85, Filipino, is nominated as Independent Director for the 2024-2025. Ms. Jacinto is a Certified Public Accountant and currently the Chairman and Trustee of the Insurance Institute for Asia and the Pacific (IIAP). She is an Independent Director of BDO Insurance Brokers, Fortune Life Assurance Co. Inc., and Fortune General Insurance Corp. 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, 59, 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.; **Director and Treasurer** of Tarlac Terra Ventures, Inc.; **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, 51, 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, 63, 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 Commerce 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, 60, 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.

NARCISO A. LAPUT, 57, Filipino, was appointed as **Vice President for Information Technology** on January 23, 2024. He brings extensive IT and management experience from 29 years in the banking industry. ***His past work experiences include:*** **Vice President and IT Project Manager** for BDO Unibank, Inc.; **Vice President and IT Project Director** for Rizal Commercial Banking Corporation from 1995-2023. ***Educational Background***: Bachelor of Science in Computer Engineering, MAPUA University.

VICTOR V. RAFAEL, 50, 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, 51, 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, 45, 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, 52, 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, 59, 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), AC College of Enterprise and Technology, Inc., Linc Institute, Inc., GPL Holdings Inc., HI Cars, Inc., Hi-Eisai Pharmaceutical, Inc., 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 Doing Business under the Name/s and Style/s of "The National Teachers College" and "APEC Schools", University of Nueva Caceres, San Lorenzo Ruiz Investment Holdings and Services, Inc., ATYC, Inc., and Tarlac Terra Ventures, Inc. ***His past experiences include:*** **International Counsel** of South Pacific for Federal Express Corp. ***Educational Background:*** Bachelor of Laws, Ateneo De Manila University School of Law; Bachelor of Science in Business Economics, University of the Philippines.

MA. ELVIRA BERNADETTE G. GONZALEZ, 47, Filipino, is the **Assistant Corporate Secretary**. She is also the **Assistant General Counsel** of Pan Malayan Management & Investment Corporation, and **Corporate Secretary** of Blackhounds Security and Investigation Agency, Inc., and the **Assistant Corporate Secretary** of House of Investments, Inc., Malayan Colleges Mindanao, A Mapua School, Inc. (Operating Under the Name of Mapua Malayan Colleges Mindanao), 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 Doing Business under the Name/s and Style/s of "The National Teachers College" and "APEC Schools", and University of Nueva Caceres ***Her past experiences include:*** **Legal Counsel and Assistant Corporate Secretary** of Coca-Cola Bottlers Philippines, Inc.; **Assistant Corporate Secretary** of Philippine Bottlers, Inc. and Luzviminda Land Holdings, Inc. ***Educational Background:*** Juris Doctor, Ateneo De Manila University School of Law; Bachelor of Arts in Political Science, Ateneo De Manila University, Philippines.

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 were nominated to serve as Directors of the Company for the year 2024-2025:

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

Independent Directors

1) Mr. Renato C. Valencia
2) Mr. William H. Ottiger
3) Ms. Herminia S. Jacinto

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 election of Mr. Renato C. Valencia, Mr. William H. Ottiger, 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), the nominee for lead independent director, Mr. Renato C. Valencia, is already serving a cumulative term of more than nine (9) years as reckoned from the year 2012. Nonetheless, the election of Mr. Valencia as lead independent director of the Company is being proposed for stockholders' approval based on the invaluable contribution and guidance that he is constantly providing to the Company. The following meritorious justifications may be considered:

Mr. Renato C. Valencia 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. Valencia will definitely benefit all stakeholders of the Company.

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 2023-2024 are as follows:

COMMITTEE	EXECUTIVE	SENIOR MANAGEMENT	BOARD RISK OVERSIGHT	AUDIT	CORPORATE GOVERNANCE, NOMINATION and RPT	REMUNERATION
Chairman	Renato C. Valencia	Lorenzo V. Tan	Cesar A. Buenaventura	Cesar A. Buenaventura	Renato C. Valencia	Renato C. Valencia

Member	Medel T. Nera	Reynaldo B. Vea	Renato C. Valencia	Medel T. Nera	Cesar A. Buenaventura	Cesar A. Buenaventura
Member	Gerardo C. Ablaza Jr.	Alfredo Antonio I. Ayala	Gerardo C. Ablaza Jr.	William H. Ottiger	William H. Ottiger	William H. Ottiger

Resignation of Directors
In August 2023, Ms. Herminia S. Jacinto stepped down as Independent Director due to personal reasons. Mr. William H. Ottiger succeeded Ms. Jacinto as Independent Director.

Election of Directors
The Directors of the Company 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

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 April 30, 2024:

(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	2024 est. 2023 2022 2021	₱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.	2024 est.	₱0.00	₱0.00	P1,620,000
	2023	₱0.00	₱0.00	P2,130,714
	2022	₱0.00	₱0.00	P1,718,214
	2021	₱0.00	₱0.00	₱991,429
TOTALS	**2024 est.**	**₱0.00**	**₱0.00**	P1,620,000
	2023	**₱0.00**	**₱0.00**	P2,130,714
	2022	**₱0.00**	**₱0.00**	P1,718,214
	2021	**₱0.00**	**₱0.00**	₱991,429

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 P20,000 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.

<u>Disagreement with Accountants on Accounting and Financial Disclosure</u>
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.

<u>Attendance of Accountants at the Meeting</u>
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.

<u>External Audit Fees and Services</u>
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
2023	₱6,530,000
2022	₱4,765,000
2021	₱4,337,000

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, 2023 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 28, 2023 and the Management Report will be submitted for stockholders' approval.

Approval of the July 28, 2023 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 2022 annual report and audited financial statements, (c) ratification of actions of the Board of Directors, different Committees and Management during the year 2022, (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 28, 2023 up to the date of meeting (July 30, 2024). 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

Effective 01 January 2023, the Company moved to a new principal office address, from 3rd Floor, Grepalife Bldg., 219 Sen. Gil J. Puyat Avenue, Makati City to 8th Floor, Mapua University Makati Campus, 1191 Pablo Ocampo Sr. Extension Ave., Brgy. Sta Cruz, Makati City.

The Company would like to particularly reflect the new principal office address in its corporate documents. Pursuant to the same, the Company proposes to amend Article Third of its Articles of Incorporation to specifically indicate therein the new principal office address. The affirmative vote of the Company's stockholders holding at least 2/3 of the outstanding capital stock is required for the approval of the amendment.

The proposed amendment is as follows:

Article	From	To
Third	That the place where the principal office of the corporation is to be established or located is at 3rd Floor, Grepalife Building, 219 Sen. Gil Puyat Avenue, Makati City, Metro Manila, Philippines.	That the place where the principal office of the corporation is to be established or located is at 8th Floor, Mapua University Makati Campus, 1191 Pablo Ocampo Sr. Extension Ave., Brgy. Sta. Cruz, Makati City, Metro Manila, Philippines.

Except for the amendment on the Company's principal office address in Article Third of the Company's Articles of Incorporation, no other amendments to its charter, bylaws or other documents will be made.

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 28, 2023
2. Approval of the Management Report and the Audited Financial Statements of the Company for the year ended December 31, 2023
3. Amendment of Article Third of the Articles of Incorporation to reflect the change in the principal office address of the Company
4. 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
5. Election of Directors for 2024-2025
6. 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 2023, the Company has submitted its IACGR on May 14, 2024.

(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 2023 IACGR submitted on May 15, 2024.

(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 2023 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	: asm2024@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 ________2024.

iPeople, inc.
By:

Atty. Denise Jordan P. Arenillo
Compliance Officer

Atty. Samuel V. Torres
Corporate Secretary

SUBSCRIBED AND SWORN TO BEFORE ME THIS 07 JUN 2024
AT ________________ AFFIANT EXHIBITED TO ME HIS/HER
________ NO. ________________ ISSUED ON ________ AT ________

DOC. NO. 39
PAGE NO. 7
BOOK NO. V
SERIES OF 2024

ATTY. JHON R. MENDOZA
Notarial Commission No. 073 / 30 / 2024
PTR No. 94937?? / 01-03-2024 / Pasay City
Roll of Attorneys No. 63650
IBP Life Member Roll No. 01?63? / Pasay City
MCLE Compliance No. VI-00?2?2? / 07-09-2018

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING

OF

iPEOPLE, INC.

Date	:	28 July 2023
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 2023 Annual Stockholders' Meeting ("ASM"). The Chairman noted that to ensure the safety of the stockholders amid COVID-19 concerns, the Company continues to observe minimal physical mass gatherings and is thus conducting its 2023 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 proceeded to introduce the following incumbent members of the Board of Directors of the Company while their photos were being shown onscreen:

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 2023 ASM, the notice was sent to all stockholders of record as of 28 June 2023 in four (4) ways, as follows:

First, by publication of the Notice of the ASM, including the Agenda, on 06 July 2023 and 07 July 2023 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 1,007,927,151 shares are present in the meeting, with 125 shares participating remotely in absentia and 1,007,927,026 share represented by proxy. All of the said shares represent 96.52% 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 29 July 2022. He advised that a copy of the Minutes is posted in the Company's website and available to all stockholders for viewing.

There being no objections or abstentions, the Corporate Secretary then stated that a total of 1,007,927,151 shares, representing 96.52% of the total outstanding stock, voted in favor of the following resolution to approve the Minutes of the 2022 Annual Stockholders' Meeting:

> "RESOLVED, that the Minutes of the last Stockholders' Meeting held last July 29, 2022 be, as they are hereby, noted and approved."

V. APPROVAL OF THE 2022 MANAGEMENT REPORT AND THE AUDITED FINANCIAL STATEMENTS.

The Chairman noted the next item on the Agenda, which is the approval of the 2022 Management Report and the 2022 Audited Financial Statements. He mentioned that the Audited Financial Statements is posted in the Company's website.

As CEO of the Company, the Chairman proceeded to present the results of the Company's operations in 2022.

FINANCIAL STABILITY AS A COMMITMENT TO THE SHAREHOLDERS

Dr. Vea commenced his report by highlighting the Company's financial stability as a commitment to the shareholders. It was noted that the Company was able to exercise fiscal responsibility, ensuring that resources were wisely allocated to support the Company's core mission and strategic goals. Pursuant to this, the Company's consolidated revenue grew by Php594 million or 18% to Php3.94 billion in 2022, primarily due to higher enrollment for SY2022-2023, the impact of having full college cohorts for the first time since the introduction of K+12 system, the tie-up of National Teachers' College (NTC) with the National Educator's Academy of the Philippines (NEAP), and the resumption of face-to-face classes.

For the Mapua Schools (comprised of Mapua University in Intramuros and its extension campus in Makati, Mapua Malayan Colleges Laguna, and Mapua Malayan Colleges Mindanao), their total revenues grew by 16% or from Php360 Million to Php2.63 Billion. Meanwhile, the combined revenues of National Teachers' College and University of Nueva Caceres in Bicol also grew by 43% or from Php316 Million to Php1.05 Billion with the aforementioned NEAP tie-up contributing more than half or Php160 Million to the increase. The resulting consolidated bottom line then went up by 18% to Php782 million from Php664 million in 2021 despite the higher operating expenses due to the resumption of face-to-face classes in all the iPeople Schools.

COMMITMENT TO ACADEMIC EXCELLENCE

Dr. Vea proceeded to discuss the Company's commitment to academic excellence. He noted the iPeople schools' outstanding achievements in teaching, research and innovation, particularly, the prestigious accreditations granted to the school programs.

With specific reference to Mapua University, it realized its vision to be among the top universities in the world after being included in the Times Higher Education (THE) World University Rankings 2023. It is ranked 1501+ out of 1,799 universities across 104 countries and regions that participated in the ranking exercise, and is one of the only four higher education institutions from the Philippines. With much pride, Mapua is now among elite Top 6% of the more than 25,000 universities in the world.

Mapua also made it to the prestigious Quacquarelli Symonds (QS) Asia University Rankings for the fifth straight year by placing 551-600 overall, retaining its 4-star Status. On the other hand, Mapua Malayan Colleges Laguna retained its 3 stars.

Dr. Vea further advised that Mapua University was also named by the Commission on Higher Education (CHED) as a *Center of Excellence for Information Technology*, recognizing three of its programs in the field of IT: Computer Science, Information Systems, and Information Technology. Also, the CHED granted Mapua University the *Edukalidad: Parangal sa Kahusayan Award* for its outstanding contribution to the creation of a culture of excellence in higher education.

As for the University of Nueva Caceres in Naga, it was hailed as the institution with the highest number of accredited programs in Region 5.

STRENGTHENING THE CULTURE OF RESEARCH, INNOVATION AND SUSTAINABILITY

Dr. Vea called attention to the Company's recognition of the paramount importance of research and innovation in shaping a better future. He then mentioned how the iPeople Schools research endeavors yielded significant results, contributing to advancements in various disciplines and addressing real-world challenges.

Dr. Vea particularly noted that last January 2022, Mapua University launched the inaugural issue of the *International Journal of Outcome-Based Education* (IJOBE), an international, double-blind peer-reviewed journal published by the School of Social Sciences and Education. IJOBE publishes cutting-edge research that critically examines Outcome-Based Education (OBE). It serves as a platform for a diverse group of scholars in the field of education and training to share original research devoted to the wide dissemination and scientific examination of issues surrounding OBE.

Dr. Vea also mentioned that the Company continued to heed its commitment to creating a positive impact on the lives of people through initiatives promoting sustainability. As such, Mapua University again entered the global Times Higher Education (THE) University Impact Rankings and ranked 601-800, higher compared from the previous year's 801-1000 standing. Mapua University was given recognition in all 17 United Nations Sustainable Development Goals or SDGs, compared with 5 SDGs during the previous year.

On innovation, Mapúa University was named as the number one university with highest Cengage Digital Activations across Asia for Academic Year 2021-2022. As for Mapúa Úox, or Ubiquitous Online Experience, it also made history in the Wharton-QS Reimagine Education Awards 2022, dubbed as the "Oscars of Education," as it won Gold for the Digital Readiness category. Mapúa's recent achievement is now the best finish by a Philippine university in the category level of the awards

Meanwhile, Mapúa Malayan Colleges Laguna was awarded a Gold Membership by the U.S. Green Building Council (USGBC) during the Leadership in Energy and Environment (LEED) in Southeast Asia Series by USGBC and GBCI, Inc. Mapúa MCL is currently the FIRST and ONLY academic institution in Southeast Asia and the Philippines to receive this distinction.

CELEBRATING STUDENT SUCCESS AND EMPOWERMENT

Dr. Vea noted that the heart of iPeople lies in the success and empowerment of the iPeople Schools' students, investing in comprehensive student support services and ensuring their well-being and holistic development. The focus on mentorship, career guidance, and extracurricular opportunities prepares the students to become leaders and changemakers in society.

Leading the way, three Bachelor of Science in Environmental and Sanitary Engineering graduates of Mapua University topped the January 2022 Sanitary Engineer Licensure Examination. Meanwhile, four other Mapúans excelled in the April 2022 Electronics Engineer Licensure Examination.

For UNC, one of its students ranked 2nd during the June 2023 Architect Licensure Examination (ALE) with 85% passing rate while another placed 10th in the November 2022 Nursing Licensure Exam. A 2nd year BS Tourism Management student was also in the top 4 (out of 105 participants from Southeast Asia and Europe) in the 2022 Southeast Asian Sales Competition (SEASAC) held in Jakarta, Indonesia.

On an institutional scale, Mapua University was hailed as one of the top-performing schools in the Architecture licensure Examination of June 2022 while UNC obtained a 100% Passing Rate for the January 2022 Licensure Exam for Teachers (LET) for Secondary Level. MMCL also raised the banner of excellence after obtaining a 100% Passing Rate for Civil, Electrical and Industrial Engineering Licensure examinations.

Aside from Academics, the students also excelled in various field both locally and internationally. Dr, Vea then particularly mentioned that a UNC Grade 6 pupil was hailed Champion in the 1st Philippine National Children's Chess Championship held last October 2022 while MMCM students competed and bagged the Championship title in the 2023 Leaders Conference Thailand organized by International Youth Fellowship.

PROMOTING DIVERSITY AND INCLUSIVITY

Dr. Vea emphasized that diversity and inclusivity are ingrained in the Company's fabric. It celebrates and embraces students from various backgrounds, cultures, and perspectives. The commitment to inclusivity extends to the iPeople Schools' faculty and staff, fostering an environment where everyone feels valued and respected.

As a celebration of culture and the arts, various student activities were held, which were aimed at promoting their talents, interests and skills. One of these was *Cinemapua*, one of the longest running student film festivals in the Philippines. It celebrated its 20th Anniversary with close to 3,000 submitted entries, around 2,000 of which were international entries in the World Film Category. The entries tackled topics and issues like poverty, gender equality, education, human rights promotion and inequality.

CONTRIBUTION TO NATION BUILDING: MEANINGFUL PARTNERSHIPS, COMMUNITY ENGAGEMENT AND SERVICE

As a responsible member of society, the Company actively engaged with various stakeholders through service-oriented initiatives. iPeople Schools' students, faculty, and staff participated in numerous outreach programs, making a positive impact and addressing pressing social issues.

With specific reference to Mapua University, it rolled out the 2nd run of STEM Teach to help STEM (Science, Technology, Engineering, and Mathematics) teachers cope with the challenges of teaching STEM subjects. Pursuant to a partnership with the Department of Education, Mapua University catered to about 800 registrants. The four-week program imparts Mapúa's homegrown knowledge and techniques and covers tried and tested teaching methods used by the University.

On the other hand, Mapua MCL was awarded with a Certificate of Recognition by CHED Region IV-A for its efforts to improve teaching, learning, research and extension services as an institution with autonomous status.

Mapua MCM also supported DepEd's "Brigada Eskwela" Project through the Rehabilitation of a Remote Day Care Center. MMCM recently completed its rehabilitation of Rizal Day Care Center in partnership with the AY Foundation.

As for the University of Neva Caceres, it placed 3rd out of 18 participants nationwide in the Best Practice in Community Extension/Outreach Program during the 33rd PACUCOA General Assembly.

To help the country's requirement for cybersecurity experts, Mapúa University partnered with EC-Council to deliver industry-leading cybersecurity training and certifications. Now an authorized EC-Council Academia Partner, Mapúa will be offering high-quality, authorized EC-Council Cybersecurity-related academic courses to train Mapúa students for the ever-evolving global standards on cybersecurity.

Mapúa University also launched the DOST-Mapúa Think and Tinker Laboratory, a technology business incubator (TBI) designed to provide support to spin-off projects, start-up businesses, and entrepreneurs, also referred to as incubates in the form of training courses and access to its laboratories and experts.

CHALLENGES AND OPPORTUNITIES

Dr. Vea's also tackled the challenges that lie ahead. He noted how the rapidly changing landscape of higher education demands agility and adaptability. He advised that embracing emerging technologies, evolving teaching methods, and addressing global challenges will be critical as the Company strives to maintain its position as a leading institution.

Dr. Vea then called attention to the Mapua Schools' partnership with the Cintana Alliance of Schools and the Arizona State University for select and identified programs and courses. This partnership gave birth to the School of Health Sciences, which will now offer the following programs: BS Biology, BS Psychology, BS Medical Technology, AB Psychology, and BS Nursing and soon, the M.D. program.

