

COVER SHEET

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S.E.C. Registration Number

C	E	N	T	R	O		E	S	C	O	L	A	R		U	N	I	V	E	R	S	I	T	Y				
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(Company's Full Name)

9		M	E	N	D	I	O	L	A		S	T	.		S	A	N		M	I	G	U	E	L				
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M	A	N	I	L	A																							
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(Business address: No. Street City / Town / Province)

Atty. Jayson O'S. Ramos

Contact Person

8735-6861 to 71

Company Telephone Number

0	5
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Month

3	1
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Day

Fiscal Year

2	0	-	I	S
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FORM TYPE

1	0
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Month

4 th Friday

Day

Annual Meeting

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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LCU

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CASHIER



SEC Main Office
The SEC Headquarters
7907 Makati Avenue, Salcedo Village, Barangay Bel-Air, Makati City , 1209

electronic Official Receipt

Transaction Details

eOR Number	20250919-PM-0126503-32
Transaction Number	526202147455
Payment Date	September 19, 2025 10:02 AM
Payment Scheme	master-card
Status	COMPLETED
Payment Status	PAYMENT_SUCCESS

Payment Assessment Details

PAF No.	20250918-13560725
PAF Date	2025-09-18 14:23:39
Payor Name	CENTRO ESCOLAR UNIVERSITY
Payor Address	SAN MIGUEL, MANILA

#	Nature of Collection	Account Code	Amount
1	Information Statement - Registrant	4020199099(678)	7,500.00
2	Legal Research Fee (A0823)	2020105000(131)	75.00
TOTAL			7,575.00

Total amount indicated herein does not include the convenience/service fee of the selected payment channel.

30 September 2025

Markets & Securities Regulation Department
Securities and Exchange Commission
The SEC Headquarters
7907 Makati Avenue
Salcedo Village, Makati City

Attention: Hon. Oliver O. Leonardo
Director

**Re: Comments on the Preliminary Information Statement
Of Centro Escolar University**

Gentlemen:

This is in response to your letter dated 19 September 2025 containing the Comments to CEU's Preliminary Information Statement (SEC Form 20-IS) filed with the Commission on 18 September 2025.

The Definitive Information Statement, Management Report, and relevant attachments are submitted together with your checklist. For easy reference, our response to each checklist item is provided in table form.

We trust that our Company's SEC Form 20-IS are now in full compliance with SRC rules. Clearance from the Commission is requested prior to the distribution to the stockholders.

Thank you.

Very truly yours,



JAYSON O'S. RAMOS
Compliance Officer
Centro Escolar University

CENTRO ESCOLAR UNIVERSITY.			
SEC Form 20-IS Preliminary filed on September 18, 2025			
Checklist of Requirements	Page No.	Remarks	
THE COMPANY IS ADVISE OF THE NOTICE DATED FEBRUARY 16, 2022 RE: ALTERNATIVE MODE FOR DISTRIBUTING AND PROVIDING COPIES OF NOTICE OF MEETING, INFORMATION STATEMENT, AND OTHER DOCUMENTS IN CONNECTION WITH THE HOLDING OF ANNUAL STOCKHOLDERS' MEETING ("ASM") FOR 2022.			
SRC Rule 20.3.3.5 Information Statement and management Report shall be uploaded to Issuer's Webiste for downloading by interest parties		<p>Upload SEC Form 20-IS and its attachments on the Company's website & PSE Edge, and send us (via msrds submission@sec.gov.ph) the link to access the uploaded DIS.</p> <p>Be reminded that the Notice of Meeting (distribution of copies via alternative mode) shall be published in the business section of two (2) newspaper of general circulation, in print and online format, for two (2) consecutive days; Provided that, the last publication of the Notice of Meeting (print and online) shall be made no later than twenty-one (21) days prior to the scheduled ASM.</p>	<ol style="list-style-type: none"> The PIS was uploaded via https://corporate.ceu.edu.ph/static/media/Preliminary%20Information%20Statement%202025.pdf Once cleared the DIS will also be uploaded via the same page, and will have a different link. Planned publication of Notice of Meeting will be on 01 and 02 October 2025. The last day, 02 October more than 21 days prior to the date of meeting.
MC. No. 3, Series 2020 and Section 49 of the Revised RCC (21 days prior to ASM)		Disclose compliance of Section 49 of the Revised RCCP and MC. No. 3, Series 2020	Please see attached page 19- 21 of the Definitive Information Statement.
NOTICE 12 MARCH 2025		<p>ALL PUBLICLY LISTED COMPANIES, AND OTHER COMPANIES WITH REGISTERED SECURITIES UNDER THE SUPERVISION OF MARKETS AND SECURITIES REGULATION DEPARTMENT.</p> <p>ALTERNATIVE MODE FOR DISTRIBUTING AND PROVIDING COPIES OF THE NOTICE OF MEETING, INFORMATION STATEMENT, AND OTHER DOCUMENTS IN CONNECTION WITH THE HOLDING OF ANNUAL STOCKHOLDERS' MEETING ("ASM") AND SPECIAL STOCKHOLDERS' MEETING ("SSM", COLLECTIVELY "MEETING") FOR THE YEAR 2025</p>	
Part I.			
B. Control and Compensation Information			

ITEM 4. VOTING SECURITIES & PRINCIPAL HOLDERS			
(2) Security Ownership of Management			
(1) Title of Class (2) Name of Beneficial owner of beneficial ownership (3) Amount and Nature (4) Citizenship (5) Percent		Include qualifying share of nominee for Independent Director Ms. Carmencita D. Padilla.	Please see attached page 4 of Definitive Information Statement
ITEM 5. DIRECTORS & EXECUTIVE OFFICERS			

<i>Information required by Part IV paragraphs (A), (D)(1) and (D)(3) of "Annex C"</i>			
(A)(1) Identify Directors, including Independent Directors and Executive Officers		The company is advised SEC Memo. Circular No. 4, Series of 2017 re: Term Limit of Independent Directors.	Please see attached Definitive Information Statement. The continuous engagement of Dr. Javier will be submitted to the Stockholders for approval due to meritorious reasons as allowed by relevant law. (Page 8)
(a) Names, ages and citizenship of all Directors, including independent directors and Executive Officers and all persons nominated or chosen to become such;		Indicate educational attainment, Citizenship and Business experience of Ms. Carmencita D. Padilla , nominee for Independent Director	Please see attached page 7 of Definitive Information Statement
(b) List of positions and offices such persons held or will hold;			
(c) Term of office as a Director and the period which the person has served;			
(d) Brief description of person's business experience (last five years); and			
(e) Identification of other directorship held in reporting companies.			
ITEM 6. COMPENSATION OF DIRECTORS & EXECUTIVE OFFICERS			
If action to be taken with regard to election, any bonus, profit sharing, pension/retirement plan granting of extension of any option, warrant or right to purchase any securities, furnish the following:			

(1) Summary Compensation Table		Per diem received of each of the Board of Directors and Trustee of fiscal year 2023 and 2024 pursuant to Revised Corporation Code of the Philippine (RCC) Section 29 and Section 49 .	Please see attached page 12-13 of Definitive Information Statement
Part III.			
MANAGEMENT REPORT			
Audited Financial Statements and Interim Financial Statements		Submit Consolidated Audited Financial Statement (CAFS)	Please see attached Management Report, page 1 Item 1
Management's Discussion and Analysis (MD&A) or Plan of Operation (Required by Part III(A) of "Annex C")			
<i>All other registrants shall provide the following information:</i>			
For both full fiscal years and interim periods, disclose the company's and its majority-owned subsidiaries' top five (5) key performance indicators. It shall include a discussion of the manner by which the company calculates or identifies the indicators presented on a comparable basis.		Make it sure that the basis in computing top five (5) key performance indicators are correlated in the Consolidated Audited Financial Statement.	Please see attached Management report pages 3-4 and Sec Form 17A page 22
(a) Full fiscal years			
(1) Discussion of the Registrant's Financial Condition, Changes in Financial Condition and Results of Operations for each of the last 3 fiscal years.		Make it sure that the figures indicated in the Management Discussion and Analysis are correlated in the Consolidated Audited Financial Statement	Please see attached Management report page 1 and Sec Form 17A page 19
(2) If FS shows losses from operation, explain the causes underlying these losses and the steps the registrant has taken or is taking to address these cause.			
(3) Past and future financial condition and results of operation, with particular emphasis on the prospects for the future.			
(b) Interim Periods: Comparable discussion to assess material changes (last fiscal year and comparable interim period in the preceding year). <i>Disclose the required information under subparagraph (2)(a)(I) to (viii) above.</i>		Attached Quarterly Report SEC Form 17-Q period ended June 30, 2020.	There was no change in accounting period for the last 3 years
INFORMATION ON INDEPENDENT ACCOUNTANT			
EXTERNAL AUDIT FEES (MC No. 14 Series of 2004)			

(a) Under the caption Audit and Audit-Related Fees, the aggregate fees billed for each of the last two (2) fiscal years for professional services rendered by the external auditor for:		Incomplete re: fiscal year ended 2024-2025 (Fiscal May 31)	Please see attached Management Report page 1; and SEC From 17-A page 26
1. The audit of the registrant's annual financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements for those fiscal years;			
2. Other assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the registrant's financial statements. The registrant shall describe the nature of the services comprising the fees disclosed under this category.			
(b) Under the caption "Tax Fees", the aggregate fees billed in each of the last two (2) fiscal years for professional services rendered by the external auditor for tax accounting, compliance, advice, planning and any other form of tax services. Registrant shall describe the nature of the services comprising the fees disclosed under this category.			
(c) Under the caption "All Other Fees", the aggregate fees billed in each of the last two (2) fiscal years for products and services provided by the external auditor, other than the services reported under items (a) & (b) above. Registrants shall describe the nature of the services comprising the fees disclosed under this category;			
(d) The audit committee's approval policies and procedures for the above services			
Market Price of and Dividends required by Part V of Annex C			
(1) Market Information			
(b) If the information called for by paragraph (A) of this Part is being presented, the document shall also <i>include the price information as of the latest practicable trading date</i> , and in the case of securities to be issued in connection with an acquisition, business combination or other reorganization, as of the trading date immediately prior to the public announcement of such transaction.		Comply with the highlighted portion re: include the price information as of the latest practicable trading date	Please see attached Definitive Information Statement page 3; Management Report page 18
AUDITED FINANCIAL STATEMENTS			
Statement of Management Responsibility on the Financial Statements (as prescribed by SRC Rule 68, As Amended)(Financial Reporting Bulletin No. 1)		Not submitted	

<p>The Management of (name of reporting company) is responsible for the preparation and fair presentation of the financial statements for the year (s) ended (date), including the additional components attached therein, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and the implementing internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.</p> <p>The Board of Directors or Trustees reviews and approves the financial statements and submit the same to the stockholders or members. (Name of Auditing Firm), the independent auditors, appointed by the stockholders has examined the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed opinion on the fairness of presentation upon completion of such examination. Signature</p> <p>(Printed Name of the (1) Chairman of the Board (2) Chief Executive Officer (3) Chief Financial Officer)</p>			Please see attached Statement of Management's Responsibility for Financial Statements
ADDITIONAL COMPONENTS OF FINANCIAL STATEMENTS (SRC Rule 68, as amended October 2011)			
Legal matter paragraph in the Auditor's Report on each components:		Not submitted	Please see notes in Audited Financial Statements
Reconciliation of Retained Earnings Available for Dividend Declaration (Part 1,4 (c))			Please see notes in Audited Financial Statements under Annex A
A reconciliation of Retained Earnings available for dividend declaration which shall present the prescribed adjustments as indicated in Annex 68-C			Non Stock
A map of the conglomerate or group of companies showing the relationships between and among the company and its ultimate parent company, middle parent, subsidiaries or co-subsidiaries, and associates (Par 4(h))			Please see notes in Audited Financial Statements under Annex B
ADDITIONAL DISCLOSURE REQUIREMENTS			
Additional disclosures set forth in <u>Annex 68-D</u> shall appear on the face of the balance sheets or related notes and in the Statement of comprehensive income or related notes filed and on the face of the financial statements		Not submitted	Please see notes in Audited Financial Statements under Annex A
Disclosures of receivable/payables with related parties eliminated during consolidation (Annex 68-D)			Please see notes in Audited Financial Statements under Supplementary Schedule A-H
ADDITIONAL DISCLOSURE REQUIREMENTS (SRC Rule 68, as amended October 2011)			
A schedule showing financial soundness indicators in two comparative period as follows: 1) current/liquidity ratios; 2) solvency ratios, debt-to-equity ratio; 3) assets-to-equity ratio; 4) interest rate coverage ratio; 5) profitability ratio and 6) other relevant ratio as the Commission may prescribe.		Not submitted	Please see notes in Audited Financial Statements under Supplementary Schedule of Financial Soundness Indicators
GUIDELINES ON THE DISCLOSURE OF FEE-RELATED INFORMATION OF EXTERNAL AUDITORS, SEC MEMORANDUM CIRCULAR NO. 18, Series of 2024			

To enhance transparency relevant to external auditors' independence and align the Commission's rules on fee disclosure requirements with the Code of Ethics for Prfessional Accountants duly adopted in the Philippines, the Commission, in its Resolution deated December 26, 2024, resolved to issue these Guidelines.		Not submitted	Please see notes in Audited Financial Statements under Supplementary Schedule of External Auditor Fee Related Information
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NOTICE OF ANNUAL STOCKHOLDERS MEETING

To the Stockholders of Centro Escolar University:

Notice is hereby given that the Annual Meeting of the Stockholders of CENTRO ESCOLAR UNIVERSITY (CEU) will be held on Friday, 24 October 2025, 1:00 pm, online via the link <https://us06web.zoom.us/j/87252897707?pwd=lqToipNkgZFK2c9JBA1kyVEuvsPLmL.1>

AGENDA

1. Call to Order
2. Proof of Notice and Quorum
3. Approval of the Minutes of Annual Stockholders Meeting on October 25, 2024
Approval of the Minutes of Special Stockholders Meeting on 07 March 2025
4. Chairman's Address
5. Approval of the Annual Report of the Board of Directors
6. Ratification of all acts, resolutions, and transactions of the Board of Directors and the management for the fiscal year 2024 – 2025
7. Report of the Nomination Committee
8. Election of Directors
9. Appointment of External Auditor
10. Other Matters
11. Adjournment

All stockholders of record as of the close of business on 02 October 2025 are entitled to notice and to vote at the meeting and at any adjournment thereof. Pursuant to the provisions of law, the stock and transfer book of the University will be closed for twenty (20) days from 03 October 2025 to 23 October 2025.

Attendance and Voting shall also be done electronically in absentia. Stockholders who will participate in the Annual Stockholders' meeting shall register and may vote electronically in absentia at www.ceu.edu.ph from 03 October 2025 to 14 October 2025. Instructions and Procedures for Online Registration and Online Voting in Absentia by Remote Communication is set forth in this notice as Annex A, as well as in the Definitive Information Statement to be made available via the University's website at www.ceu.edu.ph under the Corporate Information Tab, and the PSE Edge Portal.

A PROXY instrument in accordance with the Corporation Code may also be submitted through the same registration page at www.ceu.edu.ph on or before 13 October 2025. Proxies will be validated on 16 October 2025. For your convenience, a downloadable copy of the Proxy Instrument is available at www.ceu.edu.ph. WE ARE NOT, HOWEVER, SOLICITING PROXIES.

Only stockholders who have successfully registered within the prescribed period, or participate through proxy, will be included in the determination of quorum. Successful registrants will receive an email invitation containing the necessary access code and password for the meeting. For any registration concerns, you may send an email to corporate@ceu.edu.ph

Stockholders may send their queries about the Special Stockholders' Meeting and the Company through the Office of the Corporate Secretary at corporate@ceu.edu.ph

Pursuant to relevant SEC Issuances the Stockholders may examine the Definitive Information Statement, Management Report, and SEC Form 17A at the Company's website and through the PSE Edge Portal. The University will provide, without charge, a printed copy of said documents upon the

written request of a stockholder addressed to the Corporate Secretary at Centro Escolar University, No. 9 Mendiola Street, San Miguel, City of Manila, Philippines.

There will be an audio and video recording of the Annual Stockholders' Meeting. All votes cast shall be validated by the Stock and Transfer Agent, Philippine Stock Transfer Inc. (PSTI). The University's Internal Auditor, SGV, shall also be present to observe.

29 August 2025, City of Manila



ATTY. SERGIO F. APOSTOL
Corporate Secretary

Annex A

Instructions and Procedures for Registration, Attendance and Online Voting in Absentia for the 2025 CEU Annual Stockholders' Meeting

I. Online Attendance and Voting in Absentia

For the 2025 CEU Annual Stockholders' Meeting ("Meeting") attendance and voting may be done electronically in absentia.

II. Online Registration

1. Stockholders who wish to participate in the Annual Stockholders' meeting shall register through the banner announcement found in the University's Website, www.ceu.edu.ph starting October 3, 2025.
2. The registration period shall start from October 3, 2025 to the close of business hours on October 14, 2025. For any registration concerns, Stockholders may send an email to corporate@ceu.edu.ph
3. Upon access to the registration page, a Privacy Notice will appear. Once consent is given, registration will commence.
4. During the registration, the stockholder shall provide the following:
 - a. Individual Stockholders:
 - a.i. Name
 - a.ii. Active email address
 - a.iii. Active contact number
 - a.iv. Stock certificate number (just one in case of multiple certificates)
 - a.v. Scan (pdf or jpeg format) of a Valid Government Issued ID with signature and photograph. File size should not exceed 2MB.
 - a.vi. Recent Photograph of the Stockholder
 - b. For Stockholders with joint accounts:
 - b.i. A scanned copy of an authorization letter signed by all Stockholders named in the joint account, identifying who among them is authorized to cast the vote for the account. (pdf or jpeg format; file size should not exceed 2MB)
 - b.ii. In addition, the authorized stockholder must submit the requirements enumerated in No. 3 (a) above.
 - c. For Stockholders under Broker accounts
 - c.i. A broker's certification on the Stockholder's number of shareholdings. (pdf or jpeg format; file size should not exceed 2MB).
 - c.ii. Active email address
 - c.iii. Active contact number
 - c.iv. Scan (pdf or jpeg format) of a Valid Government Issued ID with signature and photograph. File size should not exceed 2MB.
 - c.v. Recent Photograph of the Stockholder.

- d. For corporate Stockholders
 - d.i. A Secretary's Certificate attesting to the authority of the representative to vote for, and on behalf of the Corporation (in JPG or PDF format. File size should not exceed 2MB).
 - d.ii. Active email address of the representative
 - d.iii. Active contact number of the representative
 - d.iv. Scan (pdf or jpeg format) of a Valid Government Issued ID of the representative with signature and photograph. File size should not exceed 2MB.
 - d.v. Recent Photograph of the Representative
 - e. For Stockholders to be represented by a proxy -
 - e.i. In addition to the above requirements for the Stockholder, the same requirement shall be submitted by the Proxy together with a scanned copy of the Proxy Form duly signed by the Stockholder (in JPG or PDF format. File size should not exceed 2MB). The Proxy Form may be downloaded from www.ceu.edu.ph
5. The collected information and documents will be validated and verified by Professional Stock Transfer Inc., the Stock and Transfer Agent of CEU.
 6. Incomplete or inconsistent information may result in an unsuccessful registration. Stockholders who are not able to register successfully will not be given access to participate in the Meeting by remote communication.
 7. Only those Stockholders who have successfully registered to participate in the Meeting by remote communication, or participates through proxy, will be included in determining the existence of a quorum.
 8. Once verification is successful, a confirmation email shall be sent to the registered email address.

III. Online Voting in Absentia

1. After filling out the required fields and uploading the required documents, Stockholders may cast their votes.
2. For the following items, the Stockholder may choose from the following options: **For**, **Against**, or **Abstain**. Details of these items are discussed in the Definitive Information Statement. The vote is considered cast for all the registered Stockholder's shares:
 - Approval of the Minutes of the October 25, 2024 Annual Stockholders Meeting;
 - Approval of the Minutes of the 07 March 2025 Special Stockholders Meeting;
 - Approval of the Annual Report of the Board of Directors;
 - Ratification of all acts, resolutions, and transactions of the Board of Directors and the management for the fiscal year 2024-2025;
 - Report of the Nomination Committee (Continuous engagement of Dr. Emil Q. Javier as independent director);
 - Appointment of SGV & Co. as External Auditor
3. For the Election of Directors, the registered Stockholder may either (a) vote for all nominees, (b) not vote for any of the nominees, or (c) 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. Candidates receiving the highest number of votes shall be declared elected.

4. Votes cast will be validated and verified by Professional Stock Transfer Inc., the Stock and Transfer Agent of CEU. Unsuccessful registration will result in invalid votes.
5. A stockholder may send his/her questions and/or comments about the items in the Agenda prior to or during the Meeting to corporate@ceu.edu.ph. The Chairman will endeavor to reply to all questions received but should, for any reason, a question is not addressed, the Office of the Corporate Secretary will reply to the same by email.

In compliance with the requirements of the Securities and Exchange Commission, a recording of the proceedings of the Annual Meeting will be secured. Stockholders may send their queries about the Meeting to corporate@ceu.edu.ph

For any clarifications, please contact the Office of the Corporate Secretary through corporate@ceu.edu.ph

PROXY FORM

THE UNDERSIGNED shareholder of **CENTRO ESCOLAR UNIVERSITY** hereby appoints: _____ or in his/her absence, the Chairman of the Meeting, as its true and lawful attorney-in-fact or proxy to represent 100 percent of its voting rights and to vote on its behalf at the annual stockholders' meeting of the Corporation to be held on 24 October 2025, as follows:

	FOR	AGAINST	ABSTAIN
Approval of the Minutes of the Annual Stockholders Meeting held on 25 October 2024	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Approval of the Minutes of the Special Stockholders Meeting held on 07 March 2025	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Approval of Management Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ratification of all Acts and Resolutions of Management and the Board for Fiscal Year 01 June 2024 to 31 May 2025	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Continuous engagement of Dr. Emil Q. Javier as Independent Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Appointment of SGV & Co as External Auditor for fiscal year 2025-2026	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- ☐ Vote for all ten (10) nominees for directors;
- ☐ Not vote for all ten (10) nominees for directors;
- ☐ Vote for some only, distributed as follows

Name	Number of Votes
Emil Q. Javier (Independent)	
Lope M. Yuvienco (Independent)	
Carmencita D. Padilla (Independent)	
Basilio C. Yap	
Danilo L. Concepcion	
Alejandro C. Dizon	
Corazon M. Tiongco	
Benjamin C. Yap	
Emilio C. Yap III	
Johnny C. Yap	

For any other matter arising during the meeting, the above-named proxy is authorized to vote as he/she may deem fit. This proxy revokes and supersedes any proxy or proxies the undersigned may have previously executed and shall not apply in instances where the undersigned personally attends such stockholders' meeting

IN WITNESS WHEREOF, the undersigned stockholder has executed this proxy this _____ day of 2025 at _____.

(Name in print below signature)

SIGNED IN THE PRESENCE OF:

CENTRO ESCOLAR UNIVERSITY
(Company's Full Name)

9 Mendiola Street
San Miguel, Manila
(Company's Address)

8735-6861 to 71
(Telephone Numbers)

DEFINITIVE INFORMATION STATEMENT
SEC FORM 20-IS

Pursuant to SRC RULE 20

**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 CENTRO ESCOLAR UNIVERSITY
3. Province, country or other jurisdiction of incorporation or organization Philippines
4. SEC Identification Number 1093
5. BIR Tax Identification Code 000-531-126-000
6. Address of principal office 9 Mendiola Street
San Miguel, Manila 1005
7. Registrant's telephone number, including area code (02) 8735-6861
8. Date, time and place of the meeting of security holders 24 October 2025, 1:00 P.M
Online via the link

<https://us06web.zoom.us/j/87252897707?pwd=lqToipNkgZFK2c9JBA1kyVEuvpPLmL.1>

 Registration & voting in absentia link: <https://www.ceu.edu.ph/>
9. Approximate date on which the Information Statement is first to be sent or given to stockholders 02 October 2025
10. In case of Proxy Solicitation, Name of Person Filing the Statement/Solicitor Address and Telephone Number
11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common Stock	446,897,323
12. Are any or all of registrant's securities listed on a Stock Exchange?
 Yes ☒ No ☐
 If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

 Philippine Stock Exchange, Inc.

CENTRO ESCOLAR UNIVERSITY
SEC Form 20-IS

PART I.
INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders.

- | | | |
|----|------------------|---------------------|
| a) | Date of Meeting | 24 October 2025 |
| | Time of Meeting | 1 P.M. |
| | Place of Meeting | Online via the link |

<https://us06web.zoom.us/j/87252897707?pwd=IqToipNkgZFK2c9JBA1kyVEuvpPLmL.1>

Registration & voting in absentia link: <https://www.ceu.edu.ph/>

Registrant's Mailing Address	9 Mendiola St., San Miguel, Manila 1005
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- | | | |
|----|--|-----------------|
| b) | Approximate Date when the
Information Statement is first
to be sent or given to security holders | 02 October 2025 |
|----|--|-----------------|

Note: The corresponding notice of Annual Stockholders Meeting will be published via 2 newspapers of general circulation, the Manila Bulletin and Tempo, both on print and online, for 2 consecutive days on October 1 and 2, 2025. The last day of publication, 02 October 2025 is more than 21 days before the date of the meeting.

The target date of distribution via the CEU Website and PSE Edge, 02 October 2025, will be 21 days prior to the scheduled ASM.

THE PARENT COMPANY IS NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY

Item 2. Dissenters' Right of Appraisal.

The items in the Annual Stockholders Meeting Agenda does not have 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. There is therefore no cause for a dissenting stockholder to exercise right of appraisal.

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

- | | |
|----|---|
| a. | The incumbent directors and officers have no substantial interest in any matter to be acted upon. |
| b. | No director has informed CEU in writing that he intends to oppose any action to be taken by CEU at Annual Stockholders Meeting. |

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof.

a) As of 30 September 2025, the University has 446,897,323 issued and outstanding common stock at PHP1.00 per share. All the shares of stock are entitled to vote.