The Company's partnership with Cintana also resulted to additional program offerings for the business-related courses. Mapúa's business school now offers degrees in Business Intelligence and Analytics, and Financial Technology. Both courses are aligned with the digital technologies and data that have become integral to critical business decisions. Aside from that, the business school also now offers a degree in Global Management, which is designed to arm its graduates with the know-how to build a corporate career on international platforms.

Dr. Vea then also mentioned that in an effort to adapt to the rapid changes in the education landscape, Mapua strengthened its brand by renaming and rebranding its sister schools as Mapúa Malayan Colleges of Laguna and Mapua Malayan Colleges of Mindanao.

As the Company moves forward, its vision is clear – to be a trailblazing group of schools that fosters knowledge, innovation, and positive societal impact. The iPeople Schools will continue to strengthen its academic programs, enhance research collaborations, and nurture an inclusive community that supports each other's growth.

Dr. Vea concluded his report by extending his heartfelt appreciation to the shareholders and the iPeople Schools' dedicated faculty, administrative staff, students, and alumni, and all those who contribute to the success of the Company.

After Dr. Vea concluded his report, the Corporate Secretary noted the proposal to approve the Management Report and the 2022 Audited Financial Statements under the following resolution:

> "RESOLVED, that the Management Report and the 2022 Audited Financial Statements, as made available to the Stockholders, be as they are hereby, noted and approved."

There being no objections or abstentions, the Corporate Secretary advised that a total of 1,007,927,151 shares, representing 96.52% 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 proceedings 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 or abstentions, the Corporate Secretary advised that a total of 1,007,927,151 shares, representing 96.52% of the total outstanding stock, voted in favor of the above resolution.

VII. ELECTION OF DIRECTORS FOR 2023-2024.

The Chairman noted the next item in the Agenda, which is the election of directors for the year 2023-2024. 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 24 May 2023, the deadline for nominations, there were ten (10) nominees, screened evaluated and qualified 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.
7. Mr. Ernest K. Cuyegkeng

Independent Directors

8. Mr. Renato C. Valencia
9. Mr. Cesar A. Buenaventura
10. 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 six (6) of the nominees for Regular Director and all of the three (3) nominees for Independent Director received the number of votes required to be elected as members of the Company's Board of Directors for the year 2023-2024. They are as follows:

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 details of the votes on the election of the Company's Board of Directors are provided for in Annex "A" hereof.

The Chairman then declared and proclaimed the above-named nominees as elected members of the Company's Board of Directors for 2023-2024.

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 2023 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, 2023."

There being no objections or abstentions, the Corporate Secretary advised that a total of 1,007,927,151 shares, representing 96.52% 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. The Corporate Secretary confirmed that there was none.

The Chairman then also asked if there were any comments and questions submitted to the Company within the deadline for submission. The Corporate Secretary replied that no questions were received from the stockholders.

X. ADJOURNMENT.

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

SAMUEL V. TORRES
Corporate Secretary

ATTEST:

REYNALDO B. VEA
Chairman

ANNEX "A"

ELECTION OF DIRECTORS (VOTING RESULTS)

Name	For	%	Against	%	Abstain	%
Regular Directors						
Reynaldo B. Vea	1,372,471,822	14.60	-	0.00	-	0.00
Alfredo Antonio I. Ayala	1,372,471,817	14.60	-	0.00	-	0.00
Gerardo C. Ablaza, Jr.	1,372,471,817	14.60	-	0.00	-	0.00
Medel T. Nera	1,372,471,823	14.60	-	0.00	-	0.00
Lorenzo V. Tan	1,372,471,823	14.60	-	0.00	-	0.00
Yvonne S. Yuchengco	1,372,471,818	14.60	-	0.00	-	0.00
Ernest K. Cuyegkeng	836,513,406	8.90	-	0.00	-	0.00
Independent Directors						
Renato C. Valencia	11	0.00	-	0.00	-	0.00
Cesar A. Buenaventura	11	0.00	-	0.00	-	0.00
Herminia S. Jacinto	11	0.00	-	0.00	-	0.00

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.

2 4 MAY 2024

Done this ________ day of May 2024, at Makati City, Metro Manila, Philippines.

RENATO C. VALENCIA
Affiant

2 4 MAY 2024

SUBSCRIBED AND SWORN to before me this _______ day of May 2024 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. 105;
Page No. 6;
Book No. IV;
Series of 2024.

ATTY. J[illegible] E. MENDOZA
Notarial Commission No. 073 / 30 / 2024
PTR No. 8463747 / 01-03-2024 / Pasay City
Roll of Attorneys No. [illegible]550
IBP Life Member Roll [illegible] / Pasay City
MCLE Compliance No. [illegible]2825 / 07-09-2018

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	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, **WILLIAM HARRINGTON OTTIGER**, a Swiss citizen, of legal age and a resident of 21A Lawton Tower, Essensa East Forbes, 5th Avenue corner 21st Drive, Bonifacio Global City, Taguig 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 August 2023.

2. I am affiliated with the following companies or organizations:

Company/Organization	Position/ Relationship	Period of Service
A. Soriano Corporation	President & COO	April 17, 2024 - Present
A. Soriano Corporation	EVP & Corporate Development Officer	April 2013 – April 16, 2024
Phelps Dodge International Phils., Inc.	Director	April 2016 – Present
Seven Seas Resorts & Leisure, Inc.	Director	April 2019 – Present
ATRAM Trust Corporation	Director	April 2019 – Present
ATR Asset Management, Inc.	Director	April 2019 – Present
Prople, Inc.	Director	2010 -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.

2 4 MAY 2024

Done this ________ day of May 2024, at Makati City, Metro Manila, Philippines.

WILLIAM HARRINGTON OTTIGER
Affiant

2 4 MAY 2024

SUBSCRIBED AND SWORN to before me this _______ day of May 2024 at ______________, affiant personally appeared before me and exhibited to me his Passport No. X0C50P61, issued at DFAE Berne, and valid until September 14, 2033.

Doc. No. 103;
Page No. 5;
Book No. IV;
Series of 2024.

ATTY. JHON R. MENDOZA
Notarial Commission No. 073 / 30 / 2024
PTR No. 8463747 / 01-03-2024 / Pasay City
Roll of Attorneys No. 63650
IBP Life Member Roll No. 012636 / Pasay City
MCLE Compliance No. VI-0012825 / 07-09-2018

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
Fortune General Insurance Corp.	Ind. Director	7 years
Insurance Institute for Asia and the Pacific	Trustee Chairman	Effective May 2024
Fortune Life Assurance Co. Inc.	Ind. Director	Eff. April 2024
BDO Insurance Brokers, Inc.	Ind. Director	Eff. April 2024

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 21st day of May 2024, at Makati City, Metro Manila, Philippines.

HERMINIA S. JACINTO
Affiant

2 4 MAY 2024

SUBSCRIBED AND SWORN to before me this _______ day of May 2024 at ______________, 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. 104;
Page No. 5;
Book No. IV;
Series of 2024.

ATTY. JHON R. MENDOZA
Notarial Commission No. 073 / 30 / 2024
PTR No. 8463747 / 01-03-2024 / Pasay City
Roll of Attorneys No. 63050
IBP Life Member Roll No. 513636 / Pasay City
MCLE Compliance No. VI-0012825 / 07-09-2018

iPEOPLE

07 June 2024

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 30 July 2024 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 THIS 07 JUN 2024
AT ______ AFFIANT EXHIBITED TO ME HIS/HER
______ NO. ______ ISSUED ______ AT ______

DOC. NO. 40
PAGE NO. 9
BOOK NO. IV
SERIES OF 2024

ATTY. JHON R. MENDOZA
Notarial Commission No 073 / 30 / 2024
PTR No. 8463747 / 01-03-2024 / Pasay City
Roll of Attorneys No. 63650
IBP Life Member Roll No. [illegible] / Pasay City
MCLE Compliance No. VI-0012825 / 07-09-2018

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 30, 2024** 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 casted, 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 of the Corporation.**

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	________	________	________	________________
Independent Directors:				
7. Renato C. Valencia	________	________	________	________________
8. William H. Ottiger	________	________	________	________________
9. 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 28, 2023			
3. Approval of the Management Report and the Audited Financial Statements for 2023			
4. Amendment of Article Third of the Articles of Incorporation to reflect the change in the principal office address of the Company			
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. 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 19, 2024, 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 ASM2024@IPEOPLE.COM.PH, ON OR BEFORE 5:00 P.M. ON JULY 19, 2024. 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: asm2024@ipeople.com.ph

ANNEX 'A'

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

Stockholders are requested to notify the Company by July 19, 2024, via email at asm2024@ipeople.com.ph, of their intention to participate in the Company's Annual Stockholders' Meeting on 30 July 2024 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, 2024
2. When to Register - Registration period shall be from July 12, 2024 at 8:00am until July 19, 2024 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 asm2024@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.

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: asm2024@ipeople.com.ph on or before July 19, 2024.

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 asm2024@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.

iPEOPLE

ANNEX 'B'

Electronic Voting In Absentia

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	________	________	________	________________
Independent Directors:				
7. Renato C. Valencia	________	________	________	________________
8. William H. Ottiger	________	________	________	________________
9. Herminia S. Jacinto	________	________	________	________________

PROPOSAL	ACTION		
	FOR	AGAINST	ABSTAIN
2. Approval of the Minutes of the Annual Stockholders' Meeting held on July 28, 2023			
3. Approval of the Management Report and the Audited Financial Statements for 2023			
4. Amendment of Article Third of the Articles of Incorporation to reflect the change in the principal office address of the Company			
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. 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 19, 2024, and accompanied by any government issued identification.*

ANNEX 'C'

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, 2023 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") and University of Nueva Caceres ("UNC").

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

With the effectivity of the merger between iPeople, inc. and AC Education, Inc. (AEI), the wholly owned education arm of Ayala Corporation (AC), on May 2, 2019, iPeople, inc. became 48.18% owned by HI and 33.5% owned by AC. The merger brought 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 also unlocked synergies among all IPO schools 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.

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.

<u>Risk Factors at the Holding Company Level</u>

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

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

IPO 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.

For the Holding 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. Each subsidiary's reputation can significantly impact the overall brand and image of the Company, as well as all the subsidiaries of the Company.

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. Turn-over or inadequate leadership can impact overall performance and stability.

Competition and 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. The education sector is competitive, with the presence and current improvements in the public education system, as well as the private institutions.

Regulation

The Company's business may be impacted by changes in laws and policies or the introduction of new laws or regulations which may affect its business operations and financial results. The education subsidiaries are subject to numerous regulations and compliance requirements. Non-compliance with existing regulations, could result in fines, legal action, or reputational damage.

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. The education subsidiaries hold student and staff information, making them potential targets for cyber attacks and data breaches. A breach affecting a subsidiary can impact the Company.

ESG Risk

The failure to address and manage the environmental risks and footprints due to energy consumption, water usage, and waste generation may impact the Company's reputation, financial performance, and result in regulatory fines.

School Operations

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

A Legacy of Excellence, Preparing Graduates for the Global Stage

Mapúa University, founded in 1925 by Don Tomas Mapúa, a pioneering Filipino architect and Cornell University graduate, is the premier engineering and technological institution in the Philippines. The university maintains a tradition of excellence across diverse fields, including Engineering and Sciences, Architecture and Design, Information Technology, Business and Management, Communication and Media Studies, Health Sciences, Social Sciences, and Education. This commitment to comprehensive, world-class education empowers its graduates to become globally competitive professionals.

Global Recognition and Accreditations

Mapúa University's pursuit of academic rigor has led to both national and international recognition. It achieved accreditation from ABET, a leading US-based accreditor, in 2010. This underscored its quality standards even before garnering attention in the prestigious Times Higher Education World University Rankings in 2022 (ranked 1501+). Mapúa's standing is further solidified by the Quacquarelli Symonds (QS) Asia University Rankings 2023, placing it within the top 100 Southeast Asian universities and within the broader Asian region. Additionally, the QS Stars Rating System has awarded Mapúa a 4-star rating, recognizing particular strengths in Employability, Facilities, and Social Responsibility (5-star ratings).

The university impressively holds the most ABET-accredited programs on a single campus in the Philippines. It also boasts recognition as a Center of Excellence by the Philippine Commission on Higher Education for multiple engineering disciplines and in Information Technology Education.

Collaborations for Expanded Opportunities

To broaden the horizons of its students, Mapúa has forged a groundbreaking partnership with Arizona State University (ASU), renowned as America's most innovative university. This collaboration, launched in 2022, enhances Mapúa's offerings in business and health sciences, providing Filipino students access to ASU's expertise and resources.

Leadership in Digital Education and Sustainability

Mapúa University demonstrates its adaptability by spearheading digital education initiatives in the Philippines. The university's award-winning ÚOx platform and cutting-edge Cardinal EDGE system facilitate fully online degree programs, making education more accessible.

Underscoring its commitment to a better future, Mapúa established the Institute for Global Sustainability (Mapua IGS) in 2023. This center champions interdisciplinary research, innovative education, and collaborative partnerships focused on addressing global challenges and driving sustainable socio-economic growth.

Dedicated to Student Success

Mapúa University's strong academic foundation translates directly into the success of its graduates. The institution has a proven track record, with 399 students achieving topnotcher status in national professional licensure examinations since 2000. Additionally, global exchange programs, on-the-job training, and research collaborations prepare students to excel in the international workforce.

With a commitment to providing world-class education built upon academic excellence and character development, Mapúa University empowers the youth to make a positive impact globally. Its revised vision statement, "Mapúa University, a global leader in education, fosters sustainable socio-economic growth of society through innovation, digital transformation, and lifelong education," cements its dedication to shaping future leaders.

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 25 baccalaureate programs and three (3) master's programs. It has six (6) 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, Mapúa-PTC College of Maritime Education, Institute for Excellence in Continuing Education and Lifelong Learning, and the newest college, the Mapua-Laguna Institute of Aviation.

The institution's community started with 860 students in 2007. Today, there are 6,941 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, there are seven Mapúa MCL engineering programs, namely: Chemical Engineering, Civil Engineering, Computer Engineering, Electronics Engineering, Electrical Engineering, Industrial Engineering, and Mechanical Engineering, and all are 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 2021 to 2023.

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. Mapúa MCL took home the Blackboard Award for Optimizing Student Experience and Anthology Catalyst Award under Teaching and Learning Category in 2021 and 2023, respectively. Mapúa MCL also received the Outstanding Digital Activations Award for A.Y. 2022-2023 from Cengage.

Mapúa MCL 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 a 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 MCL was awarded a Gold Membership by the U.S. Green Building Council (USGBC) last March 24, 2023, during the Leadership in Energy and Environment (LEED) in Southeast Asia Series by USGBC and GBCI, Inc making it the first and only academic institution in Southeast Asia and the Philippines to receive such distinction. In line with this, eight (8) B.S. Architecture students were awarded for being the First Set of Filipino Students to officially become USGBC LEED Green Associates in Southeast Asia.

Mapúa MCL also participated in the Times Higher Education or 'THE' Impact Ranking and has initiated activities in support of UN's Sustainable Development Goals (SDGs). This undertaking underscores the commitment of the institution to empower individuals and contribute to the betterment of society.

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 standing among the world's leading educational institutions. The institution also distinguishes itself from the rest of the colleges and universities in Mindanao through:

1. Learner-Centered Outcomes-Based Education
2. Flexible Learning/Hybrid Learning Options
3. Industry Partnerships
4. Mindanao-Centric Learning
5. Advanced Learning Facilities and digital learning tools

With an initial fourteen baccalaureate programs in engineering, architecture, arts and sciences, information science, and 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 the school year 2019-2020, MMCM intensified its global initiatives with new partners and opened three additional programs under Alfonso T. Yuchengco College of Business, namely, B.S. Accountancy, B.S. Management Accounting and B.S. Tourism Management. Continuing the expansion of its program offerings, in 2021, the school was permitted to offer its first two health sciences programs, a BS in Psychology and a BS in Biology. Additionally, in the school year 2021-2022, the Department of Education (DepEd) in Region XI approved MMCM to offer Junior High School, completing the High School program offerings from Grade 7 to Grade 12. In 2022, MMCM 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 has collaborated with various organizations in spearheading transformative school activities such as coastal clean-up and recycling plastic waste 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 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, the Manila Bulletin featured AMDABiDSS-Health, the first research center in Mindanao to improve disease surveillance and mitigation techniques for COVID-19, on April 5, 2022. The program is co-implemented by Mapúa MCM and the University of the Philippines Mindanao.

In 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 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, Mapúa University, through its established minerals-related engineering programs and our research partners, UP Diliman, MSU-IIT, and USeP, and its leading industry partner, Apex Mining Co., Inc. (AMCI). In the pursuit of Excellence and Relevance, MMCM strives to go beyond expectations and be involved in developing 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 and changing industry demands, the institution continues to chase after progress and further strengthen its mission of shaping globally competitive professionals. Malayan Colleges Mindanao, A Mapúa School 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. MMCM has partnered with Arizona State University (ASU), joining the Cintana Alliance to pave the way for Filipino students to access high-quality international education in health sciences and business programs. ASU's expertise in innovation and advanced research will be leveraged to shape students into highly skilled, globally competent professionals and create opportunities for them in the country and abroad. Through this, MMCM students are given opportunities for international exposure through short-term immersive programs, semester exchanges, 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. MMCM was also awarded the 2023 Catalyst Award for Student Experience for its outstanding educational contribution. These awards affirm the role of MMCM as the champion and model in using EdTech in its teaching, learning, and student experience. Moreover, Mapúa MCM was the first school in the Davao Region to be awarded 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.

In April of 2023, the institution saw its first batch of Engineering board passers — garnering a 100% passing rate for Civil Engineering, Electrical Engineering, Electronics Technician, Industrial Engineering, Licensed Chemists, and Chemical Technicians board, as well as a 91.67% passing rate for the Mechanical Engineering Licensure Examination. This year, it has also marked the first topnotchers from the Industrial Engineering Certification Examination and the Mechanical Engineers Licensure Examination — Ms. Frances Angela Monton, CIE, 5th Place, and John Kenneth Enerio, RME, 3rd Place, respectively.

On December 18, 2023, the institution received the ISO 21001:2018 EOMS Standard for the Provision of all Academic Offerings scope certification after a rigorous audit by DNV AS Philippines on November 28 – 29, 2023. With a solid commitment to excellence, continued collaboration between administrators and faculty, and a dedication to providing quality at every institutional level, Mapúa MCM, being certified with ISO 21001:2018, stands as a beacon of excellence, guiding organizations toward the pinnacle of quality education and the satisfaction of both learners and other beneficiaries of the educational organization. According to the International Organization for Standardization (ISO), ISO 21001:2018 is a recognized standard that provides a framework for implementing an effective Educational Organizations Management System (EOMS). With this certification, MMCM will continue to show its commitment to quality education and uphold this international standard.

In early 2024, the institution began one of its highlight partnerships with PetroGreen Energy Corporation (PGEC) to install a 360kWp solar rooftop power project in MMCM. PGEC will install 600 units of 600wp solar panels from manufacturer Canadian Solar. The groundbreaking collaboration between MMCM and PGEC on the solar rooftop project reflects MMCM's dedication to sustainable development and incorporating green technology into education. It promotes renewable energy and is an educational resource for our students and faculty members, demonstrating our commitment to innovative and socially responsible learning.

MALAYAN HIGH SCHOOL OF SCIENCE, INC.

To complement the expansion of Mapua University's science and technology academic program offerings and contribute further to the country's development and sustainability endeavors, Mapúa University built a more broadly based yet tightly focused science high school to succeed its former pre-engineering high school. Malayan High School of Science (MHSS) joins the ranks of science high schools in the country, very few of which are privately owned.

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 COLLEGE (DOING BUSINESS UNDER THE NAME OF THE NATIONAL TEACHERS COLLEGE AND APEC SCHOOLS)

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, 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 achieved notable performance in the licensure examination for teachers (LET). In addition, it currently provides expert advice to public and private agencies in the continuous development of policies and practices in flexible higher education in general and in Philippine teacher education in particular.

With its vision of transforming Philippine society through accessible quality education, NTC has since opened additional programs relevant to emerging industries. Its mission of enabling access to success is rooted in its desire to fulfill 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 undergraduate and graduate programs in teacher education.

- The School of Business (SOB) offers Accountancy, Business Administration, Office Administration, Hospitality Management, and Tourism Management programs.

- The School of Arts, Sciences, and Technology (SOAST) grants degrees in IT, Library and Information Science, and Psychology.

NTC supports the discourse of education quality through voluntary accreditation through the Philippine Association of Colleges and Universities- Commission on Accreditation (PACU-COA). To date, the following programs have completed local accreditation: Bachelor in Elementary Education (Level 4), Bachelor in Secondary

Education (Level 4), Master of Arts in Education (Level 3), Doctor of Education (Level 3), and Bachelor of Science in Office Administration (Level 1).

NTC promotes learner-centered and industry-oriented education that enlightens the mind, strengthens the body, and builds character. Partnering with industry experts and leaders in digital learning such as Google Education and LinkedIn helps ensure the career readiness of its graduates and equips them to become productive citizens contributing to nation-building. It has continued to endeavor to make its school ecosystem transformative and at the same time capable of promoting an environment where learners find joy in learning.

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) of the Department of Education (DepEd) and a training partner of the Private Education Assistance Committee (PEAC). Given the expanding internationalization agenda of Philippine higher education, it has established ties with the British Council and the ASEAN Universities Network (AUN).

In August 2023, the merger of NTC and APEC Schools, with NTC as the surviving entity was approved by the Securities and Exchange Commission (SEC) resulting in the creation of an education powerhouse of over 24,000 students in K-12, College and Graduate School.

APEC Schools was established in 2013 with the vision of providing quality private education affordable for Filipino high school students, and has scaled up to become the largest chain of private stand-alone high schools in the country. It emphasizes developing graduates who have strong critical thinking skills, are tech savvy and self-confident, have a good command of the English language, and can use their problem-solving strengths to help their communities. APEC offers innovative learning at very accessible prices across 10 campuses in the NCR, Rizal, Cavite and Batangas.

APEC was one of the first high schools to offer a technology enabled educational curriculum and delivery. In 2020, Google recognized APEC Schools as a Google Reference School - the first and only one in the Philippines. This recognition is for schools who utilize Google's educational tools in creative, innovative, and exemplary ways, to create a positive impact on the educational development of students.

With the combined strength of a leading teacher education institute and a recognized leader in innovative progressive education, one of the first offerings as a result of this merger is Smartclass, a homeschooling program that allows homeschoolers to benefit from engaging, practical and affordable education utilizing a more comprehensive approach to homeschooling.

UNIVERSITY OF NUEVA CACERES

The University of Nueva Caceres (UNC), the 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, three (3) programs in the College of Arts and Sciences, ten (10) in the College of Business and Administration, five (5) in the College of Computer Studies, nine (9) in the College of Education, six (6) in the College of Engineering, one (1) program in the College of Nursing, one (1) program in the Criminal Justice Education, one (1) program in the Juris Doctor, and three (3) Doctorate and twelve (12) Masters Degree programs in the Graduate Studies department.

As of 2023, a total of 42 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; seven Bachelor of Secondary Education programs; BS Nursing; and Elementary Education. UNC’s Doctor of Philosophy, BS Biology, BS Accountancy, BS Computer Science, BS Information Technology, and Junior High School 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, BS Computer Engineering, and Senior High School were given Candidate Status, while the Master of Public Administration, Bachelor of Library Information Science, and Master of Library Information Science 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-six years, the University of Nueva Caceres has produced 164 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.

Risk Factors related to School Operations

Business Resiliency

The inability to bring the Company out of operational disruptions, resume critical processes, and restore normal operations may result to service breach and financial losses.

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.

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.

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.

Market

The Philippine and Global economic condition may impact the Company's investment and growth commitments to its stakeholders.

Reputation

The inability of the Company to maintain and failure protect its reputation may adversely affect its objective of creating and growing its value for its stakeholders.

Campus Safety and Security

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

Operational

The inefficiencies and/or failure of internal processes and/or systems, non-compliance with policies and regulatory requirements, human errors in the conduct of the Group's daily activities may result to financial losses.

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	7,317	School Campus
Quiapo, Manila	2019	535.3	School Campus
Quiapo, Manila	2019	714.4	School Campus
UNIVERSITY OF NUEVA CACERES			
J. Hernandez Ave., Naga City	2019	49,917	School Campus
AC COLLEGE OF ENTERPRISE AND 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
National Teachers College			
5-Storey Building	V. Luna	865	06/30/2030
3-Storey Building	North Fairview	1174	06/30/2032
4-Storey Building	C. Raymundo	1928	06/30/2032
4-Storey Building	Marikina Heights	1247	06/30/2038

PROPERTY DESCRIPTION	LOCATION	AREA (SQ. M.)	LEASE EXPIRATION
5-Storey Building	Tondo	1204	06/30/2025
3-Storey Building	Sta. Rita Sucat	1500	04/30/2032
4-Storey Building	Dasmariñas	878	04/30/2032
4-Storey Building	Bacoor	1215	06/30/2034
3-Storey Building	Pateros	1230	06/30/2033
3-Storey Building	Ortigas Ext., Cainta	960	12/31/2030
4-Storey Building	Kalumpang	1095	03/31/2028
1-Storey Building	JRU Lipa	1255	06/30/2024
3-Storey Building	Las Pinas	1266	06/30/2031
4-Storey Building	Concepcion Dos	756	06/30/2026
4-Storey Building	New Manila	781	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 28 July 2023 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 2023 vs. Year 2022

Financial Position

Total consolidated assets increased from ₱17.70 billion to ₱19.96 billion, or a 13% increase compared to last year. The increase in total assets is mainly due to the higher receivables and increase in the appraised value of land.

Current assets increased to ₱3.81 billion this year from ₱3.61 billion last year primarily due to higher receivables and higher other current assets of schools.

Receivables pertain mainly to matriculation and miscellaneous fees due from students. Receivables balance this year is P1.38 billion. The 17% increase in receivable is mainly due to the higher enrollment. Prepaid expenses and other current assets went up from ₱465 million to ₱607 million because of the increase in short-term money placements and increase in prepaid expenses related to software subscriptions.

Total noncurrent assets this year is ₱16.16 billion. The increase in non-current assets is mainly due to the significant increase in the appraised value of land based on the latest fair value appraisals.

Total liabilities of the Group is ₱4.88 billion. There was no significant change in the total liabilities. The change in total liabilities is only 2%.

Current liabilities decreased to ₱3.26 billion this year from ₱3.52 billion last year primarily due to payment of bank loans.

Accounts payable and accrued expenses pertain largely to obligations to suppliers. Accounts payable and accrued expenses went up by 7% due to higher payable to suppliers.

Unearned income is higher from ₱796 million in December 2022 to ₱978 million due to the increase in unearned tuition fees because of higher enrollment.

Current portion of long-term debt went down by 98% due to the full payment of long-term loans of a subsidiary (MMCM).

Lease liabilities – current portion went down by 27% due to the termination of lease agreements.

Income tax payable went up by 277% due to the higher provision for income tax because the income tax rate applicable to schools went back to 10% from 1% effective July 1, 2023 as mandated by the CREATE Act.

Noncurrent liabilities went up from ₱1.44 billion this year from ₱1.62 billion last year primarily due to the increase in deferred taxes related to the revaluation increment on land.

Deferred tax liabilities went up by 35% due to the increase in deferred taxes related to the revaluation increment on land.

Total consolidated equity increased from ₱12.74 billion in December 2022 to ₱15.08 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 ₱14.76 billion, from ₱12.44 billion in December 2022.

Results of Operations

The Group posted a consolidated net income of ₱662 million, which is 15% lower than the ₱782 million net income in the previous year. The lower net income in 2023 was a result of higher operating expenses due to full-year impact on expenses of face-to-face classes, higher depreciation expense, higher interest expense, higher provision for income taxes and additional expenditures related to growth initiatives of the Mapua Schools, specifically, the introduction of new programs in Business and Health Sciences as well as the pilot of fully online programs of Mapua Malayan Digital College (MMDC) under MMCL. The introduction of new Business and Health Sciences programs is the result of the affiliation agreement with CINTANA Education in collaboration with Arizona State University that started in May 2022. The lower revenue from professional training programs also contributed to the lower net income in 2023.

Revenue from school operations is the primary source of revenue of the Group. Revenue went up by 14% to ₱4.49 billion from ₱3.94 billion last year. The increase in revenue was due to higher enrolment, and discontinuation of discounts for fully online classes. The increase in revenue from higher enrollment was partially offset by the lower revenue from professional training programs.

Cost of tuition and other fees and general and administrative expenses increased by 22% or ₱501 million higher than last year. The higher expenses in 2023 was primarily driven by higher enrolment that directly affect the level of expenses, the resumption of face-to-face classes from the 2nd half of 2022, higher expenditures related to the new growth initiatives, and the depreciation of the new Mapua Makati campus.

Interest expense and other finance charges increase from ₱113 million last year to ₱149 million this year due to higher interest rates on bank borrowings and higher interest related to lease liabilities.

Provision for income tax in 2023 is significantly higher than last year because the income tax rate applicable to of schools went back to 10% from 1% effective July 1, 2023 as mandated by the CREATE Act.

CONSOLIDATED RESULTS – Year 2022 vs. Year 2021

<u>Financial Position</u>

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 to 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 ₱14.09 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 ₱4.96 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. 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.

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

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 to 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 of schools that will be amortized in the next months.

Total consolidated non-current assets this year is ₱13.07 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 ₱5.01 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 declined by 10% mainly due to the payment payables related to the development of the new Mapua Makati campus.

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

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

Results of Operations

The Group posted a consolidated net income of ₱664 million, which is significantly higher than the ₱242 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 ₱2.62 billon is almost the same as last year's ₱2.64 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.

Financial Ratios

Below are the financial ratios that are relevant to the Group for the year ended December 31, 2023 and 2022:

Financial ratios		**2023**	2022
Current ratio *Indicates the Group's ability to pay short-term obligation*	Current Assets / Current Liabilities	**1.17:1**	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	**0.98:1**	0.90:1
Solvency Ratio *Shows how likely a Group will be continue meeting its debt obligations*	Net Income + Depreciation / Total Liabilities	**0.24:1**	0.25:1
Debt-to-equity ratio *Measures the Group's leverage*	Total Debt / Equity	**0.33:1**	0.40:1
Asset to Equity Ratio *Shows how the company's leverage (debt) was used to finance the firm*	Total Assets / Equity	**1.32:1**	1.39:1
Interest Rate Coverage *Shows how easily a company can pay interest on outstanding debt*	EBIT* / Interest Expense Excluding Interest Expense on Lease Liabilities	**7.18:1**	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	**4.76%**	6.62%
Net Profit Margin *Reflects how much net income or*	Net Profit Margin / Revenue	**14.74%**	19.83%

profit is generated as percentage of revenue			
Return on Assets *Measure the ability to utilize the Group's assets to create profits*	Net Income / Total Assets	**3.32%**	4.42%

**Earnings before interest and taxes (EBIT)*

Current ratio provides the liquidity position of the business by comparing current assets to current liabilities. The current ratio went up from 1.03:1 in 2022 to 1.17:1 in 2023, due to the increase in current assets and lower current liabilities. Consolidated current liabilities decreased to ₱3.26 billion this year from ₱3.52 billion last year primarily due to payment of loans.

Acid test ratio went up from 0.90:1 in 2022 to 0.98:1 in 2023 due to payment loans

Solvency ratio slightly decreased from 0.25:1 in 2022 to 0.24:1 in 2023 mainly due to lower net income.

Debt-to-Equity ratio measures the Group's leverage. The total debt-to-equity ratio of the Group is 0.33:1 for 2023 and 0.40:1 for 2022. This is because of higher equity and lower liabilities due to payment of loans.

Asset to Equity ratio decreased from 1.39:1 in 2022 to 1.32:1 in 2023 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 decreased from 9.93:1 in 2022 to 7.18:1 in 2023 primarily due to lower 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 2023 has decreased to 4.8% from 6.6% in 2022 because of lower 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 decrease to 14.74% in 2023, from 19.83% in 2022 due to the increase in operating expenses.

Return on Assets measures the ability to utilize the Group's assets to create profits. The Group's return on assets for year 2023 went down to 3.32%, from 4.42% in 2022.

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 and unusual 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) Other than the resumption of face-to-face classes, there are no other 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 7, 2024 (latest practicable trading date) is ₱6.38 for high and ₱6.38 for low.

	STOCK PRICE	
PERIOD	HIGH	LOW
2024 First Quarter	7.50	6.50
2023 Fourth Quarter	7.50	6.20
2023 Third Quarter	8.05	5.80
2023 Second Quarter	9.00	6.80
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

Top 20 owners of common stock as of May 31, 2024:

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	93,301,434.00	8.93%
PCD NOMINEE CORP – FILIPINO	89,147,977.00	8.54%
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%
PCD NOMINEE CORP - NON-FILIPINO	255,429.00	0.02%
LEY, FELY	243,750.00	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%
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, JUANITAa	82,500.00	0.01%
SUB TOTAL	***1,037,398,038.00***	***99.34%***
Others	6,865,159.00	0.66%
TOTAL	**1,044,263,197.00**	**100.00%**

iPeople has shareholders owning a total of 1,044,263,197 shares as of May 31, 2024

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
2024	₱0.19	₱198.41MM
2023	₱0.19	₱198.41MM
2022	₱0.16	₱167.01MM
2021	₱0.06 (Q2) and P0.23940 (Q4)	₱312.66MM

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 2023.

Description of Registrant's Securities: Common Stock

The equity capital structure of the firm as of December 31, 2023 is shown below:

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

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

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

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

iPEOPLE

ANNEX 'D'

iPeople, inc. and Subsidiaries
Consolidated Financial Statements
December 31, 2023 and 2022

and

Report of Independent Auditors

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
iPeople, inc.
8th Floor Mapua University Makati Campus
1191 Pablo Ocampo Sr. Extension Ave.
Brgy. Sta. Cruz, Makati City, Metro Manila

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, 2023 and 2022, 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, 2023, and notes to the consolidated financial statements, including material accounting policy information.

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, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2023 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, 2023, the carrying value of the Group's land amounted to ₱9,719.0 million, representing 49% 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 such as significant decline in enrollment. 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 ₱458.1 million, and property and equipment and right-of-use assets of a subsidiary aggregating to ₱376.7 million as of December 31, 2023 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, specifically assumptions used in estimating discounted cash flow projections such as 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 and 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, 2023 amounted to ₱375.8 million and ₱43.9 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) 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.

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, 2023, 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, 2023 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.

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, 2023, 2022 and 2021, 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 26 2024

Signed this ____ day of April, 2024

DOC. NO. 228;
PAGE NO. 47;
BOOK NO. 44;
SERIES OF 2024.

ATTY. JOEL FERRER FLORES
NOTARY PUBLIC for City of Makati
Until December 31, 2024
Appointment No. M-115 (2023-2024)
PTR No. MKT 10073015/ 01-02-2024/Makati City
Roll No. 77376 / IBP No. 330740/01/02/2024/Pasig City
MCLE Compliance VIII No. 0001393 / 01/03/23 - 04/12/28
1107 Bataan, St., Guadalupe Nuevo, Makati City

iPEOPLE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7, 15 and 30)	**₱1,807,164**	₱1,961,428
Receivables (Notes 8 and 30)	**1,379,633**	1,176,228
Receivables from related parties (Notes 15 and 30)	**1,643**	1,825
Prepaid expenses and other current assets (Note 9)	**607,049**	464,937
Financial assets at fair value through profit or loss (FVTPL) [Note 30]	**9,767**	9,332
Total Current Assets	**3,805,256**	3,613,750
Noncurrent Assets		
Property and equipment at cost (Note 10)	**5,331,603**	5,298,590
Land at revalued amounts (Notes 10 and 11)	**9,719,039**	7,578,412
Intellectual property rights (Note 6)	**458,111**	490,882
Goodwill (Notes 6 and 12)	**151,326**	151,326
Student relationship (Note 6)	**6,032**	10,759
Right-of-use assets (Note 31)	**335,013**	376,794
Net pension assets (Note 25)	**20,139**	38,701
Deferred tax assets - net (Note 23)	**48,508**	37,524
Other noncurrent assets (Note 13)	**89,280**	104,754
Total Noncurrent Assets	**16,159,051**	14,087,742
	₱19,964,307	₱17,701,492
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 14 and 30)	**₱1,179,730**	₱1,099,637
Short-term loans (Notes 16 and 30)	**1,000,000**	-
Current portion of long-term debt (Note 17)	**32,574**	1,521,448
Unearned income (Note 14)	**978,261**	796,164
Lease liabilities - current portion (Note 31)	**37,047**	51,005
Income tax payable	**19,719**	5,225
Payables to related parties (Notes 15 and 30)	**8,706**	16,797
Dividends payable (Notes 18 and 30)	**924**	26,154
Total Current Liabilities	**3,256,961**	3,516,430
Noncurrent Liabilities		
Long-term loans (Note 17)	**293,851**	334,568
Lease liabilities - net of current portion (Note 31)	**354,549**	378,630
Net pension liabilities (Note 25)	**162,452**	129,811
Deferred tax liabilities - net (Note 23)	**794,852**	590,311
Other noncurrent liabilities (Note 31)	**17,114**	11,544
Total Noncurrent Liabilities	**1,622,818**	1,444,864
Total Liabilities	**4,879,779**	4,961,294

(Forward)

	December 31	
	2023	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)	**4,516,945**	2,603,159
Remeasurement gains (losses) on defined benefit plans (Note 25)	**(32,649)**	11,099
Equity reserve (Note 6)	**(230,494)**	(230,494)
Retained earnings (Note 18)	**6,165,650**	5,719,050
Equity attributable to equity holders of the Parent Company	**14,758,083**	12,441,445
Non-controlling interest in consolidated subsidiaries (Note 27)	**326,445**	298,753
Total Equity	**15,084,528**	12,740,198
	₱19,964,307	₱17,701,492

See accompanying Notes to Consolidated Financial Statements.

iPEOPLE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands)

	Years Ended December 31		
	2023	2022	2021
REVENUE FROM CONTRACTS WITH CUSTOMERS (Note 19)			
Revenue from schools and related operations	**₱4,491,426**	₱3,944,946	₱3,351,067
COSTS AND EXPENSES			
Cost of schools and related operations (Note 20)	**(2,758,087)**	(2,259,172)	(1,914,579)
GROSS PROFIT	**1,733,339**	1,685,774	1,436,488
GENERAL AND ADMINISTRATIVE EXPENSES (Note 21)	**(976,077)**	(861,012)	(719,501)
INTEREST AND OTHER FINANCE CHARGES (Note 22)	**(149,024)**	(113,293)	(121,435)
INTEREST INCOME (Note 22)	**63,488**	20,105	6,192
OTHER INCOME (CHARGES) - Net (Note 11)	**35,320**	45,380	31,670
INCOME BEFORE INCOME TAX	**707,046**	776,954	633,414
BENEFIT FROM (PROVISION FOR) INCOME TAX (Note 23)	**(45,035)**	5,148	30,375
NET INCOME	**662,011**	782,102	663,789
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)	**1,926,005**	1,004,966	201,075
Remeasurement gains (losses) on defined benefit plans – net of tax (Note 25)	**(44,961)**	26,000	67,827
Reversal of deferred tax liability on revaluation increment due to change in tax rate	–	–	7,764
	1,881,044	1,030,966	276,666
TOTAL COMPREHENSIVE INCOME	**₱2,543,055**	₱1,813,068	₱940,455
Net income attributable to:			
Equity holders of the parent (Note 26)	**₱645,325**	₱769,302	₱659,108
Non-controlling interest in consolidated subsidiaries (Note 27)	**16,686**	12,800	4,681
	₱662,011	₱782,102	₱663,789
Total comprehensive income attributable to:			
Equity holders of the parent	**₱2,515,363**	₱1,764,746	₱929,611
Non-controlling interest in consolidated subsidiaries (Note 27)	**27,692**	48,322	10,844
	₱2,543,055	₱1,813,068	₱940,455
Basic/Diluted Earnings Per Share (Note 26)	**₱0.6180**	₱0.7367	₱0.6312

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 (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, 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	–	–	–	–	–	645,325	–	645,325	16,686	662,011
Other comprehensive income	–	–	1,913,786	(43,748)	–	–	–	1,870,038	11,006	1,881,044
Total comprehensive income	–	–	1,913,786	(43,748)	–	645,325	–	2,515,363	27,692	2,543,055
Dividends declared	–	–	–	–	–	(198,725)	–	(198,725)	–	(198,725)
Balances as at December 31, 2023	**₱1,044,263**	**₱3,294,368**	**₱4,516,945**	**(₱32,649)**	**(₱230,494)**	**₱6,165,650**	**₱–**	**₱14,758,083**	**₱326,445**	**₱15,084,528**
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

See accompanying Notes to Consolidated Financial Statements.