The closing price per share of the University's common shares as of September 30 2025 (last traded September 30, 2025), the latest obtainable data as of the preparation of this report, was PHP15.98.

b) Only stockholders of record at the close of business hours on 02 October 2025 are entitled to notice and to vote at the Annual Stockholders Meeting.

c) A stockholder entitled to vote at the meeting shall have the right to do so via voting in absentia through remote communication or by proxy. With respect to the election of directors, in accordance with the Revised Corporation Code of the Philippines, a stockholder may vote the number of shares held in his name in the University's stock and transfer book as of October 3, 2025, and may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as 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, That the total number of votes cast by him shall not exceed the number of shares owned by such stockholder as shown in the stock and transfer book multiplied by the total number of directors to be elected.

d) Security Ownership of Certain Record and Beneficial Owners and Management

1. Security Ownership of Certain Record and Beneficial Owners

Owners of record of more than five percent (5%) of the University's shares of stock as of close of 30 September 2025 are as follows:

Title of Class	Name & Address of Record Owner* & Relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	Number of Shares Held	Percent (%)
Common	USAUTOCO, INC. 1000 United Nations Ave., Ermita, Manila Authorized Representative – Basilio C. Yap Relationship to Issuer - Stockholder	USAUTOCO, INC. Authorized Representative – Basilio C. Yap Position -President	Filipino	151,945,069	34.00%
Common	U.S. Automotive Co., Inc. 1000-1046 United Nations Ave., cor. San Marcelino, Ermita, Manila Authorized Representative – Basilio C. Yap Relationship to Issuer - Stockholder	U.S. Automotive Co., Inc. Authorized Representative – Basilio C. Yap Position - President	Filipino	102,780,115	22.99%

*Authorized representative has voting power over the shareholdings of the corporate stockholder.

Common	PCD Nominee Corp. – Filipino	Alejandro C. Dizon Beneficial Owner	Filipino	75,834,237	16.97%
Aggregate Number of Shares and Percentage of All Beneficial/Record Owners As a Group				330,559,421	73.96%

The Board of Directors generally has the power to vote on behalf of their respective corporations. A proxy is usually designated to attend the meeting and cast the vote for the corporation.

The proxies designated by each stockholder will be known by 16 October 2025.

2. Security Ownership of Management

The following tables show the security ownership of CEU's directors and officers as of 30 September 2025 are as follows:

Title of Class	Directors	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Basilio C. Yap (Chairman)	1201 (d)	Filipino	0.0003
Common	Danilo L. Concepcion (Vice Chairman/President)	100 (d)	Filipino	Nil
Common	Lope M. Yuvienco*	120 (d)	Filipino	Nil
Common	Emil Q. Javier *	1 (d)	Filipino	Nil
Common	Benjamin C. Yap	960 (d)	Filipino	0.0002
Common	Alejandro C. Dizon**	62,204 (d)	Filipino	0.0139
Common	Emilio C. Yap III	424,600 (d)	Filipino	0.0950
Common	Corazon M. Tiongco (Assistant Treasurer/AVP Treasury)	12,139,085 (d)	Filipino	2.7163
Common	Johnny C. Yap	1,200 (d)	Filipino	0.0003
Common	Carmencita D. Padilla	100 (d)	Filipino	Nil
Total		12,629,571 (d)		2.8260%

Title of Class	Officers	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Danilo L. Concepcion	100 (d)	Filipino	Nil
Common	Cesar F. Tan	23,682 (d)	Filipino	0.0053
Common	Ma. Flordeliza L. Anastacio	1,562 (d)	Filipino	0.0003
Common	Maria Clara Perlita Erna V. Yabut	4,800 (d)	Filipino	0.0011
Common	Pearly P. Lim	2,839 (d)	Filipino	0.0006
Common	Teresa R. Perez	3,871 (d)	Filipino	0.0009

* Independent Director.

** Dr. Alejandro C. Dizon has 62,204 shares registered in his name in addition to 75,834,237 shares lodged with PCD Nominee Corporation.

Title of Class	Officers	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Corazon M. Tiongco	12,139,085 (d)	Filipino	2.7163
Common	Bernardita T. Traje	904 (d)	Filipino	0.0002
-	Ma. Rolina S. Servitillo	0 (d)	Filipino	0
-	Carlito B. Olaer	0 (d)	Filipino	0
-	Rhoda C. Aguilar	0 (d)	Filipino	0
-	Jericho P. Orlina	0 (d)	Filipino	0
-	Bella Marie L. Fabian	0 (d)	Filipino	0
-	Brig. Gen (Ret) Noel T. Baluyan	0 (d)	Filipino	0
Total (excluding shares of Danilo L. Concepcion, Corazon M. Tiongco)		37,658 (d)		0.0084
Aggregate Number of Shares and Percentage of all Security Ownership of Management as a Group		12,667,129 (d) =====		2.8344 =====

3. There is no voting trust or similar agreement with respect to any portion of the outstanding shares, nor any agreement which may result in a change in control of the University.

Item 5. Directors and Executive Officers.

The election of Directors is in the Agenda of the Annual Stockholders Meeting.

a. 1. The following are the incumbent directors and officers of the University:

DIRECTORS¹

BASILIO C. YAP, 76 years old, Filipino, was elected Board member and Chairman of the Board of Directors of the University on April 25, 2014. In 1972, he graduated from De La Salle University with the degree of Bachelor of Science in Commerce major in Accounting, (cum laude). He is a Certified Public Accountant. In 1978, he earned his Master's degree in Business Management from Asian Institute of Management. He is also the Chairman, President and Director of U.S. Automotive Co. Inc., USAUTOCO Inc., Philtrust Realty Corporation, Manila Prince Hotel, Cocusphil Development Corporation, U.N. Properties Development Corporation and Seebreeze Enterprises, Vice Chairman of Philtrust Bank, Chairman and Director of Manila Hotel Corporation, Chairman of the Board of Manila Bulletin Publishing Corporation. He is also the Chairman of Centro Escolar University Hospital, Inc. and Centro Escolar Las Piñas, Inc.

DANILO L. CONCEPCION, 67 years old, Filipino, is the President, Vice Chairman and Chief Academic Officer of the University. He was elected as a member of the Board of Directors, President and Vice Chairman of the University on June 01, 2025. He took up B.S. Agricultural Engineering from De La Salle Araneta University in Malabon 1979. He received his Bachelor of Laws degree from the University of the Philippines College of Law at Diliman in 1983. He finished his Master of Laws in Queen Mary University of London in 1986. He attended a Summer Course in International Law of the Sea at the University of Oxford in 1986 and a Finance for Senior Executives course in Asian Institute of Management in 2000. He is currently a Professor of Law in UP College of Law; Member of Faculty of Civil Law of University of Santo Tomas; Member of Civil Code Committee of Philippine Judicial Academy; Faculty of Philippine Judicial Academy and Regent of Pamantasan ng Lungsod ng Valenzuela. He is

presently serving as a member of the editorial board of the IBP Law Journal, arbitrator in the Ad Hoc Arbitration cases with the Philippine Dispute Resolution Center, Inc., Liquidator of several companies National Steel Corporation; Bacnotan Steel Industries, Inc.; EYCO Group of Companies; Rubberworld (Philippines), Inc.; East Asia Capital; Winsource Solutions, Inc.; Advent Capital Corporations; PET Plans, Inc. Corporate Counsel of Gordon Dario Reyes Hocson & Viado Law Office and of Tan & Concepcion Law Firm.

LOPE M. YUVIENCO, 80 years old, Filipino, is an independent director. He became a member of the Board of Directors of the University on March 31, 2023. He is currently a member of the University's Audit Committee. He graduated from University of the Philippines with a degree of Bachelor of Science in Business Administration in 1965, and obtained his M.B.A also from the University of the Philippines in 1972. He is a Certified Public Accountant. He was formerly an Independent Director of AXA Philippines and ORIX Metro Leasing Corporation, Director for Regulatory and Government Sector of Buenaventura Echauz & Partners, and Former Vice-President of Citibank N.A., Manila. He is also an Independent Director of Charter Ping An Insurance Corporation, and Fellow of Institute of Corporate Directors.

EMIL Q. JAVIER, 85 years old, Filipino, is an independent director. He became a member of the Board of Directors of the University in July 2002. He is currently the Chairman of the University's Audit Committee and a member of the Nomination Committee. He graduated from the University of the Philippines, Los Baños with a degree of B.S. Agriculture (cum laude). He also holds a degree of M.S. Agronomy from the University of Illinois and Ph.D. in Plant Breeding from Cornell University. He is Chairman of the Coalition for Agricultural Modernization in the Philippines, a Trustee of the Asia Rice Foundation, Head Advisor of the Biotech Coalition of the Philippines and Academician of the National Academy of Science and Technology (Phil.). He is likewise a Board Member of the International Service for the Acquisition of Agri-Biotech Applications (South East Asia Center), and Chairman, Nutrition Center of the Philippines. He is also an Independent Director of Centro Escolar University Hospital, Inc., Centro Escolar Las Piñas, Inc. and Independent Director of Del Monte Pacific Ltd. and Member, Advisory Committee of Japan International Cooperation Agency (JICA), Philippines.

BENJAMIN C. YAP, 79 years old, Filipino, was elected as a member of the Board of Directors on July 22, 2014. He graduated from University of the East with a degree of Bachelor of Science in Business Administration. He is currently the President and Chairman of the Board of Benjamin Favored Son, Inc., Chairman of the House of Refuge, Director of USAUTOCO, Inc. and Director of Manila Hotel Corporation. He is also a Director of Centro Escolar University Hospital, Inc.

ALEJANDRO C. DIZON, 65 years old, Filipino, was elected as a member of the Board of Directors on August 31, 2007. Dr. Dizon graduated from the UERMMMC College of Medicine and passed the Philippine Medical Licensure Examination in 1986. He finished his residency in General Surgery at St. Luke's Medical Center and passed his Specialty Board Examination in General Surgery to become a Diplomate of the Philippine Board of Surgery, Inc. in 1992. He took his postgraduate fellowship training as a G.B. Ong Surgical Scholar at the Queen Mary Hospital, University of Hong Kong. He is a fellow and President of the Philippine College of Surgeons, a Fellow of the American College of Surgeons, Charter Fellow of the Philippine Society of General Surgeons Inc., and Examiner and member of the Board of Directors and Governors of the Philippine Board of Surgery, Inc. He was the Vice President for Quality and Patient Safety and Chief Quality Officer and an Active Consultant in the Institute of Surgery of the St. Luke's Medical Center Quezon City and Global City. He holds an Assistant Professor position in the faculty of UERMMMC College of Medicine.

EMILIO C. YAP III, 54 years old, Filipino, was elected as a member of the Board of Directors on September 1, 2009. He graduated from De La Salle University with the degree of Bachelor of Science in Accountancy. He was conferred with the degree of Doctor of Philosophy in Journalism, honoris causa by Angeles University Foundation on March 1, 2009, and Doctor of Business Administration, honoris causa by the Pamantasan ng Lungsod ng Maynila on April 16, 2010. He is currently the Chairman of the Board of Manila Prime Holdings, Inc., Director and Vice Chairman of the Board of Manila Bulletin Publishing Corporation, and Director of Manila Hotel, Philtrust Bank and US Automotive Co., Inc.

CORAZON M. TIONGCO, 76 years old, Filipino, has been a member of the University's Board of Directors since 2000. She has been the Assistant Treasurer since 2005, AVP for Treasury since December 1, 2024. She obtained her Bachelor of Arts degree from the College of the Holy Spirit. She is currently a member of the Nomination Committee, Member of the Retirement Board, Head of the Purchasing Committee and the Purchasing Department. She is also a Director of Centro Escolar University Hospital, Inc.

JOHNNY C. YAP, 53 years old, Filipino, was elected as a member of the Board of Directors on October 26, 2007. He graduated from De La Salle University with the degree of Bachelor of Science in Management of Financial Institutions. He was conferred with the degree of Doctor of Philosophy in Humanities, honoris causa by Foundation University on March 21, 2010. He is presently the Vice Chairman and Treasurer of Euromed Laboratories, Philippines, Inc., Chairman of the Board of Café France Corporation, Board member of Philtrust Bank, and Director of Centro Escolar Las Piñas, Inc.

CARMENCITA D. PADILLA- 69 years old, Filipino, clinical geneticist and pediatrician, recognized as a National Scientist of the Philippines. She accomplished her pre-medicine degree at the University of the Philippines (UP) Diliman in 1976. She moved to the UP-Manila campus where she finished her degree in Doctor of Medicine in 1981. She completed a fellowship in clinical genetics at the Royal Alexandra Hospital for Children in Australia. In 2005, she obtained a Master's Degree in Health Policy Studies (MHPS) at UP Manila. She served as executive director from 2011 to 2016 in Philippine Genome Center. She was the chancellor since 2014 and term ended in October 31, 2023 in University of the Philippines Manila. She was a professor in pediatrics in the institution.

³Section 7, Article 1 of the By-laws provides that the University is required to have at least two (2) independent directors or at least 20% of the board size, whichever is the lesser. The Chairman of the Meeting shall inform all stockholders in attendance of the mandatory requirement of electing independent director/s. In case of failure of election for independent director/s, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy.

⁴The Nomination Committee is composed of Atty. Danilo L. Concepcion, chairman; Dr. Emil Q. Javier, Ms. Corazon M. Tiongco and Atty. Sergio F. Apostol, members.

Under the Securities Regulation Code (SRC), any corporation with a class of equity shares listed for trading in an Exchange is required to have at least two (2) independent directors or have such independent directors which shall constitute at least twenty percent (20%) of the membership of such board, whichever is the lesser. Presently, CEU's incumbent independent directors are Dr. Emil Q. Javier and Mr. Lope M. Yuvienco.

In pursuit of continuous improvement with respect to corporate governance, the Board of Directors on 30 August 2024 approved the proposal to amend the Articles of Incorporation of CEU in order to increase the number of Directors from 9 to 10. Consequently, a proposal to amend the By-Laws in order to increase the number of Independent Directors from 2 to 3 was also approved. The matter was submitted to the stockholders for approval during the 25 October 2024 and the same was also approved.

Last 09 September 2025 the University received from the SEC its copies of the Certificate of Registration of Amended Articles of Incorporation and Certificate of Registration of Amended By-Laws dated 29 August 2025. There are therefore 10 BOD seats (3 Independent) to be elected during the 24 October 2025 Annual Stockholders Meeting.

The nomination, pre-screening and election of independent directors will be made in accordance with Rule 38 of the Amended Implementing Rules and Regulations of the Securities Regulation Code and Section 7, Article 1 of the University's By-laws.

Based on the pre-screening and evaluation by the Nomination Committee during its meeting last 27 August 2025, the nominees for Independent Directors are:

- (1) Dr. Emil Q. Javier, 85 years old, Filipino is the owner of record of one (1) share of common stock (0%). Dr. Javier was recommended as a nominee for Independent Director by Sally

Hubag, Lolita Balboa, Adelma Obciana, Raul Caparas, and Felicita Diolanda, all stockholders of record. All of said stockholders have no relationship with Dr. Javier.

- (2) Mr. Lope M. Yuvienco, Filipino, 80 years old, is owner of record of one hundred twenty (120) shares of common stock (0%). Mr. Yuvienco was nominated by Sally Hubag and Sirila Agno, all stockholders of record. All of said stockholders have no relationship with Mr. Yuvienco.
- (3) Dr. Carmencita D. Padilla, Filipino, 69 years old, is a stockholder of record. Dr. Padilla was nominated by Precilla Retardo and Cyrilla Agno all stockholders of record. All of said stockholders have no relationship with Dr. Padilla.

Under SEC Memorandum Circular 4 s. 2017 Dr. Javier has already served as Independent Directors for nine (9) years since 2012. Under the same Memorandum Circular, however, in the instance that a company wants to retain an Independent Director who has served for nine (9) years, the Board should provide meritorious justifications and seek shareholders' approval during the annual shareholders' meeting.

Upon recommendation by the Nomination Committee and as approved by the Board, the nomination of Dr. Javier will be submitted to the approval of the shareholders during the Annual Stockholders' Meeting for the following meritorious reason: The personal qualifications of both Dr. Javier, as well as their experience in the field of education is crucial for CEU.

The nominees for regular directors were also evaluated by the Nomination Committee during the same meeting. Viz:

1. Mr. Basilio C. Yap
2. Atty. Danilo L. Concepcion
3. Benjamin C. Yap
4. Alejandro C. Dizon
5. Emilio C. Yap III
6. Maria Corazon M. Tiongco
7. Johnny C. Yap

Attached to this Information Statement are the qualifications of the 3 nominees for Independent Directors, and the 7 nominees for regular directors.

OFFICERS

SERGIO F. APOSTOL, 90 years old, Filipino, was elected as the University's Corporate Secretary and Compliance Officer on February 26, 2010. He graduated from Letran College with the degree of Associate in Arts, Bachelor of Laws at Ateneo de Manila University. He is a member of the Board of Directors of Manila Hotel and Chairman and Chief Executive Officer of Kaytrix Agri-Aqua Corporation. He is a member of the Audit and Nomination Committee of Centro Escolar University. He is a Member of the House of Representatives 16th Congress.

CESAR F. TAN, 71 years old, Filipino, was elected as Treasurer on April 11, 2006 and is a member of the Procurement Committee. He graduated from the Far Eastern University with a degree of B.S.C. Accounting and is a career service professional. He was formerly Assistant Treasurer and Assistant Vice President of Liwayway Publishing, Inc. He is also the Treasurer of Centro Escolar Integrated School, Centro Escolar University Hospital, Inc. and Centro Escolar Las Piñas, Inc.

JAYSON O'S. RAMOS, 44 years old, Filipino, is the Internal Legal Counsel of the University. He graduated from De La Salle University with the degree of BS Commerce major in Business Management in 2000 and Bachelor of Laws at San Beda College in 2006. He passed the Bar examination in 2006. Attended various seminars and trainings in his field of expertise. In July 2017, he was elected Assistant Compliance Officer. He is also the Corporate Secretary of Centro Escolar Integrated School, Inc.

TERESA R. PEREZ, 63 years old, Filipino, is the Senior Vice President for Academic Affairs. She is a member of the Procurement Committee. She graduated from CEU with the degree of B.S. Biology. She holds a Master's degree in Biology and a doctorate degree in Curriculum and Supervision, both from CEU. She has been a faculty member of the University since 1982 and also Vice President of Centro Escolar Integrated School and Centro Escolar Las Piñas, Inc.

MARIA CLARA PERLITA ERNA V. YABUT, 59 years old, Filipino, is the Vice President for Research and Evaluation. She graduated from the University of the Philippines with the degree of B.S. Secondary Education, major in Mathematics. She obtained a Master's and a doctorate degree in Mathematics Education, both from CEU. She has been with the University since 1990. At present, she is the National President of the Philippine Society for Research and Evaluation (PSERE), Chair of U-Belt Research Consortium, CEU Research and Development Foundation and Executive Secretary of the National Research Council of the Philippines Research Foundation (NRCPRF).

PEARLY P. LIM, 62 years old, Filipino, is the new Vice President for Makati. She was a former Dean of School of Dentistry. She graduated Preparatory Dentistry from University of the East, March 1982 and Doctor of Dental Medicine at Centro Escolar University, March 1986. She earned Master of Arts with Specialization of Teaching in March 1992, Doctor of Philosophy Major in Curriculum and Supervision in March 2002, and Master of Science in Dental Education in March 2007 at Centro Escolar University. She is a councilor at International Association for Dental Research, Fellow at Academy of Dentistry International and Pierre Fauchard Academy. She is an accreditor of the Philippine Association of Colleges and Universities., Commission on Accreditation (PACUCOA), and the CHINA (Guangxi)-ASEAN Advisory Committee on Dentistry.

MA. FLORDELIZA L. ANASTACIO, 65 years old, Filipino, is the Vice President and Dean of Studies of CEU Malolos. She earned her Bachelor's Degree in Accounting from La Consolacion College Manila. She is a Certified Public Accountant. She finished her MBA, PhD in Educational Management and Post Doctoral Course in Total Quality Management in Higher Education from Centro Escolar University Manila. She is the President of the International Academy of Accountants for Business, Research and Education (IAABRE) and the former National President of the Philippine Society for Educational Research and Evaluation (PSERE) and the Philippine Council of Deans and Educators in Business (PCDEB). She is an International Visiting Professorial Fellow, Research Fellow and Senior Fellow in Accountancy of the Royal Institute of Singapore. She completed her Post Doctoral Program in International Deans' Course (IDC) in Germany as a DAAD Scholar. At present, she is one of the 3 IDC Mentors/Experts of Southeast Asia.

CARLITO B. OLAER, 61 years old, Filipino, is the Vice President for Student Affairs. He served as the Head of the Religion Department and was the Campus Minister of CEU before his appointment as VP for Student Affairs. He holds the degree of A.B. Philosophy (magna cum laude) from the Dominican House of Studies and Bachelor of Sacred Theology (cum laude) from the University of Santo Tomas. He obtained his Masters in Theology (magna cum laude) from San Sebastian College and his doctoral degree in Educational Management from CEU (with the highest academic distinction). He has been with the University since 1991.

MA. ROLINA S. SERVITILLO, 56 years old, Filipino, is the Vice President for Administration and Accounting. She earned a degree of Bachelor of Science in Commerce, major in Accounting (cum laude) from the Centro Escolar University, Malolos Campus. She is a Certified Public Accountant (CPA) and former Head, Internal Audit Department of the University. She is also the Vice President for Accounting and Administration of Centro Escolar Las Piñas, Inc. and Centro Escolar Integrated School, Inc.

JERICHO P. ORLINA, 59 years old, Filipino, is the Assistant Vice President for Business Affairs. He graduated from Ateneo de Naga University with the degree of Bachelor of Science in Commerce, major in Accounting. He is a Certified Public Accountant. He completed the Post-Graduate Management Development Program of Asian Institute of Management. He is a member of Philippine Institute of Certified Public Accountants (PICPA) and Institute of Internal Auditors. He is also the Assistant Vice President of Centro Escolar University Hospital, Inc.

BELLA MARIE L. FABIAN, 62 years old, Filipino, is the Assistant Vice President for Administration. She graduated from University of the East with a degree of Bachelor of Science in Business Administration-Accounting. She obtained her Masters degree in Business Administration-Management and doctorate degree of Doctor of Philosophy in Business Management.

RHODA C. AGUILAR, 52 years old, Filipino, is the University Registrar. She is a member of the Administrative Council. She graduated from CEU with the degree of BSE major in Mathematics (magna cum laude). She obtained her Master's degree in Mathematics Education and doctorate degree in Curriculum and Supervision. She is a career service professional (exempted given to honor student) and the Professional Board Examination for Teachers (8th place).

BERNARDITA T. TRAJE, 64 years old, Filipino, is the University's Assistant Controller. She served as Assistant Treasurer from August 2001 to August 2006. She graduated from the Polytechnic University of the Philippines. She is a Certified Public Accountant (CPA). She has been with the University since 1980.

BGen Noel T. Baluyan PA (Ret), 58 years old, a distinguished veteran with over three decades of military service, currently serves as the Assistant Vice President for Operations at Centro Escolar University. He has held this position since October 25, 2024. A proud alumnus of the Philippine Military Academy, he graduated with a bachelor's degree on February 18, 1990. His commitment to lifelong learning is evident in his academic background, which includes among others: the Master of Public Administration Major in Public Policy and Programs at the National College of Public Administration and Governance, UP Diliman in 2004; Master of Public Management Major in Development and Security at the Development Academy of the Philippines, Ortigas Center, Pasig City in 2010; the Senior Executive Course on National Security Administration at the National Defense College of the Philippines in 2019. He also gained international experience as an international fellow at the National Defense University's Joint Forces Staff College in Norfolk, Virginia, where he completed the Joint Professional Military Education II in 2016. Throughout his remarkable military career, he held various positions of major responsibility in the Philippine Army, as Company Commander, Battalion Commander, Task Group Commander, Infantry Brigade Commander, and both Assistant and Acting Infantry Division Commander. He retired from active service in December 2022. Following his retirement from the military service, he continued his public service as the Assistant Secretary for Administration at the Department of Education, a role he held from June 21, 2023, until July 19, 2024.

2. Significant Employees

All employees are expected to make reasonable contribution to the success of the business of CEU. There is no "significant employee" as defined in Part IV(A)(2) of the SRC Rule 12 (i.e., a person who is not an executive officer of the registrant but who is expected to make a significant contribution to the business).

3. Family Relationships

Mr. Basilio C. Yap and Mr. Benjamin C. Yap are relatives within the second degree of consanguinity likewise Dr. Emilio C. Yap III and Dr. Johnny C. Yap are relatives within the second degree of consanguinity. Mr. Basilio C. Yap and Mr. Benjamin C. Yap who are relatives within the second degree of consanguinity and Dr. Emilio C. Yap III and Dr. Johnny C. Yap who are also within the second degree of consanguinity are relatives within the third degree of consanguinity.

4. Pending Legal Proceedings

The University is not aware of any legal proceeding in the past five (5) years to date involving its directors and officers that are material to the evaluation of the ability and integrity of any director or officer of the University.

No director or officer has been convicted by final judgment during the last five (5) years up to the present of any offense punishable by Philippine laws or by the laws of any other country.

CEU has no knowledge of pending legal proceedings against any of its directors or executive officers involving: (a) any bankruptcy petition filed by or against any business of which its directors or executive officers is subject; or (b) any judgment or decree permanently or temporarily limiting or suspending their involvement in any type of business, securities, commodities or banking activities; or, (c) any violation of a securities or commodities law or regulation and the judgment has not been reversed, suspended or vacated.

5. Certain Relationships and Related Transactions

The University entered into a 25-year lease contract with Philtrust Bank on July 29, 2004. The lease covers the use of Philtrust Bank's land, building and improvements thereon located at 259-263 Sen. Gil Puyat Avenue and Malugay Street, Makati City. The lease commenced on January 1, 2005 for the operation of the CEU-Makati Extension Campus for school year 2005-2006. Lease of the building from Philtrust Bank is for the exclusive purpose of maintaining and operating an extension campus in Makati City, and to conduct therein all such activities necessary to provide adequate educational instruction and other services to its students, including authorized extra-curricular activities. The consideration for the lease was principally based on the valuation of the property by Asian Appraisal, Inc. and on the financial advisory by Buenaventura, Echauz and Partners. Except for the respective parties' covenants under said lease contract between CEU and Philtrust Bank, there is no further contractual or other commitment resulting from the arrangement that would pose any risk or contingency. There are no other parties involved in this transaction.

The University, in line with its expansion program and for marketing purposes, avails of advertising services of Manila Bulletin Publishing Corporation. The terms of said advertising transactions are based on terms similar to those offered to non-related parties.

The University rented rooms and facilities of Manila Hotel, an affiliate of the University, as venue for commencement exercises.