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

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱707,046**	₱776,954	₱633,414
Adjustments for:			
Depreciation and amortization (Note 20)	**507,327**	475,307	456,685
Interest expense and other finance charges (Note 22)	**152,007**	115,664	140,949
Provision for doubtful accounts (Notes 8 and 21)	**43,997**	120,408	114,229
Interest income (Note 22)	**(63,488)**	(20,105)	(6,192)
Unrealized foreign exchange loss (gain) - net	**406**	639	(450)
Unrealized market gain (loss) on financial assets at FVTPL	**(435)**	(119)	492
Reversal of impairment on land (Note 11)	–	–	(15,763)
Operating income before working capital changes	**1,346,860**	1,468,748	1,323,364
Decrease (increase) in:			
Receivables	**(247,265)**	(263,704)	(110,641)
Prepaid expenses and other current assets	**(142,112)**	(73,916)	(120,416)
Increase (decrease) in:			
Accounts payable and other current liabilities	**67,649**	63,520	(100,017)
Unearned income	**182,098**	137,775	(22,189)
Other noncurrent liabilities	**30,458**	(20,074)	10,713
Net pension assets and liabilities	**(3,840)**	8,816	(54)
Net cash generated from operations	**1,233,848**	1,321,165	980,760
Interest paid	**(149,024)**	(113,293)	(137,410)
Income taxes paid	**(29,083)**	(380)	(567)
Interest received	**63,351**	20,023	6,050
Net cash flows from operating activities	**1,119,092**	1,227,515	848,833
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property and equipment (Notes 10 and 29)	**(478,080)**	(272,857)	(183,735)
Computer software (Note 13)	**(6,190)**	(4,414)	(15,479)
Decrease (increase) in:			
Receivables from related parties	**182**	24,252	(28)
Other noncurrent assets	**48,322**	38,691	5,284
Net cash flows used in investing activities	**(435,766)**	(214,328)	(193,958)

(Forward)

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term loans (Notes 16 and 29)	**₱1,000,000**	₱–	₱400,000
Payments of short-term loans (Notes 16 and 29)	**–**	(400,000)	(375,000)
Payments of long-term loans (Notes 17 and 29)	**(1,532,574)**	(21,001)	–
Payment of lease liabilities (Note 31)	**(72,564)**	(69,827)	(67,196)
Dividends paid to stockholders (Note 29)	**(223,955)**	(167,083)	(312,656)
Increase (decrease) in payables to related parties (Note 29)	**(8,091)**	2,662	(15,345)
Net cash flows used in financing activities	**(837,184)**	(655,249)	(370,197)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(406)**	(639)	449
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(154,264)**	357,299	285,127
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 (Notes 7 and 30)	**₱1,807,164**	₱1,961,428	₱1,604,129

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).

In 2023, the Parent Company changed its principal office address to 8thFloor Mapua University Makati Campus, 1191 Pablo Ocampo Sr. Extension Ave., Makati City, Metro Manila from 3rd Floor, Grepalife Building, 219 Sen. Gil J. Puyat Avenue, Makati City.

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, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, 2022 and 2021.

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		
	2023	2022	2021
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
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	**83.01**	83.01	83.01
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

**In August 2023, SEC approved the merger of APEC and NTC, with NTC as the surviving entity*

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, 2023. The adoption of these pronouncements did not have any significant impact on the Group's financial position or performance.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

  The amendments to the Practice Statement provide non-mandatory guidance.

  The Philippine Interpretations Committee released Q&A No. 2022-02 which the Financial Reporting Standards Council subsequently approved. The PIC Q&A provides guidance on how a Philippine entity applies the amendments to PAS 1 and PFRS Practice Statement 2 with regards to disclosure of accounting policies by providing examples of disclosures of material accounting policies that illustrate the application of the amendments to PAS 1 and the four-step materiality process to accounting policy information.

- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below.

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*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

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 2023 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 Material Accounting Policies

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.

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.

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.

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.

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.

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.

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. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

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.

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.

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, 2023 and 2022. The key assumptions used to determine fair value are disclosed in Note 11.

As at December 31, 2023 and 2022, the fair value of land amounted to ₱9,719.0 million and ₱7,578.4 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.

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. 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.

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.. The carrying value of these assets and details of the impairment testing 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 2023 and 2022) [Note 6].

In 2023 and 2022, the Group performed an impairment testing of the property and equipment and right-of-use assets of APEC amounting to ₱376.7 million and ₱416.0 million as of December 31, 2023 and 2022, 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. As of December 31, 2023 and December 31, 2022, management assessed that these assets 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, 2023 and 2022, the net pension liabilities amounted to ₱162.4 million and ₱129.8 million, respectively, while net pension assets amounted to ₱20.1 million and ₱38.7 million as at December 31, 2023 and 2022, 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, 2023 and 2022, 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 2023 and 2022). Revenue projections based on financial budgets approved by management and the BOD. The long-term growth rate considers the expected growth rate in the education industry sector.
- Discount rates (14% to 16% for 2023 and 16% to 17% for 2022). 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 (0.5% to 5% for 2023 and 1% to 5% for 2022). 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 ₱32.8 million impairment loss on APEC in 2023 and ₱32.2 million impairment loss in 2022 (nil in 2021). The carrying value of intellectual property rights as of December 31, 2023 and 2022 amounted to ₱458.1 million and ₱490.9 million, respectively.

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

	2023	2022
Cost from business combination	**₱116,009**	₱116,009
Accumulated amortization:		
Beginning balance	**(105,250)**	(72,248)
Amortization and impairment (Note 20a)	**(4,727)**	(33,002)
Ending balance	**(109,977)**	(105,250)
Balance at end of the year	**₱6,032**	₱10,759

Amortization amounted to ₱4.7 million in 2023, ₱33.0 million in 2022 and ₱22.3 million 2021. 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 declined as of December 31, 2021 due to the impact of coronavirus pandemic.

7. Cash and Cash Equivalents

This account consists of:

	2023	2022
Cash on hand	**₱3,326**	₱3,100
Cash in banks (Note 15)	**711,829**	544,228
Cash equivalents (Note 15)	**1,092,009**	1,414,100
	₱1,807,164	₱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 ₱63.4 million, ₱20.0 million and ₱6.0 million in 2023, 2022 and 2021, respectively (Note 22).

8. **Receivables**

This account consists of:

	2023	2022
Tuition and other fees	**₱1,634,740**	₱1,429,781
Advances to officers and employees	**40,511**	29,870
Others	**88,952**	62,966
	1,764,203	1,522,617
Allowance for ECL	**(384,570)**	(346,389)
	₱1,379,633	₱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 ₱240.6 million and ₱319.8 million as at December 31, 2023 and 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 December 31 follow:

		2023	
	Tuition and other fees	**Others**	**Total**
Balance at beginning of year	**₱337,619**	**₱8,770**	**₱346,389**
Provisions for the year (Note 21)	**43,997**	**–**	**43,997**
Write-off	**(5,816)**	**–**	**(5,816)**
Balance at end of year	**₱375,800**	**₱8,770**	**₱384,570**
Gross receivables	**₱1,634,740**	**₱88,952**	**₱1,723,692**

		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

	2023	2022
Prepaid expenses	**₱216,653**	₱163,416
Short-term investments	**267,818**	161,153
CWT	**7,609**	10,352
Books inventories	**8,894**	6,160
Office supplies	**4,125**	3,904
Others	**101,950**	119,952
	₱607,049	₱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.

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:

	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	131,042	324,088	10,499	35,674	501,303
Disposals/retirement	–	(65,005)	–	–	(65,005)
Reclassifications and adjustments	17,671	45	–	(18,476)	(760)
Balance at end of year	6,626,686	3,152,363	61,675	37,974	9,878,698
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)	219,596	219,980	5,491	–	445,067
Disposals/retirement	–	(52,151)	–	–	(52,151)
Reclassifications and adjustments	879	8,707	23	–	9,609
Balance at end of year	2,001,924	2,499,274	45,897	–	4,547,095
Net book value at cost	4,624,762	653,089	15,778	37,974	5,331,603
Land at revalued amounts (Note 11)	–	–	–	–	9,719,039
Total	₱4,624,762	₱653,089	₱15,778	₱37,974	₱15,050,642

	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

Construction in progress as at December 31, 2022 mainly includes the general cost of construction of MESI's new school building in Makati City and other direct costs which was completed in 2023.

The land and related improvements owned by MCMI with carrying value of ₱1,826.7 million and ₱2,385.5 million as of December 31, 2023 and 2022, 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:

	2023	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	**2,140,627**	1,117,567
Balance at end of year	**5,652,133**	3,511,506
	₱9,719,039	₱7,578,412

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, 2023 and 2022.

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.

Location	Range 2023	2022
Makati and Intramuros, Manila	₱114,000 to ₱298,350	₱85,050 to ₱246,926
Cabuyao, Laguna	₱8,507 to ₱16,335	₱11,875 to ₱13,500
Davao City, Davao Del Sur	₱41,535 to 49,140	₱22,088 to 35,340
Pandacan, Metro Manila	₱126,000 to ₱151,200	₱85,781 to ₱102,375
San Jose Del Monte City, Bulacan	₱56,012 to 60,493	₱55,510 to 60,493
Naga City, Camarines Sur	₱27,075 to ₱28,500	₱19,000 to ₱34,913
Quiapo, Manila	₱206,900 to 300,200	₱89,100 to 135,000

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 -30% to +20% in 2023 and from -20% to +15% in 2022.

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.

12. Goodwill

The goodwill recognized in the consolidated statement of financial position amounting to ₱151.3 million as at December 31, 2023 and 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, 2023 and 2022, 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.

- Long-term growth rates (4.66% for 2023 and 5.79% for 2022). 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 (11.4% for 2023 and 14% for 2022). 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:

	2023	2022
Input VAT – net	**₱34,216**	₱35,526
Miscellaneous deposits	**26,986**	26,404
Creditable withholding tax	**9,958**	22,032
Computer software	**15,475**	17,008
Books and periodicals	**2,645**	3,784
	₱89,280	₱104,754

Miscellaneous deposits include rent deposits of the Group amounting to ₱18.9 million and ₱14.2 million as of December 31, 2023 and 2022, respectively.

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

	2023	2022
Cost		
Balance at the beginning of the year	**₱64,032**	₱59,504
Additions	**6,190**	4,414
Reclassifications	**-**	114
Balance at the end of the year	**70,222**	64,032
Accumulated Amortization		
Balance at the beginning of the year	**47,024**	40,040
Amortization (Notes 20 and 21)	**6,113**	6,860
Reclassifications	**1,610**	124
Balance at the end of the year	**54,747**	47,024
Net Book Value	**₱15,475**	₱17,008

14. Accounts Payable and Other Current Liabilities and Unearned Income

Accounts Payable and Other Current Liabilities

Accounts payable and other current liabilities consists of:

	2023	2022
Accounts payable	**₱455,990**	₱434,281
Accrued expenses	**250,255**	223,048
Funds payable	**275,650**	238,987
Provisions (Note 31)	**162,352**	168,717
Other payables	**35,483**	34,604
	₱1,179,730	₱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 ₱16.3 million and ₱35.8 million as at December 31, 2023 and 2022, respectively.

Accrued expenses consist of:

	2023	2022
Payable to suppliers	**₱125,963**	₱67,117
Accrued salaries and wages	**23,802**	48,261
Contracted services	**16,122**	5,643
Accrued interest (Note 18)	**15,099**	17,468
Accrued professional fees	**8,739**	17,134
Accrued communication expense	**8,727**	3,259
Withholding taxes and others	**9,615**	19,121
SSS and other contributions	**3,486**	7,344
Accrued utilities	**5,860**	5,501
Output VAT payable	**12,902**	7,527
Insurance	**854**	4,875
Others	**19,086**	19,798
	₱250,255	₱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 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 ₱976.3 million and ₱787.6 million as at December 31, 2023 and 2022, respectively, which are considered contract liabilities.

Contract Liabilities

As at December 31, 2023, contract liabilities amounted to ₱992.6 million and these will be recognized as revenue in the following year. Contract liabilities as of December 31, 2022 amounting to ₱823.4 million were recognized as revenue in 2023. The increase in contract liabilities in 2023 is mainly due to increase in enrollment.

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				
	2023	**₱–**	**(₱8,614)**	**Noninterest-bearing; unsecured; due and demandable**
	2022	**₱–**	**(₱17,003)**	
Management fee and other professional fees (Notes 20 and 21)	**2023**	**109,660**	–	–
	2022	**98,402**	–	–
	2021	51,534	–	–
b) Receivable from HI				
	2023	–	**722**	**Noninterest-bearing; unsecured; due and demandable; no impairment**
	2022	–	**255**	
Reimbursements	**2023**	–	–	–
	2022	–	–	–
	2021	229	–	–
Entities under common control of HI				
c) Receivables from related parties				
	2023	–	**17**	**Noninterest-bearing; unsecured; due and demandable; no impairment**
	2022	–	**499**	
Reimbursements	2021	25,325	–	–
Rental income	**2023**	**(9,322)**	**886**	–
	2022	(5,022)	1,051	–
	2021	–	483	–
d) Payables to related parties				
	2023	–	**(93)**	
	2022	–	(206)	**Noninterest-bearing; unsecured; due and demandable**
Contracted services (Notes 20 and 21)	**2023**	**84,399**	–	–
	2022	65,296	–	–
	2021	36,934	–	–
Entities under common control of PMMIC				
e) Cash and cash equivalents (Note 7)				
	2023	–	**1,208,138**	**Interest at prevailing deposit and short-term rates; unsecured; no impairment**
	2022	–	1,333,517	
Interest income (Note 22)	**2023**	**63,351**	–	–
	2022	20,023	–	–
	2021	6,050	–	–
f) Receivables from related parties				
	2023	–	**18**	**Noninterest-bearing; unsecured; due and demandable; no impairment**
	2022	2	18	
g) Insurance expense				
	2023	**21,839**	–	
	2022	14,923	–	
	2021	13,279	–	
Financial asset at FVTPL (Note 30)	**2023**	–	**9,767**	
	2022	–	9,332	**Carried at fair value; No impairment**
Short-term investments (Note 9)	**2023**		**58,931**	**Interest at prevailing deposit and short-term rates; unsecured; no impairment**
	2022	–	40,191	
Entities with significant influence				
h) Management fee and other professional fees (Notes 20 and 21)	**2023**	**11,718**	–	**Due on demand, noninterest-bearing; unsecured; no impairment**
	2022	9,000	–	
	2021	9,900	–	
Others				
i) Accounts payable				
Professional fees				**Noninterest-bearing; unsecured; due and demandable; no impairment**
	2023	**146**	–	
	2022	158	–	–
	2021	449	–	–

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) *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).

f) *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.

g) *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.

h) *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.

i) *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 ₱0.98 million, ₱0.46 million and ₱1.23 million for the years ended December 31, 2023, 2022 and 2021, respectively.

   Compensation of key management personnel of the Group

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

	2023	2022	2021
Short-term benefits	**₱159,250**	₱269,022	₱144,164
Post-employment benefits	**2,247**	6,651	1,400
	₱161,497	₱275,673	₱145,564

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, 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 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.

In 2023, MCMI availed of ₱1.0 billion short-term loans from RCBC and BPI at 7.00% and 7.65% interest rate, respectively. The loan agreements shall be valid for one (1) year, renewable every year upon mutual written consent of the parties.

Interest expense charged to operations in 2023, 2022 and 2021 amounted to ₱39.9 million, ₱3.7 million and ₱6.7 million, respectively (Note 22).

17. Long-term Loans

This account consists of the following as of December 31:

	2023	2022
Unsecured bank loans	**₱326,425**	₱358,998
Secured bank loans	**-**	1,497,018
Total	**326,425**	1,856,016
Less: Current portion of unsecured bank loans	**32,574**	24,430
Reclassification to current liability of secured loans	**-**	1,497,018
Current portion of long-term loans	**32,574**	1,521,448
Noncurrent portion of long-term loans	**₱293,851**	₱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 December 31, 2023 and 2022, NTC has complied with its covenant obligations, including maintaining the required D:E ratio.

Interest expense recognized in profit or loss in 2023, 2022 and 2021 amounted to ₱19.5 million, ₱21.4 million and ₱21.3 million, respectively (Note 22).

Secured
In 2019, the Group, through MMCM, entered into a ten-year secured long-term loan agreement with a local bank for ₱1,500.0 million to refinance the construction of MMCM's school buildings and facilities that were initially funded by short-term loans. MMCM 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. MMCM 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 as of December 31, 2022, 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, MMCM 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 MMCM in default for not meeting the required financial covenant for D:E ratio for as long as MMCM 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, MMCM 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. The reclassification was done to comply with PFRS.

MMCM 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 ₱2.98 million in 2023 and ₱2.4 million in 2022 and 2021 were recorded as part of interest expense.

In July 2023, the long-term loan amounting to ₱1.5 billion was fully paid.