For a detailed discussion on related party transactions, please see the Notes of the 2025 Audited Financial Statements.

b. There is no director who has declined to stand for re-election to the Board of Directors since the date of the last annual stockholders' meeting because of disagreement with the University on matters relating to operations, policies and practices.

Item 6. Compensation of Directors and Officers

No action is to be taken with respect to item 6 during the Special Stockholders Meeting.

1. The aggregate compensation paid or accrued during the last two (2) fiscal years and to be paid in the ensuing calendar year to the University's President and five (5) most highly compensated executive officers as **a group** are as follows:

<u>Name and Position</u>	<u>Fiscal Year</u>	<u>Annual Salary</u>	<u>Bonus</u>	<u>Other Annual Compensation</u>	<u>Total Compensation</u>
PRES. PADOLINA	2023-2024	12,798,102.56	1,497,245.64	N/A	14,295,348.20
VP YABUT	2024-2025	11,764,089.28	1,589,366.25	N/A	13,353,455.53
SVP PEREZ	2025-2026***	11,764,089.28	1,589,366.25	N/A	3,353,455.53
VP ANASTACIO					
VP OLAER					

***Figures are estimated amounts.

2. The aggregate compensation paid or accrued during the last two (2) fiscal years and to be paid in the ensuing calendar year to all other officers and directors as **a group** are as follows:

<u>Name and Position</u>	<u>Fiscal Year</u>	<u>Annual Salary</u>	<u>Bonus</u>	<u>Other Annual Compensation</u>	<u>Total Compensation</u>
All Officers and Directors as a Group	2023-2024 2024-2025 2025-2026***				₱ 31,754,550.55 ₱ 34,261,675.54 ₱ 34,261,675.54

3. The Directors do not receive compensation for services provided as a director other than reasonable per diems for attendance at meetings of the Board or any of its committees. VIZ ⁶ The Following are the per diems received by each Director for fiscal year 2023 and 2024:

Name	Per Diem Amount (Monthly)
1. Basilio C. Yap	Php 5,000.00
2. Ma. Cristina D. Padolina	Php 5,000.00
3. Emil Q. Javier	Php 5,000.00
4. Lope M. Yuvienco	Php 5,000.00
5. Alejandro C. Dizon	Php 5,000.00
6. Corazon M. Tiongco	Php 5,000.00
7. Benjamin C. Yap	Php 5,000.00

8. Emilio C. Yap, III	Php 5,000.00
9. Johnny C. Yap	Php 5,000.00

4. There are no bonuses, profit sharing stock options warrants, rights of other compensation plans or arrangements with directors or officers that will result from their resignation, retirement, termination of employment or change in the control of the University.

The duties and responsibilities of the elected corporate officers are specified in the University's By-laws and/or Manual of Corporate Governance.

Other officers whose duties and responsibilities are set by Management are considered regular employees of the University.

5. There are no outstanding warrants or options held by the University's President, executive officers and directors.

Item 7. Independent Public Accountants.

The approval of the re-appointment of Sycip, Gorres, Velayo & Co., Inc. (SGV) as external auditor is among the items in the agenda of the Annual Stockholders Meeting.

SGV served as the University's external auditors for SGV has served as the University's external auditor since 2000, with Mr. Arnel F. de Jesus (2000-2005), Mr. Ramon D. Dizon (2006-Feb. 2009), Ms. Janet Alvarado-Paraiso (March 2009-July 2013) and Mr. Christian Lauron (Aug. 2013-Sept. 2014), Ms. Josephine Adrienne A. Abarca, (Oct. 2014-March 2018) Ms. Djole S. Garcia (April 2018 up to 2023), Mr. Bryan Chrisnel M. Baes (2023-present) as handling partner.

There was no change in or disagreement with the external auditor on accounting and financial disclosures.

SGV representatives will be present during the stockholders' meeting and will have an opportunity to make a statement if they desire to do so. It is also expected that the attending representatives will be able to respond to appropriate questions.

⁵During the stockholders' meeting on July 27, 2004, the stockholders approved the grant of annual medical allowance and related bonuses to the members of the Board of Directors.

⁷ The Audit Committee is composed of Dr. Emil Q. Javier, chairman, Mr. Lope M. Yuvienco, Dr. Alejandro C. Dizon and Atty. Sergio F. Apostol, members.

Item 8. Compensation Plans

No action is to be taken with respect to item 8 during the Annual Stockholders Meeting.

C. ISSUANCE AND EXCHANGE OF SECURITIES

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

No action is to be taken with respect to the authorization or issuance of securities during the Annual Stockholders Meeting.

Item 10. Modification or Exchange of Securities

No action is to be taken with respect to the modification or exchange of the Company's securities during the Annual Stockholders Meeting.

Item 11. Financial and Other Information

No action is to be taken during the Annual Stockholders Meeting.

Item 12. Mergers, Consolidations, Acquisitions, and Similar Matters

No action is to be taken with respect to mergers, consolidations, acquisitions, and similar matters during the Annual Stockholders Meeting.

Item 13. Acquisition or Disposition of Property

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

Item 14. Restatement of Accounts

No action is to be taken regarding the restatement of any asset, capital, or surplus account of the Company during the Annual Stockholders Meeting.

D. OTHER MATTERS**Item 15. Action with Respect to Reports**

The approval of the following will be taken up during the meeting:

1. Minutes of the annual stockholders meeting held on October 25 2024
2. Minutes of the special stockholders meeting held on 07 March 2025

Copies of the foregoing minutes are attached to the Information Statement. These minutes were also published via PSE Edge and the University's Corporate Information Website the next working day after the respective meetings.

Brief Summary of the
25 October 2024 Annual Stockholders' Meeting

The following Directors were present:

Mr. Basilio C. Yap, Chairman
Dr. Ma. Cristina D. Padolina, Vice Chairman
Dr. Emil Q. Javier, Independent Director
Dr. Angel C. Alcala, Independent Director
Dr. Alejandro C. Dizon,
Mr. Benjamin C. Yap,
Dr. Emil C. Yap III,
Dr. Johnny C. Yap,
Ms. Corazon M. Tiongco – Assistant Treasurer

The following corporate officers are present:

Atty. Sergio F. Apostol – Corporate Secretary
Mr. Cesar F. Tan – Treasurer
Dr. Teresa R. Perez – Senior Vice President – Academics

Dr. Erna V. Yabut – Vice President for Research Innovation and
Institutional Development & Corporate Information Officer
Mrs. Rolina S. Servitillo – Vice President for Administration and Accounting

The following matters were approved with the following votes cast:

Item	For	Against	Abstain	Decision
Approval of the Minutes of the 27 October 2023 Annual Stockholders Meeting	295,739,130	0	0	Approved
Approval of the Management Report of the Board of Directors	295,739,130	0	0	Approved
Ratification of all acts, resolutions, and transactions of the Board of Directors and the Management for the fiscal year 2023-2024	295,739,130	0	0	Approved
Continuous engagement and nomination of Dr. Emil Q. Javier as independent director.	295,739,130	0	0	Approved
Delegation to the BOD the authority to appoint External Auditor	295,739,130	0	0	Approved
Declaration of Stock Dividends	295,739,130	0	0	Approved
Amendment of Articles of Incorporation to increase Directors from 9 to 10	295,739,130	0	0	Approved
Amendment of By-laws to increase Independent Directors from 2 to 3	295,739,130	0	0	Approved
Amendment of By-laws to	295,739,130	0	0	Approved
Amendment of By-laws to	295,739,130	0	0	Approved

The following individuals were elected as members of the Board of Directors, with the following votes received.

Name	Votes Received
Mr. Lope M. Yuvienco (independent)	295,739,130
Dr. Emil Q. Javier (independent)	295,739,130
Mr. Basilio C. Yap	295,739,130
Dr. Ma. Cristina D. Padolina	295,739,130
Dr. Alejandro Dizon	295,739,130
Mr. Benjamin C. Yap	295,739,130
Ms. Corazon M. Tiongco	295,739,130
Dr. Emil C. Yap III	295,739,130
Dr. Johnny C. Yap	295,739,130

Brief Summary of the
07 March 2025 Special Stockholders' Meeting

The following Directors were present:

Mr. Basilio C. Yap, Chairman
Dr. Ma. Cristina D. Padolina, Vice Chairman
Dr. Emil Q. Javier, Independent Director
Dr. Angel C. Alcala, Independent Director
Dr. Alejandro C. Dizon,
Mr. Benjamin C. Yap,
Dr. Emil C. Yap III,
Dr. Johnny C. Yap,
Ms. Corazon M. Tiongco – Assistant Treasurer

The following corporate officers are present:

Atty. Sergio F. Apostol – Corporate Secretary
Mr. Cesar F. Tan – Treasurer
Dr. Teresa R. Perez – Senior Vice President – Academics
Dr. Erna V. Yabut – Vice President for Research Innovation and
Institutional Development & Corporate Information Officer
Mrs. Rolina S. Servitillo – Vice President for Administration and Accounting

During the Special Stockholders Meeting of CEU held in the afternoon of 07 March 2025 online via zoom, the following matters were approved, with the corresponding votes cast:

Total shares represented by proxies and in person:	377,018,807
Total outstanding shares:	446,897,323 shares
	=====
	84.36 %

Tally of votes				
Item	For	Against	Abstain	Decision
Ratification, in relation to the declaration of 20% stock dividends approved during the 25 October 2024 Annual Stockholders Meeting, of the treatment of fractional shares based on stockholder data as of record date 18 December 2024, i.e. the rounding of shares based on universal mathematical principles, and the 43 extra shares that resulted from the rounding of shares.	377,018,807	0	0	Approved

For the both meetings, the stockholders who successfully completed the registration and validation process cast their votes by logging in at www.ceu.edu.ph and accomplishing the virtual ballot posted therein.

Stockholders had an opportunity to ask questions regarding the items in the agenda for both meetings. However, the University did not receive any questions during the period allotted, hence, no disclosure on the questions asked and responses given can be included in this report.

During the meetings, the floor was opened the floor to questions/comments however, none was received.

The votes cast in absentia and via proxies for both meetings were validated and counted under the supervision of the Office of the Corporate Secretary and the Company's stock transfer agent.

The same method of voting and counting will be implemented for the 2025 Annual Stockholders Meeting.

Item 16. Matters Not Required to be Submitted

Ratification of Legal Acts, Proceedings and Resolutions for the fiscal year 01 June 2024 – 31 May 2025

Also submitted for approval of the stockholders are the acts, proceedings and resolutions approved by the Board of Directors and Officers of the Company for the fiscal year ending 31 May 2025. A copy of the Management Report (Annual Report) and the Audited Financial Statements of the Company for the relevant will be posted on the website of the University. Copies will also be attached to the Definitive Information Statement. As of the preparation of this report the University has filed a 17L and has not yet finalized its Audited Financial Statements.

Item 17. Other proposed actions

1. Report of the Nomination Committee – Continuous engagement of Dr. Emil Q. Javier as Independent Director.

Dr. Emil Q. Javier have served the maximum cumulative term of nine (9) years provided under SEC Memorandum Circular No. 15, series of 2017. Pursuant to the Code of Corporate Governance for Publicly-Listed Companies, set forth in this Information Statement are the meritorious justifications cited by the Nominations Committee in approving the renomination of Dr. Javier as independent director. It is requested that the stockholders approve the continuous engagement and re-elect Dr. Javier as independent directors despite having served the maximum term.

2. Election of Directors

Ten (10) Directors will be elected for the year 2025 – 2026.

3. Appointment of External Auditor

The External Auditor will be appointed for the year 2025 – 2026.

Other Business:

Under relevant laws and issuances, stockholders who hold at least 5% of the Corporation's outstanding capital stock alone or together with other shareholders have the right to include items on the agenda prior to the stockholders' meeting.

The University has not received any such request to include items on the agenda before the filing of this Information Statement.

Items proposed to be added to the after the filing of this Definitive Information Statement shall be filed under Other Business.

AGENDA

1. Call to Order
2. Proof of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders Meeting on October 25, 2024
Approval of the Minutes of the Special Stockholders Meeting on 07 March 2025
4. Chairman's Address
5. Approval of the Annual Report of the Board of Directors
6. Ratification of all acts, resolutions, and transactions of the Board of Directors and the management for the fiscal year 2024 - 2025
7. Report of the Nomination Committee
8. Election of Directors
9. Appointment of External Auditor
10. Other Matters
11. Adjournment

EXPLANATION OF AGENDA ITEMS

1. Call to Order

The Chairman of the Board or any officer to be assigned by the Chairman, will call to order the Special Meeting of the Stockholders.

2. Proof of Service of Notice

The Corporate Secretary will be asked to certify that, in accordance with Section 49 of the Revised Corporation Code and SEC Memo Circular No. 3 Series of 2020, the Notice and Agenda of the meeting, among other things, were served upon the stockholders entitled to the same through publication in two (2) newspapers of general circulation, The Manila Bulletin and Tempo, in print and online format, on 01 October 2025 and 02 October 2025, the last day of which is more than 21 days prior to the actual date of meeting.

3. Certification of Presence of Quorum

The Corporate Secretary will then certify whether a quorum exists for a valid meeting based on the number of shares present through remote communication, voting in absentia, or by proxy.

4. The main agenda items are already discussed in this Information Statement.

Item 18. Voting Procedures

a. The vote required for approval

Under the law, stock dividends require approval of stockholders constituting 2/3 of the Outstanding Capital Stock. Since the 43 shares for ratification constitute stock dividends, the vote required for approval is 2/3 vote as provided by law.

b. The method by which votes will be counted

A stockholder entitled to vote at the meeting shall have the right to do so via voting in absentia through remote communication or by proxy. With respect to the election of directors, in accordance with

the Revised Corporation Code of the Philippines, a stockholder may vote the number of shares held in his name in the University's stock and transfer book as of October 3, 2025, and may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as 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, That the total number of votes cast by him shall not exceed the number of shares owned by such stockholder as shown in the stock and transfer book multiplied by the total number of directors to be elected.

c. The manner by which the votes may be made

A stockholder entitled to vote at the meeting shall have the right to do so via voting in absentia through remote communication or by proxy. Attendees are required to pre-register and may vote in absentia via remote communication (online).

Annex A
Instructions and Procedures for
Registration, Attendance and Online Voting in Absentia
for the
2025 CEU Annual Stockholders' Meeting

I. Online Attendance and Voting in Absentia

For the 2025 CEU Annual Stockholders' Meeting ("Meeting") attendance and voting may be done electronically in absentia.

II. Online Registration

1. Stockholders who wish to participate in the Annual Stockholders' meeting shall register through the banner announcement found in the University's Website, www.ceu.edu.ph starting October 3, 2025.
2. The registration period shall start from October 3, 2025 to the close of business hours on October 14, 2025. For any registration concerns, Stockholders may send an email to corporate@ceu.edu.ph
3. Upon access to the registration page, a Privacy Notice will appear. Once consent is given, registration will commence.
4. During the registration, the stockholder shall provide the following:
 - a. Individual Stockholders:
 - a.i. Name
 - a.ii. Active email address
 - a.iii. Active contact number
 - a.iv. Stock certificate number (just one in case of multiple certificates)
 - a.v. Scan (pdf or jpeg format) of a Valid Government Issued ID with signature and photograph. File size should not exceed 2MB.
 - a.vi. Recent Photograph of the Stockholder
 - b. For Stockholders with joint accounts:
 - b.i. A scanned copy of an authorization letter signed by all Stockholders named in the joint account, identifying who among them is authorized to cast the vote for the account. (pdf or jpeg format; file size should not exceed 2MB)
 - b.ii. In addition, the authorized stockholder must submit the requirements enumerated in No. 3 (a) above.

- c. For Stockholders under Broker accounts
 - c.i. A broker's certification on the Stockholder's number of shareholdings. (pdf or jpeg format; file size should not exceed 2MB).
 - c.ii. Active email address
 - c.iii. Active contact number
 - c.iv. Scan (pdf or jpeg format) of a Valid Government Issued ID with signature and photograph. File size should not exceed 2MB.
 - c.v. Recent Photograph of the Stockholder.

- d. For corporate Stockholders
 - d.i. A Secretary's Certificate attesting to the authority of the representative to vote for, and on behalf of the Corporation (in JPG or PDF format. File size should not exceed 2MB).
 - d.ii. Active email address of the representative
 - d.iii. Active contact number of the representative
 - d.iv. Scan (pdf or jpeg format) of a Valid Government Issued ID of the representative with signature and photograph. File size should not exceed 2MB.
 - d.v. Recent Photograph of the Representative

- e. For Stockholders to be represented by a proxy -
 - e.i. In addition to the above requirements for the Stockholder, the same requirement shall be submitted by the Proxy together with a scanned copy of the Proxy Form duly signed by the Stockholder (in JPG or PDF format. File size should not exceed 2MB). The Proxy Form may be downloaded from www.ceu.edu.ph

- 5. The collected information and documents will be validated and verified by Professional Stock Transfer Inc., the Stock and Transfer Agent of CEU.

- 6. Incomplete or inconsistent information may result in an unsuccessful registration. Stockholders who are not able to register successfully will not be given access to participate in the Meeting by remote communication.

- 7. Only those Stockholders who have successfully registered to participate in the Meeting by remote communication, or participates through proxy, will be included in determining the existence of a quorum.

- 8. Once verification is successful, a confirmation email shall be sent to the registered email address.

III. Online Voting in Absentia

1. After filling out the required fields and uploading the required documents, Stockholders may cast their votes.
2. For the following items, the Stockholder may choose from the following options: **For**, **Against**, or **Abstain**. Details of these items are discussed in the Definitive Information Statement. The vote is considered cast for all the registered Stockholder's shares:
 - Approval of the Minutes of the October 25, 2024 Annual Stockholders Meeting;
 - Approval of the Minutes of the 07 March 2025 Special Stockholders Meeting;
 - Approval of the Annual Report of the Board of Directors;
 - Ratification of all acts, resolutions, and transactions of the Board of Directors and the management for the fiscal year 2024-2025;

- Report of the Nomination Committee (Continuous engagement of Dr. Emil Q. Javier as independent director);
 - Appointment of SGV & Co. as External Auditor
3. For the Election of Directors, the registered Stockholder may either (a) vote for all nominees, (b) not vote for any of the nominees, or (c) 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. Candidates receiving the highest number of votes shall be declared elected.
 4. Votes cast will be validated and verified by Professional Stock Transfer Inc., the Stock and Transfer Agent of CEU. Unsuccessful registration will result in invalid votes.
 5. A stockholder may send his/her questions and/or comments about the items in the Agenda prior to or during the Meeting to corporate@ceu.edu.ph. The Chairman will endeavor to reply to all questions received but should, for any reason, a question is not addressed, the Office of the Corporate Secretary will reply to the same by email.

In compliance with the requirements of the Securities and Exchange Commission, a recording of the proceedings of the Annual Meeting will be secured. Stockholders may send their queries about the Meeting to corporate@ceu.edu.ph

For any clarifications, please contact the Office of the Corporate Secretary through corporate@ceu.edu.ph

Attachments:

Notice of Meeting with Procedure for Registration
 Proxy Form
 Minutes of the 25 October 2024 ASM
 Minutes of the 07 February 2025 SSM
 17c of Agenda Items

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CENTRO ESCOLAR UNIVERSITY

Issuer

By:

Atty. SERGIO F. APOSTOL
Corporate Secretary

August 29, 2025

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **EMIL Q. JAVIER**, Filipino, of legal age and a resident of 9941 Mt. Makiling St., Los Baños Subd. College, Los Baños, Laguna, after having been sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of Centro Escolar University, and I have been its Independent Director since 2008.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
National Academy of Science and Technology Phils.	Academician	1982 to date
Asia Rice Foundation, Inc.	Trustee	1999 to date
Biotech Coalition of the Phils	Head Advisor	2004 to date
International Service for the Acquisition of Agri-Biotech Applications (South East Asia Center)	Board Member	2000 to date
Nutrition Center of the Phils	Chairman	2017 to date
Centro Escolar University Hospital	Independent Director	2008 to date
Del Monte Pacific Ltd.	Independent Director	2007 to date
Japan International Cooperation Agency (JICA)-Philippines	Member, Advisory Com.	2011 to date
Coalition for Agricultural Modernization in the Phils. (CAMP)	Chairman	2015 to date
Centro Escolar Las Pinas, Inc.	Independent Director	April, 2016

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Centro Escolar University, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am not related any director/officer/substantial shareholder of Centro Escolar University and its subsidiaries and affiliates other than the relationship provider under rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. 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 issuance.
7. I shall inform the Corporate Secretary of Centro Escolar University of any changes in the above-mentioned information with five days from its occurrence.

SEP 12 2025

Done this _____ day of _____, at Manila.

Emil Q. Javier

EMIL Q. JAVIER

Affiant

SUBSCRIBED AND SWORN to before me this SEP 12 2025 day of _____ at Manila, affiant personally appeared before me and exhibited to me his Philippine Passport No. P4047095A issued at DFA, Manila on August 15, 2017.

Doc. No. 744 ;

Page No. 69 ;

Book No. xxx

Series of 2025.

[Signature]
ATTY. MARIELLE JENELLE L. LAGUERTA

Notary Public of City of Manila- Until Dec. 31, 2025

Notarial Commission No. 2024-179

Tower 3, 3K, No. 181 N. Lopez St., Ermita, Manila

I.B.P. NO. 488207-Dec. 27, 2024 for the year 2025

PTR.NO.2041441- Jan. 2, 2025 at Manila

MCLE NO. VIII-0010660-Valid until 4-14-2028 Roll No. 88314

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **LOPE M. YUVIENCO**, Filipino, of legal age and a resident of 50 Domingo Poblete St., BFHEVA BF Executive Village, Parañaque City, after having been sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of Centro Escolar University, and I have been its Independent Director since March 2023.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Philippine AXA Life Insurance Corporation	Independent Director	2008 up to April 2023
Charter Ping An Insurance Corporation	Independent Director	2016 up to April 2023
Orix Metro Leasing Corporation	Independent Director	2005-2007
Buenaventura Echauz & Partners	Director for Regulatory and Government Sector	2001-2003
Citibank N.A., Manila	Vice- President	1972-1994

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Centro Escolar University, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am not related any director/officer/substantial shareholder of Centro Escolar University and its subsidiaries and affiliates other than the relationship provider under rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. 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 issuance.
7. I shall inform the Corporate Secretary of Centro Escolar University of any changes in the above-mentioned information with five days from its occurrence.

Done this _____ day of _____, at Manila.



LOPE M. YUVIENCO

Affiant

SEP 12 2025

SUBSCRIBED AND SWORN to before me this _____ day of _____ at Manila, affiant personally appeared before me and exhibited to me his Philippine Passport No. P8956971B issued at DFA, NCR South on February 15, 2022.

Doc. No. 944;
Page No. 69;
Book No. 202;
Series of 2025.


ATTY. MARVELLE JENELLE L. LAGUERTA
Notary Public of City of Manila- Until Dec.31,2025
Notarial Commission No. 2024-179
Tower 3, 3K, No. 181 N. Lopez St., Ermita, Manila
I.B.P. NO. 488207-Dec. 27, 2024 for the year 2025
STR. NO. 2041441- Jan. 2, 2025 at Manila
MCLE NO. VIII-0010660-Valid until 4-14-2028 Roll No. 88314

CERTIFICATION OF INDEPENDENT DIRECTOR

I, CARMENCITA D. PADILLA Filipino, of legal age and a resident of 11 Fordham St., White Plains Subdivision, Bgy. White Plains. Quezon City, after having been sworn to in accordance with law do hereby state:

1. I am a nominee for Independent Director of Centro Escolar University;
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
National Academy of Science and Technology	Academician National Scientist	2008 – Aug 30, 2023 Aug 31, 2023 to present
College of Medicine, University of the Philippines (UP) Manila	Professor Professor Emeritus	2000- Jan 31, 2024 Feb 1, 2024 to present
National Institute of Health, UP Manila	Board of Advisors	2024 to present
SingHealth Duke -National University of Singapore Global Health Institute	Adjunct Professor	July 2025 to present
Mongolian National University of Medical Sciences	Visiting Professor	2023 to present
Asia Pacific Alliance of Rare Disease Organization	Board Member	May 2024 to present
Lancet Commission on Rare Diseases	Commissioner	Nov 2024 to present
Philippine Health Corporation, Inc	Board Member	July 2024 to present
University of the Philippines Manila	Chancellor	Nov 2014 to Oct 2023
Philippine Genome Center, University of the Philippines System	Executive Director	2011 to 2016

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Centro Escolar University, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am not related any director/officer/substantial shareholder of Centro Escolar University and its subsidiaries and affiliates other than the relationship provider under rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. 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 issuance.

7. I shall inform the Corporate Secretary of Centro Escolar University of any changes in the abovementioned information with five days from its occurrence.

Done this 11th day of September, at Manila.

Carmencita D. Padilla

CARMENCITA D. PADILLA
Affiant

SUBSCRIBED AND SWORN to before me this SEP 12, 2025 day of _____ at Manila, affiant personally appeared before me and exhibited to me his Philippine Passport No. P7167704B issued at DFA, MANILA on July 09, 2021.

Doc. No. 343 ;
Page No. 69 ;
Book No. 2001
Series of 2025.

[Signature]
ATTY. MARIELLE JENELLE L. LAGUERTA
Notary Public of City of Manila- Until Dec.31,2025
Notarial Commission No. 2024-179
Tower 3, 3K, No. 181 N. Lopez St., Ermita, Manila
I.B.P. NO. 488207-Dec. 27, 2024 for the year 2025
PTR.NO.2041441- Jan. 2, 2025 at Manila
MCLE NO. VIII-0010660-Valid until 4-14-2028 Roll No. 88314

CERTIFICATION

I, **SERGIO F. APOSTOL**, Corporate Secretary of Centro Escolar University (CEU), a corporation duly registered under Philippine laws, with address at 9 Mendiola Street, San Miguel, Manila certify that none of the Directors and Officers of the University work in government or any government agency.

September 15, 2025, Manila.


ATTY. SERGIO F. APOSTOL

Corporate Secretary

ATTESTED BY:


ATTY. DANILO L. CONCEPCION

President and Vice Chairman


SUBSCRIBED AND SWORN to before me this **SEP 15 2025** day of 2025 at **MANILA** affiant exhibiting to me his Senior Citizens Affairs ID No. GARA 01129 issued on 08-19-09 as competent proof of identity bearing his signature and photograph.

Doc No. 372

Page No. 75

Book No. 8071

Series of 2025.