Interest expense including amortization of debt issue cost in 2023, 2022 and 2021amounted to ₱59.7 million, ₱64.5 million and ₱63.6 million, respectively (Note 22).

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

	2023	2022
Principal	₱-	₱1,500,000
Unamortized debt issue cost	-	(2,982)
	₱-	₱1,497,018

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, 2023 and 2022, 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, 2023:

Year	Number of shares registered	Number of holders of securities as at year end
January 1, 2022	1,044,263,197	2,003
Add (deduct) movement	-	-
December 31, 2022	1,044,263,197	2,003
Add (deduct) movement	-	(6)
December 31, 2023	1,044,263,197	1,997

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, 2023 and 2022 amounted to ₱1,627.8 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 ₱6,512.53 million and ₱6,405.31 million as at December 31, 2023 and 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
April 8, 2021, (₱0.06 per share to stockholders of record as of May 7, 2021, payable on May 31, 2021	–	–	62,656
	₱198,410	₱167,082	₱312,656

On April 5, 2024, the BOD declared ₱198.41 million cash dividends (₱0.19 per share) to stockholders of record as of May 3, 2024, payable on or before May 24, 2024.

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 83.01% 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, 2023 and 2022.

As at December 31, 2023 and 2022, the Group is not subject to externally imposed capital requirements except for the long-term loans of NTC and MCMM 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.

	2023	2022
Liabilities (a)	**₱4,879,779**	₱4,961,294
Equity (b)	**14,758,083**	12,441,445
Deb t-to-equity ratio (a/b)	**0.33:1.00**	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	**₱4,418,998**	₱4,032,966	₱3,570,963
Less: Scholarship grants and discounts	**(198,991)**	(225,742)	(289,692)
	4,220,007	3,807,224	3,281,271
Other student related income and auxiliary services	**271,419**	137,722	69,796
	₱4,491,426	₱3,944,946	₱3,351,067

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:

	2023	2022	2021
Personnel expenses (Note 24)	**₱1,218,803**	₱1,086,585	₱1,032,944
Depreciation and amortization	**401,620**	338,315	344,366
Student-related expenses	**200,929**	158,725	70,926
Management and other professional fees (Note 15)	**174,886**	142,905	91,716

(Forward)

	2023	2022	2021
Periodicals	**₱165,341**	₱139,507	₱94,060
IT expense – software license	**155,357**	98,623	79,620
Utilities	**126,976**	82,589	50,131
Advertising	**67,640**	45,019	30,388
Repairs and maintenance	**49,135**	34,443	24,629
Tools and library books (Notes 10 and 13)	**40,495**	27,907	15,992
Accreditation cost	**40,130**	31,268	23,077
Research and development fund	**38,289**	20,403	19,870
Insurance	**21,035**	13,886	10,325
Seminar	**12,614**	11,180	7,621
Taxes and licenses	**9,213**	7,297	7,978
Office supplies	**7,294**	3,756	2,432
Transportation and travel	**6,926**	4,134	1,150
Rent (Note 31)	**6,872**	2,688	265
Laboratory supplies	**6,739**	3,192	1,601
Entertainment, amusement and recreation	**1,576**	1,775	1,124
Miscellaneous	**6,217**	4,975	4,364
Total	**₱2,758,087**	₱2,259,172	₱1,914,579

Details of depreciation and amortization follows:

	2023	2022	2021
Depreciation (Note 10)	**₱445,067**	₱381,276	₱362,238
Depreciation – ROU assets (Note 31)	**51,420**	54,167	54,832
Amortization – Student relationship (Note 6)	**4,727**	33,002	35,064
Amortization (Note 13)	**6,113**	6,862	4,551
	₱507,327	₱475,307	₱456,685

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

	2023	2022	2021
Cost of schools and related operations	**₱353,081**	₱286,481	₱292,353
Cost of schools and related operations – ROU assets (Note 31)	**48,539**	51,834	52,013
	401,620	338,315	344,366
General and administrative expenses (Note 21)	**105,707**	136,992	112,319
	₱507,327	₱475,307	₱456,685

21. General and Administrative Expenses

This account consists of:

	2023	2022	2021
Management and other professional fees (Note 15)	**₱246,822**	₱178,026	₱136,951
Personnel expenses (Note 24)	**224,339**	203,203	195,388
Advertising	**124,360**	58,123	40,147
Depreciation and amortization (Note 20)	**105,707**	136,992	112,319
Provisions for ECL (Note 8)	**43,997**	120,408	114,229
Provision for impairment (Note 6)	**32,771**	32,221	8,543
Taxes and licenses	**25,226**	25,805	15,442
Utilities	**23,673**	19,533	12,839
Repairs and maintenance	**14,355**	10,670	11,876
Membership fees and dues	**14,156**	7,844	7,663
Transportation and travel	**11,135**	4,400	2,330
IT expense – software license	**6,885**	2,353	2,699
Seminar	**6,368**	3,504	4,369
Insurance	**6,176**	4,844	6,944
Donations	**5,580**	3,123	3,877
Office supplies	**3,919**	2,982	773
Entertainment, amusement, and recreation	**3,155**	3,571	2,326
Commission	**3,262**	3,148	3,184
Rent (Note 31)	**2,600**	277	180
Investor relations	**1,605**	1,792	5,998
Miscellaneous	**69,986**	38,193	31,424
	₱976,077	₱861,012	₱719,501

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, bank charges, 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)	**₱63,351**	₱20,023	₱6,050
Advances to officers and employees (Note 8)	**137**	82	142
	₱63,488	₱20,105	₱6,192

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

	2023	2022	2021
Short-term loans (Note 16)	**₱39,938**	₱3,747	₱6,707
Long-term loans (Note 17)	**79,278**	85,917	84,870
Interest expense on lease liabilities (Note 31)	**29,808**	23,629	29,858
	₱149,024	₱113,293	₱121,435

23. Income Tax

Benefit from (provision for) income tax consists of:

	2023	2022	2021
Current	**₱43,577**	(₱3,449)	₱16,823*
Deferred	**1,458**	8,597	13,552
	₱45,035	₱5,148	₱30,375

**Due to CREATE impact*

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

	2023	2022	2021
Income before income tax at statutory rate	**25.00%**	25.00%	25.00%
Add (deduct) reconciling items:			
Difference in income tax rate	**(15.59)**	(22.51)	(23.55)
Others	**(3.04)**	(3.15)	(6.24)
	6.37%	(0.66%)	(4.79%)

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

Pursuant to Republic Act (RA) No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises (CREATE)" Act, the following changes in tax rates became effective on July 1, 2023 implemented through Revenue Memorandum Circular (RMC) 69-2023:

- MCIT rate is reverted to 2% of gross income which was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023

- Preferential income tax rate for proprietary educational institutions which are nonprofit is reverted to 10% which was previously reduced from 10% to 1% effective July 1, 2020 to June 30, 2023

Consequently, the Parent Company and Schools recognized provision for current income tax using the effective MCIT/preferential income tax rate of 1.5%/5.5% in 2023 in accordance with RMC 69-2023.

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

	2023	2022
Deferred tax assets – net		
Allowance for ECL	₱41,807	₱35,648
Retirement asset	6,101	2,924
Deferred school fees	630	(1,047)
Unrealized foreign exchange loss	(30)	(1)
	48,508	37,524
Deferred tax liabilities – net		
Revaluation increment on land	781,557	565,577
Intellectual property rights and student relationship	44,855	59,987
Accruals	(15,739)	(16,479)
Retirement liabilities	(15,469)	(9,773)
Allowance for ECL – net	(10,499)	(9,691)
Allowance for inventory obsolescence	(53)	(53)
Others	10,200	743
	794,852	590,311
	₱746,343	₱552,787

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.

	2023	2022
NOLCO	₱32,276	₱23,968
Allowance for ECL	2,092	1,742
MCIT	1,176	682
Provision for retirement and others	609	723
Others	–	(49)
	₱36,153	₱27,066

As at December 31, 2023 and 2022, the details of NOLCO and MCIT, which are available for offset against future taxable income and tax payable, respectively, follow:

	NOLCO		MCIT	
	2023	2022	2023	2022
Beginning balance	₱309,001	₱424,906	₱2,520	₱1,838
Additions	50,429	59,702	1,176	682
Application/Expiration	(4,662)	(175,607)	–	–
Ending balance	₱354,768	₱309,001	₱3,696	₱2,520

		NOLCO			MCIT	
Year Incurred	Year of Expiration	2023	2022	Year of Expiration	2023	2022
2023	2026	₱50,429	₱–	2026	₱1,176	₱–
2022	2025	59,702	59,702	2025	682	682
2021	2026	88,418	88,418	2024	528	528

2020	2025	**160,881**	160,881	2023	**730**	730
		₱359,430	₱309,001		**₱3,116**	₱1,940

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:

	2023	2022	2021
Compensation	**₱1,313,220**	₱1,186,567	₱1,125,482
Retirement benefits (Note 25)	**22,424**	33,208	45,590
Miscellaneous benefits	**107,498**	70,013	57,260
	₱1,443,142	₱1,289,788	₱1,228,332

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

b. Personnel expenses as function of expense follows:

	2023	2022	2021
Cost of schools and related operations (Note 20)	**₱1,218,803**	₱1,086,585	₱1,032,944
General and administrative expenses (Note 21)	**224,339**	203,203	195,388
	₱1,443,142	₱1,289,788	₱1,228,332

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 2024 for the retirement plan of the Group as at December 31, 2023.

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.

	2023	2022
Net pension assets	**₱20,139**	₱38,701
Net pension liabilities	**162,452**	129,811

Components of pension expense follow:

	2023	2022	2021
Current service cost	**₱31,082**	₱35,115	₱40,870
Net interest cost on defined benefit obligation	**4,787**	909	4,720
Curtailment gain	**(13,445)**	(2,816)	–
Net pension expense (Note 24)	**₱22,424**	₱33,208	₱45,590

The net pension assets recognized in the consolidated statements of financial position as at December 31, 2023 and 2022 is as follows:

	2023	2022
Fair value of plan assets	**₱57,849**	₱121,985
Present value of defined benefit obligation	**(27,145)**	(77,599)
Effect of asset ceiling	**(10,565)**	(5,685)
	₱20,139	₱38,701

The net pension liabilities recognized in the consolidated statements of financial position as at December 31, 2023 and 2022 is as follows:

	2023	2022
Fair value of plan assets	**₱260,785**	₱204,514
Present value of defined benefit obligation	**(423,237)**	(334,325)
	(₱162,452)	(₱129,811)

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

	2023	2022
Net pension assets	**₱20,139**	₱38,701
Net pension liabilities	**(162,452)**	(129,811)
	₱142,313	₱91,110

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

	2023	2022
At beginning of year	**₱91,110**	₱106,023
Contribution paid	**(11,884)**	(18,165)
Net pension expense	**22,424**	33,208
Remeasurement losses (gains) recognized in OCI	**44,471**	(26,806)
Adjustments and reversals	**(344)**	33
Benefits paid	**(3,464)**	(3,183)
At end of the year	**₱142,313**	₱91,110

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

	2023	2022
Present value of defined benefit obligation	**₱451,114**	₱411,644
Fair value of plan assets	**(319,367)**	(326,219)
Effect of asset ceiling	**10,566**	5,685
Net pension liabilities	**₱142,313**	₱91,110

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

	2023	2022
Beginning balance	**₱411,644**	₱440,079
Interest cost	**27,720**	16,498
Current service cost	**31,082**	24,696
Benefits paid	**(37,193)**	(21,934)
Curtailment gain	**(13,445)**	(2,816)
Remeasurement losses (gains) on obligation:		
Experience adjustments	**17,432**	3,847
Changes in demographic assumptions	**(18,864)**	293
Changes in financial assumptions	**32,738**	(49,019)
Ending balance	**₱451,114**	₱411,644

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

	2023	2022
Beginning balance	**₱326,219**	₱334,403
Interest income	**23,389**	20,695
Contributions paid	**11,883**	12,938
Benefits paid	**(30,674)**	(24,238)
Remeasurement gains (losses) on plan assets	**(6,431)**	(22,592)
Adjustment to plan assets	**(5,019)**	5,013
Ending balance	**₱319,367**	₱326,219

Remeasurement losses (gains) recognized in OCI follow:

	2023	2022
Remeasurement losses (gains)	**₱38,040**	(₱39,507)
Return on assets excluding amount included in net interest cost	**6,431**	12,701
Total remeasurement losses (gains) recognized in OCI	**₱44,471**	(₱26,806)

The distribution of plan assets as at December 31, 2023 and 2022 is as follows:

	2023		2022	
	Amount	**%**	Amount	%
Cash and cash equivalents	**₱108,076**	**33.84%**	₱139,555	36.48%
Investments in:				
Government securities	**95,133**	**29.79%**	126,730	45.21%
Equity instruments	**107,176**	**33.56%**	50,695	15.58%
Interest and other receivables	**9,445**	**2.96%**	9,640	3.11%
Accrued trust fees	**(463)**	**-0.14%**	(401)	-0.37%
	₱319,367	**100.00%**	₱326,219	100.00%

Actual return on plan assets amounted to ₱6.5 million and ₱12.7 million in 2023 and 2022, respectively.

The Group plans to contribute ₱34.3 million in 2024.

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

	2023	2022
Discount rate:		
Beginning	**7.17%-8.03%**	4.95%-5.17%
End	**6.07%-6.15%**	7.17%-8.03%
Salary increase rate:		
Beginning	**2.95%-5.00%**	3.31%-5.00%
End	**3.07%-5.00%**	2.95%-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, 2023

	Rate	Increase (Decrease)	PVO
Discount rate	**3.45%**	**+100bps**	**₱417,179**
	2.65%	**-100bps**	**486,060**
Salary rate	**3.00%**	**+100bps**	**487,707**
	2.20%	**-100bps**	**415,213**

As at December 31, 2022

	Rate	Increase (Decrease))	PVO
Discount rate	3.92%	+100bps	₱361,759
	3.12%	-100bps	420,781
Salary rate	3.00%	+100bps	422,523
	2.20%	-100bps	359,817

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:

	2023	2022	2021
Net income attributable to equity holders of Parent Company (a)	**₱645,325**	₱769,302	₱659,108
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)	**₱0.6180**	₱0.7367	₱0.6312

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 2023 and 2022 follows:

	2023	2022
University of Nueva Caceres	**16.99%**	16.99%
National Teachers College	**0.21%**	0.21%

Non-controlling interests in material subsidiaries as at December 31 follows (in million pesos):

	2023	2022
University of Nueva Caceres	₱321	₱295
National Teachers College	5	3

Dividends paid to non-controlling interest in consolidated subsidiaries amounted to ₱0.3 million in 2023, ₱25.6 million in 2022 (nil in 2021).

As at December 31, 2023 and 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	₱380	₱455	₱1,038	₱715
Noncurrent assets	1,685	1,634	2,629	1,467
	₱2,065	₱2,089	₱3,667	₱2,182
Liabilities and Equity				
Current liabilities	₱139	₱298	₱560	₱253
Noncurrent liabilities	166	153	817	424
	305	451	1,377	677
Equity	1,760	1,638	2,290	1,505
	₱2,065	₱2,089	₱3,667	₱2,182
Attributable to:				
Equity holders of parent	₱1,461	₱1,343	₱2,285	₱1,502
Non-controlling interest	299	295	5	3
Net revenue	₱472	₱378	₱705	₱670
Gross profit (loss)	262	204	443	450
Net income (loss)	95	74	303	283
Attributable to:				
Equity holders of parent	₱79	₱62	₱302	₱283
Non-controlling interest	16	12	–	–

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		
	2023	2022	2021	**2023**	2022	2021	**2023**	2022	2021	**2023**	2022	2021
Revenues												
Income from external customers	**₱4,491**	₱3,945	₱3,351	**₱-**	₱-	₱-	**₱-**	₱-	₱-	**₱4,491**	₱3,945	₱3,351
Total Revenues	**₱4,491**	₱3,945	₱3,351	**₱-**	₱-	₱-	**₱-**	₱-	₱-	**₱4,491**	₱3,945	₱3,351
Net Income attributable to Parent Company	**₱710**	₱941	₱814	**₱612**	₱123	₱589	**(₱676)**	(₱294)	(₱744)	**₱645**	₱769	₱659
Other Information												
Segment assets	**₱20,866**	₱18,186	₱16,336	**₱6,438**	₱6,028	₱6,067	**(₱7,340)**	(₱6,512)	(₱6,275)	**₱19,964**	₱17,701	₱16,129
Segment liabilities	**6,257**	5,555	5,436	**109**	115	114	**(1,486)**	(709)	(541)	**4,880**	4,961	5,009
Deferred tax assets	**48**	37	37	**1**	1	2	**–**	–	–	**49**	38	38
Deferred tax liabilities	**695**	487	380	**44**	43	42	**55**	60	67	**795**	590	489
Cash flows arising from:												
Operating activities	**750**	1,021	1,024	**43**	0	(75)	**326**	206	(100)	**1,119**	1,227	849
Investing activities	**(316)**	(265)	(82)	**(1)**	1	280	**(119)**	50	(391)	**(436)**	(214)	(194)
Financing activities	**(336)**	(547)	(412)	**(201)**	(0)	(301)	**(300)**	(111)	343	**(837)**	(659)	(370)
Interest expense	**177**	126	150	**1**	1	–	**(29)**	(13)	(12)	**149**	113	139
Provision for income tax	**48**	2	(28)	**1**	1	0	**(5)**	(7)	(3)	**45**	(5)	(30)
Capital expenditures	**489**	228	206	**(1)**	2	2	**(52)**	100	3	**436**	330	211
Depreciation and amortization	**491**	429	412	**7**	6	1	**9**	40	44	**507**	475	457

29. Notes on Consolidated Statements of Cash Flows

- Changes in the Group's liabilities arising from financing activities follow:

		Non-cash Changes						
	2022	**Declaration of Cash Dividend**	**Amortization of debt issue cost**	**Additions on Lease liabilities**	**Interest Expense**	**Other Non-Cash**	**Cash Flows**	**2023**
Short-term loans	**₱–**	**₱–**	**₱–**	**₱**	**₱–**	**₱–**	**₱1,000,000**	**₱1,000,000**
Current portion of long-term loans	**1,521,448**					**2,982**	**(1,491,857)**	**32,574**
Long-term loans	**334,568**	**–**	**2,982**	**–**	**–**	**(2,982)**	**(40,717)**	**293,851**
Dividends payable	**26,154**	**198,725**	**–**	**–**	**–**	**–**	**(223,955)**	**924**
Payables to related parties	**16,797**	**–**	**–**	**–**	**–**	**–**	**(8,091)**	**8,706**
Lease liabilities	**429,635**	**–**	**–**	**4,718**	**29,808**	**–**	**(72,564)**	**391,597**
	₱2,328,602	**₱198,725**	**₱2,982**	**₱4,718**	**₱29,808**	**₱–**	**(₱837,184)**	**₱1,727,652**

		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

- Noncash investing activities in 2023, 2022 and 2021 pertain to the revaluation of land amounting ₱1,926.0 million, ₱1,005.0 million and ₱208.8 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, 2023 and 2022:

	Carrying Amount	**2023** Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:					
Financial assets at FVTPL	**₱9,767**	**₱9,767**	**₱–**	**₱–**	**₱9,767**

	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

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).

- *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, 2023 and 2022, 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 2023 and 2022. 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, 2023 and 2022, 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, 2023:

	Gross carrying amount at default	**Expected credit loss (Impaired)**
Cash in banks	**₱711,829**	**₱–**
Cash equivalents	**1,092,009**	**–**
Receivables from:		
Tuition and other fees	**1,634,740**	**375,800**
Related parties	**1,643**	**–**
Others	**88,952**	**8,770**
Short-term investments	**208,887**	**–**
Financial assets at FVTPL	**9,767**	**–**
Deposits	**26,986**	**–**
	₱3,774,813	**₱384,570**

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

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:

	2023					
		Past Due				
	Current	< 1 quarter	1 – 2 quarters	> 2 quarters	ECL	Total
Tuition and other fees	**₱921,968**	**₱51,614**	**₱304,641**	**₱356,517**	**(₱375,800)**	**₱1,258,940**

	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

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, 2023 and 2022, 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, 2023. 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.

	2023			
	On demand	Less than 1 year	More than 1 year	Total
Financial assets at amortized cost				
Cash	**₱711,829**	**₱–**	**₱–**	**₱711,829**
Cash equivalents	**1,092,009**	**–**	**–**	**1,092,009**
Receivables*	**464,630**	**730,763**	**143,729**	**1,339,122**
Receivables from related parties	**1,643**	**–**	**–**	**1,643**
Short-term investments	**208,887**	**–**	**–**	**208,887**
Financial assets at FVTPL	**9,767**	**–**	**–**	**9,767**
Deposits	**–**	**–**	**26,986**	**26,986**
	₱2,488,765	**₱730,763**	**₱170,715**	**₱3,390,243**

**excluding advances to officers and employees*

	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	780,328	–	1,146,358
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	₱780,328	₱26,404	₱3,263,209

**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.

	2023			
	On demand	**Less than 1 year**	**More than 1 year**	**Total**
Accounts payable and accrued expenses*	**₱579,212**	**₱146,083**	**₱–**	**₱725,295**
Payables to related parties	**8,706**	–	–	**8,706**
Dividends payable	**924**	–	–	**924**
Lease liabilities	–	**37,047**	**354,549**	**391,596**
Current portion of the long-term loans	–	**32,574**	–	**32,574**
Long-term loans	–	–	**293,851**	**293,851**
Short-term loans	–	**1,000,000**	–	**1,000,000**
	₱588,842	**₱1,215,704**	**₱648,400**	**₱2,452,946**

**excluding payables to regulatory bodies, funds payable and provisions*

	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*

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:

	2023	2022
Within one year	**₱8,037**	₱797
More than one year but not more than five years	**30,194**	3,643
	₱38,231	₱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 4.05% to 8.86% in 2023 and from 6.29 to 7.40% in 2022 (see Note 5).

The rollforward analysis of right-of-use assets follows:

	2023	2022
Net Book Value at January 1	**₱376,794**	₱309,391
Additions	**42,805**	139,474
Amortization (Note 20a)	**(51,420)**	(57,122)
Pre-termination/expiration	**(33,166)**	(14,949)
Net Book Value at December 31	**₱335,013**	₱376,794

The following are the amounts recognized in the 2023, 2022 and 2021 statement of comprehensive income (Note 20):

	2023	2022	2021
Depreciation expense of right-of-use assets*	**₱51,420**	₱54,167	₱54,832
Interest expense on lease liabilities	**29,808**	23,629	28,841
Gain on pre-termination of lease	**(4,920)**	(3,754)	(13,720)
Total amount recognized in profit or loss	**₱76,308**	₱74,042	₱69,953

**Net of lease concession amounting to ₱2.95 million in 2022*

The rollforward analysis of lease liabilities from APEC follows:

	2023	2022
As at January 1	**₱429,635**	₱357,826
Additions	**42,805**	139,474
Interest expense (Note 22)	**29,808**	23,630
Payments	**(72,565)**	(69,827)
Pre-termination	**(38,087)**	(21,468)
As at December 31	**₱391,596**	₱429,635

The balance of lease liabilities as of December 31, 2023 and 2022 are as follows:

	2023	2022
Lease liabilities – current	**₱37,047**	₱51,005
Lease liabilities – noncurrent	**354,549**	378,630
	₱391,596	₱429,635

Shown below is the maturity analysis of the undiscounted lease payments as of December 31:

	2023	2022
Within one year	**₱66,390**	₱74,235
More than one year but less than five years	**313,564**	315,474
Five years and more	**148,957**	168,035
	₱528,911	₱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 ₱376.7 million and ₱416.01 million as of December 31, 2023 and 2022, 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.
- Discount rate (11.1% in 2023 and 14.0% in 2022). 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, 2023 and 2022 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, 2023 and 2022 amounted to ₱162.3 million and ₱168.7 million, respectively. Provisions recognized in 2023 and 2022 amounted to ₱13.8 million and ₱9.5 million, respectively (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

- In December 2022, the BOD and Stockholders of NTC and APEC approved the 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. In August 2023, the SEC approved the merger.

- 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, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, 2022 and 2021 were approved and authorized for issuance by the BOD on April 5, 2024.

SGV
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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
iPeople, inc.
8th Floor Mapua University Makati Campus
1191 Pablo Ocampo Sr. Extension Ave.
Brgy. Sta. Cruz, Makati City, Metro Manila

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, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 5, 2024. 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
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CPA Certificate No. 80470
Tax Identification No. 102-082-670
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
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PTR No. 10079908, January 5, 2024, Makati City

April 5, 2024

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INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
iPeople, inc.
8th Floor Mapua University Makati Campus
1191 Pablo Ocampo Sr. Extension Ave.
Brgy. Sta. Cruz, Makati City, Metro Manila

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, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 5, 2024. 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, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 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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April 5, 2024

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SUPPLEMENTARY SCHEDULES

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IPEOPLE, INC. AND SUBSIDIARIES

ANNEX 68-J: SCHEDULES
DECEMBER 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 in Equity Securities
As at December 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 December 31, 2023:

Name	As at December 31, 2022	Additions	Liquidations/ Collections	As at December 31, 2023
Adanza, Carina Victoria T.	₱265,780	₱–	95,480	₱170,300
Agbulos, Erlin C.	339,914	–	108,154	231,760
Aquino, Jesuniño R.	–	464,000	7,734	456,266
Austria, Maria Rhodora	–	450,109	77,758	372,351
Camacho, Margarita	–	571,410	97,907	473,503
Caparanga, Alvin	–	680,315	297,815	382,500
Delos Santos, Mira	317,186	1,395	94,055	224,526
Doma, Bonifacio T. Jr.	368,232	314,466	433,618	249,080
Hernaez, Aloida C.	377,617	–	153,942	223,675
Kikuchi, Khristian	–	452,073	77,759	374,314
Lozada, Katrina	128,764	–	–	128,764
Abalos, Mark Arthur	448,111	–	48,444	399,667
Correa, Helen	200,000	–	753	199,247
Medrano, Anthony H.	–	231,738	44,474	187,264
Paglinawan, Arnold	297,955	–	98,107	199,848
Quiasot, Concordio	111,634	210,134	209,267	112,501
Rafael, Victor V.	–	549,000	97,065	451,935
Sabino, Lilibeth	351,013	160,541	234,678	276,876
Songsong, Maribel	321,813	–	94,850	226,963
Suello, Lito	–	464,000	7,733	456,267
Teodoro, Gloria	–	1,170,653	720,653	450,000
Villa, Robert Joseph	185,523	–	13,307	172,216
Yap, Maria Elizabeth	212,668	–	109,733	102,935
Young, Michael	313,567	–	88,617	224,950
	₱4,239,777	₱5,719,834	₱3,211,903	₱6,747,708

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, 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	21,743,404	(19,694,338)	11,944,165
Malayan Colleges Laguna, Inc.	4,469,295	26,106,166	(27,988,864)	2,586,597
Malayan Colleges Mindanao, Inc.	4,802,543	315,663,244	(11,463,037)	309,002,750
University of Nueva Caceres	1,344,497	5,921,883	(6,367,503)	898,877
National Teachers College	2,252,283	17,781,649	(15,770,528)	4,263,404
Affordable Private Education Center, Inc.	582,084	393,211	(975,295)	0
Landev Corporation	45,203	180,810	(211,618)	14,395
House of Investments, Inc.	23,127	103,114	(118,531)	7,710

Schedule D. Long-term debt

As at December 31, 2023, the Group has outstanding long-term debts as follow (in thousands):

Unsecured bank loans	₱326,425
Secured bank loans	–
Total	326,425
Less: current portion of unsecured bank loans	32,574
reclassification to current liability of secured loans	–
	32,574
Noncurrent portion of long-term loans	₱293,851

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 ₱380 million is subject to 5.5% fixed rate.

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.

In July 2023, the long-term loan amounting to ₱1.5 billion was fully paid.

Schedule E. Indebtedness to Related Parties (Long Term Loans from Related Companies)
As at December 31, 2023, the Group has no outstanding long-term debt from/to related parties.

Schedule F. Guarantees of Securities of Other Issuers
As at December 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

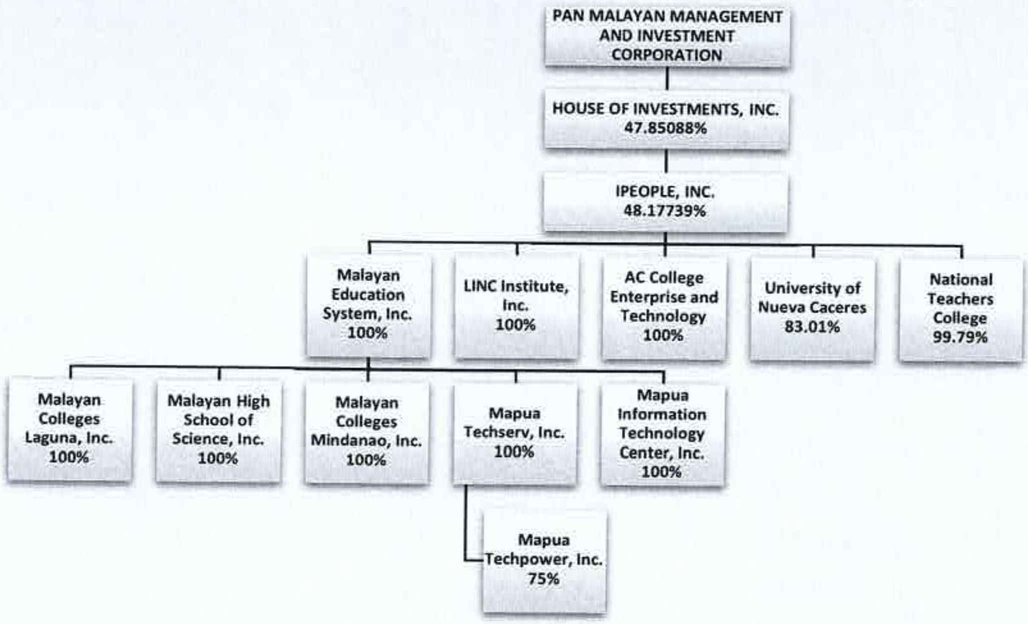
IPEOPLE, INC. AND SUBSIDIARIES

GROUP STRUCTURE

DECEMBER 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 December 31, 2023:



SCHEDULE I

IPEOPLE, INC. AND SUBSIDIARIES

ANNEX 68-D: RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION*

DECEMBER 31, 2023
Amounts in Thousands

Items	Amount	
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	**₱610,922**	
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		**610,922**
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	–	
		(198,410)
Total Retained Earnings, End Available for Dividend		**₱1,627,845**

**Based on December 31, 2023 Parent Company Financial Statements.*

IPEOPLE, INC. AND SUBSIDIARIES

ANNEX 68-E: SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2023 AND 2022

Below are the financial ratios that are relevant to the Group's for the years ended December 31:

Financial ratios		**2023**	2022
Current ratio *Indicates the Group's ability to pay short-term obligation*	Current Assets / Current Liabilities	**1.17:1**	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	**0.98:1**	0.90:1
Solvency Ratio *Shows how likely a Group will be to continue meeting its debt obligations*	Net Income+Depreciation / Total Liabilities	**0.24:1**	0.25:1
Debt-to-equity ratio *Measures the Group's leverage*	Total Debt / Equity	**0.33:1**	0.40:1
Asset to Equity Ratio *Shows how the Group's leverage (debt) was used to finance the firm*	Total Assets / Equity	**1.32:1**	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	**7.18:1**	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	**4.76%**	6.56%
Net profit margin *Reflect how much net income or profit is generated as percentage of revenue*	Net Profit Margin / Revenue	**14.74%**	19.83%
Return on Assets *Measure the ability to utilize the Group's assets to create profits*	Net Income / Total Assets	**3.32%**	4.42%

**Earnings before interest and taxes (EBIT)*

ANNEX 'E'

iPEOPLE

iPeople, inc. and Subsidiaries

Consolidated Financial Statements as of March 31, 2024 and December 31, 2023 and Three Months Ended March 31, 2024, 2023 and 2022

iPEOPLE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	Unaudited March 2024	Audited December 2023
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7 and 15)	**₱1,896,123**	₱1,807,164
Receivables (Note 8)	**1,226,897**	1,379,633
Receivables from related parties (Note 15)	**2,469**	1,643
Prepaid expenses and other current assets (Note 9)	**651,897**	607,049
Financial assets at fair value through profit or loss (FVTPL)	**9,867**	9,767
Total Current Assets	**3,787,253**	3,805,256
Noncurrent Assets		
Property and equipment at cost (Note 10)	**5,322,100**	5,331,603
Land at revalued amounts (Notes 10 and 11)	**9,719,039**	9,719,039
Intellectual property rights (Note 6)	**458,111**	458,111
Goodwill (Notes 6 and 12)	**151,326**	151,326
Student relationship (Note 6)	**5,267**	6,032
Right-of-use assets (Note 27)	**323,172**	335,013
Net pension assets	**22,145**	20,139
Deferred tax assets - net	**51,079**	48,508
Other noncurrent assets (Note 13)	**86,115**	89,280
Total Noncurrent Assets	**16,138,354**	16,159,051
	₱19,925,607	₱19,964,307
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 14 and 27)	**₱1,152,608**	₱1,179,730
Short-term loans (Notes 16 and 30)	**1,000,000**	1,000,000
Current portion of long-term debt (Note 17)	**24,430**	32,574
Unearned income (Note 14)	**655,901**	978,261
Lease liabilities - current portion (Note 27)	**24,548**	37,047
Income tax payable	**49,564**	19,719
Payables to related parties (Note 15)	**19,143**	8,706
Dividends payable (Note 18)	**902**	924
Total Current Liabilities	**2,927,096**	3,256,961
Noncurrent Liabilities		
Long-term loans (Note 17)	**293,851**	293,851
Lease liabilities - net of current portion (Note 27)	**354,549**	354,549
Net pension liabilities	**163,522**	162,452
Deferred tax liabilities - net	**794,680**	794,852
Other noncurrent liabilities (Note 27)	**15,229**	17,114
Total Noncurrent Liabilities	**1,621,832**	1,622,818
Total Liabilities	**4,548,928**	4,879,779

(Forward)

	Unaudited March 2024	Audited December 2023
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)	**4,516,945**	4,516,945
Remeasurement losses on defined benefit plans	**(32,649)**	(32,649)
Equity reserve (Note 6)	**(230,494)**	(230,494)
Retained earnings (Note 18)	**6,454,870**	6,165,650
Equity attributable to equity holders of the Parent Company	**15,047,303**	14,758,083
Non-controlling interest in consolidated subsidiaries (Note 24)	**329,376**	326,445
Total Equity	**15,376,679**	15,084,528
	₱19,925,607	₱19,964,307

See accompanying Notes to Consolidated Financial Statements.

iPEOPLE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands)

	January 1 to March 31		
	2024	2023	2022
REVENUE FROM CONTRACTS WITH CUSTOMERS (Note 19)			
Revenue from schools and related operations	**₱1,275,725**	₱1,073,364	₱870,502
COSTS AND EXPENSES			
Cost of schools and related operations (Note 20)	**733,156**	614,039	476,675
GROSS PROFIT	**542,569**	459,325	393,827
GENERAL AND ADMINISTRATIVE EXPENSES (Note 21)	**(209,708)**	(190,026)	(168,923)
INTEREST AND OTHER FINANCE CHARGES (Note 22)	**(30,491)**	(39,879)	(29,322)
INTEREST INCOME (Notes 7 and 22)	**15,504**	14,324	1,586
OTHER INCOME (CHARGES) - Net	**4,461**	5,883	1,018
INCOME BEFORE INCOME TAX	**322,335**	249,627	198,186
PROVISION FOR INCOME TAX	**30,184**	1,837	1,647
NET INCOME	**292,151**	247,790	196,539
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:			
	–	–	–
TOTAL COMPREHENSIVE INCOME	**₱292,151**	₱247,790	₱196,539
Net income attributable to:			
Equity holders of the parent (Note 23)*	**₱289,220**	₱244,737	₱195,586
Non-controlling interest in consolidated subsidiaries (Note 24)	**2,931**	3,053	953
	₱292,151	₱247,790	₱196,539
Total comprehensive income attributable to:			
Equity holders of the parent	**₱289,220**	₱244,737	₱196,586
Non-controlling interest in consolidated subsidiaries (Note 24)	**2,931**	3,053	953
	₱292,151	₱247,790	₱196,539
***Basic/Diluted Earnings Per Share** (Note 23)	**₱0.2770**	₱0.2344	₱0.1873

See accompanying Notes to Consolidated Financial Statements.

iPEOPLE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

	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 (Note 25)	Equity Reserve (Note 6)	Retained Earnings (Note 18)	Total	Non - controlling Interest (Note 27)	Total
Balances as at January 1, 2024	**₱1,044,263**	**₱3,294,368**	**₱4,516,945**	**(₱32,649)**	**(₱230,494)**	**₱6,165,650**	**₱14,758,083**	**₱326,445**	**₱15,084,528**
Net income	–	–	–	–	–	**289,220**	**289,220**	**2,931**	**292,151**
Other comprehensive income	–	–	–	–	–	–	–	–	–
Total comprehensive income	–	–	–	–	–	**289,220**	**289,220**	**2,931**	**292,151**
Dividends declared	–	–	–	–	–	–	–	–	–
Balances as at March 31, 2024	**₱1,044,263**	**₱3,294,368**	**₱4,516,945**	**(₱32,649)**	**(₱230,494)**	**₱6,454,870**	**₱15,047,303**	**₱329,376**	**₱15,376,679**
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
Dividends declared	–	–	–	–	–	–	–	–	–
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

See accompanying Notes to Consolidated Financial Statements.

iPEOPLE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	January 1 to March 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱322,335**	₱249,627	₱198,186
Adjustments for:			
Depreciation and amortization (Notes 10, 13, 20 and 21)	**127,429**	122,387	104,994
Interest expense and other finance charges (Note 22)	**30,491**	39,484	29,915
Provision for doubtful accounts (Notes 8 and 21)	**11,905**	5,518	16,935
Interest income (Note 22)	**(15,504)**	(14,324)	(1,586)
Unrealized foreign exchange loss (gain) - net	**(100)**	1,020	(129)
Unrealized market loss (gain) on financial assets at FVTPL	**(381)**	(116)	–
Operating income before working capital changes	**476,175**	403,596	348,315
Decrease (increase) in:			
Receivables	**140,874**	20,866	81,954
Prepaid expenses and other current assets	**(44,849)**	61,219	(50,416)
Increase (decrease) in:			
Accounts payable and other current liabilities	**(26,525)**	44,869	(77,937)
Unearned income	**(322,360)**	(67,438)	(50,050)
Other noncurrent liabilities	**4,733**	7,130	7,764
Net pension assets and liabilities	**(3,678)**	5,647	6,306
Net cash generated from operations	**224,370**	475,888	265,935
Interest paid	**(30,491)**	(39,879)	(14,025)
Income taxes paid	**(956)**	(736)	(1,847)
Interest received	**15,461**	14,274	1,566
Net cash flows from operating activities	**208,384**	449,547	251,629
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property and equipment (Note 10)	**(103,712)**	(193,285)	(73,860)
Computer software (Note 13)	**(934)**	(1,461)	(7,299)
Decrease (increase) in:			
Receivables from related parties	**(826)**	(1,056)	(1,413)
Other noncurrent assets	**2,491**	2,849	521
Net cash flows from (used in) investing activities	**(102,981)**	(192,954)	(82,051)

(Forward)

	January 1 to March 31		
	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term loans (Notes 16 and 26)	**₱–**	₱–	₱400,000
Payments of long-term loans	**(8,143)**	(8,143)	–
Payment of lease liabilities (Notes 26 and 27)	**(19,118)**	(18,076)	(18,527)
Increase (decrease) in payables to related parties (Note 26)	**10,436**	1,340	6,392
Net cash flows from (used in) financing activities	**(16,825)**	(24,879)	(412,135)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**381**	(1,020)	129
NET INCREASE IN CASH AND CASH EQUIVALENTS	**88,959**	230,694	(242,428)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,807,164**	1,961,428	1,604,129
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	**₱1,896,123**	₱2,192,122	₱1,361,701

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).