ATTY. MARIELLE JENELLE L. LAGUERTA
Notary Public City of Manila- Until Dec. 31, 2025
Notarial Commission No. 2024-179
Tower 3, 3rd Floor, No. 181 N. Lopez St., Ermita, Manila
I.B.P. NO. 488207- Dec. 27, 2024 for the year 2025
PTR. NO. 2041441- Jan. 2, 2025 at Manila
MCLE NO. VII-0010660- Valid until 4-14-2028 Roll No. 66224

Minutes of the Annual Stockholders' Meeting
Centro Escolar University
25 October 2024
CEU Mendiola Campus

(For Approval at the 2025 Annual Stockholders' Meeting)

Total Outstanding Shares	Shares Present	Abstentions
372,414,400 shares	295,739,130 shares	-

Tally of votes

Item	For	Against	Abstain	Decision
Approval of the Minutes of the 27 October 2023 Annual Stockholders Meeting	295,739,130	0	0	Approved
Approval of the Management Report of the Board of Directors	295,739,130	0	0	Approved
Ratification of all acts, resolutions, and transactions of the Board of Directors and the Management for the fiscal year 2023-2024	295,739,130	0	0	Approved
Continuous engagement and nomination of Dr. Emil Q. Javier as independent director.	295,739,130	0	0	Approved
Delegation to the BOD the authority to appoint External Auditor	295,739,130	0	0	Approved
Declaration of Stock Dividends	295,739,130	0	0	Approved
Amendment of Articles of Incorporation to increase Directors from 9 to 10	295,739,130	0	0	Approved

Amendment of By-laws to increase Independent Directors from 2 to 3	295,739,130	0	0	Approved
Amendment of By-laws to	295,739,130	0	0	Approved
Amendment of By-laws to	295,739,130	0	0	Approved

Directors Present

Mr. Basilio C. Yap, *Chairman*
 Dr. Ma. Cristina D. Padolina, *Vice Chairman*
 Dr. Emil Q. Javier, *Independent Director*
 Mr. Lope M. Yuvienco, *Independent Director*
 Dr. Alejandro C. Dizon, *Director*
 Mr. Benjamin C. Yap, *Director*
 Dr. Emil C. Yap III, *Director*
 Dr. Johnny C. Yap, *Director*
 Ms. Corazon M. Tiongco, *Director*

Call to Order

The meeting was called to order at 1:00pm by Dr. Padolina, Vice Chairman and President, who presided over the meeting. After reminding everyone that the meeting is being recorded as required by the SEC, Dr. Padolina called on Ms. Corazon M. Tiongco, Director, to lead the prayer.

Proof of Notice of Meeting

After the prayer, Dr. Padolina asked the Corporate Secretary, Atty. Sergio F. Apostol, whether the required notices were sent to the stockholders. Atty. Apostol stated that in accordance with Rule 20 of the Securities Regulation Code, and in consonance with the Notice of the Securities and Exchange Commission to Publicly-Listed Companies, the notice for the stockholders' meeting was published in the business section of two newspapers of general circulation – The Manila Bulletin, and Tempo – in print and online format, for two consecutive days, October 1 and 2, 2024.

The last day of publication, October 2, 2024 complies with the minimum twenty-one (21) days requirement prior to the date of the meeting. A Certification to this effect was executed by the publishing companies utilized by Management for the purpose and part of the records of the University.

Atty. Apostol further stated that the notice for the meeting was posted on the Company's website www.ceu.edu.ph, and on the Company's PSE EDGE portal.

As such, Atty. Apostol certified that the Stockholders were duly notified.

Certification of Quorum

Atty. Apostol stated that the total number of shares present and/or represented by proxy amount to 295,739,130 shares or at least 79.41% of the 372,414,400 total outstanding shares.

Atty. Apostol then certified that there was a quorum for the valid transaction of business during the meeting.

Approval of the Minutes of the Meeting Held October 27, 2023

Atty. Apostol stated that a copy of the Minutes of the 2023 Annual Stockholders Meeting held on October 27, 2023 was made available on the Corporate Information portion of the Company's website. In addition, a summary of the matters approved in the last stockholders' meeting is set out in the Definitive Information Statement which was also made available to the stockholders.

As such, since the stockholders have been fully apprised of this item in the agenda, it was proposed that the reading of the Minutes of the 2023 Annual Stockholders' Meeting held on October 27, 2023 be dispensed with.

The tally of votes was then presented which shows that based on the total votes received, more than the required majority of the outstanding shares of the Company equivalent to 295,739,130 shares (79.41%) approved the Minutes of the 2023 Annual Stockholders' Meeting held on October 27, 2023.

Dr. Padolina then asked if there are questions regarding the matter. No questions were raised.

The Minutes of the 2023 Annual Stockholders' Meeting held on October 27, 2023 therefore, was approved.

Resolution

"Resolved, as it is hereby approved, that the Minutes of the 2023 Annual Stockholders' Meeting held on October 27, 2023 is hereby approved."

Management Report for the Fiscal Year 2023 - 2024.

Dr. Padolina stated that the Management Report is included in the Definitive Information Statement which was made available to the stockholders via the Company's website and PSE EDGE portal.

Highlights of the report was then presented by Dr. Padolina.

After the presentation, Dr. Padolina asked Atty. Apostol if there were questions submitted by the stockholders in relation to the Management Report.

As there were no questions, the votes on the approval of the Management Report was presented. Based on the tally of votes more than the required majority of the outstanding shares of the Company, equivalent to 295,739,130 shares (79.41%) voted in favour of the matter.

With the shareholders owning at least a majority of the outstanding shares voting in favor of the matter, the Management Report as reflected in the Annual Report together with the financial statements for the fiscal year 2023-2024 is approved.

Resolution

“Resolved, as it is hereby approved, that the Annual Report together with the financial statements for the fiscal year 2023-2024 is hereby approved.”

Ratification of all the Acts, Proceedings and Resolutions of the Board of Directors and Management of the Company for Fiscal Year 2023-2024

Dr. Padolina stated that a summary of acts, proceedings, and resolutions is contained in the Definitive Information Statement made available to the stockholders through www.ceu.edu.ph and the PSE Edge Portal. These acts, proceedings and resolutions were discussed and approved in the meetings of the Board and its Committees and covered by minutes, which are on file and are available for inspection upon the request of any stockholder.

Dr. Padolina then asked if there were questions submitted regarding the matter. There being none, the tally of votes on the matter was presented.

Based on the total votes received, more than the required majority of the outstanding shares of the Company equivalent to 295,739,130 shares (79.41%) voted in favour of approving all the legal acts, resolutions and proceedings of the Board of Directors and Corporate Officers of the Company for Fiscal Year 2023-2024.

With shareholders owning at least a majority of the outstanding shares voting in favour of the matter, the acts, proceedings and resolutions of the Board of Directors and Management for Fiscal Year 2023-2024 as reflected in the minutes of the Board of Directors are approved, confirmed and ratified.

Resolution

“Resolved, as it is hereby resolved, that the acts, proceedings and resolutions of the Board of Directors and Management for Fiscal Year 2023-2024 as reflected in the minutes of the Board of Directors are hereby approved, confirmed and ratified.”

Ratification/Approval of the Continuous engagement of Dr. Javier as Independent Director.

Dr. Padolina presented the Nomination Committee Report which was thoroughly discussed in the Definitive Information Statement.

Dr. Padolina then asked if there were questions submitted regarding the matter. There being none, the tally of votes on the matter was presented.

Based on the total votes received, more than the required majority of the outstanding shares of the Company equivalent to 295,739,130 shares voted in favour of the continuous engagement of Dr. Javier as Independent Director.

Resolution

“Resolved, as it is hereby resolved, that the continuous engagement of Dr. Javier as Independent Director is hereby approved.”

Election of Directors for the fiscal year 2024-2025.

Dr. Padolina called on a member of the Nomination Committee, Ms. Corazon M. Tiongco, to name the individuals who are the nominees for the nine (9) seats in the Board. Ms. Tiongco then reported that in a meeting held on 30 August 2024, the Nomination Committee approved the nomination of the following individuals as Independent Directors of the Company for the year 2024-2025:

Dr. Emil Q. Javier

Mr. Lope M. Yuvienco

Ms. Tiongco further stated that in the same meeting, the following, after evaluation, were identified as nominees for Directors:

Mr. Basilio C. Yap

Dr. Ma. Cristina D. Padolina

Mr. Benjamin C. Yap

Dr. Alejandro C. Dizon

Dr. Emilio C. Yap III

Ms. Corazon M. Tiongco

Dr. Johnny C. Yap

Atty. Apostol stated that after tallying the ballots and the votes of proxies received, and considering further that there are only nine (9) nominees for the nine (9) seats in the Board, all the nominees are effectively elected as Directors of the Corporation for the year 2024 to 2025, getting the following votes:

Name	Votes Received
Dr. Emil Q. Javier (independent)	295,739,130
Mr. Lope M. Yuvienco (independent)	295,739,130
Mr. Basilio C. Yap	295,739,130
Dr. Ma. Cristina D. Padolina	295,739,130
Dr. Alejandro Dizon	295,739,130
Mr. Benjamin C. Yap	295,739,130
Ms. Corazon M. Tiongco	295,739,130
Dr. Emil C. Yap III	295,739,130
Dr. Johnny C. Yap	295,739,130

Resolution

“Resolved that the following are the duly elected directors of CEU for the ensuing fiscal year and until the election and qualification of their successors:

Dr. Emil Q. Javier and

Mr. Lope M. Yuvienco, as the Independent Directors

Mr. Basilio C. Yap

Dr. Ma. Cristina D. Padolina

Mr. Benjamin C. Yap

Dr. Alejandro C. Dizon

Dr. Emilio C. Yap III

Ms. Corazon M. Tiongco and

Dr. Johnny C. Yap.

Delegation to the Board the Authority to Appoint External Auditor.

Dr. Padolina presented the proposal to delegate the authority to appoint External Auditor to the Board of Directors.

Dr. Padolina discussed that during the Special Meeting of the Board of Directors of CEU held 11 October 2024, acting on the recommendation of the Audit & Risk Committee, the Board of Directors approved the proposal to delegate to the Board of Directors the authority to appoint the external auditor. The Board also resolved that the proposal be submitted for approval by the Stockholders during the Annual Stockholders Meeting to be held on 25 October 2024.

Since the Definitive Information Statement was released to the stockholders last 04 October 2024, CEU on 11 October 2024 filed an application with the SEC MSD to be allowed to make changes on CEU's Definitive Information Statement to be able to include the above-discussed matter in the Agenda of the ASM.

On 15 October 2024, CEU received MSD Order No. 91 Series of 2024 allowing changes to be made on the Definitive Information Statement.

The revised Definitive Information Statement was distributed last 18 October 2024, pursuant to the above-mentioned MSD Order and Implementing Rules. The item was then added on the ASM registration and voting page on the same day.

Based on the total votes received, 295,739,130 shares or more than the required majority of the outstanding shares of the Company voted in favor of the delegation to the Board of Directors the authority to appoint External Auditor.

With the shareholders owning at least a majority of the outstanding shares voting in favor of the matter, the delegation to the Board of Directors the authority to appoint External Auditor is hereby approved.

Resolution

“Resolved, as it is hereby resolved, that the delegation to the Board of Directors the authority to appoint External Auditor is hereby approved.”

Declaration of Stock Dividends

Dr. Padolina presented the Declaration of Stock Dividends. The Board of Directors of CEU during the Special BOD Meeting held last 03 October 2024 approved the issuance of stock dividends. Under the law, such declaration requires the approval of the Stockholders constituting at least two-thirds (2/3) of the outstanding capital stock.

The stock dividend percentage and other relevant data were all set out in the Definitive Information Statement.

Dr. Padolina then asked if there were questions submitted regarding the matter. There being none, the tally of votes on the matter was presented.

Based on the total votes received, out of the 295,739,130 total votes cast, 295,739,130 shares voted "for", 0 shares voted "against", and 0 shares abstained. Thus, 79.41% or more than the required two thirds (2/3) of the outstanding shares of the Company approved the declaration of stock dividends.

Resolution

"Resolved, as it is hereby resolved, that the declaration of Stock Dividends is hereby approved."

Other Matters

Dr. Padolina then presented the Other Matters in the Agenda which are proposals to amend the Articles of Incorporation and By Laws of the Corporation. Each proposal was discussed in the Definitive Information Statement.

Atty. Apostol informed Dr. Padolina that there were no further questions raised.

Based on the total votes received, out of the 295,739,130 total votes cast, 295,739,130 shares voted "for", 0 shares voted "against", and 0 shares abstained. Thus, 79.41% or more than the required two thirds (2/3) of the outstanding shares of the Company approved each of the proposed amendments to the Articles of Incorporation and By-Laws respectively.

Resolution

"Resolved, as it is hereby resolved, that the Amendment of the Articles of Incorporation to increase the number of members of Board of Directors from 9 to 10, is hereby approved.

Resolved, further, that the Amendment of the By-Laws to increase the number of Independent Directors from 2 to 3 is likewise approved.

Resolved, further that the Amendment of the By-Laws to permanently allow voting in absentia via remote communication during stockholder meetings is approved.

Resolved, further that the Amendment of the By-Laws to permanently allow attendance via remote communication during stockholder meetings is approved.

Adjournment

There being no further matters to discuss, upon motion duly seconded, the Stockholders' Meeting was adjourned at 2:00pm.

Minutes of the Special Stockholders Meeting
Centro Escolar University
07 March 2025
CEU Mendiola Campus

(For Approval at the 2025 Annual Stockholders' Meeting)

Total Outstanding Shares	Shares Present	Abstentions
446,897,323 shares	377,018,807 shares	-

Tally of votes

Item	For	Against	Abstain	Decision
Ratification, in relation to the declaration of 20% stock dividends approved during the 25 October 2024 Annual Stockholders Meeting, of the treatment of fractional shares based on stockholder data as of record date 18 December 2024, i.e. the rounding of shares based on universal mathematical principles, and the 43 extra shares that resulted from the rounding of shares.	377,018,807	0	0	Approved

Directors Present

Mr. Basilio C. Yap, *Chairman*
Dr. Ma. Cristina D. Padolina, *Vice Chairman*
Dr. Emil Q. Javier, *Independent Director*
Mr. Lope M. Yuvienco, *Independent Director*
Dr. Alejandro C. Dizon, *Director*
Mr. Benjamin C. Yap, *Director*
Dr. Emil C. Yap III, *Director*
Dr. Johnny C. Yap, *Director*
Ms. Corazon M. Tiongco, *Director*

Call to Order

The meeting was called to order at 1:00pm by Dr. Padolina, Vice Chairman and President, who presided over the meeting. After reminding everyone that the meeting is being recorded as

required by the SEC, Dr. Padolina called on Ms. Corazon M. Tiongco, Director, to lead the prayer.

Proof of Notice of Meeting

After the prayer, Dr. Padolina asked the Corporate Secretary, Atty. Sergio F. Apostol, whether the required notices were sent to the stockholders. Atty. Apostol stated that in accordance with Rule 20 of the Securities Regulation Code, and in consonance with the Notice of the Securities and Exchange Commission to Publicly-Listed Companies, the notice for the stockholders' meeting was published in the business section of two newspapers of general circulation – The Manila Bulletin, and Tempo – in print and online format, for two consecutive days, February 11 and 12, 2025.

The last day of publication, February 12, 2025 complies with the minimum twenty-one (21) days requirement prior to the date of the meeting. A Certification to this effect was executed by the publishing companies utilized by Management for the purpose and part of the records of the University.

Atty. Apostol further stated that the notice for the meeting was posted on the Company's website www.ceu.edu.ph, and on the Company's PSE EDGE portal.

As such, Atty. Apostol certified that the Stockholders were duly notified.

Certification of Quorum

Atty. Apostol stated that the total number of shares present and/or represented by proxy amount to 377,018,807 shares or at least 84.36% of the 446,897,323 total outstanding shares.

Atty. Apostol then certified that there was a quorum for the valid transaction of business during the meeting.

Ratification, in relation to the declaration of 20% stock dividends approved during the 25 October 2024 Annual Stockholders Meeting, of the treatment of fractional shares based on stockholder data as of record date 18 December 2024, i.e. the rounding of shares based on universal mathematical principles, and the 43 extra shares that resulted from the rounding of shares.

Dr. Padolina presented the above-captioned matter for ratification. The Board of Directors of CEU during the Special BOD Meeting held last 03 October 2024 approved the

issuance of stock dividends. Under the law, such declaration requires the approval of the Stockholders constituting at least two-thirds (2/3) of the outstanding capital stock.

The stock dividend percentage and other relevant data were all set out in the Definitive Information Statement.

Dr. Padolina then asked if there were questions submitted regarding the matter. There being none, the tally of votes on the matter was presented.

Based on the total votes received, out of the 377,018,807 total votes cast, 377,018,807 shares voted "for", 0 shares voted "against", and 0 shares abstained. Thus, 84.36% or more than the required two thirds (2/3) of the outstanding shares of the Company approved the declaration of stock dividends.

Resolution

"Resolved, as it is hereby resolved, that in relation to the declaration of 20% stock dividends approved during the 25 October 2024 Annual Stockholders Meeting, the treatment of fractional shares based on stockholder data as of record date 18 December 2024 i.e. the rounding of shares based on universal mathematical principles, and the 43 extra shares that resulted from the rounding of shares are hereby approved.

Other Matters

Adjournment

There being no further matters to discuss, upon motion duly seconded, the Stockholders' Meeting was adjourned at 1:20pm.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. August 29, 2025

Date of Report (Date of earliest event reported)

2. SEC Identification Number 1093

3. BIR Tax Identification No. 240-000-531-126

4. CENTRO ESCOLAR UNIVERSITY

Exact name of issuer as specified in its charter

5. PHILIPPINES

Province, city or other jurisdiction of
incorporation

6.

(SEC Use Only)

Industry Classification Code:

7. No. 9 Mendiola St., San Miguel, Manila

Address of principal office

1005

Postal Code

8. (02) 8735-6861 to 71

Issuer's telephone number, including area code

9. N/A

Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class

Number of Shares of Common Stock
Outstanding and Amount of Debt Outstanding

Common

446,897,323

11. Indicate the item numbers reported herein: Item 9. Other Events

Item 9. Other Events.

Based on the screening and evaluation by the Nomination Committee per the Corporation's Code of Corporate Governance during its meeting on August 29, 2025, the slate of nominees for Board of Directors are:

BASILIO C. YAP, 75 years old, Filipino, was elected Board member and Chairman of the Board of Directors of the University on April 25, 2014. In 1972, he graduated from De La Salle University with the degree of Bachelor of Science in Commerce major in Accounting, (*cum laude*). He is a Certified Public Accountant. In 1978, he earned his masters degree in Business Management from Asian Institute of Management. He is also the Chairman, President and Director of U.S. Automotive Co. Inc., USAUTOCO Inc., Philtrust Realty Corporation, Manila Prince Hotel, Cocusphil Development Corporation, U.N. Properties Development Corporation and Seebreeze Enterprises, Chairman Emeritus of Philtrust Bank, Chairman and Director of Manila Hotel Corporation, Chairman of the Board of Manila Bulletin Publishing Corporation. He is also the Chairman of Centro Escolar University Hospital, Inc. and Centro Escolar Las Piñas, Inc.

DANILO L. CONCEPCION, 67 years old, Filipino, is the President, Vice Chairman and Chief Academic Officer of the University. He was elected as a member of the Board of Directors, President and Vice Chairman of the University on June 01, 2025. He took up B.S. Agricultural Engineering from De La Salle Araneta University in Malabon 1979. He received his Bachelor of Laws degree from the University of the Philippines College of Law at Diliman in 1983. He finished his Master of Laws in Queen Mary University of London in 1986. He attended a Summer Course in International Law of the Sea at the University of Oxford in 1986 and a Finance for Senior Executives course in Asian Institute of Management in 2000. He is currently a Professor of Law in UP College of Law; Member of Faculty of Civil Law of University of Santo Tomas; Member of Civil Code Committee of Philippine Judicial Academy; Faculty of Philippine Judicial Academy and Regent of Pamantasan ng Lungsod ng Valenzuela. He is presently serving as a member of the editorial board of the IBP Law Journal, arbitrator in the Ad Hoc Arbitration cases with the Philippine Dispute Resolution Center, Inc., Liquidator of several companies National Steel Corporation; Bacnotan Steel Industries, Inc.; EYCO Group of Companies; Rubberworld (Philippines), Inc.; East Asia Capital; Winsource Solutions, Inc.; Advent Capital Corporations; PET Plans, Inc. Corporate Counsel of Gordon Dario Reyes Hocson & Viado Law Office and of Tan & Concepcion Law Firm.

BENJAMIN C. YAP, 79 years old, Filipino, was elected as a member of the Board of Directors on July 22, 2014. He graduated from University of the East with a degree of Bachelor of Science in Business Administration. He is currently the President and Chairman of the Board of Benjamin Favored Son, Inc., Chairman of the House of Refuge, Director of USAUTOCO, Inc. Director of Manila Hotel Corporation and Director of Philtrust Bank. He is also a Director of Centro Escolar University Hospital, Inc.

ALEJANDRO C. DIZON, 65 years old, Filipino, was elected as a member of the Board of Directors on August 31, 2007. Dr. Dizon graduated from the UERMMMC College of Medicine and passed the Philippine Medical Licensure Examination in 1986. He finished his residency in General Surgery at St. Luke's Medical Center and passed his Specialty Board Examination in General Surgery to become a Diplomate of the Philippine Board of Surgery, Inc. in 1992. He took his postgraduate fellowship training as a G.B. Ong Surgical Scholar at the Queen Mary Hospital, University of Hong Kong. He is a fellow and President of the Philippine College of Surgeons, a Fellow of the American College of Surgeons, Charter Fellow of the Philippine Society of General Surgeons Inc., and Examiner and member of the Board of Directors and Governors of the Philippine Board of Surgery Inc. He was the Vice President for Quality and Patient Safety and Chief Quality Officer and an Active Consultant in the Institute of Surgery of St. Luke's Medical Center Quezon City & Global City. He holds an Assistant Professor position in the faculty of UERMMMC College of Medicine.

EMILIO C. YAP III, 54 years old, Filipino, was elected as a member of the Board of Directors on September 1, 2009. He graduated from De La Salle University with the degree of Bachelor of Science in Accountancy. He was conferred with the degree of Doctor of Philosophy in Journalism, *honoris causa* by Angeles University Foundation on March 1, 2009, and Doctor of Business Administration, *honoris causa* by the Pamantasan ng Lungsod ng Maynila on April 16, 2010. He is currently the Chairman of the Board of Manila Prime Holdings, Inc., Director and Vice Chairman of the Board of Manila Bulletin Publishing Corporation, Director and Vice Chairman Philtrust Bank, and Director of Manila Hotel, and US Automotive Co., Inc.

CORAZON M. TIONGCO, 76 years old, Filipino, has been a member of the University's Board of Directors since 2000. She has been the Assistant Treasurer since 2005, AVP for Treasury since December 1, 2024. She obtained her Bachelor of Arts degree from the College of the Holy Spirit. She is currently a member of the Nomination Committee, Member of the Retirement Board, Head of the Purchasing Committee and the Purchasing Department. She is also a Director of Centro Escolar University Hospital, Inc.

JOHNNY C. YAP, 53 years old, Filipino, was elected as a member of the Board of Directors on October 26, 2007. He graduated from De La Salle University with the degree of Bachelor of Science in Management of Financial Institutions. He was conferred with the degree of Doctor of Philosophy in Humanities, *honoris causa* by Foundation University on March 21, 2010. He is presently the Vice Chairman and Treasurer of Euromed Laboratories, Philippines, Inc., Chairman of the Board of Café France Corporation, and Director of Centro Escolar Las Piñas, Inc.

INDEPENDENT DIRECTORS

EMIL Q. JAVIER, 84 years old, Filipino, is an independent director. He became a member of the Board of Directors of the University in July 2002. He is currently the Chairman of the University's Audit Committee and a member of the Nomination Committee. He graduated from the University of the Philippines, Los Baños with a degree of B.S. Agriculture (*cum laude*). He also holds a degree of M.S. Agronomy from the University of Illinois and Ph.D. in Plant Breeding from Cornell University. He is Chairman of the Coalition for Agricultural Modernization in the Philippines, a Trustee of the Asia Rice Foundation, Head Advisor of the Biotech Coalition of the Philippines and Academician of the National Academy of Science and Technology (Phil.). He is likewise a Board Member of the International Service for the Acquisition of Agri-Biotech Applications (South East Asia Center), and Chairman, Nutrition Center of the Philippines. He is also an Independent Director of Centro Escolar University Hospital, Inc., Centro Escolar Las Piñas, Inc. and Independent Director of Del Monte Pacific Ltd. and Member, Advisory Committee of Japan International Cooperation Agency (JICA), Philippines.

LOPE M. YUVIENCO, 80 years old, Filipino, is an independent director. He became a member of the Board of Directors of the University on March 31, 2023. He is currently a member of the University's Audit Committee. He graduated from University of the Philippines with a degree of Bachelor of Science in Business Administration in 1965, and obtained his M.B.A also from the University of the Philippines in 1972. He is a Certified Public Accountant. He was formerly an Independent Director of AXA Philippines and ORIX Metro Leasing Corporation, Director for Regulatory and Government Sector of Buenaventura Echaz & Partners, and Former Vice-President of Citibank N.A., Manila. He is also an Independent Director of Charter Ping An Insurance Corporation, and Fellow of Institute of Corporate Directors.

CARMENCITA D. PADILLA, 69 years old, Filipino, clinical geneticist and pediatrician, recognized as a National Scientist of the Philippines. She accomplished her pre-medicine degree at the University of the Philippines (UP) Diliman in 1976; finished her degree Doctor of Medicine at UP Manila College of Medicine in 1981; and pediatric residency at the Philippine General Hospital in 1985. She completed a fellowship in clinical genetics at the Royal Alexandra Hospital for Children in Australia. In 2005, she obtained a Master of Arts in Health Policy Studies (MAHPS) at UP Manila. She served as executive director of the Philippine Genome Center from 2011 to 2016. She was Chancellor of UP Manila from 2014 and her term ended in October 31, 2023. She is currently a Professor Emeritus in pediatrics.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CENTRO ESCOLAR UNIVERSITY

Issuer

By:

Atty. SERGIO F. APOSTOL
Corporate Secretary

29 August 2025

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER**

1. August 29, 2025
Date of Report (Date of earliest event reported)
2. SEC Identification Number 1093 3. BIR Tax Identification No. 240-000-531-126
4. CENTRO ESCOLAR UNIVERSITY
Exact name of issuer as specified in its charter
5. PHILIPPINES 6. (SEC Use Only)
Province, city or other jurisdiction of Industry Classification Code:
incorporation
7. No. 9 Mendiola St., San Miguel, Manila 1005
Address of principal office Postal Code
8. (02) 8735-6861 to 71
Issuer's telephone number, including area code
9. N/A
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA
- | Title of Each Class | Number of Shares of Common Stock
Outstanding and Amount of Debt Outstanding |
|---------------------|--|
| Common | 446,897,323 |
11. Indicate the item numbers reported herein: Item 9. Other Events

Item 9. Other Events.