In 2023, the Parent Company changed its principal office address to 8thFloor Mapua University Makati Campus, 1191 Pablo Ocampo Sr. Extension Ave., Makati City, Metro Manila from 3rd Floor, Grepalife Building, 219 Sen. Gil J. Puyat Avenue, Makati City.

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, 2024 and December 31, 2023, and for each of the three years in the period ended March 31, 2024.

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

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

	Percentage of Ownership		
	2024	2023	2022
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
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	**83.01**	83.01	83.01
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

**In August 2023, SEC approved the merger of APEC and NTC, with NTC as the surviving entity*

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 ParentCompany 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 relevantactivities 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 overan 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 Groupobtains 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 anequity 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 comprehensiveincome (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, 2023. The adoption of these pronouncements did not have any significant impact on the Group's financial position or performance.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

  The amendments to the Practice Statement provide non-mandatory guidance.

  The Philippine Interpretations Committee released Q&A No. 2022-02 which the Financial Reporting Standards Council subsequently approved. The PIC Q&A provides guidance on how a Philippine entity applies the amendments to PAS 1 and PFRS Practice Statement 2 with regards to disclosure of accounting policies by providing examples of disclosures of material accounting policies that illustrate the application of the amendments to PAS 1 and the four-step materiality process to accounting policy information.

- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

<u>Standards Issued but not yet Effective</u>
Pronouncements issued but not yet effective are listed below.

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*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Effective beginning on or after January 1, 2025
- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

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 2023 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

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.

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.

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.

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.

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.

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.

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. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

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.

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.

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, 2023 and 2022. The key assumptions used to determine fair value are disclosed in Note 11.

As at March 31, 2024 and December 31, 2023, the fair value of land amounted to ₱9,719.0 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.

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. 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.

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.. The carrying value of these assets and details of the impairment testing 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 2023 and 2022) [Note 6].

In 2023 and 2022, the Group performed an impairment testing of the property and equipment and right-of-use assets of APEC amounting to ₱376.7 million and ₱416.0 million as of December 31, 2023 and 2022, respectively, due to the continuing losses and significant decline in the number of students. In assessing the impairment, the Group determines the recoverable amount using value in use, with details disclosed in Note 31. As of December 31, 2023 and December 31, 2022, management assessed that these assets 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 March 31, 2024 and December 31, 2023, the net pension liabilities amounted to ₱163.5 million and ₱162.4 million, respectively, while net pension assets amounted to ₱22.1 million and ₱20.1 million as at March 31, 2024 and December 31, 2023, 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, 2023 and 2022, 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 2023 and 2022). Revenue projections based on financial budgets approved by management and the BOD. The long-term growth rate considers the expected growth rate in the education industry sector.
- Discount rates (14% to 16% for 2023 and 16% to 17% for 2022). 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 (0.5% to 5% for 2023 and 1% to 5% for 2022). 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 ₱32.8 million impairment loss on APEC in 2023 and ₱32.2 million impairment loss in 2022 (nil in 2021). The carrying value of intellectual property rights as of March 31, 2024 and December 31, 2023 amounted to ₱458.1 million.

Student Relationship
The carrying value and movement of student relationship as of March 31, 2024 and December 31, 2023 follows:

	2024	2023
Cost from business combination	**₱116,009**	₱116,009
Accumulated amortization:		
Beginning balance	**(109,977)**	(105,250)
Amortization and impairment (Note 20a)	**(765)**	(4,727)
Ending balance	**(110,742)**	(109,977)
Balance at end of the year	**₱5,267**	₱6,032

7. **Cash and Cash Equivalents**

This account consists of:

	Unaudited March 2024	Audited December 2023
Cash on hand	**₱5,120**	₱3,326
Cash in banks (Note 15)	**834,121**	711,829
Cash equivalents (Note 15)	**1,056,882**	1,092,009
	₱1,896,123	₱1,807,164

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 ₱15.46 million, ₱14.27 million and ₱1.57 million in 2024, 2023 and 2022, respectively (Note 22).

8. Receivables

This account consists of:

	Unaudited March 2024	Audited December 2023
Tuition and other fees	**₱1,495,467**	₱1,634,740
Advances to officers and employees	**43,575**	40,511
Others	**84,089**	88,952
	1,623,131	1,764,203
Allowance for ECL	**(396,234)**	(384,570)
	₱1,226,897	₱1,379,633

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 ₱204.4 million and ₱240.6 million as at March 31, 2024 and December 31, 2023, 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 2024		
	Tuition and other fees	**Others**	**Total**
Balance at beginning of year	**₱375,800**	**₱8,770**	**₱384,570**
Provisions for the year (Note 21)	**11,905**	**–**	**11,905**
Write-off	**(241)**	**–**	**(241)**
Balance at end of year	**₱387,464**	**₱8,770**	**₱396,234**
Gross receivables	**₱1,495,467**	**₱84,090**	**₱1,579,556**

	December 2023		
	Tuition and other fees	Others	Total
Balance at beginning of year	₱337,619	₱8,770	₱346,389
Provisions for the year (Note 21)	43,997	–	43,997
Write-off	(5,816)	–	(5,816)
Balance at end of year	₱375,800	₱8,770	₱384,570
Gross receivables	₱1,634,740	₱88,952	₱1,723,692

9. Prepaid Expenses and Other Current Assets

	Unaudited March 2024	Audited December 2023
Prepaid expenses	**₱275,817**	₱216,653
Short-term investments	**247,863**	267,818
CWT	**12,472**	7,609
Books inventories	**9,150**	8,894
Office supplies	**4,213**	4,125
Others	**102,382**	101,950
	₱651,897	₱607,049

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.

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 2024				
	Buildings and Improvements	**Office Furniture and Equipment**	**Transportation Equipment**	**Construction In Progress**	**Total**
Cost					
Balance at beginning of year	**₱6,626,686**	**₱3,152,363**	**₱61,675**	**₱37,974**	**₱9,878,698**
Acquisitions	**28,504**	**57,835**	**7,694**	**16,815**	**110,848**
Disposals/retirement	**–**	**–**	**–**	**–**	**–**
Reclassifications and adjustments	**–**	**(878)**	**–**	**–**	**(878)**
Balance at end of year	**6,655,190**	**3,209,320**	**69,369**	**54,789**	**9,988,669**
Accumulated depreciation, amortization and impairment loss					
Balance at beginning of year	**2,001,924**	**2,499,274**	**45,897**	**–**	**4,547,095**
Depreciation (Notes 20 and 21)	**54,579**	**56,980**	**1,656**	**–**	**113,215**
Disposals/retirement	**–**	**–**	**–**	**–**	**–**
Reclassifications and adjustments	**4**	**6,247**	**7**	**–**	**6,258**
Balance at end of year	**2,056,507**	**2,562,501**	**47,560**	**–**	**4,666,568**
Net book value at cost	**4,598,683**	**646,819**	**21,809**	**54,789**	**5,322,100**
Land at revalued amounts (Note 11)	**–**	**–**	**–**	**–**	**9,719,039**
Total	**₱4,598,683**	**₱646,819**	**₱21,809**	**₱54,879**	**₱15,041,139**

	December 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	131,042	324,088	10,499	35,674	501,303
Disposals/retirement	–	(65,005)	–	–	(65,005)
Reclassifications and adjustments	17,671	45	–	(18,476)	(760)
Balance at end of year	6,626,686	3,152,363	61,675	37,974	9,878,698
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)	219,596	219,980	5,491	–	445,067
Disposals/retirement	–	(52,151)	–	–	(52,151)
Reclassifications and adjustments	879	8,707	23	–	9,609
Balance at end of year	2,001,924	2,499,274	45,897	–	4,547,095
Net book value at cost	4,624,762	653,089	15,778	37,974	5,331,603
Land at revalued amounts (Note 11)	–	–	–	–	9,719,039
Total	₱4,624,762	₱653,089	₱15,778	₱37,974	₱15,050,642

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 2024	Audited December 2023
Land at cost	**₱4,066,906**	₱4,066,906
Revaluation increment on land:		
Balance at beginning of year	**5,652,133**	3,511,506
Change in revaluation increment	**–**	2,140,627
Balance at end of year	**5,652,133**	5,652,133
	₱9,719,039	₱9,719,039

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, 2023 and 2022, 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.

Location	Range 2023	2022
Makati and Intramuros, Manila	**₱114,000 to ₱298,350**	₱85,050 to ₱246,926
Cabuyao, Laguna	**₱8,507 to ₱16,335**	₱11,875 to ₱13,500
Davao City, Davao Del Sur	**₱41,535 to 49,140**	₱22,088 to 35,340
Pandacan, Metro Manila	**₱126,000 to ₱151,200**	₱85,781 to ₱102,375
San Jose Del Monte City, Bulacan	**₱56,012 to 60,493**	₱55,510 to 60,493
Naga City, Camarines Sur	**₱27,075 to ₱28,500**	₱19,000 to ₱34,913
Quiapo, Manila	**₱206,900 to 300,200**	₱89,100 to 135,000

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 -30% to +20% in 2023 and from -20% to +15% in 2022.

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, 2023 and 2022, 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.
- Long-term growth rates (4.66% for 2023 and 5.79% for 2022). 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 (11.4% for 2023 and 14% for 2022). 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 2024	Audited December 2023
Input VAT - net	**₱35,430**	₱34,216
Miscellaneous deposits	**25,316**	26,986
Creditable withholding tax	**8,703**	9,958
Computer software	**14,652**	15,475
Books and periodicals	**2,014**	2,645
	₱86,115	₱89,280

Miscellaneous deposits include rent deposits of the Group amounting to ₱13.9 million and ₱18.9 million as of March 31, 2024 and December 31, 2023, respectively.

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

	Unaudited March 2024	Audited December 2023
Cost		
Balance at the beginning of the year	**₱70,222**	₱64,032
Additions	**934**	6,190
Balance at the end of the year	**71,156**	70,222
Accumulated Amortization		
Balance at the beginning of the year	**54,747**	47,024
Amortization (Notes 20 and 21)	**1,608**	6,113
Reclassifications	**149**	1,610
Balance at the end of the year	**56,504**	54,747
Net Book Value	**₱14,652**	₱15,475

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 2024	Audited December 2023
Accounts payable	**₱430,152**	₱455,990
Accrued expenses	**293,485**	250,255
Funds payable	**255,101**	275,650
Provisions (Note 31)	**166,110**	162,352
Other payables	**7,760**	35,483
	₱1,152,608	₱1,179,730

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 ₱22.4 million and ₱16.3 million as at March 31, 2024 and December 31, 2023, respectively.

Accrued expenses consist of:

	Unaudited March 2024	Audited December 2023
Payable to suppliers	**₱148,813**	₱125,963
Accrued salaries and wages	**39,842**	23,802
Output VAT payable	**16,510**	12,902
Contracted services	**15,665**	16,122
Accrued professional fees	**14,496**	8,739
Accrued interest (Note 18)	**13,405**	15,099
Withholding taxes and others	**11,536**	9,615
SSS and other contributions	**8,682**	3,486
Accrued utilities	**7,135**	5,860
Accrued communication expense	**6,899**	8,727
Insurance	**1,381**	854
Others	**9,121**	19,086
	₱293,485	₱250,255

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 ₱654.0 million and ₱976.3 million as at March 31, 2024 and December 31, 2023, respectively, which are considered contract liabilities.

Contract Liabilities

As at March 31, 2024, contract liabilities amounted to ₱676.4 million and these will be recognized as revenue in the next period. Contract liabilities as of December 31, 2023 amounting to ₱992.6 million were recognized as revenue in 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				
	2024	**₱–**	**(₱15,731)**	**Noninterest-bearing; unsecured; due**
	2023	–	(₱8,614)	**and demandable**
Management fee and other professional fees (Notes 20 and 21)	**2024**	**30,693**	**–**	**–**
	2023	22,139	–	**–**
	2022	20,704	–	**–**
b) Receivable from HI				
	2024	**–**	**737**	**Noninterest-bearing; unsecured; due**
	2023	–	722	**and demandable; no impairment**
Entities under common control of HI				
c) Receivables from related parties				
	2024	**–**	**1,713**	**Noninterest-bearing; unsecured; due**
	2023	–	17	**and demandable; no impairment**
Rental income	**2024**	**(2,771)**	–	**–**
	2023	(2,345)	–	**–**
	2022	**–**	–	**–**

(Forward)

	Year	Amount / Volume	Receivables from (Payables to)	Terms and Conditions
d) Payables to related parties				
	2024	**₱–**	**(₱435)**	**Noninterest-bearing; unsecured; due and demandable**
	2023	–	(93)	
Contracted services (Notes 20 and 21)				
	2024	**3,004**	**–**	**–**
	2023	4,627	–	–
	2022	386	–	–
Entities under common control of PMMIC				
e) Cash and cash equivalents (Note 7)				
	2024	**–**	**1,326,987**	**Interest at prevailing deposit and short-term rates; unsecured; no impairment**
	2023	–	1,208,138	
Interest income (Note 22)				
	2024	**15,461**	**–**	**–**
	2023	14,274	–	–
	2022	1,566	–	–
g) Receivables from related parties				
	2024	**–**	**18**	**Noninterest-bearing; unsecured; due and demandable; no impairment**
	2023	–	18	
h) Insurance expense				
	2024	**4,726**	**–**	
	2023	4,845	–	
	2022	4,408	–	
Financial asset at FVTPL (Note 30)				
	2024	**–**	**9,867**	
	2023	–	9,767	**Carried at fair value; No impairment**
Short-term investments (Note 9)	**2024**	**–**	**65,357**	**Interest at prevailing deposit and short-term rates; unsecured; no impairment**
	2023	–	58,931	
Entities with significant influence				
i) Payable to related parties	**2024**	**–**	**(2,977)**	**Due on demand, noninterest-bearing; unsecured; no impairment**
	2023	–	–	
Management fee and other professional fees (Notes 20 and 21)	**2024**	**2,977**	**–**	
	2023	2,835	–	–
	2022	2,700	–	–

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) *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).

f) *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.

g) *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.

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

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, 2024 and 2023, 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.

In 2023, MCMI availed of ₱1.0 billion short-term loans from RCBC and BPI at 7.00% and 7.65% interest rate, respectively. The loan agreements shall be valid for one (1) year, renewable every year upon mutual written consent of the parties.

Interest expense charged to operations amounted to ₱19.2 million in 2024, nil in 2023 and ₱1.4 million in 2022 (Note 22).

17. Long-term Loans

This account consists of the following as of March 31 and December 31:

	Unaudited March 2024	Audited December 2023
Unsecured bank loans	**₱318,282**	₱326,425
Secured bank loans	**-**	-
Total	**318,282**	326,425
Less: Current portion of unsecured bank loans	**24,430**	32,574
Noncurrent portion of long-term loans	**₱293,851**	₱293,851

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, 2024 and December 31, 2023, NTC has complied with its covenant obligations, including maintaining the required D:E ratio.

Interest expense recognized in profit or loss in 2024, 2023 and 2022 amounted to ₱4.65 million, P5.1 million and P5.4, 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 July 2023, the long-term loan amounting to ₱1.5 billion was fully paid.

Interest expense including amortization of debt issue cost amounted to nil in 2024, ₱27.8 million in 2023, and ₱15.9 million in 2022 (Note 22).

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, 2024 and December 31, 2023, 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 Parent Company's outstanding number of shares and holders of securities as at March 31, 2024:

Year	Number of shares registered	Number of holders of securities as at year end
January 1, 2023	1,044,263,197	2,003
Add (deduct) movement	–	(6)
December 31, 2023	1,044,263,197	1,997
Add (deduct) movement	–	1
March 31, 2024	1,044,263,197	1,998

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, 2024 and December 31, 2023 amounted to ₱1,633.4 million and ₱1,627.8 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 ₱6,784.5 million and ₱6,512.53 million as at March 31, 2024 and December 31, 2023, respectively. These are not available for dividends until declared by the subsidiaries.

The BOD declared cash dividends as follows:

	2024	2023	2022
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
	₱–	**₱198,410**	**₱167,082**

On April 5, 2024, the BOD declared ₱198.41 million cash dividends (₱0.19 per share) to stockholders of record as of May 3, 2024, payable on or before May 24, 2024.

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 83.01% 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 March 31, 2024 and December 31, 2023.

As at March 31, 2024 and December 31, 2023, the Group is not subject to externally imposed capital requirements except for the long-term loan of NTC (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.