Based on the nominations, pre-screening and evaluation by the Nomination Committee during its meeting on August 29, 2025, the nominees for Independent Directors are:

(1) Mr. Lope M. Yuvienco, 80 years old, Filipino, is an independent director. He became a member of the Board of Directors of the University on March 21, 2023. He is currently a member of the University's Audit Committee. He graduated from University of the Philippines with a degree of Bachelor of Science in Business Administration in 1965, and obtained his M.B.A also from the University of the Philippines in 1972. He is a Certified Public Accountant. He was formerly an Independent Director of AXA Philippines and ORIX Metro Leasing Corporation, Director for Regulatory and Government Sector of Buenaventura Echauz & Partners, and Former Vice-President of Citibank N.A., Manila. He is also an Independent Director of Charter Ping An Insurance Corporation, and Fellow of Institute of Corporate Directors.

Mr. Yuvienco was nominated by Sally Hubag and Cyrilla Agno all stockholders of record. All of said stockholders have no relationship with Mr. Yuvienco.

(2) Dr. Emil Q. Javier, 84 years old, Filipino, is an independent director. He is currently the Chairman of the University's Audit Committee and a member of the Nomination Committee. He graduated from the University of the Philippines, Los Baños with a degree of B.S. Agriculture (*cum laude*). He also holds a degree of M.S. Agronomy from the University of Illinois and Ph.D. in Plant Breeding from Cornell University. He is Chairman of the Coalition for Agricultural Modernization in the Philippines, a trustee of the Asia Rice Foundation, Head Advisor of the Biotech Coalition of the Philippines; Member, National Academy of Science and Technology (Phil.). He is likewise a Board Member of the International Service for the Acquisition of Agri-Biotechnology Applications (South East Asia Center), and Nutrition Center of the Philippines. He is also a Director of Centro Escolar University Hospital, Inc. and Centro Escolar Las Piñas and Independent Director of Del Monte Pacific Ltd. and Member, Advisory Committee of Japan International Cooperation Agency (JICA) Philippines.

Dr. Javier was recommended as a nominee for Independent Director by Sally Hubag, Lolita Balboa, Adelma Obciana, Raul Caparas and Felicita Diolanda, all stockholders of record. All of said stockholders have no relationship with Dr. Javier.

3. **Dr. Carmencita D. Padilla**- 69 years old, Filipino, clinical geneticist and pediatrician, recognized as a National Scientist of the Philippines. She accomplished her pre-medicine degree at the University of the Philippines (UP) Diliman in 1976; finished her degree Doctor of Medicine at UP Manila College of Medicine in 1981; and pediatric residency at the Philippine General Hospital in 1985. She completed a fellowship in clinical genetics at the Royal Alexandra Hospital for Children in Australia. In 2005, she obtained a Master of Arts in Health Policy Studies (MAHPS) at UP Manila. She served as executive director of the Philippine Genome Center from 2011 to 2016. She was Chancellor of UP Manila from 2014 and her term ended in October 31, 2023. She is currently a Professor Emeritus in pediatrics.

Dr. Padilla was nominated by Precilla Retardo and Cyrilla Agno all stockholders of record. All of said stockholders have no relationship with Dr. Padilla.

In this connection, since Dr. Javier has already served as Independent Director for more than **nine (9) years** since 2012, the matter was reported to the BOD. During the regular meeting of the BOD held in the afternoon of 29 August 2025, the Board, for meritorious reasons, resolved that the matter (continuous nomination and engagement of Dr. Javier as independent director) be referred to the Stockholders during the annual meeting on 24 October 2025.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CENTRO ESCOLAR UNIVERSITY

Issuer

By:

A handwritten signature in black ink, appearing to be 'S. Apostol', written over a circular stamp or seal.

Atty. SERGIO F. APOSTOL
Corporate Secretary

CENTRO ESCOLAR UNIVERSITY
(Company's Full Name)

9 Mendiola Street
San Miguel, Manila
(Company's Address)

8735-6861 to 71
(Telephone Numbers)

**MANAGEMENT REPORT
TO STOCKHOLDERS**

For the Annual Stockholders' Meeting
To be held on 24 October 2025
in accordance with SRC Rule 20.4

**MANAGEMENT REPORT TO STOCKHOLDERS
UNDER SRC RULE 20.4**

Item 1. Financial Statements

The audited financial statements and supplementary schedules to the financial statements duly submitted to BIR* are attached as Exhibit 1 hereto.

Item 2. Changes in and Disagreements with External Accountants on Accounting and Financial Disclosure

1. External Audit Fees and Services

Audit Fees and Related Fees

Sycip, Gorres, Velayo and Co. (SGV) was appointed as external auditor of the University for the fiscal year ending May 31, 2025. There was no change in or disagreement with the external auditor on accounting and financial disclosures.

In compliance with Securities Regulation Code (SRC) Rule 68, Ms. Djole S. Garcia was designated as partner in-charge from FY 2018 to FY 2023 while Ms. Josephine Adrienne A. Abarca and Mr. Christian Lauron were designated as partner in-charge in FY 2016 to FY 2017 and FY 2014 to FY 2015 respectively.

For FY 2025-2025 and 2023-2024, the partner in -charge is Mr. Bryan Chrisnel M. Baes.

In 2024, 2023, and 2022, the University paid Php 1,610,000.00, Php 1,195,700.00, and Php 1,087,000.00 respectively, VAT exclusive, to Sycip, Gorres, Velayo and Co. (SGV) for the audit of the University's annual financial statements, as well as assistance in the preparation of the annual income tax returns.

In 2025, the engagement fee of Sycip, Gorres, Velayo and Co. (SGV) for the audit of the University's annual financial statements, as well as assistance in the preparation of the annual income tax returns amounts to Php1,500,000.

There are no other assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the University financial statements.

Item 3. Management's Discussion and Analysis (MD&A) or Plan of Operation

Financial Performance (2024-2025; 2023-2024; 2022-2023)

Tuition and Other School Fees increased by 0.07% from the previous year's Php 2,373,589,778 to this year's Php 2,375,287,807 as compared to last year's increase of 28.5% to Php 2,373,589,778 from Php 1,847,171,734. This account consists of Tuition Fees, Other Fees, and Income from Other School Services. Other fees included fees for electricity, registration materials, miscellaneous classroom expenses, laboratory materials, health services fees, library fees and development fees. Income from Other School Services comprised of fees for diploma and certificates, transcript of records, entrance

examinations and various collections for specific items or activities. Other Revenue pertaining to rental income amounted to Php 14,015,093 which has increased by 5.95% from previous year's total of Php 13,227,724 as compared to an increase of 20.76% in 2024 from a total of Php 10,953,501 in 2023. Interest income was reported at Php60,809,911 in 2025, Php 32,265,250 in 2024, and Php 14,739,965 in 2023. No Other Income was reported as of May 31, 2025 and 2024, with Php 4,000 as of May 31, 2023.

The total revenues from contracts with customers increased to Php 2,430,369,179 in 2025 from Php 2,400,221,353 in 2024, and from Php 1,880,318,123 in 2023 while Costs and Expenses were reported at Php 1,747,618,011 in 2025, Php 1,762,579,013 in 2024, and Php 1,500,235,664 in 2023.

For the fiscal year ended May 31, 2022, the academic calendar of the University was revised and the completion of the academic year was moved from May 2022 (fiscal year ended May 31, 2022) to June (covered by fiscal year ending May 31, 2023). This is due to the offering of the programs by the learning block affected by the health breaks imposed by the City Government.

Net income of the University as of May 31, 2025 increased to Php 685,701,124 from Php 616,981,545 in 2024 and from Php 396,019,517 in 2023. For the fiscal years 2024-2025 and 2023-2024 the University has increased in the number of total students. A 5% increase in the tuition fees and other school fees of first year students was implemented in School Year 2022-2023. In addition, there are no more rebates in the miscellaneous fees as the hybrid class modality was implemented. For SY 2023-2024, a 5% increase in tuition and other school fees was collected from the students in second year and higher years and for SY 2024-2025, a 3% increase in tuition and other school fees was collected from students in all levels.

The extension of classes due to a health break implemented by the city government had an effect on the net income reported for Fiscal Year 2022 and 2023 with the deferred tuition fees and contract liabilities which will be recognized as revenue in June 2022 (fiscal year ending May 31, 2023) and in June 2023 (fiscal year ending May 31, 2024).

Financial Condition (2024-2025; 2023-2024; 2022-2023)

The University reported a healthy cash position as of May 31, 2025. Cash and cash equivalents were at Php 1,114,216,448 as compared to last year's balance of Php 788,628,149 and May 31, 2023 balance of Php 790,973,671. Also, in fiscal year 2025 and 2024 was an Investment in securities and other instruments of Php 470,724,983 and Php 450,000,000 respectively. Tuition and other receivables were at Php 289,064,508 this year as compared with Php 308,104,679 in 2024 and Php 347,621,304 in 2023. The University's receivables consist of tuition receivables, interest receivables, and employee and lessee receivables. There are no receivables from unconsolidated subsidiaries or related parties.

Inventories, consisting of materials, uniforms and supplies, were at Php 35,334,469. Other current assets, which consist largely of Advances to Suppliers and Prepayments, stood at Php 106,396,419.

The current assets of the University as of fiscal year ended May 31, 2025 were Php 2,015,736,827 as compared to Php 1,682,270,172 in 2024 and Php 1,250,860,782 in 2023.

Property and Equipment were reported at Php 6,551,489,832 from Php 6,530,816,984 in 2024 and from Php 5,739,500.53 in 2023.

Total non-current assets were at Php 6,714,810,083 and Total Assets were at Php 8,730,546,910 at the end of the fiscal year.

Accounts payable and other current liabilities increased to Php 763,398,608 from Php 736,094,461 in 2024 and from Php 650,395,722 in 2023. Deferred revenues were reported this year at Php 131,237,190 for students with advanced payment of fees for SY 2025-2026. Dividends payable were at Php 793,636,305 compared to Php 592,029,196 last year and Php 346,614,015 on May 31, 2023. Total current liabilities were at Php 1,725,336,355 at fiscal yearend.

Total noncurrent liabilities as of May 31, 2025 decreased to Php 756,390,767 from last year's Php 820,067,256 and Php 790,552,282 in 2023. Because schools are allowed to claim 10% of their capital assets as an advanced tax credit, they can no longer claim the depreciation on these capital assets as tax deduction. Instead, the unamortized portion of these tax credits are lodged under deferred tax liability, and is amortized yearly in congruence with the depreciation of the capital assets. Deferred tax liabilities were at Php 535,706,593.

Upon adoption of PFRS 16 on April 1, 2019, the University recognized right-of-use asset and lease liability. The Lease Liability - net of current portion for 2025 was at Php 96,588,498 and was at Php 116,038,550 in 2024 and Php 131,452,782 in 2023. Retirement liability refers to the portion of the Retirement Fund that needs to be funded over the course of the expected working lives of the employees. As of May 31, 2025, retirement liability was at Php 128,447,316.

The University's stockholder's equity stood at Php 6,248,819,788 as of May 31, 2025 compared to Php 6,168,769,148 as of May 31, 2024 and Php 5,338,126,160 in 2023.

Key Performance Indicators

Key	2025	2024	2023	Manner of Computation	Significance
Revenue Growth	0.07%	28.50%	43.32%	Difference between current and last year's tuition and other school fees	Measures Revenue growth

				divided by last year's revenues	
Return on Revenue	29%	26%	21%	Net income divided by Tuition and other school fees	Shows how much profit is derived from every pesos of tuition and other school fees
Dividend Pay-out Ratio	91%	72%	113%	Dividends divided by net income	Indicates how earnings support dividend payment
Return on Equity	11%	11%	7%	Net profit divided by average total stockholders' equity	Measures extent of profit earned
Return on Assets	8%	8%	6%	Net profit divided by average total assets	Measures use of assets to generate income

Liquidity

The University relies on internally generated cash to fund its working capital needs, capital expenditures and cash dividends. It can satisfy the cash requirements and has no plan to raise additional funds.

Cash flows provided by operating activities were at Php 947,483,810 for the fiscal year ended May 31, 2025 as compared to cash flows provided by operating activities at Php 816,900,723 for fiscal year ended May 31, 2024 and Php 590,252,717 for fiscal year ended May 31, 2023.

Cash used in investing activities was at Php 171,748,832 during the fiscal year ended May 31, 2025 as compared to cash used in investing activities of Php 591,380,945 for the fiscal year ended May 31, 2024 and Php 121,873,424 during the fiscal year ended May 31, 2023.

Cash used in financing activities was at Php 450,744,981 during the fiscal year. This was primarily used for the payment of dividends. Cash used for financing activities

was Php 227,949,599 during the fiscal year ended May 31, 2024 and Php 242,995,566 during the fiscal year ended May 31, 2023.

Segment Reporting

The University operates in four geographical segments – Mendiola, Malolos, Makati-Gil Puyat and Makati-Legaspi campus. The financial information on the operations of these segments are disclosed in terms of segment assets, segment property and equipment (net), segment liabilities, segment revenues, operating expenses and net income/loss.

The segment report is included in the financial statements under Note 20.

Known Trends

Effect of Government Regulation with Respect to Increase in Tuition Fees

The Commission on Higher Education (CHED) promulgates guidelines to be followed by Higher Education Institutions (HEIs) intending to increase their tuition and other fees. Notable among them follows:

“A Certificate of Intended Compliance (COIC) stating that (70%) of the proceeds to be derived from the tuition fee increase shall be used for the payment of the salaries, wages, allowances and other benefits of its teaching and non-teaching personnel and other staff xxx.

“The 20% shall go to the improvement of the following:

1. Modernization of buildings
2. Equipment
3. Libraries
4. Laboratories
5. Gymnasium and similar facilities and
6. Payment of other costs of operations on renovations

“Only 10% is left for return on investment.

Education Trends

For school years 2018-2019 and 2017-2018, the University registered downward trends in enrollment due to the K-12 program of the government. This downward trend was exacerbated in the school year 2019-2020 due to the free tuition program of the government, which caused a lot of potential enrollees to enroll in State Universities and Colleges instead. For the school year 2020-2021, there was a notable decrease in enrollment. After a survey conducted by the University, the decrease was due to the COVID 19 pandemic. For the school years 2022-2023, 2023-2024 and 2024-2025, there was an increase in enrollment as the University intensified its admission process and implemented changes in the teaching and learning modalities.

Key Variable and Other Qualitative and Quantitative Factors

Currently, there are no known trends, events, or uncertainties that have a material impact on the University's liquidity.

The Registrant does not know of any event that will trigger any direct or contingent financial obligation that may be material to the company, including default or acceleration of an obligation.

There are no known material off-balance sheet transactions, arrangements, or obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

As the University went back to its onsite operations as a result of the lifting of COVID Restrictions and resumption of face to face classes, CEU will continue with its facilities improvement.

All income is derived from the normal course of operations and through interest income on money market placements. There are no significant elements of income or loss.

Material changes from FY 2024 to FY 2025 include an increase of 1.28% in total revenues which resulted from the increase of 106.83% in miscellaneous fees and increase of 5.95% in rental income for the fiscal year. During FY 2022 and 2021, rebates were applied to certain miscellaneous fees due to online classes in this period of pandemic. For FY 2023 and FY 2024 said rebates were no longer applied as there had been a shift to hybrid class modality. For costs and expenses, there was a decrease of 0.87% in cost of services resulting from decrease in library expense, rental expense, cost of uniforms and outfits, and laboratory expenses. General and administrative expenses posted a decrease of 0.72% due to decreases in the provision for credit losses, taxes and licenses, transportation and communication, insurance expense, entertainment, amusement and recreation expense and membership fees and dues. On other income and expenses, a material increase of 88.47% in interest income was reported due to higher deposits and placements and higher interest rates. Interest expense arising from lease liability due to the adoption of PFRS 16 on April 1, 2019 was reported this fiscal year at 7.06 million with 11.72% decrease from previous year. The loss on retirement of assets increased at 99.87% due to the value of condemned furniture and equipment. There was an increase of 609.74% in foreign currency exchange gains reported this fiscal year because of higher foreign currency placements and higher exchange rates.

These material changes resulted in an increase of 11.14% in net income after tax. This resulted from an increase in enrollment and higher rates of tuition fee and other school fees. Other factors that contributed to a higher income this fiscal year are the higher amounts of Other Income and decrease in cost and expenses.

New Accounting Standards

The University presented its consolidated financial statements to comply with accounting principles generally accepted in the Philippines (Philippine GAAP) as set forth in Philippine Financial Reporting Standards (PFRS). New and revised accounting standards, consisting of Philippine Accounting Standards (PAS) and PFRS became effective for financial reporting purposes.

The consolidated financial statements include the financial statements of the University, Centro Escolar University Hospital, Inc. (the Hospital), a wholly owned subsidiary, Centro Escolar Las Pinas (CELPI) and Centro Escolar Integrated School (CE-IS) (collectively referred to as the Group).

Subsidiary is consolidated when control is transferred to the Group and ceases to be consolidated when control is transferred out of the Group. Control is presumed to exist when the University owns more than 50% of the voting power of an entity unless in exceptional cases, it can be clearly demonstrated that such ownership does not constitute control. The consolidated financial statements are prepared using uniform accounting policies for the like transactions and other events in similar circumstances. All intercompany balances and transactions, intercompany profits and unrealized gains and losses have been eliminated in the consolidation.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards that became effective beginning in June 1, 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

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

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PFRS 16, Lease Liability in a Sale and Leaseback

The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

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

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The Registrant has no knowledge of any seasonal aspects that had a material effect on the financial condition or results of the operations.

Information on Independent Accountant

External Audit Fees and Services

Audit Fees and Related Fees

Sycip, Gorres, Velayo and Co. (SGV) was appointed as external auditor of the University for the fiscal year ending May 31, 2025. There was no change in or disagreement with the external auditor on accounting and financial disclosures.

In compliance with Securities Regulation Code (SRC) Rule 68, Ms. Djole S. Garcia was designated as partner in-charge from FY 2018 to FY 2023 while Ms. Josephine Adrienne A. Abarca and Mr. Christian Lauron were designated as partner in-charge in FY 2016 to FY 2017 and FY 2014 to FY 2015 respectively.

For FY 2025-2025 and 2023-2024, the partner in -charge is Mr. Bryan Chrisnel M. Baes.

In 2024, 2023, and 2022, the University paid Php 1,610,000.00, Php 1,195,700.00, and Php 1,087,000.00 respectively, VAT exclusive, to Sycip, Gorres, Velayo and Co. (SGV) for the audit of the University's annual financial statements, as well as assistance in the preparation of the annual income tax returns.

In 2025, the engagement fee of Sycip, Gorres, Velayo and Co. (SGV) for the audit of the University's annual financial statements, as well as assistance in the preparation of the annual income tax returns amounts to Php1,500,000.

There is no other assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the University financial statements.

Tax Fees

In 1 May 2023 the Audit Committee unanimously approved the engagement of the SGV Business Tax Services Division to handle the BIR Final Assessment Notice matter of Centro Escolar Las Pinas Inc., one of the University's subsidiaries. In the pre-concurrence, the committee declared that said engagement does not constitute an unmanageable independence threat. This engagement is on-going.

Other Fees

On September 24, 2024 the Audit Committee & Risk Committee unanimously gave its pre-concurrence on the independent review of the calculation of Incremental Proceeds and the related allowable deductions. In the pre-concurrence, the committee declared that said engagement does not constitute an unmanageable independence threat. This engagement is on-going.

On 21 July 2023 the Audit Committee unanimously approved the engagement of the SGV Business Tax Services Division to study and submit a report which documents all processes and analyses for the transfer pricing policies and documentation of the University. This engagement is on-going.

Audit Committee Pre-approval Policy

CEU's Audit Committee is composed of the Chairman, Dr. Emil Q. Javier, (independent director) and members, Mr. Lope M. Yuvienco (independent director), Dr. Alejandro C. Dizon and Committee Secretary Atty. Sergio F. Apostol.

The Audit Committee is required to pre-approve all audit and non-audit services rendered and approve the engagement fees and other compensation to be paid to the external auditor.

The Audit Committee found the services and fees for external audit reasonable and approved the same following a conference with the external auditors and the University's financial officers to clarify the scope, extent and details of the audit.

Changes in and Disagreements with External Accountants on Accounting and Financial Disclosure

There was no change in nor disagreement with External Accountants on accounting and financial disclosures.

Item 4. Description and General Nature and Scope of the Business

Centro Escolar University, an institution of higher learning established in 1907 by Librada Avelino and Carmen de Luna, is committed to the furtherance of its founders' philosophy Ciencia y Virtud (knowledge and virtue), and aims to cultivate the mind, the spirit, and the body for service to God, country and the family.

In pursuit of this goal, it seeks to educate students:

1. to develop wholesome values and attitudes;
2. to be proficient in their chosen vocations; and
3. to be involved in the promotion of progressive nationalism within the context of one world.

CEU, a stock corporation, was first incorporated in 1932 to exist for 50 years, or until 1982. On March 31, 1982 the corporate life was extended for another 12 years to last until 1994. On March 31, 1994, the Articles of Incorporation was amended extending the life of CEU for another 50 years.

There was no bankruptcy, receivership or similar proceeding that happened to the corporation.

Stock split was approved by SEC on March 31, 2000, effectively reducing the par

value from Php 100 to Php1 per share. PSE correspondingly adjusted the par value on August 3, 2000.

School Year 2024-2025

Student Enrolment

The University recorded a total enrollment of 19,121 students for the first semester and 18,192 for the second semester of School Year 2024–2025. This reflects an increase of 1.65% and 1.69%, respectively, in total enrollment across the three campuses compared to the corresponding semesters of School Year 2023–2024.

Foreign Student Enrolment

Foreign student enrollment for School Year 2024–2025 was 152 in the first semester and 176 in the second semester. This reflects a 4.40% decrease in the first semester and a 13.55% increase in the second semester compared to the previous school year. The Dentistry program had the highest number of foreign student enrollees. Among the foreign nationals, Chinese students comprised the largest group enrolled at CEU for SY 2024–2025.

Performance in Board Examination

CEU's strong performance in recent licensure examinations affirms its unwavering commitment to academic excellence and its mission to deliver world-class quality education.

In Dentistry, CEU Manila produced topnotchers across multiple examination periods—ranking 5th in the November 2024 licensure exam, and securing 4th, 6th, 8th, and 9th places in May 2025. CEU Makati also earned a spot in the Top 10 by placing 10th in the same exam. Notably, CEU Manila was recognized as the Top 2 performing school (in the category of institutions with 50 or more examinees and at least an 80% passing rate).

In Nursing, CEU Makati ranked Top 8 performing school in the November 2024 board examination among institutions with 100 or more examinees and a minimum passing rate of 85%. CEU Malolos, on the other hand, maintained a 100% passing rate in both the November 2024 and May 2025 Nursing board exams, demonstrating consistent excellence.

For the Optometry licensure examination, CEU graduates achieved outstanding results, securing 1st, 5th (with two graduates sharing the rank), 6th, 8th, 9th, and 10th places.

Overall, the first-time takers from CEU consistently outperformed the national passing rate in nearly all programs with licensure examinations, further validating the quality of instruction and preparation provided by the University.

Accreditation and Recognition

Centro Escolar University (CEU) continues to uphold its reputation as one of the country's leading institutions in academic program accreditation. While CEU has earned national recognition for having the most number of accredited programs among Philippine universities, particularly those granted Level IV accreditation status, the greater challenge lies in sustaining this distinction and, more importantly, achieving full accreditation for all academic programs at the highest levels. This challenge serves as a driving force for continuous improvement and the strengthening of quality assurance mechanisms, especially for programs that have yet to undergo accreditation.

The Federation of Accrediting Agencies of the Philippines (FAAP) granted several CEU programs accreditation status, having satisfactorily met the standards and fulfilled the requirements set by the Philippine Association of Colleges and Universities Commission on Accreditation (PACUCOA). At the Manila campus, the Graduate School's doctorate programs—Doctor of Philosophy in Pharmacy, Mathematics Education, Southeast Asian Studies, and Doctor of Public Administration—received Level II First Reaccreditation. Likewise, the Master of Arts, Master of Science, and Master of Business Administration programs were granted Level IV First Reaccreditation. The undergraduate programs in BS Biology and BS Psychology earned Level IV Third Reaccreditation, while the Doctor of Dental Medicine, Bachelor of Secondary Education, Bachelor of Elementary Education, and Bachelor of Arts in Liberal Arts programs were granted Level IV Second Reaccreditation. The Bachelor of Science in Hospitality Management and BS Tourism Management programs received Level III Reaccreditation. At the CEU Malolos campus, the BS Information Technology program obtained Level III Reaccreditation, and at the CEU Makati campus, the BS Computer Science and BS Medical Technology programs were granted Level II Second Reaccreditation. These achievements reaffirm CEU's dedication to maintaining academic excellence and providing quality-assured educational offerings.

Further demonstrating CEU's commitment to regional quality standards, the University was granted certification following its application for the ASEAN University Network–Quality Assurance (AUN-QA) Institutional Assessment, conducted from September 23 to 27, 2024. In addition to this certification, a total of sixteen academic programs across CEU's campuses have been certified by AUN-QA. The AUN-QA program-level assessment evaluates institutions based on eleven key criteria, including expected learning outcomes, program structure and content, teaching and learning approach, student assessment, academic and support staff quality, student services, facilities and infrastructure, and quality enhancement and outputs. Each criterion is measured using a seven-point scale. In the most recent assessment, all eight programs evaluated fulfilled AUN-QA requirements, with the quality assurance systems implemented for these programs assessed as “Adequate as Expected.”

CEU has successfully underwent a two-day surveillance visit 1 for ISO 21001:2018 (Educational Organization Management System) and surveillance visit 2 for ISO 9001:2015 (Quality Management System) on April 14-15, 2025

On the global stage, CEU achieved a significant milestone by being ranked among the 2025 Global Top 400 Innovative Universities by the World University Rankings for Innovation (WURI). WURI evaluates higher education institutions based on their actual contributions to industry and society, emphasizing innovation in education, research, and

community engagement. CEU was ranked 259th overall among 1,253 participating universities worldwide. Most notably, the University earned spots in the global Top 100 in three key categories: 10th in Empowerment-Based Management, 42nd in Student Mobility and Openness, and 44th in Visionary Leadership.

These accomplishments underscore CEU's strong commitment to delivering innovative, globally relevant, and socially responsive education.

International Linkages

Centro Escolar University continues to strengthen its international presence through active collaborations with global academic institutions and research organizations. These partnerships support the university's commitment to global engagement, cross-cultural exchange, and the advancement of interdisciplinary research and education.

The School of Education, Liberal Arts, Music, and Social Work (ELAMS), through its Communication and Media program, partnered with the Asian Society for Research in Engineering Sciences (ASRES) and the SPJ Centre for Multidisciplinary Research (SCMR) in organizing the 9th International Conference on New Paradigms in Social Sciences, Humanities, and Culture (NPSHC – 2024) and the 9th International Conference on Intelligent Technologies. These conferences were hosted at Centro Escolar University Manila from October 4 to 6, 2024, bringing together researchers from across the Global South to present interdisciplinary studies. Continuing this collaboration, the same conferences will be co-hosted by the Communication and Media program in Bangkok, Thailand, in August 2025, further expanding CEU's international engagement in scholarly discourse.

The School of Nursing also made significant strides in international collaboration. From June to December 2024, twelve faculty members served as visiting lecturers for the Health Ministry of Pontianak, Indonesia, delivering online lectures on various nursing topics. As part of this exchange initiative, five Indonesian students, sponsored by the Health Ministry, participated in a student exchange program with the Schools of Nursing, Medical Technology, Nutrition, and Hospitality Management from October 7 to 11, 2024. Furthermore, the School of Nursing partnered with the Malaysian Society of Wound Care Professionals in Kuala Lumpur to implement a micro-credential program in Wound Care Nursing.

In terms of research, the School of Nursing engaged in collaborative studies with several Indonesian institutions. These include:

- “Mobile Diabetes Self-Management Education (M-DSME) for Patients with Type 2 Diabetes Mellitus in Indonesia and the Philippines,” in partnership with Stikes Buleleng (Bali) and Stikes Baiturrahim (Jambi).
- “A Descriptive Cross-Sectional Study on the Knowledge, Attitudes, and Health-Related Behaviors of Hypertensive Patients: A Comparative Analysis Between Indonesia and the Philippines,” in collaboration with the Budi Luhur Institute of Health Sciences.

In the field of Hospitality and Tourism, six students from the School of Hospitality and Tourism Management successfully completed their international practicum at Paradise Suites / Paradise Hotels & Cruises located in Tuan Chau Island, Ha Long,

Quang Ninh, Vietnam. Their training, focused on food and beverage services, offered them valuable exposure to international hospitality operations and professional standards.

The School of Optometry has expanded its international internship network through partnerships with several reputable institutions abroad. These include:

- Alamance Eye Center, North Carolina, USA
- Asia University, Taichung, Taiwan
- The Light Eye Hospital, Hanoi, Vietnam
- Le Prindo Academi and Magrabi Eye and Dental Hospital, Saudi Arabia
- Tan Tock Seng Hospital, Department of Ophthalmology, Singapore

Activities under these partnerships included exposure to contact lens laboratories, lecture and laboratory classes, specialty contact lens fitting, and cultural immersion programs, contributing to a globally oriented clinical education.

Additionally, thirteen (13) Dentistry students participated in the Academic Visit and Exchange Program 2024 at Chulalongkorn University in Bangkok, Thailand, held from December 15 to 19, 2024. The program provided them with insights into international academic practices, innovative research, and cross-cultural exchange.

These international engagements reflect CEU's ongoing efforts to cultivate meaningful academic partnerships, broaden the global perspective of its students and faculty, and contribute to international research, innovation, and educational excellence.\

Quality Assurance

Centro Escolar University successfully passed the surveillance visits for its International Organization for Standardization (ISO) certifications: ISO 9001:2015 (Quality Management System) and ISO 21001:2018 (Educational Organizations Management System). The external audit was conducted on April 14–15, 2025, covering all academic and support service functions across the University's Manila, Makati, and Malolos campuses.

ISO 9001:2015 is an international standard that specifies the requirements for a quality management system, ensuring the consistent delivery of products and services that meet customer and regulatory expectations. ISO 21001:2018, on the other hand, is a standard specifically developed for educational organizations. While based on ISO 9001, it is tailored to the unique needs of institutions providing teaching and learning services.

In preparation for the external ISO audit, a mock audit was held on March 2–3, 2025, while the Internal Quality Audit (IQA) cycle was conducted from November 2024 to March 2025. These audits were part of the University's proactive quality assurance approach to ensure readiness and continual improvement.

To further reinforce CEU's direction as the "University of First Choice" and to support its institutional vision and mission, the Management Council conducts regular strategic planning and performance reviews. These activities are vital not only in assessing institutional effectiveness but also in fostering stronger collaboration among different University units.

The Year-End Management Review and Strategic Planning for SY 2023–2024 was held on July 1, 4, and 5, 2024, with the following key objectives: to evaluate CEU's performance based on its four pillars of excellence and quality management system, assess the effectiveness of the QMS, and review the University's accomplishments based on its Three-Year Plan (SY 2021–2022 to SY 2023–2024).

The Midyear Management Review and Strategic Planning, conducted on March 17–18, 2025, focused on evaluating the University's midyear performance and finalizing the Strategic Plan for SY 2025–2026. As part of this activity, the University conducted an external environmental analysis using PESTLE, revisited its Vision and Mission, mapped its strategic objectives per pillar of excellence using a balanced scorecard approach, and aligned work unit performance with CEU's institutional goals.

To strengthen internal quality systems, an Internal Quality Audit Orientation and Re-orientation was held on November 10–11, 2024, aimed at equipping CEU auditors with the knowledge and competence to effectively carry out the audit process. An orientation on ISO 21001:2018 (Educational Organizations Management System) was also conducted. Similarly, orientations for Data and Document Custodians were held on October 18, November 20, and November 21, 2025, in Manila, Makati, and Malolos, respectively. Additionally, an orientation for 7S evaluators was conducted on March 14, 2025.

As part of its commitment to client satisfaction, CEU incorporated the Customer Feedback Form (CFF) into its visitor form to systematically gather input from external stakeholders. These forms are periodically submitted to the Institutional Development Department for analysis and action. Moreover, CEU continues to conduct its Internal Customer Survey and the Student Personnel Services Survey (SSPS) annually to gauge satisfaction levels among internal stakeholders, particularly students.

To recognize the outstanding efforts of its personnel, the University held its annual Quality Awards Day on November 8, 2024. This event honored exemplary members from the three campuses—Manila, Makati, and Malolos—in various categories: Teacher of the Year, Non-Teaching Employee of the Year (Supervisory and Non-Supervisory), Researcher of the Year, Best Internal Quality Audit (IQA) Sub-Team, Best Quality Circle, CEU STARS, 7S Awards, and the Attendance and Punctuality Award. These recognitions reflect CEU's ongoing commitment to fostering a culture of quality, excellence, and innovation among its academic and administrative community.

Faculty Achievements

From the faculty of the School of Accountancy and Management, the dean, Dr. Rosemarie So is the VP for NCR of the Philippine Association of Collegiate Schools in Business (PACSB), Dr. Rowell Antonio is the VP for NCR of the Council of Management Educators and Professionals in the Philippines, Dr. Dennis Sandoval is the National President, COMEPP - Nov 2023-Nov 2024 Immediate Past President, COMEPP- Nov 2024 - Nov 2025 and Dr. Bella Marie Fabian who received as one of the Municipality of Lamut Province Achievers Awardee given on April 2, 2025

Faculty from the School of Education, Liberal Arts, Music and Social Work are actively involved in national committee and professional organizations. The dean, Dr. Maria Rita Lucas is PAFTE National Auditor and PAFTE NCR Adviser. Ms. Romina

Bacarse is a member of the CHED Technical Working Group Student Affairs Services and Vice-Chair of the Advisory Committee of RA11650 Inclusive Education Law Department of Education. Ms. Christine Juan, the program head of the Education is the PAFTE NCR-Secretary, ADCER3 Incorporated-appointed as Board of Directors in City of Malolos, and NCDA Sub-Committee on Education Representative Resource Expert - National Education Academy of the Philippines (NEAP) Department of Education. Mr. Jose Cris Sotto, the program head of the Communication Media is awarded as the Most Outstanding Educator in Communication and Media and Most Outstanding Media Information Literacy Advocate Award given by Embracing the Culture of Research (ETCOR). Mr. Julius De Leon, the program head of the Political Science is the NCR Coordinator of the Philippine Political Science Association 2025-2026 and the Treasurer of the Asian Studies Association of the Philippines 2025-2026. Mr. Angelito E. Ayran Jr., program head of the Music is a member of the CHED Regional Quality Assessment Team (RQUAT). Mr. I is the an Gabriel Corpuz, a faculty member of the Music is the Secretary General of the Treble Choir Association of the Philippines (TCAP). He also won several awards in composition competition that includes 2024 Winner Ensemble Altera Composition Competition with his composition Laudate Dominum First Prize Winner at The Palouse Choral Society International Composition Competition Palouse Choral Society International Composition Competition (MOSCOW) with the song Bugotng-Bugtong Won Category Winner at 2024 National Music Competitions for Young Artist (NAMCYA) Composition Prize: Hand Bell Choir Category. Ms. Rosario Luntayao, a Social Work faculty is the Education Committee and Governance Committee, International Federation of Social workers (IFSW) Asia- Pacific Region.

Faculty members of the School of Nursing plays a vital role in different professional organizations. Mrs. Joylyn Mejilla, the Asst. to the Dean is the Treasurer of the Philippine Association of Diabetes Educators (PADE) and the Chair of the Ethics Committee of the Philippine Association of Diabetes Care and Education Nurse Specialist (PADCENS). The following faculty are involved also in different professional organizations: Mrs. Anjanette De Leon is the Secretary of the Philippine Association of Diabetes Care and Education Nurse Specialist (PADCENS), Mr. Benedicto Reyes, Jr. is the Treasurer of the Global Society form Philippine Nurse Researchers ,Inc., and Dr. Sofia Magdalena Robles is a COMELEC member of the Philippine Nurses Association (PNA).

Dr. Maria Donnabelle Dean, dean of the School of Pharmacy is the Executive Vice President of the Philippine Association Colleges of Pharmacy (PACOP).

Faculty from the School of Medicine that includes Dr. Jinalyn Noh, Dr. Gerard Anthony Espiritu are Fellows and members of Philippine Society of Pathologists and Dr. Florinda Canuto is a Steering Committee Member of the CPG on Endometriosis of the Philippine Academy of Family and Physicians with Philippine Society of Reproductive Medicine.

The Dean of the Optometry, Dr. Ma. Elena Borromeo is a member of the CHED Technical Panel for Optometry Education, PRC CPD Council for Optometry, and CHED RQUAT for Optometry.

CEU Malolos faculty are actively engaged in different professional organizations; The VP for CEU Malolos, Dr. Maria Flordeliza Anastacio, is the President, International Academy of Accountants for Business Research and Education (IAABRE) Vice President, Pi Lambda Theta International Honor Society Treasurer, Philippine Society for Educational

Research and Evaluation (PSERE) Director for Basic Education and Literacy, Rotary Club of Malolos Hiyas. Furthermore, she was awarded as the CHED Region III Leadership Award and Outstanding Centennial Paulinian St. Paul School of Aparri, Dr. Maria Dinna Avinante, the Asst. Dean of CEU Malolos is the President, PAMRE CL Chapter Phil Association of Marketing Research Educators 2025-2026, Associate Fellow- Phil Society of Fellows in People Management, Auditor- Philippine Society for Educational Research and Evaluation (PSERE).

The program head of Optometry from CEU Malolos, Dr Maria Concepcion Anda is the 1st Vice President of the Integrated Philippine Association of Optometrists (IPAO) and the President of IPAO Quezon City Chapter. She is also the International Association of Contact Lens Educators (IACLE) Ambassador for Philippines and the International Blind Sports Association (IBSA) Chief National Classifier for Visually Impaired Athletes working with the Philippine Sports Commission (PSC) and Philippine Sports Association for the Differently Abled (PHILSPADA).

Dr. Maricar Veranga, Program Head of Hospitality Management is the Vice President for Bulacan of the Council of Deans and Educators in Business Region III. The program head of the Dentistry, Dr. Shirley Wong is the Treasurer of the Academy of Dentistry International Philippine Section, a Fellow of the Philippine Academy of Dental Public Health, a Diplomate in Professional Dental Education awarded by the Philippine Association of Dental Colleges, the Co-Chair of the Faculty Development Program of International College of Dentist RP Section (ICD) and passed the Specialty Board Examination of Dental Public Health. Melchor Sarmiento, a faculty from the Dentistry is the Chair of the membership committee of the PADPH while Faye Marie Evaristo is the Chair of the Council of Past Presidents of the Philippine Dental Association-Pampanga Dental Chapter.

Ms. Carmela Estrope is a correspondent of the Philippine Daily Inquirer. Ms. Marilou Mercado, a faculty from the Medical Technology Department is the Treasurer of the Philippine Society for Histotechnology, Inc. and Ms. Michaela Sayo is the Treasurer of the Biorisk Association of the Philippines.

The Nursing program head, Dr. Cresencia Santos is the Region 3 PRO of the Association of Deans of Philippine Colleges of Nursing, Inc. while Dr. Josan Tamayo, program head of the Information Technology (IT) and the Coordinator of the Information Communications Technology Section is the Auditor of the Association of Computing Education Deans and Program Heads. Mr. John Carlo Gamboa, a teacher of the IT program is a member of the Board of Trustees of Mechatronics and Robotics Society of the Philippines Pampanga Chapter.

For CEU Makati, Dr. Ryan Tiongco, faculty member from the Dentistry Department was chosen as the Outstanding Presenter for his research "Enhancing the Oral Health Literacy of Students Through Dental Educational Videos" during the International Conference on Marketing Business and Trade in Tokyo, Japan in April 26-29, 2025. Mrs. Luzette Mijares, program head of the Tourism Management is the Treasurer of the Hospitality Council of Deans CHED NCR. Ms. Mae Angeline Lontoc, Nursing program head is the Treasurer of the Philippine Association of Diabetes Care and Education Nurse Specialists (PADCENS) while Dr. Pearl Ed Cuevas is the President of the Global Society for Philippine Nurse Researchers, Inc. (GSPNRI).

Student Achievements

CEU students continued to demonstrate excellence in academics, research, creative work, leadership, and sports throughout the academic year.

A group of students from the School of Accountancy and Management was declared Champion in the Video Advertisement Competition during the 20th COMEPP Regional Conference held at San Sebastian College–Recoletos Manila on March 28, 2025.

Chloe Bautista and Jereco Christ Nuguid produced a short film titled "Mandy", which was named as finalist in the Real to Reel Gen Z Pioneer Insurance Film Competition held on January 17, 2025. Additionally, a group of students from the Communication, Media, and Music programs secured IPOPHL copyright registration for their audiovisual work entitled "Byahe."

Students from the School of Medicine earned 8th place in the 51st Interscholastic Clinico-Pathologic Conference held at the Henry Sy Building, UP Manila, on March 22, 2025.

A student from the School of Optometry was awarded Best Position Paper during the Philippine International Model United Nations 2024, held at the University of the Philippines Diliman on July 12–14, 2025. Another Optometry student holds the position of President of the Manila Downtown YMCA Youth Club.

Students from the School of Pharmacy garnered various recognitions in multiple competitions. One student won 1st Place in the Regional Songwriting Contest and 3rd Place at the national level during the PCO Community Campus Caravan held at the Heritage Hotel. Another student earned 1st Place in the Mural Presentation Competition organized by the Metro Manila Health Research and Development Consortium (MMHRDC) during its International Symposium and 15th Annual Scientific Conference at Novotel Manila, on June 20, 2024. A Pharmacy student also clinched 1st Place in the Gold A Vocal Category during the 11th Asia Arts Festival held in Singapore, on July 16–21, 2024. In the FJCPPhA National Pharmacy Quiz Bee, the CEU representative placed 4th overall, and another student was elected Executive Vice President of the Federation of Junior Chapters of the Philippine Pharmacists Association (FJCPPhA).

At CEU Malolos, an Optometry student was elected IPAO Jr. President for Malolos, while a Dentistry student was recognized as one of the Ten Outstanding Students of the Philippines in Region III. Pharmacy students also assumed key leadership roles: one was elected President-elect of the Rotaract Club of Malolos Congress, and another is the current President of the same club and serves as the National PRO of the FJCPPhA.

A group of CEU Malolos Nursing students emerged as Champion in the "Think with a Heart and Do with a Hand: Nursing Quiz Bee 2024."

From CEU Makati, a Psychology student was named a finalist in the Photography Category of the MMHRDC 15th Annual Scientific Conference for his photo titled "Dethroning the King of the Road: The Imminent Extinction of a Culture." Pharmacy students from CEU Makati also secured 4th place in the Podium Presentation category during the event organized by the Federation of Junior Chapters of the Philippine Pharmacists Association held at St. Louis University, Baguio City, on August 30, 2025.

In the area of tourism and hospitality, five (5) Tourism Management students successfully completed micro-credential certifications, including AMADEUS and TESDA National Certifications, enhancing their industry readiness.

In the field of sports, CEU's athletes achieved remarkable success. The CEU Women's Basketball Team and the Volleyball Team were crowned Champions in the Women's National Collegiate Athletic Association (WNCAA), while the CEU Men's Basketball Team won the Championship title in the Men's National Collegiate Athletic Association (MNCAA). The CEU Cheerleading Team was also highly decorated, winning Champion in the College All-Girl Cheer Division, 2nd Runner-Up in the College All-Girl Pom Division, and 1st Runner-Up in the Per Squad/Street Squad category during the National Cheerleading Competition (NCC).

Item 5. Directors and Executive Officers

Please refer to the Definitive Information Statement submitted to the Securities and Exchange Commission.

Item 6. Market Price and Dividends

The University's common equity is traded at the Philippine Stock Exchange. Following are the high and low prices for each quarter within the last two (2) fiscal years.

Fiscal Year Ended 2024		High	Low
June 1, 2023 – August 31, 2023	First Quarter	Php 8.70	Php 7.11
Sept. 1, 2023 – Nov. 30, 2023	Second Quarter	9.05	7.62
Dec. 1, 2023 – February 28, 2024	Third Quarter	8.81	8.02
March 1, 2024 – March 31, 2024	Fourth Quarter	8.99	8.00

Fiscal Year Ended 2025		High	Low
June 1, 2024 – August 31, 2024	First Quarter	Php 15.80	Php 11.22
Sept. 1, 2024 – Nov. 30, 2024	Second Quarter	15.40	13.20
Dec. 1, 2024 – February 28, 2025	Third Quarter	15.48	11.67
March 1, 2025 – May 31, 2025	Fourth Quarter	14.80	13.00

The closing price per share of the University's common shares as of September 30, 2025 (last trade was September 30, 2025) was Php15.98.

Holders

As of 30 September 2025, the latest obtainable data as of the filing of this report, there are 1,005 common shareholders. The name of the top twenty (20) shareholders and the number of shares and the percentage of total shares outstanding held by each are as follows:

Stockholder	Number of Common Shares Held	Percentage of Total Shares (%)
1. USAUTOCO, INC.	151,945,069	34.0000
2. U.S. AUTOMOTIVE CO., INC.	102,780,115	22.9986
3. PCD NOMINEE CORPORATON - Filipino/Others	76,395,112	17.0946
4. Jose M. Tiongco	16,127,537	3.6088
5. Corazon M. Tiongco	12,139,085	2.7163
6. Natalia Maria De Vera	11,023,366	2.4666
7. Security Bank Corp. TA# 1090	9,686,759	2.1676
8. Andrew Victor T. Galeon	5,551,789	1.2423
9. Audrey Cecile G. Tabuso	5,551,789	1.2423
10. Genevieve Rose C. Castro	3,676,091	0.8226
11. Georgina Rose T. Cabrera	3,676,090	0.8226
12. Gwendolyn Rose C. Nable	3,676,090	0.8226
13. Alvin Anton C. Ong	1,613,170	0.3610
14. Maria Concepcion I. Donato	1,193,358	0.2670
15. Alicia De Santos Villarama	909,828	0.2036
16. Estate Of Trinidad V. Javellana	856,399	0.1916
17. Estate Of Manuel M. Paredes	780,128	0.1746
18. Amado R. Reyes	780,128	0.1746
19. Ma. Alexa Javellana Intengan	761,545	0.1704
20. Emma De Santos Oboza	705,000	0.1578

There are no transactions that relate to an acquisition, business combination or other reorganization which will affect the amount and percentage of shareholdings of any of the University's directors, officers (as a group) or any person owning more than 5% of the University's outstanding capital stock.

Dividends

Dividends declared for the three most recent fiscal years, i.e., Fiscal Year ended May 31, 2023, Fiscal Year ended May 31, 2024, and Fiscal Year ended May 31, 2025 are as follows

Fiscal Year Ended May 31, 2023

Cash dividend amounting to .60 per share was declared on May 26, 2023 in favor of stockholders of record as of June 30, 2023, paid on July 25, 2023.

Cash dividend amounting to .60 per share was declared on September 30, 2022 in favor of stockholders of record as of November 11, 2022, paid on December 7, 2022.

Fiscal Year Ended May 31, 2024

Cash dividend amounting to 1.20 per share was declared on 31 May 2024 in favor of stockholders of record as of 11 July 2024, paid on 05 August 2024.

Fiscal Year Ended May 31, 2025

Cash dividend amounting to 1.40 per share was declared on May 30, 2025 in favor of stockholders of record as of July 10, 2025, paid on August 04, 2025.

On October 3 2024 the Board of Directors declared 20% Stock Dividends for approval by the stockholders during the 25 October 2024 Annual Stockholders Meeting. During said Annual Stockholders Meeting, stockholders constituting 295,739,130 shares or 79.1% or more than 2/3 of the outstanding capital stock approved the stock dividend declaration. Record date was 18 December 2024 and payment date was 16 January 2025. During the Special Stockholders Meeting held 07 March 2025, the stockholders ratified the resulting 44 excess shares that resulted from the rounding of fractional shares. This stock dividend resulted to the current 446,897,323 outstanding shares (from 374,414,400).

Dividends shall be declared only from retained earnings.

There are no restrictions that limit the ability to declare dividends on common equity.

Recent Sale of Unregistered or Exempt Securities

Save for the above-discussed stock dividend declaration, the University did not sell any unregistered or exempt securities in the past three (3) years

Item 7. Compliance on Corporate Governance

The University has complied with the provisions of its Manual on Corporate Governance. Continuous monitoring is being done by the Compliance Officer, Audit Committee, President and Chief Financial Officer and Internal Auditor to assure compliance.

On November 09, 2024 the Board of Directors and identified key officers of CEU attended a seminar on Corporate Government conducted by the Institute of Corporate Directors at the Manila Prince Hotel.

CEU adheres to governance principles and best practices to attain its objectives. A system has been established to monitor and evaluate the performance of the University and its Management and CEU is committed. The University is committed to consistently abide by and ensure improved compliance with the requirements of good corporate governance.

CEU is not aware of any acts of its Directors, top management, middle managers, employees of any acts of omission that may be considered as a deviation from the company's Code of Corporate Governance.

Committed to continuous improvement, CEU undertakes to regularly review its existing policies and practices and update the same when warranted.

UNDERTAKING

A copy of the University's annual report in "SEC Form 17-A (2024)", may be provided to any stockholder upon written request addressed to:

**Office of the Corporate Secretary
Centro Escolar University
9 Mendiola Street
San Miguel, Manila**

At the discretion of Management, a charge may be made for exhibits, provided such charge is limited to reasonable expenses incurred by the registrant in furnishing such copies.



SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines

Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph



The following document has been received:

Receiving: DONNA ENCARNADO

Receipt Date and Time: September 30, 2025 04:42:46 PM

Company Information

SEC Registration No.: PW00001093

Company Name: CENTRO ESCOLAR UNIVERSITY

Industry Classification: M81490

Company Type: Stock Corporation

Document Information

Document ID: OST10930202583770714

Document Type: ANNUAL_REPORT

Document Code: SEC_Form_17-A

Period Covered: May 31, 2025

Submission Type: Original Filing

Remarks: With FS-C & FS-P

Acceptance of this document is subject to review of forms and contents

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

9		M	E	N	D	I	O	L	A		S	T	.		S	A	N		M	I	G	U	E	L				
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M	A	N	I	L	A																							
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(Business address: No. Street City / Town / Province)

Atty. Jayson O'S. Ramos

Contact Person

8735-6861 to 71

Company Telephone Number

Month	<table border="1"><tr><td>0</td><td>5</td></tr></table>	0	5	Day	<table border="1"><tr><td>3</td><td>1</td></tr></table>	3	1
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Fiscal Year

FORM TYPE	<table border="1"><tr><td>1</td><td>7</td><td>-</td><td>A</td><td></td></tr></table>	1	7	-	A	
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General Information Sheet

Month	<table border="1"><tr><td>1</td><td>0</td></tr></table>	1	0	Day	<table border="1"><tr><td>4th</td></tr></table> Friday	4 th
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Annual Meeting

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

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Domestic

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Foreign

Total Amount of Borrowings

To be accomplished by SEC Personnel concerned

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CASHIER

CENTRO ESCOLAR UNIVERSITY

Company's Full Name

**9 Mendiola Street
San Miguel, Manila**

Company's Address

8735-68-61 to 71

Telephone Number

May 31, 2025

Fiscal Year Ending
(Month & Day)

SEC FORM 17 – A

Form Type

May 31, 2025

Period Ended Date

—

(Secondary License Type and File Number)

cc: Philippine Stock Exchange

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE
AND SECTION 141 OF THE CORPORATION CODE

1. For the fiscal year ended May 31, 2025
2. SEC Identification Number 1093
3. BIR Tax Identification No. 000-531-126-000
4. Exact name of issuer as specified in its charter **CENTRO ESCOLAR UNIVERSITY**
5. Province, Country or other jurisdiction of incorporation or organization Philippines
6. Industry Classification Code (SEC Use Only)
7. Address of Principal Office 9 Mendiola Street, San Miguel, Manila
Postal Code 1005
8. Issuer's telephone number, Including area code (02) 8735-68-61
9. Former name, former address and fiscal year, if changed since last report N/A
10. Securities registered pursuant to Section 8 and 12 of the SRC, or Section 4 and 8 of the RSA

Title of Each Class Outstanding	Number of Shares of Common Stock and Amount of Debt Outstanding
Common Stock	446,897,323

11. Are any or all these securities listed on a stock exchange?

Yes [☒] No [☐]

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

12. Check whether the issuer:

- (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder of Section 11 of the RSA and RSA Rule 11(a)-1 thereunder and Sections 26 and

141 of the Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports):

Yes ☒ No ☐

- (b) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within 60 days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

Number of non-affiliate shares as of August 31, 2025	446,897,323
Closing price per share as of August 31, 2025 (last traded August 29, 2025)	Php 15.50

Market value as of August 31, 2025	Php 6,926,908,506.50 (price/share x 446,897,323)
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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Description of Business

Centro Escolar University (CEU), an institution of higher learning established in 1907 by Librada Avelino and Carmen de Luna, is committed to the furtherance of its founders' philosophy, Ciencia y Virtud (knowledge and virtue), and aims to cultivate the mind, the spirit, and the body for service to God, country and the family. It has ranked among the top ten institutions of higher education in the Philippines.