	2024	2023
Liabilities (a)	**₱4,548,928**	₱4,879,779
Equity (b)	**15,047,303**	14,758,083
Debt-to-equity ratio (a/b)	**0.30:1.00**	0.33:1.00

19. Revenue from Contracts with Customers

Revenue from schools and related operations consists of:

	2024	2023	2022
Tuition and other matriculation fees	**₱1,293,654**	₱1,087,113	₱916,907
Less: Scholarship grants and discounts	**(57,140)**	(45,039)	(60,841)
	1,236,514	1,042,074	856,066
Other student-related income and auxiliary services	**39,211**	31,290	14,436
	₱1,275,725	₱1,073,364	₱870,502

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:

	2024	2023	2022
Personnel expenses	**₱354,538**	₱293,339	₱250,759
Depreciation and amortization	**98,713**	92,881	81,895
Management and other professional fees (Note 15)	**57,844**	38,246	23,751
Student-related expenses	**45,827**	33,711	15,715
Periodicals	**40,172**	33,930	26,615
IT expense - software license	**34,063**	30,624	23,942
Utilities	**33,620**	28,482	13,379
Repairs and maintenance	**11,786**	7,591	12,280
Advertising	**11,681**	12,075	4,279
Tools and library books (Notes 10 and 13)	**10,099**	6,991	2,680
Accreditation cost	**9,471**	8,376	5,856
Research and development fund	**8,526**	7,934	3,211
Insurance	**3,558**	3,968	3,925
Seminar	**3,450**	962	859
Office supplies	**1,991**	1,321	644
Laboratory supplies	**1,853**	1,057	690
Transportation and travel	**1,686**	2,226	125
Rent (Note 27)	**1,578**	2,304	43

	2024	2023	2022
Taxes and licenses	**688**	6,024	4,829
Entertainment, amusement and recreation	**506**	456	221
Miscellaneous	**1,506**	1,541	977
	₱733,156	₱614,039	₱476,675

a. Details of depreciation and amortization follows:

	2024	2023	2022
Depreciation (Note 10)	**₱113,215**	₱103,579	₱84,501
Depreciation - ROU assets (Note 27)	**11,841**	16,031	13,250
Amortization - Student relationship (Note 6)	**765**	1,182	5,578
Amortization (Note 13)	**1,608**	1,595	1,665
	₱127,429	₱122,387	₱104,994

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

	2024	2023	2022
Cost of schools and related operations	**₱86,872**	₱77,433	₱69,229
Cost of schools and related operations - ROU assets (Note 27)	**11,841**	15,448	12,667
	98,713	92,881	81,895
General and administrative expenses (Note 21)	**28,716**	29,506	23,098
	₱127,429	₱122,387	₱104,994

21. General and Administrative Expenses

This account consists of:

	2024	2023	2022
Personnel expenses	**₱49,151**	₱58,355	₱46,219
Management and other service fees (Note 15)	**51,048**	50,691	42,453
Depreciation and amortization (Notes 10, 13 and 20)	**28,716**	29,506	23,098
Advertising	**16,787**	10,722	10,279
Provisions for doubtful accounts (Note 8)	**11,905**	5,581	16,935
Taxes and licenses	**10,778**	8,606	10,933
IT expense - software license	**6,355**	281	973
Utilities	**5,594**	5,405	3,398
Repairs and maintenance	**4,614**	3,063	2,029
Insurance	**2,690**	1,849	1,325
Transportation and travel	**2,462**	1,543	721
Office supplies	**737**	737	185
Seminar	**447**	936	1,023
Entertainment, amusement, and recreation	**363**	792	629
Investor relations	**313**	278	347
Commission	**221**	867	919
Donations	**5**	-	15
Rent (Note 27)	**5**	26	5

	2024	2023	2022
Miscellaneous	**17,517**	10,787	7,437
	₱209,708	₱190,026	₱168,923

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:

	2024	2023	2022
Cash in banks and cash equivalents (Note 7)	**₱15,461**	₱14,274	₱1,566
Advances to officers and employees (Note 8)	**43**	50	20
	₱15,504	₱14,324	₱1,586

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

	2024	2023	2022
Short-term loans (Note 16)	**₱19,219**	₱–	₱1,375
Long-term loans (Note 17)	**4,654**	32,749	21,369
Interest expense on lease liabilities (Note 27)	**6,618**	7,129	6,578
	₱30,491	₱39,879	₱29,322

23. Earnings Per Share

Earnings per share amounts attributable to equity holders of Parent Company are computed as follows:

	2024	2023	2022
Net income attributable to equity holders of Parent Company (a)	**₱289,220**	₱244,737	₱195,586
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)	**₱0.2770**	₱0.2344	₱0.1873

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 2024 and 2023 follows:

	2024	2023
University of Nueva Caceres	**16.99%**	16.99%
National Teachers College	**0.21%**	0.21%

Non-controlling interests in material subsidiaries as at March 31, 2024 and December 31, 2023 follows (in million pesos):

	2024	2023
University of Nueva Caceres	**₱324**	₱321
National Teachers College	**5**	5

Dividends paid to non-controlling interest in consolidated subsidiaries amounted to nil in 2024 and 2023.

As at March 31, 2024 and December 31, 2023, 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	
	2024	2023	**2024**	2023
Assets				
Current assets	**₱496**	₱380	**₱846**	₱1,038
Noncurrent assets	**1,643**	1,685	**1,464**	2,629
	₱2,139	₱2,065	**₱2,310**	₱3,667
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, MMCL, MHSS, MMCM, 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		
	2024	2023	2022	**2024**	2023	2022	**2024**	2023	2022	**2024**	2023	2022
Revenues												
Income from external customers	**₱1,276**	₱1,073	₱871	**₱–**	₱–	₱–	**₱–**	₱–	₱–	**₱1,276**	₱1,073	₱871
Total Revenues	**₱1,276**	₱1,073	₱871	**₱–**	₱–	₱–	**₱–**	₱–	₱–	**₱1,276**	₱1,073	₱871
Net Income attributable to Parent Company	**₱286**	₱245	₱205	**₱5**	₱2	(₱2)	**(₱3)**	(₱3)	(₱7)	**₱289**	₱245	₱196
Other Information												
Segment assets	**₱20,776**	₱18,471	₱16,478	**₱6,445**	₱6,020	₱6,050	**(₱7,187)**	(₱6,575)	(₱6,708)	**₱19,926**	₱17,916	₱15,810
Segment liabilities	**5,763**	5,592	5,373	**111**	303	88	**(1,325)**	(769)	(968)	**4,549**	5,126	4,494
Deferred tax assets	**50**	37	33	**1**	1	2	**–**	–	–	**51**	38	35
Deferred tax liabilities	**695**	487	379	**44**	43	42	**55**	60	67	**795**	590	487
Interest expense	**44**	42	32	**0**	0	0	**(14)**	(2)	(3)	**30**	40	29
Provision for income tax	**29**	2	2	**1**	0	0	**(0)**	(0)	(1)	**30**	2	2
Depreciation and amortization	**124**	118	97	**1**	1	0	**3**	3	8	**127**	122	105

26. Notes on Consolidated Statements of Cash Flows

- Changes in the Group’s liabilities arising from financing activities follow:

		Non-cash Changes					
	December 2023	**Declaration of Cash Dividend**	**Amortization of debt issue cost**	**Other Non-Cash**	**Interest Expense**	**Cash Flows**	**March 2024**
Short-term loans	**₱1,000,000**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱1,000,000**
Long-term loans	**293,851**	–	–	–	–	–	**293,851**
Current portion of long-term loans	**32,574**	–	–	–	–	**(8,143)**	**24,430**
Dividends payable	**924**	–	–	–	**–**	**(22)**	**902**
Payables to related parties	**8,706**	–	–	–	–	**10,436**	**19,143**
Lease liabilities	**391,597**	–	–	–	**6,618**	**(19,118)**	**379,097**
	₱1,727,652	**₱–**	**₱–**	**₱–**	**₱6,618**	**(₱16,847)**	**₱1,717,423**

		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

27. **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:

	2024	2023
Within one year	**₱8,037**	₱8,037
More than one year but not more than five years	**30,194**	30,194
	₱38,231	₱38,231

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 4.05% to 8.86% in 2023 and from 6.29 to 7.40% in 2022 (see Note 5).

The rollforward analysis of right-of-use assets follows:

	March 2023	December 2023
Net Book Value at January 1	**₱335,013**	₱376,794
Additions	–	42,805
Amortization (Note 20a)	**(11,841)**	(51,420)
Pre-termination/expiration	–	(33,166)
Net Book Value, ending	**₱323,172**	₱335,013

The following are the amounts recognized in the 2024 and 2023 statement of comprehensive income (Note 20):

	2024	2023
Depreciation expense of right-of-use assets	**₱11,841**	₱16,031
Interest expense on lease liabilities	**6,618**	7,129
Total amount recognized in profit or loss	**₱18,459**	₱23,160

The rollforward analysis of lease liabilities from NTC follows:

	March 2024	December 2023
As at January 1	**₱391,596**	₱429,635
Additions	**-**	42,805
Interest expense (Note 22)	**6,618**	29,808
Payments	**(19,117)**	(72,565)
Pre-termination	**-**	(38,087)
	₱379,097	₱391,596

The balance of lease liabilities as of March 31, 2024 and December 31, 2023 are as follows:

	2024	2023
Lease liabilities – current	**₱24,548**	₱37,047
Lease liabilities – noncurrent	**354,549**	354,549
	₱379,097	₱391,596

Shown below is the maturity analysis of the undiscounted lease payments as of March 31, 2024 and December 31, 2023:

	2024	2023
Within one year	**₱46,531**	₱66,390
More than one year but less than five years	**303,121**	313,564
Five years and more	**148,957**	148,957
	₱498,609	₱528,911

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 ₱ 376.7 million and ₱416.01 million as of December 31, 2023 and 2022, 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.
- Discount rate (11.1% in 2023 and 14% in 2022). 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, 2023 and 2022 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, 2024 and December 31, 2023 amounted to ₱166.1 million and ₱162.3 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**

- In December 2022, the BOD and Stockholders of NTC and APEC approved the 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. In August 2023, the SEC approved the merger.

IPEOPLE, INC. AND SUBSIDIARIES
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SUPPLEMENTARY SCHEDULES

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III	Group Structure

SCHEDULE II

IPEOPLE, INC. AND SUBSIDIARIES

ANNEX 68-J: SCHEDULES

MARCH 31, 2024

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, 2024, 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, 2024:

Name	As at December 31, 2023	Additions	Liquidations/ Collections	As at March 31, 2024
Adanza, Carina Victoria T.	₱170,300	₱–	₱20,460	₱149,840
Agbulos, Erlin C.	231,760	–	23,176	208,584
Aquino, Jesuniño R.	456,266	–	23,202	433,064
Austria, Maria Rhodora	372,351	16,109	37,809	350,651
Camacho, Margarita	473,503	710,684	459,806	724,381
Caparanga, Alvin	382,500	9,475	22,500	369,475
Hernaez, Alodia C.	223,675	8,823	5,750	226,748
Kikuchi, Khristian	374,314	18,073	39,773	352,614
Delos Santos, Mira	224,526	4,696	11,373	217,849
Doma, Bonifacio T. Jr.	249,080	81,805	11,250	319,635
Medrano, Anthony H.	187,264	231,738	242,963	176,039
Paglinawan, Arnold	199,848	8,508	16,939	191,417
Sabino, Lilibeth	276,876	46,693	49,082	274,487
Songsong, Maribel	226,963	–	20,325	206,638
Suello, Lito	456,267	–	23,200	433,067
Teodoro, Gloria	450,000	14,023	2,392	461,631
Villa, Robert Joseph	172,215	10,296	–	182,511
Young, Michael	224,950	372,280	10,469	586,761
Abalos, Mark Arthur	399,667	–	–	399,667
Correa, Helen	199,247	–	–	199,247
De Guzman, Alexander	381,210	184,000	–	565,210
Escalera, Myla L.	113,900	–	–	113,900
Fuentez, Christine	1,418,588	631,105	–	2,049,693
Galvez, Dina	186,402	–	57,273	129,129
Gomez, Esperanza D.	173,900	–	–	173,900
Jomar Villanueva	19,191	82,646	–	101,837
Lariba, Esperanza C.	259,082	–	24,872	234,210
Lozada, Katrina	128,764	–	–	128,764
Pablo, Cherie	137,326	–	–	137,326
Princess Jesusa B. Hampac	23,881	103,894	–	127,775
Romeo Jose B. Taganas	56,629	45,000	–	101,629
Taala, Suzette	275,666	–	–	275,666
Umali, Maria Judith S.	105,042	–	–	105,042
Rafael, Victor	451,935	–	25,188	426,747
	₱9,683,088	₱2,579,848	₱1,127,802	₱11,135,134

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, 2024:

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.	11,944,165	5,905,016	(10,747,021)	7,102,160
Malayan Colleges Laguna, Inc.	2,586,597	5,123,249	(4,618,169)	3,091,677
Malayan Colleges Mindanao, Inc.	309,002,750	8,152,411	(6,520,737)	310,634,424
University of Nueva Caceres	898,877	1,378,122	(1,901,529)	375,470
National Teachers College	4,263,404	5,490,050	(5,036,140)	4,717,314
Landev Corporation	14,395	30,135	(30,135)	14,395
House of Investments, Inc.	7,710	23,125	(7,708)	23,126

Schedule D. Long-term debt

As at March 31, 2024, the Group has outstanding long-term debts as follow (in thousands):

Unsecured bank loans	₱326,425
Secured bank loans	–
Total	326,425
Less: current portion of unsecured bank loans	32,574
Noncurrent portion of long-term loans	₱293,851

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 a 5.5% fixed rate and the ₱80 million is subject to annual repricing based on higher of 5.5%.

Schedule E. Indebtedness to Related Parties (Long-Term Loans from Related Companies)

As at March 31, 2024, the Group has no outstanding long-term debt to related parties.

Schedule F. Guarantees of Securities of Other Issuers

As at March 31, 2024, the Group does not guarantee any securities.

Schedule G. Capital Stock

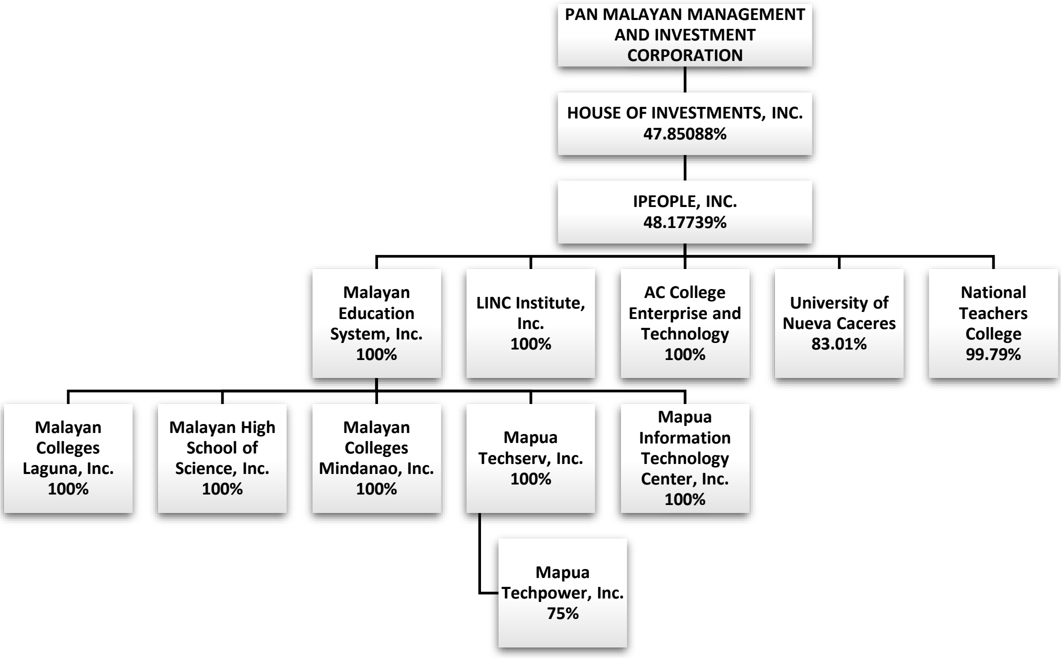
Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
Common Shares	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, 2024

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, 2024:



SCHEDULE I

IPEOPLE, INC. AND SUBSIDIARIES

ANNEX 68-D: RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

MARCH 31, 2024

Items	**Amount (in thousands)**	
Unappropriated retained earnings, *as adjusted to available for distribution, beginning*		**₱1,627,845**
Add: Net income actually earned/realized during the period		
Net income (loss) during the period closed to retained earnings	**₱5,548**	
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		**5,548**
Add (Less):		
Dividends declaration during the year	–	
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	–	
		–
Total Retained Earnings, End Available for Dividend		**₱1,633,394**

iPeople, inc. and Subsidiaries
Aging of Accounts Receivable
For the quarter ended March 31, 2024

	No. of days due			
	0-30	**31-60**	**Over 61 days**	**Total**
Education	**₱993,993,048**	**₱55,632,830**	**₱445,840,739**	**₱1,495,466,617**
Others	**59,714,379**	**1,640,566**	**66,309,802**	**127,664,747**
Total	**1,053,707,427**	**57,273,396**	**512,150,541**	**1,623,131,364**
Less: Allowance for doubtful accounts	**(34,328,770)**	**(13,449,073)**	**(348,456,558)**	**(396,234,401)**
	₱1,019,378,657	**₱43,824,323**	**₱163,693,983**	**₱1,226,896,963**

IPEOPLE, INC. AND SUBSIDIARIES

ANNEX 68-E: SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

MARCH 31, 2024

Below are the financial ratios that are relevant to the Group's as of the period ended March 31, 2024, March 31, 2023 and December 31, 2023

Financial ratios		**Unaudited March 2024**	Unaudited March 2023	Audited December 2023
Current ratio *Indicates the Group's ability to pay short-term obligation*	Current Assets / Current Liabilities	**1.29:1**	1.72:1	1.17:1
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	**1.07:1**	1.54:1	0.98:1
Solvency Ratio *Shows how likely a Group will be to continue meeting its debt obligations*	Net Income+Depreciation / Total Liabilities	**0.09:1**	0.07:1	0.24:1
Debt-to-equity ratio *Measures the Group's leverage*	Total Debt / Equity	**0.30:1**	0.41:1	0.33:1
Asset to Equity Ratio *Shows how the Group's leverage (debt) was used to finance the firm*	Total Assets / Equity	**1.30:1**	1.40:1	1.32:1
Interest Rate Coverage *Shows how easily a Group can pay interest on outstanding debt*	EBIT* / Interest Expense Excluding Interest Expense on Lease Liabilities	**14.78:1**	8.84:1	7.18:1
Return on Average Stockholders' Equity *Reflects how much the Group's has earned on the funds invested by the stockholders*	Net Income / Average Equity	**2.07%**	2.09%	4.76%
Net profit margin *Reflect how much net income or profit is generated as percentage of revenue*	Net Profit Margin / Revenue	**22.90%**	23.09%	14.74%
Return on Assets *Measure the ability to utilize the Group's assets to create profits*	Net Income / Total Assets	**1.47%**	1.38%	3.32%

**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 ____________________, 2024.

IN WITNESS WHEREOF, we have hereunto affixed our signatures and the seal of the Corporation this _____day of May, 2024 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 14 2024

SUBSCRIBED AND SWORN to before me this _____day of May 2024, at Makati City. Affiants exhibited to me their proof of identification as indicated beside 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	05-07-2024 Imus Cavite / 05-07-2029
Atty. Samuel V. Torres	Passport#P2022842C	10-14-2022 Manila City / 10-13-2032

Doc. No. 399;
Page No. 81;
Book No. 17;
Series of 2024

ATTY. BERNARDINO O. LAUTILLO
NOTARY PUBLIC FOR MAKATI CITY
APPT. NO. M-073 UNTIL DEC. 31, 2025
ROLL NO. 77752 / MCLE Compliance No. VIII-002331-UNTIL APR. 14, 2028
IBP OR. NO. 410260 JAN. 3, 2024 / MAKATI CHAPTER
PTR No. 10033505 - JAN. 8, 2024
UNIT 2-B2 TRANS-PHIL HOUSE, DON CHINO ROCES AVE., COR. BAGTIKAN ST., SAN ANTONIO, MAKATI CITY