In pursuit of this philosophy, it seeks to educate students:

1. To develop wholesome values and attitudes;
2. To become intellectually, technologically, and globally proficient in their chosen professions; and
3. To be involved in the promotion of nationalism.

CEU, a stock corporation, was first incorporated in 1932 to exist for 50 years, or until 1982. On March 31, 1982 the corporate life was extended for another 12 years to last until 1994. On March 31, 1994, the Articles of Incorporation was amended extending the life of CEU for another 50 years.

There was no bankruptcy, receivership or similar proceeding that happened to the corporation.

Stock split was approved by SEC on March 31, 2000, effectively reducing the par value from Php 100 to Php1 per share. PSE correspondingly adjusted the par value on August 3, 2000.

School Year 2024-2025

Student Enrolment

The University recorded a total enrollment of 19,121 students for the first semester and 18,192 for the second semester of School Year 2024–2025. This reflects an increase of 1.65% and 1.69%, respectively, in total enrollment across the three campuses compared to the corresponding semesters of School Year 2023–2024.

Foreign Student Enrolment

Foreign student enrollment for School Year 2024–2025 was 152 in the first semester and 176 in the second semester. This reflects a 4.40% decrease in the first semester and a 13.55% increase in the second semester compared to the previous school year. The Dentistry program had the highest number of foreign student enrollees. Among the foreign nationals, Chinese students comprised the largest group enrolled at CEU for SY 2024–2025.

Performance in Board Examination

CEU's strong performance in recent licensure examinations affirms its unwavering commitment to academic excellence and its mission to deliver world-class quality education.

In Dentistry, CEU Manila produced topnotchers across multiple examination periods—ranking 5th in the November 2024 licensure exam, and securing 4th, 6th, 8th, and 9th places in May 2025. CEU Makati also earned a spot in the Top 10 by placing 10th in the same exam. Notably, CEU Manila was recognized as the Top 2 performing school (in the category of institutions with 50 or more examinees and at least an 80% passing rate).

In Nursing, CEU Makati ranked Top 8 performing school in the November 2024 board examination among institutions with 100 or more examinees and a minimum passing rate of 85%. CEU Malolos, on the other hand, maintained a 100% passing rate in both the November 2024 and May 2025 Nursing board exams, demonstrating consistent excellence.

For the Optometry licensure examination, CEU graduates achieved outstanding results, securing 1st, 5th (with two graduates sharing the rank), 6th, 8th, 9th, and 10th places.

Overall, the first-time takers from CEU consistently outperformed the national passing rate in nearly all programs with licensure examinations, further validating the quality of instruction and preparation provided by the University.

Accreditation and Recognition

Centro Escolar University (CEU) continues to uphold its reputation as one of the country's leading institutions in academic program accreditation. While CEU has earned national recognition for having the most number of accredited programs among Philippine universities, particularly those granted Level IV accreditation status, the greater challenge lies in sustaining this distinction and, more importantly, achieving full accreditation for all academic programs at the highest levels. This challenge serves as a driving force for continuous improvement and the strengthening of quality assurance mechanisms, especially for programs that have yet to undergo accreditation.

The Federation of Accrediting Agencies of the Philippines (FAAP) granted several CEU programs accreditation status, having satisfactorily met the standards and fulfilled the requirements set by the Philippine Association of Colleges and Universities Commission on Accreditation (PACUCOA). At the Manila campus, the Graduate School's doctorate programs—Doctor of Philosophy in Pharmacy, Mathematics Education, Southeast Asian Studies, and Doctor of Public Administration—received Level II First Reaccreditation. Likewise, the Master of Arts, Master of Science, and Master of Business Administration programs were granted Level IV First Reaccreditation. The undergraduate programs in BS Biology and BS Psychology earned Level IV Third Reaccreditation, while the Doctor of Dental Medicine, Bachelor of Secondary Education, Bachelor of Elementary Education, and Bachelor of Arts in Liberal Arts programs were granted Level IV Second Reaccreditation. The Bachelor of Science in Hospitality Management and BS Tourism Management programs received Level III Reaccreditation. At the CEU Malolos campus, the BS Information Technology program obtained Level III Reaccreditation, and at the CEU Makati campus, the BS Computer Science and BS Medical Technology programs were granted Level II Second Reaccreditation. These achievements reaffirm CEU's dedication to maintaining academic excellence and providing quality-assured educational offerings.

Further demonstrating CEU's commitment to regional quality standards, the University was granted certification following its application for the ASEAN University Network–Quality Assurance (AUN-QA) Institutional Assessment, conducted from September 23 to 27, 2024. In addition to this certification, a total of sixteen academic programs across CEU's campuses have been certified by AUN-QA. The AUN-QA program-level assessment evaluates institutions based on eleven key criteria, including expected learning outcomes, program structure and content, teaching and learning approach, student assessment, academic and support staff quality, student services, facilities and infrastructure, and quality enhancement and outputs. Each criterion is measured using a seven-point scale. In the most recent assessment, all eight programs evaluated fulfilled AUN-QA requirements, with the quality assurance systems implemented for these programs assessed as “Adequate as Expected.”

CEU has successfully underwent a two-day surveillance visit 1 for ISO 21001:2018 (Educational Organization Management System) and surveillance visit 2 for ISO 9001:2015 (Quality Management System) on April 14-15, 2025

On the global stage, CEU achieved a significant milestone by being ranked among the 2025 Global Top 400 Innovative Universities by the World University Rankings for Innovation (WURI). WURI evaluates higher education institutions based on their actual contributions to industry and society, emphasizing innovation in education, research, and community engagement. CEU was ranked 259th overall among 1,253 participating universities worldwide. Most notably, the University earned spots in the global Top 100 in three key categories: 10th in Empowerment-Based Management, 42nd in Student Mobility and Openness, and 44th in Visionary Leadership.

These accomplishments underscore CEU's strong commitment to delivering innovative, globally relevant, and socially responsive education.

International Linkages

Centro Escolar University continues to strengthen its international presence through active collaborations with global academic institutions and research organizations. These partnerships support the university's commitment to global engagement, cross-cultural exchange, and the advancement of interdisciplinary research and education.

The School of Education, Liberal Arts, Music, and Social Work (ELAMS), through its Communication and Media program, partnered with the Asian Society for Research in Engineering Sciences (ASRES) and the SPJ Centre for Multidisciplinary Research (SCMR) in organizing the 9th International Conference on New Paradigms in Social Sciences, Humanities, and Culture (NPSHC – 2024) and the 9th International Conference on Intelligent Technologies. These conferences were hosted at Centro Escolar University Manila from October 4 to 6, 2024, bringing together researchers from across the Global South to present interdisciplinary studies. Continuing this collaboration, the same conferences will be co-hosted by the Communication and Media program in Bangkok, Thailand, in August 2025, further expanding CEU's international engagement in scholarly discourse.

The School of Nursing also made significant strides in international collaboration. From June to December 2024, twelve faculty members served as visiting lecturers for the Health Ministry of Pontianak, Indonesia, delivering online lectures on various nursing topics. As part of this exchange initiative, five Indonesian students, sponsored by the Health Ministry, participated in a student exchange program with the Schools of Nursing, Medical Technology, Nutrition, and Hospitality Management from October 7 to 11, 2024. Furthermore, the School of Nursing partnered with the Malaysian Society of Wound Care Professionals in Kuala Lumpur to implement a micro-credential program in Wound Care Nursing.

In terms of research, the School of Nursing engaged in collaborative studies with several Indonesian institutions. These include:

- “Mobile Diabetes Self-Management Education (M-DSME) for Patients with Type 2 Diabetes Mellitus in Indonesia and the Philippines,” in partnership with Stikes Buleleng (Bali) and Stikes Baiturrahim (Jambi).
- “A Descriptive Cross-Sectional Study on the Knowledge, Attitudes, and Health-Related Behaviors of Hypertensive Patients: A Comparative Analysis Between Indonesia and the Philippines,” in collaboration with the Budi Luhur Institute of Health Sciences.

In the field of Hospitality and Tourism, six students from the School of Hospitality and Tourism Management successfully completed their international practicum at Paradise Suites / Paradise Hotels & Cruises located in Tuan Chau Island, Ha Long, Quang Ninh, Vietnam. Their training, focused on food and beverage services, offered them valuable exposure to international hospitality operations and professional standards.

The School of Optometry has expanded its international internship network through partnerships with several reputable institutions abroad. These include:

- Alamance Eye Center, North Carolina, USA
- Asia University, Taichung, Taiwan
- The Light Eye Hospital, Hanoi, Vietnam
- Le Prindo Academi and Magrabi Eye and Dental Hospital, Saudi Arabia
- Tan Tock Seng Hospital, Department of Ophthalmology, Singapore

Activities under these partnerships included exposure to contact lens laboratories, lecture and laboratory classes, specialty contact lens fitting, and cultural immersion programs, contributing to a globally oriented clinical education.

Additionally, thirteen (13) Dentistry students participated in the Academic Visit and Exchange Program 2024 at Chulalongkorn University in Bangkok, Thailand, held from December 15 to 19, 2024. The program provided them with insights into international academic practices, innovative research, and cross-cultural exchange.

These international engagements reflect CEU's ongoing efforts to cultivate meaningful academic partnerships, broaden the global perspective of its students and faculty, and contribute to international research, innovation, and educational excellence.

Quality Assurance

Centro Escolar University successfully passed the surveillance visits for its International Organization for Standardization (ISO) certifications: ISO 9001:2015 (Quality Management System) and ISO 21001:2018 (Educational Organizations Management System). The external audit was conducted on April 14–15, 2025, covering all academic and support service functions across the University's Manila, Makati, and Malolos campuses.

ISO 9001:2015 is an international standard that specifies the requirements for a quality management system, ensuring the consistent delivery of products and services that meet customer and regulatory expectations. ISO 21001:2018, on the other hand, is a standard specifically developed for educational organizations. While based on ISO 9001, it is tailored to the unique needs of institutions providing teaching and learning services.

In preparation for the external ISO audit, a mock audit was held on March 2–3, 2025, while the Internal Quality Audit (IQA) cycle was conducted from November 2024 to March 2025. These audits were part of the University's proactive quality assurance approach to ensure readiness and continual improvement.

To further reinforce CEU's direction as the "University of First Choice" and to support its institutional vision and mission, the Management Council conducts regular strategic planning and performance reviews. These activities are vital not only in assessing

institutional effectiveness but also in fostering stronger collaboration among different University units.

The Year-End Management Review and Strategic Planning for SY 2023–2024 was held on July 1, 4, and 5, 2024, with the following key objectives: to evaluate CEU's performance based on its four pillars of excellence and quality management system, assess the effectiveness of the QMS, and review the University's accomplishments based on its Three-Year Plan (SY 2021–2022 to SY 2023–2024).

The Midyear Management Review and Strategic Planning, conducted on March 17–18, 2025, focused on evaluating the University's midyear performance and finalizing the Strategic Plan for SY 2025–2026. As part of this activity, the University conducted an external environmental analysis using PESTLE, revisited its Vision and Mission, mapped its strategic objectives per pillar of excellence using a balanced scorecard approach, and aligned work unit performance with CEU's institutional goals.

To strengthen internal quality systems, an Internal Quality Audit Orientation and Re-orientation was held on November 10–11, 2024, aimed at equipping CEU auditors with the knowledge and competence to effectively carry out the audit process. An orientation on ISO 21001:2018 (Educational Organizations Management System) was also conducted. Similarly, orientations for Data and Document Custodians were held on October 18, November 20, and November 21, 2025, in Manila, Makati, and Malolos, respectively. Additionally, an orientation for 7S evaluators was conducted on March 14, 2025.

As part of its commitment to client satisfaction, CEU incorporated the Customer Feedback Form (CFF) into its visitor form to systematically gather input from external stakeholders. These forms are periodically submitted to the Institutional Development Department for analysis and action. Moreover, CEU continues to conduct its Internal Customer Survey and the Student Personnel Services Survey (SSPS) annually to gauge satisfaction levels among internal stakeholders, particularly students.

To recognize the outstanding efforts of its personnel, the University held its annual Quality Awards Day on November 8, 2024. This event honored exemplary members from the three campuses—Manila, Makati, and Malolos—in various categories: Teacher of the Year, Non-Teaching Employee of the Year (Supervisory and Non-Supervisory), Researcher of the Year, Best Internal Quality Audit (IQA) Sub-Team, Best Quality Circle, CEU STARS, 7S Awards, and the Attendance and Punctuality Award. These recognitions reflect CEU's ongoing commitment to fostering a culture of quality, excellence, and innovation among its academic and administrative community.

Faculty Achievements

From the faculty of the School of Accountancy and Management, the dean, Dr. Rosemarie So is the VP for NCR of the Philippine Association of Collegiate Schools in Business (PACSB), Dr. Rowell Antonio is the VP for NCR of the Council of Management Educators and Professionals in the Philippines, Dr. Dennis Sandoval is the National President, COMEPP - Nov 2023-Nov 2024 Immediate Past President, COMEPP- Nov 2024 - Nov 2025 and Dr. Bella Marie Fabian who received as one of the Municipality of Lamut Province Achievers Awardee given on April 2, 2025

Faculty from the School of Education, Liberal Arts, Music and Social Work are actively involved in national committee and professional organizations. The dean, Dr. Maria Rita Lucas is PAFTE National Auditor and PAFTE NCR Adviser. Ms. Romina Bacarse is a member of the CHED Technical Working Group Student Affairs Services and Vice-Chair of the Advisory Committee of RA11650 Inclusive Education Law Department of Education. Ms. Christine Juan, the program head of the Education is the PAFTE NCR-Secretary, ADCER3 Incorporated-appointed as Board of Directors in City of Malolos, and NCDA Sub-Committee on Education Representative Resource Expert - National Education Academy of the Philippines (NEAP) Department of Education. Mr. Jose Cris Sotto, the program head of the Communication Media is awarded as the Most Outstanding Educator in Communication and Media and Most Outstanding Media Information Literacy Advocate Award given by Embracing the Culture of Research (ETCOR). Mr. Julius De Leon, the program head of the Political Science is the NCR Coordinator of the Philippine Political Science Association 2025-2026 and the Treasurer of the Asian Studies Association of the Philippines 2025-2026. Mr. Angelito E. Ayran Jr., program head of the Music is a member of the CHED Regional Quality Assessment Team (RQUAT). Mr. I is the an Gabriel Corpuz, a faculty member of the Music is the Secretary General of the Treble Choir Association of the Philippines (TCAP). He also won several awards in composition competition that includes 2024 Winner Ensemble Altera Composition Competition with his composition Laudate Dominum First Prize Winner at The Palouse Choral Society International Composition Competition Palouse Choral Society International Composition Competition (MOSCOW) with the song Bugotng-Bugtong Won Category Winner at 2024 National Music Competitions for Young Artist (NAMCYA) Composition Prize: Hand Bell Choir Category. Ms. Rosario Luntayao, a Social Work faculty is the Education Committee and Governance Committee, International Federation of Social workers (IFSW) Asia- Pacific Region

Faculty members of the School of Nursing plays a vital role in different professional organizations. Mrs. Joylyn Mejilla, the Asst. to the Dean is the Treasurer of the Philippine Association of Diabetes Educators (PADE) and the Chair of the Ethics Committee of the Philippine Association of Diabetes Care and Education Nurse Specialist (PADCENS). The following faculty are involved also in different professional organizations: Mrs. Anjanette De Leon is the Secretary of the Philippine Association of Diabetes Care and Education Nurse Specialist (PADCENS), Mr. Benedicto Reyes, Jr. is the Treasurer of the Global Society form Philippine Nurse Researchers, Inc., and Dr. Sofia Magdalena Robles is a COMELEC member of the Philippine Nurses Association (PNA).

Dr. Maria Donnabelle Dean, dean of the School of Pharmacy is the Executive Vice President of the Philippine Association Colleges of Pharmacy (PACOP).

Faculty from the School of Medicine that includes Dr. Jinalyn Noh, Dr. Gerard Anthony Espiritu are Fellows and members of Philippine Society of Pathologists and Dr. Florinda Canuto is a Steering Committee Member of the CPG on Endometriosis of the Philippine Academy of Family and Physicians with Philippine Society of Reproductive Medicine.

The Dean of the Optometry, Dr. Ma. Elena Borromeo is a member of the CHED Technical Panel for Optometry Education, PRC CPD Council for Optometry, and CHED RQUAT for Optometry.

CEU Malolos faculty are actively engaged in different professional organizations; The VP for CEU Malolos, Dr. Maria Flordeliza Anastacio, is the President, International Academy of Accountants for Business Research and Education (IAABRE) Vice President, Pi Lambda

Theta International Honor Society Treasurer, Philippine Society for Educational Research and Evaluation (PSERE) Director for Basic Education and Literacy, Rotary Club of Malolos Hiyas. Furthermore, she was awarded as the CHED Region III Leadership Award and Outstanding Centennial Paulinian St. Paul School of Aparri, Dr. Maria Dinna Avinante, the Asst. Dean of CEU Malolos is the President, PAMRE CL Chapter Phil Association of Marketing Research Educators 2025-2026, Associate Fellow- Phil Society of Fellows in People Management, Auditor- Philippine Society for Educational Research and Evaluation (PSERE).

The program head of Optometry from CEU Malolos, Dr Maria Concepcion Anda is the 1st Vice President of the Integrated Philippine Association of Optometrists (IPAO) and the President of IPAO Quezon City Chapter. She is also the International Association of Contact Lens Educators (IACLE) Ambassador for Philippines and the International Blind Sports Association (IBSA) Chief National Classifier for Visually Impaired Athletes working with the Philippine Sports Commission (PSC) and Philippine Sports Association for the Differently Abled (PHILSPADA).

Dr. Maricar Veranga, Program Head of Hospitality Management is the Vice President for Bulacan of the Council of Deans and Educators in Business Region III. The program head of the Dentistry, Dr. Shirley Wong is the Treasurer of the Academy of Dentistry International Philippine Section, a Fellow of the Philippine Academy of Dental Public Health, a Diplomate in Professional Dental Education awarded by the Philippine Association of Dental Colleges, the Co-Chair of the Faculty Development Program of International College of Dentist RP Section (ICD) and passed the Specialty Board Examination of Dental Public Health. Melchor Sarmiento, a faculty from the Dentistry is the Chair of the membership committee of the PADPH while Faye Marie Evaristo is the Chair of the Council of Past Presidents of the Philippine Dental Association-Pampanga Dental Chapter.

Ms. Carmela Estrope is a correspondent of the Philippine Daily Inquirer. Ms. Marilou Mercado, a faculty from the Medical Technology Department is the Treasurer of the Philippine Society for Histotechnology, Inc. and Ms. Michaela Sayo is the Treasurer of the Biorisk Association of the Philippines.

The Nursing program head, Dr. Cresencia Santos is the Region 3 PRO of the Association of Deans of Philippine Colleges of Nursing, Inc. while Dr. Josan Tamayo, program head of the Information Technology (IT) and the Coordinator of the Information Communications Technology Section is the Auditor of the Association of Computing Education Deans and Program Heads. Mr. John Carlo Gamboa, a teacher of the IT program is a member of the Board of Trustees of Mechatronics and Robotics Society of the Philippines Pampanga Chapter.

For CEU Makati, Dr. Ryan Tiongco, faculty member from the Dentistry Department was chosen as the Outstanding Presenter for his research "Enhancing the Oral Health Literacy of Students Through Dental Educational Videos" during the International Conference on Marketing Business and Trade in Tokyo, Japan in April 26-29, 2025. Mrs. Luzette Mijares, program head of the Tourism Management is the Treasurer of the Hospitality Council of Deans CHED NCR. Ms. Mae Angeline Lontoc, Nursing program head is the Treasurer of the Philippine Association of Diabetes Care and Education Nurse Specialists (PADCENS) while Dr. Pearl Ed Cuevas is the President of the Global Society for Philippine Nurse Researchers, Inc. (GSPNRI)

Student Achievements

CEU students continued to demonstrate excellence in academics, research, creative work, leadership, and sports throughout the academic year.

A group of students from the School of Accountancy and Management was declared Champion in the Video Advertisement Competition during the 20th COMEPP Regional Conference held at San Sebastian College–Recoletos Manila on March 28, 2025.

Chloe Bautista and Jereco Christ Nuguid produced a short film titled "Mandy", which was named as finalist in the Real to Reel Gen Z Pioneer Insurance Film Competition held on January 17, 2025. Additionally, a group of students from the Communication, Media, and Music programs secured IPOPHL copyright registration for their audiovisual work entitled "Byahe."

Students from the School of Medicine earned 8th place in the 51st Interscholastic Clinico-Pathologic Conference held at the Henry Sy Building, UP Manila, on March 22, 2025.

A student from the School of Optometry was awarded Best Position Paper during the Philippine International Model United Nations 2024, held at the University of the Philippines Diliman on July 12–14, 2025. Another Optometry student holds the position of President of the Manila Downtown YMCA Youth Club.

Students from the School of Pharmacy garnered various recognitions in multiple competitions. One student won 1st Place in the Regional Songwriting Contest and 3rd Place at the national level during the PCO Community Campus Caravan held at the Heritage Hotel. Another student earned 1st Place in the Mural Presentation Competition organized by the Metro Manila Health Research and Development Consortium (MMHRDC) during its International Symposium and 15th Annual Scientific Conference at Novotel Manila, on June 20, 2024. A Pharmacy student also clinched 1st Place in the Gold A Vocal Category during the 11th Asia Arts Festival held in Singapore, on July 16–21, 2024. In the FJCPPhA National Pharmacy Quiz Bee, the CEU representative placed 4th overall, and another student was elected Executive Vice President of the Federation of Junior Chapters of the Philippine Pharmacists Association (FJCPPhA).

At CEU Malolos, an Optometry student was elected IPAO Jr. President for Malolos, while a Dentistry student was recognized as one of the Ten Outstanding Students of the Philippines in Region III. Pharmacy students also assumed key leadership roles: one was elected President-elect of the Rotaract Club of Malolos Congress, and another is the current President of the same club and serves as the National PRO of the FJCPPhA.

A group of CEU Malolos Nursing students emerged as Champion in the "Think with a Heart and Do with a Hand: Nursing Quiz Bee 2024."

From CEU Makati, a Psychology student was named a finalist in the Photography Category of the MMHRDC 15th Annual Scientific Conference for his photo titled "Dethroning the King of the Road: The Imminent Extinction of a Culture." Pharmacy students from CEU Makati also secured 4th place in the Podium Presentation category during the event organized by the Federation of Junior Chapters of the Philippine Pharmacists Association held at St. Louis University, Baguio City, on August 30, 2025.

In the area of tourism and hospitality, five (5) Tourism Management students successfully completed micro-credential certifications, including AMADEUS and TESDA National Certifications, enhancing their industry readiness.

In the field of sports, CEU's athletes achieved remarkable success. The CEU Women's Basketball Team and the Volleyball Team were crowned Champions in the Women's National Collegiate Athletic Association (WNCAA), while the CEU Men's Basketball Team won the Championship title in the Men's National Collegiate Athletic Association (MNCAA). The CEU Cheerleading Team was also highly decorated, winning Champion in the College All-Girl Cheer Division, 2nd Runner-Up in the College All-Girl Pom Division, and 1st Runner-Up in the Per Squad/Street Squad category during the National Cheerleading Competition (NCC).

CEU Program Accreditations

Thirteen (13) programs in CEU-Manila have PACUCOA Level 4 accredited status (BS Pharmacy, BS Biology, BS Psychology, BS Business Administration, BS medical Technology, Liberal Arts, Bachelor of Secondary Education, Bachelor of Elementary Education, Doctor of Dental Medicine, BS Nutrition and Dietetics, Master of Arts, Master of Business Administration, and Master of Science). BS Biology and BS Psychology are with Level 4 3rd reaccredited status. BS Pharmacy, BS Business Administration, BS Nutrition and Dietetics, Doctor of Dental Medicine, Bachelor of Secondary Education, Bachelor of Elementary Education, and Liberal Arts are with Level 4 2nd reaccredited status. BS Medical Technology, Master of Science, Master of Arts, and Master of Business Administration are with level 4 1st reaccredited status. Doctor of Optometry, BS Hotel and Restaurant Management, and BS Tourism Management are with Level 3 Reaccredited Status. BS Nursing and BS Social Work are with Level 3 accredited by PAASCU. Seven (7) programs are on Level 2 1st reaccredited status (BS Information Technology, BS Computer Science, BS Computer Engineering, Ph.D. in Pharmacy, Ph.D. in Mathematics Education, Ph.D. in Southeast Asian Studies, and Doctor of Pharmacy). Accountancy is on Candidate status. All these accredited programs have met the FAAP's stringent requirement specifically, (a) reasonably high standard of manifested by the quality of its teachers, (b) highly visible community extension programs, (c) highly visible research tradition, (d) strong staff development, (e) highly credible performance off graduates in licensure examinations, and (f) existence of working consortia or linkages with other schools/agencies.

For CEU-Malolos, three programs have level 4 1st Reaccredited Status (BS Business Administration, Liberal Arts, and BS Psychology). 6 programs have Level 3 reaccredited status (BS Hotel and Restaurant Management, BS Tourism Management, Doctor of Dental Medicine, BS Pharmacy, BS Nursing, and BS Information Technology, and Level 2 1st reaccredited status for Bachelor of Elementary Education.

CEU-Makati has two Level 3 reaccredited status (BS Hotel and Restaurant Management and BS Psychology), four level 2 2nd reaccredited status (BS Tourism Management, BS Business Management, BS Computer Science, and BS Medical Technology), and four Level 2 1st reaccredited status (BS Nursing, BS Pharmacy, BS Information Technology, and Doctor of Dental Medicine.

The summary are as follows:

Accredited College/School Program	Accreditation Level	Period Covered	Accrediting Agency
CEU Manila			
B.S. Biology	Level 4, 3 rd RA	Feb. 2025-Feb. 2030	PACUCOA
B.S. Psychology	Level 4, 3 rd RA	Feb. 2025-Feb. 2030	
B.S. Pharmacy	Level 4 2 nd RA	May 2023-May 2028	
B.S. Business Administration	Level 4 2 nd RA	May 2023-May 2028	
B.S. Nutrition and Dietetics	Level 4 2 nd RA	Nov. 2022-Nov. 2027	
Doctor of Dental Medicine	Level 4 2 nd RA	Jan. 2024-Jan. 2029	
Bachelor of Secondary Education	Level 4 2 nd RA	Sept. 2024-Sept. 2029	
Bachelor of Elementary Education	Level 4 2 nd RA	Sept. 2024-Sept. 2029	
Liberal Arts	Level 4 2 nd RA	Sept. 2024-Sept. 2029	
B.S. Medical Technology	Level 4 1 st RA	March 2019-March 2024	
Master of Science	Level 4 1 st RA	March 2025-March 2030	
Master of Arts	Level 4 1 st RA	March 2025-March 2030	
Master of Business Administration	Level 4 1 st RA	March 2025-March 2030	
Doctor of Optometry	Level 3 RA	August 2018-August 2023	
B.S. Hospitality Management	Level 3 RA	Feb. 2025-Feb. 2030	
B.S. Tourism Management	Level 3 RA	Feb. 2025-Feb. 2030	
B.S. Information Technology	Level 2 1 st RA	March 2022-March 2027	
B.S. Computer Science	Level 2 1 st RA	March 2022-March 2027	
B.S. Computer Engineering	Level 2 1 st RA	Oct. 2022-Oct. 2027	
Ph.D. in Pharmacy	Level 2 1 st RA	Feb. 2024-Feb. 2029	
Ph.D. in Mathematics Education	Level 2 1 st RA	Feb. 2024-Feb. 2029	
Ph.D. in Southeast Asian Studies	Level 2 1 st RA	Feb. 2024-Feb. 2029	
Doctor of Public Administration	Level 4 1 st RA	Feb. 2024-Feb. 2029	
B.S. Accountancy	Candidate	April 2022-April 2024	
B.S. Social Work	Level 3	May 2023-May 2028	PAASCU
B.S. Nursing	Level 3	May 2023-May 2028	
CEU Malolos			
Liberal Arts	Level 4 1 st RA	July 2021-July 2026	PACUCOA
B.S. Business Administration	Level 4 1 st RA	July 2021-July 2026	
B.S. Psychology	Level 4 1 st RA	July 2021-July 2026	
Doctor of Dental Medicine	Level 3 RA	Dec. 2021-Dec. 2026	
B.S. Hotel and Restaurant Mgt.	Level 3 RA	Dec. 2021-Dec. 2026	
B.S. Tourism	Level 3 RA	Dec. 2021-Dec. 2026	
B.S. Nursing	Level 3 RA	Dec. 2021-Dec. 2026	
B.S. Pharmacy	Level 3 RA	Dec. 2021-Dec. 2026	
B.S. Information Technology	Level 3 RA	Jan. 2025-Jan. 2030	
Bachelor in Elementary Education	Level 2 1 st RA	Dec. 2021-Dec. 2026	
CEU Makati			
B.S. Hotel and Restaurant Mgt.	Level 3 RA	March 2024-March 2029	PACUCOA
B.S. Psychology	Level 3 RA	April 2025-April 2030	
B.S. Tourism Management	Level 2 2 nd RA	March 2024-March 2029	
B.S. Business Administration	Level 2 2 nd RA	March 2024-March 2029	
B.S. Computer Science	Level 2 2 nd RA	March 2025-March 2030	
B.S. Medical Technology	Level 2 2 nd RA	April 2025-April 2030	

B.S. Nursing	Level 2 1 st RA	Nov. 2019-Nov. 2024	
B.S. Pharmacy	Level 2 1 st RA	Nov. 2019-Nov. 2024	
B.S. Information Technology	Level 2 1 st RA	Oct. 2021-Oct. 2026	
Doctor of Dental Medicine	Level 2 1 st RA	Oct. 2021-Oct. 2026	

To build further its status as institution of higher learning, the University continues to bring its academic standards at par with internationally recognized certifying bodies.

CEU successfully earned the AUN-QA Certification for the sixteen programs based on the AUN-QA criteria: expected learning outcomes, program specification, program structure and content, teaching and learning approach, student assessment, academic staff quality, support staff quality, student quality and support, facilities and structure, quality enhancement, output. The programs with AUN-QA certification are BS Biology, BS Pharmacy, Doctor of Dental Medicine, BS International Tourism and Travel Management, BS International Hospitality Management, BS Business Administration, BA Communication and Media, BS Medical Technology, BS Nursing, Doctor of Optometry, BS Nutrition and Dietetics, BS Psychology, Bachelor of Music, BS Social Work, BS Information Technology, and BS Cosmetic Science.

The University also passed the AUN-QA Assessment at Institutional Level which covers 15 criteria, consisting of **Strategic Quality Assurance** (1. Vision, mission, culture and governance, 2. Leadership and strategy, 3. Human resources, 4. Financial and physical resources, 5. External relations and networks, 6. Policies for education, 7. Policies for research, 8. Policies for service); Systematic Quality Assurance (9. Quality assurance system, 10. IQA information management, 11. Quality enhancement); and **Results** (12. Educational results, 13. Research results, 14. Service results, and 15. Financial and market results). The certification is valid from October 2024 to October 2029.

Tuition Fee Increase

There was no tuition increase from SY 2020-2021 to SY 2021-2022 in consideration of the COVID 19 Pandemic. In fact, there were some fees that were reduced because of the temporary cessation on on-campus classes. For SY 2022-2023, a 5% increase in tuition fee and other school fees was collected from the incoming first year students only. For SY 2023-2024, a 5% increase in tuition and other school fees was collected from the students in the second year and higher years.

For SY 2024-2025, a 3% increase in tuition and other school fees was collected from students in all levels.

Effect of Government Regulation with Respect to Increase in Tuition Fees

The Commission on Higher Education (CHED) promulgates guidelines to be followed by Higher Educational Institutions (HEIs) intending to increase their tuition and other fees. The guidelines provide, among others:

“A Certificate of Intended Compliance (COIC) stating that (70%) of the proceeds to be derived from the tuition fee increase shall be used for the payment of the salaries, wages, allowances and other benefits of its teaching and non-teaching personnel and other staff x x x.

“The 20% shall go to the improvement of the following:

1. Modernization of buildings
2. Equipment
3. Libraries
4. Laboratories
5. Gymnasium and similar facilities and
6. Payment of other cost of operations for renovations

Only 10% is left for return on investment.”

The University has consistently distributed 70% of the incremental increase in tuition fees to its employees on a semestral basis. The 70% increase in tuition fees is distributed in the form of salary increases, allowances, employee development programs, and other benefits.

The University regularly spends on capital expenditures to improve its facilities. These expenditures are sourced from internally-generated funds and generally exceed the allotted 20% of the tuition fee increase for the year.

Except for competition from other schools and universities, the rising cost of goods and materials and adverse economic situation which can affect operational costs and enrollment figures, there are no other major risks involved in the business of the University.

Item 2. Properties

CEU's main campus site, which houses 13 buildings, is located on a two-hectare prime real estate in Mendiola, Manila. Its campus in Malolos, Bulacan is located on a seven-hectare property along McArthur Highway.

The properties in Manila campus are covered by TCT Nos. 11919, 69761, 76251, 76252, 76253, 92437, 99602 and 171233. The Malolos property is covered by TCT No. T87162.

The University has no property that is subject to any mortgage, lien or encumbrance.

In connection with the establishment of CEU-Makati Campus, the University has been leasing the Philtrust Bank Building since 2004 for Php 2M fixed rental per month for 25 years plus a percentage of the annual income for its CEU-Makati, Gil Puyat Campus. As part of the University's expansion program for CEU-Makati Campus, the University purchased in 2006 the Seaboard Centre Condominium Project located at Esteban Street, Legaspi Village, Makati City. The University is currently working on the consolidation of these titles.

CEU complies with environmental laws. Its buildings are inspected regularly by the Manila, Malolos, and Makati LGU respectively for sanitation and other safety measures, and the University pays the corresponding regulatory fees.

Item 3. Legal Proceedings

CEU is not a party nor is any of the University's principal properties subject to any substantial legal proceeding that could be expected to have a material adverse effect on the results of its operations.

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

There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters

Market Information

The University's common equity is traded at the Philippine Stock Exchange. Following are the high and low prices for each quarter within the last two (2) fiscal years:

Fiscal Year Ended 2024		High	Low
June 1, 2023 – August 31, 2023	First Quarter	Php 8.70	Php 7.11
Sept. 1, 2023 – Nov. 30, 2023	Second Quarter	9.05	7.62
Dec. 1, 2023 – February 28, 2024	Third Quarter	8.81	8.02
March 1, 2024 – March 31, 2024	Fourth Quarter	8.99	8.00

Fiscal Year Ended 2025		High	Low
June 1, 2024 – August 31, 2024	First Quarter	Php 15.80	Php 11.22
Sept. 1, 2024 – Nov. 30, 2024	Second Quarter	15.40	13.20
Dec. 1, 2024 – February 28, 2025	Third Quarter	15.48	11.67
March 1, 2025 – May 31, 2025	Fourth Quarter	14.80	13.00

The closing price per share of the University's common shares as of August 31, 2025 (last trade was August 29, 2025) was Php15.50.

Holders

As of August 31, 2025,, there are 1,008 common shareholders. The name of the top twenty (20) shareholders and the number of shares and the percentage of total shares outstanding held by each are as follows:

Stockholder	Number of Common Shares Held	Percentage of Total Shares (5)
1. USAUTOCO, INC.	151,945,069	34.0000
2. U.S. AUTOMOTIVE CO., INC.	102,780,115	22.9986
3. PCD NOMINEE CORPORATON - Filipino/Others	75,724,834	16.9446
4. Jose M. Tiongco	16,127,537	3.6088
5. Corazon M. Tiongco	12,139,085	2.7163
6. Natalia Maria De Vera	11,023,366	2.4666
7. Security Bank Corp. TA# 1090	9,686,759	2.1676
8. Andrew Victor T. Galeon	5,551,789	1.2423
9. Audrey Cecile G. Tabuso	5,551,789	1.2423
10. Genevieve Rose C. Castro	3,676,091	0.8226
11. Georgina Rose T. Cabrera	3,676,090	0.8226
12. Gwendolyn Rose C. Nable	3,676,090	0.8226
13. Alvin Anton C. Ong	1,613,170	0.3610
14. Maria Concepcion I. Donato	1,193,358	0.2670
15. Alicia De Santos Villarama	909,828	0.2036
16. Estate Of Trinidad V. Javellana	856,399	0.1916
17. Emma De Santos Oboza	846,000	0.1893
18. Estate Of Manuel M. Paredes	780,128	0.1746
19. Amado R. Reyes	780,128	0.1746
20. Ma. Alexa Javellana Intengan	761,545	0.1704

There are no transactions that relate to an acquisition, business combination or other reorganization which will affect the amount and percentage of shareholdings of any of the University's directors, officers (as a group) or any person owning more than 5% of the University's outstanding capital stock

Dividends

Dividends declared for the three most recent fiscal years, i.e., Fiscal Year ended May 31, 2023, Fiscal Year ended May 31, 2024, and Fiscal Year ended May 31, 2025 are as follows

Fiscal Year Ended May 31, 2023

Cash dividend amounting to .60 per share was declared on May 26, 2023 in favor of stockholders of record as of June 30, 2023, paid on July 25, 2023.

Cash dividend amounting to .60 per share was declared on September 30, 2022 in favor of stockholders of record as of November 11, 2022, paid on December 7, 2022.

Fiscal Year Ended May 31, 2024

Cash dividend amounting to 1.20 per share was declared on 31 May 2024 in favor of stockholders of record as of 11 July 2024, paid on 05 August 2024.

Fiscal Year Ended May 31, 2025

Cash dividend amounting to 1.40 per share was declared on May 30, 2025 in favor of stockholders of record as of July 10, 2025, paid on August 04, 2025.

On October 3 2024 the Board of Directors declared 20% Stock Dividends for approval by the stockholders during the 25 October 2024 Annual Stockholders Meeting. During said Annual Stockholders Meeting, stockholders constituting 295,739,130 shares or 79.1% or more than 2/3 of the outstanding capital stock approved the stock dividend declaration. Record date was 18 December 2024 and payment date was 16 January 2025. During the Special Stockholders Meeting held 07 March 2025, the stockholders ratified the resulting 44 excess shares that resulted from the rounding of fractional shares. This stock dividend resulted to the current 446,897,323 outstanding shares (from 374,414,400).

Dividends shall be declared only from retained earnings.

There are no restrictions that limit the ability to declare dividends on common equity.

Recent Sales of Unregistered or Exempt Securities

Save for the above-discussed stock dividend declaration, the University did not sell any unregistered or exempt securities in the past three (3) years.

Item 6. Management 's Discussion and Analysis or Plan of Operation

Financial Performance (2024-2025; 2023-2024; 2022-2023)

Tuition and Other School Fees increased by 0.07% from the previous year's Php 2,373,589,778 to this year's Php 2,375,287,807 as compared to last year's increase of 28.5% to Php 2,373,589,778 from Php 1,847,171,734. This account consists of Tuition Fees, Other Fees, and Income from Other School Services. Other fees included fees for electricity, registration materials, miscellaneous classroom expenses, laboratory materials, health services fees, library fees and development fees. Income from Other School Services comprised of fees for diploma and certificates, transcript of records, entrance examinations and various collections for specific items or activities. Other Revenue pertaining to rental income amounted to Php 14,015,093 which has increased by 5.95% from previous year's total of Php 13,227,724 as compared to an increase of

20.76% in 2024 from a total of Php 10,953,501 in 2023. Interest income was reported at Php60,809,911 in 2025, Php 32,265,250 in 2024, and Php 14,739,965 in 2023. No Other Income was reported as of May 31, 2025 and 2024, with Php 4,000 as of May 31, 2023.

The total revenues from contracts with customers increased to Php 2,430,369,179 in 2025 from Php 2,400,221,353 in 2024, and from Php 1,880,318,123 in 2023 while Costs and Expenses were reported at Php 1,747,618,011 in 2025, Php 1,762,579,013 in 2024, and Php 1,500,235,664 in 2023.

For the fiscal year ended May 31, 2022, the academic calendar of the University was revised and the completion of the academic year was moved from May 2022 (fiscal year ended May 31, 2022) to June (covered by fiscal year ending May 31, 2023). This is due to the offering of the programs by the learning block affected by the health breaks imposed by the City Government.

Net income of the University as of May 31, 2025 increased to Php 685,701,124 from Php 616,981,545 in 2024 and from Php 396,019,517 in 2023. For the fiscal years 2024-2025 and 2023-2024 the University has increased in the number of total students. A 5% increase in the tuition fees and other school fees of first year students was implemented in School Year 2022-2023. In addition, there are no more rebates in the miscellaneous fees as the hybrid class modality was implemented. For SY 2023-2024, a 5% increase in tuition and other school fees was collected from the students in second year and higher years and for SY 2024-2025, a 3% increase in tuition and other school fees was collected from students in all levels.

The extension of classes due to a health break implemented by the city government had an effect on the net income reported for Fiscal Year 2022 and 2023 with the deferred tuition fees and contract liabilities which will be recognized as revenue in June 2022 (fiscal year ending May 31, 2023) and in June 2023 (fiscal year ending May 31, 2024).

Financial Condition (2024-2025; 2023-2024; 2022-2023)

The University reported a healthy cash position as of May 31, 2025. Cash and cash equivalents were at Php 1,114,216,448 as compared to last year's balance of Php 788,628,149 and May 31, 2023 balance of Php 790,973,671. Also, in fiscal year 2025 and 2024 was an Investment in securities and other instruments of Php 470,724,983 and Php 450,000,000 respectively. Tuition and other receivables were at Php 289,064,508 this year as compared with Php 308,104,679 in 2024 and Php 347,621,304 in 2023. The University's receivables consist of tuition receivables, interest receivables, and employee and lessee receivables. There are no receivables from unconsolidated subsidiaries or related parties.

Inventories, consisting of materials, uniforms and supplies, were at Php 35,334,469. Other current assets, which consist largely of Advances to Suppliers and Prepayments, stood at Php 106,396,419.

The current assets of the University as of fiscal year ended May 31, 2025 were Php 2,015,736,827 as compared to Php 1,682,270,172 in 2024 and Php 1,250,860,782 in 2023.

Property and Equipment were reported at Php 6,551,489,832 from Php 6,530,816,984 in 2024 and from Php 5,739,500.53 in 2023.

Total non-current assets were at Php 6,714,810,083 and Total Assets were at Php 8,730,546,910 at the end of the fiscal year.

Accounts payable and other current liabilities increased to Php 763,398,608 from Php 736,094,461 in 2024 and from Php 650,395,722 in 2023. Deferred revenues were reported this year at Php 131,237,190 for students with advanced payment of fees for SY 2025-2026.. Dividends payable were at Php 793,636,305 compared to Php 592,029,196 last year and Php 346,614,015 on May 31, 2023. Total current liabilities were at Php 1,725,336,355 at fiscal yearend.

Total noncurrent liabilities as of May 31, 2025 decreased to Php 756,390,767 from last year's Php 820,067,256 and Php 790,552,282 in 2023. Because schools are allowed to claim 10% of their capital assets as an advanced tax credit, they can no longer claim the depreciation on these capital assets as tax deduction. Instead, the unamortized portion of these tax credits are lodged under deferred tax liability, and is amortized yearly in congruence with the depreciation of the capital assets. Deferred tax liabilities were at Php 519,290,526.

Upon adoption of PFRS 16 on April 1, 2019, the University recognized right-of-use asset and lease liability. The Lease Liability - net of current portion for 2025 was at Php 96,588,498 and was at Php 116,038,550 in 2024 and Php 131,452,782 in 2023. Retirement liability refers to the portion of the Retirement Fund that needs to be funded over the course of the expected working lives of the employees. As of May 31, 2025, retirement liability was at Php 128,447,316.

The University's stockholder's equity stood at Php 6,248,819,788 as of May 31, 2025 compared to Php 6,168,769,148 as of May 31, 2024 and Php 5,338,126,160 in 2023.

Key Performance Indicators -

Key	2025	2024	2023	Manner of Computation	Significance
Revenue Growth	0.07%	28.50%	43.32%	Difference between current and last year's tuition and other school fees divided by last year's revenues	Measures Revenue growth
Return on Revenue	29%	26%	21%	Net income divided by Tuition and other school fees	Shows how much profit is derived from every pesos of tuition and other school fees
Dividend Pay-out Ratio	91%	72%	113%	Dividends divided by net income	Indicates how earnings support dividend payment
Return on Equity	11%	11%	7%	Net profit divided by average total stockholders' equity	Measures extent of profit earned
Return on Assets	8%	8%	6%	Net profit divided by average total assets	Measures use of assets to generate income

Liquidity

The University relies on internally generated cash to fund its working capital needs, capital expenditures and cash dividends. It can satisfy the cash requirements and has no plan to raise additional funds.

Cash flows provided by operating activities were at Php 947,483,810 for the fiscal year ended May 31, 2025 as compared to cash flows provided by operating activities at Php 816,900,723 for fiscal year ended May 31, 2024 and Php 590,252,717 for fiscal year ended May 31, 2023.

Cash used in investing activities was at Php 171,748,832 during the fiscal year ended May 31, 2025 as compared to cash used in investing activities of Php 591,380,945 for the fiscal year ended May 31, 2024 and Php 121,873,424 during the fiscal year ended May 31, 2023.

Cash used in financing activities was at Php 450,744,981 during the fiscal year. This was primarily used for the payment of dividends. Cash used for financing activities was Php 227,949,599 during the fiscal year ended May 31, 2024 and Php 242,995,566 during the fiscal year ended May 31, 2023.

Segment Reporting

The University operates in four geographical segments – Mendiola, Malolos, Makati-Gil Puyat and Makati-Legaspi campus. The financial information on the operations of these segments are disclosed in terms of segment assets, segment property and equipment (net), segment liabilities, segment revenues, operating expenses and net income/loss.

The segment report is included in the financial statements under Note 20.

Known Trends

Effect of Government Regulation with Respect to Increase in Tuition Fees

The Commission on Higher Education (CHED) promulgates guidelines to be followed by Higher Education Institutions (HEIs) intending to increase their tuition and other fees. Notable among them follows:

“A Certificate of Intended Compliance (COIC) stating that (70%) of the proceeds to be derived from the tuition fee increase shall be used for the payment of the salaries, wages, allowances and other benefits of its teaching and non-teaching personnel and other staff xxx.

“The 20% shall go to the improvement of the following:

1. Modernization of buildings
2. Equipment
3. Libraries
4. Laboratories
5. Gymnasium and similar facilities and
6. Payment of other costs of operations on renovations

“Only 10% is left for return on investment

Education Trends

For school years 2018-2019 and 2017-2018, the University registered downward trends in enrollment due to the K-12 program of the government. This downward trend was exacerbated in the school year 2019-2020 due to the free tuition program of the government, which caused a lot of potential enrollees to enroll in State Universities and Colleges instead. For the school year 2020-2021, there was a notable decrease in enrollment. After a survey conducted by the University, the decrease was due to the COVID 19 pandemic. For the school years 2022-2023, 2023-2024, and 2024-2025, there was an increase in enrollment as the University intensified its admission process and implemented changes in the teaching and learning modalities.

Key Variable and Other Qualitative and Quantitative Factors

Currently, there are no known trends, events, or uncertainties that have a material impact on the University's liquidity.

The Registrant does not know of any event that will trigger any direct or contingent financial obligation that may be material to the company, including default or acceleration of an obligation.

There are no known material off-balance sheet transactions, arrangements, or obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

As the University went back to its onsite operations as a result of the lifting of COVID Restrictions and resumption of face to face classes, CEU will continue with its facilities improvement.

All income is derived from the normal course of operations and through interest income on money market placements. There are no significant elements of income or loss.

Material changes from FY 2024 to FY 2025 include an increase of 1.28% in total revenues which resulted from the increase of 106.83% in miscellaneous fees and increase of 5.95% in rental income for the fiscal year. During FY 2022 and 2021, rebates were applied to certain miscellaneous fees due to online classes in this period of pandemic. For FY 2023 and FY 2024 said rebates were no longer applied as there had been a shift to hybrid class modality. For costs and expenses, there was a decrease of 0.87% in cost of services resulting from decrease in library expense, rental expense, cost of uniforms and outfits, and laboratory expenses. General and administrative expenses posted a decrease of 0.72% due to decreases in the provision for credit losses, taxes and licenses, transportation and communication, insurance expense, entertainment, amusement and recreation expense and membership fees and dues. On other income and expenses, a material increase of 88.47% in interest income was reported due to higher deposits and placements and higher interest rates. Interest expense arising from lease liability due to the adoption of PFRS 16 on April 1, 2019 was reported this fiscal year at 7.06 million with 11.72% decrease from previous year. The loss on retirement of assets increased at 99.87% due to the value of condemned furniture and equipment. There was an increase of 609.74% in foreign currency exchange gains reported this fiscal year because of higher foreign currency placements and higher exchange rates.

These material changes resulted in an increase of 11.14% in net income after tax. This resulted from an increase in enrollment and higher rates of tuition fee and other school fees. Other factors that contributed to a higher income this fiscal year are the higher amounts of Other Income and decrease in cost and expenses.

New Accounting Standards

The University presented its consolidated financial statements to comply with accounting principles generally accepted in the Philippines (Philippine GAAP) as set forth in Philippine Financial Reporting Standards (PFRS). New and revised accounting standards, consisting of Philippine Accounting Standards (PAS) and PFRS became effective for financial reporting purposes.

The consolidated financial statements include the financial statements of the University, Centro Escolar University Hospital, Inc. (the Hospital), a wholly owned subsidiary, Centro Escolar Las Pinas (CELPI) and Centro Escolar Integrated School (CE-IS) (collectively referred to as the Group).

Subsidiary is consolidated when control is transferred to the Group and ceases to be consolidated when control is transferred out of the Group. Control is presumed to exist when the University owns more than 50% of the voting power of an entity unless in exceptional cases, it can be clearly demonstrated that such ownership does not constitute control. The consolidated financial statements are prepared using uniform accounting policies for the like transactions and other events in similar circumstances. All intercompany balances and transactions, intercompany profits and unrealized gains and losses have been eliminated in the consolidation

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards that became effective beginning in June 1, 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

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

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

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

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The Registrant has no knowledge of any seasonal aspects that had a material effect on the financial condition or results of the operations.

Item 7. Financial Statement

The audited financial statements and supplementary schedules to the financial statements duly submitted to BIR* are attached as Exhibit 1 hereto.

Item 8. Changes in and Disagreements with External Accountants on Accounting and Financial Disclosure

1. External Audit Fees and Services

Audit Fees and Related Fees

Sycip, Gorres, Velayo and Co. (SGV) was appointed as external auditor of the University for the fiscal year ending May 31, 2025. There was no change in or disagreement with the external auditor on accounting and financial disclosures.

In compliance with Securities Regulation Code (SRC) Rule 68, Ms. Djole S. Garcia was designated as partner in-charge from FY 2018 to FY 2023 while Ms. Josephine Adrienne A. Abarca and Mr. Christian Lauron were designated as partner in-charge in FY 2016 to FY 2017 and FY 2014 to FY 2015 respectively.

For FY 2025-2025 and 2023-2024, the partner in -charge is Mr. Bryan Chrisnel M. Baes.

In 2024, 2023, and 2022, the University paid Php 1,610,000.00, Php 1,195,700.00, and Php 1,087,000.00 respectively, VAT exclusive, to Sycip, Gorres, Velayo and Co. (SGV) for the audit of the University's annual financial statements, as well as assistance in the preparation of the annual income tax returns.

In 2025, the engagement fee of Sycip, Gorres, Velayo and Co. (SGV) for the audit of the University's annual financial statements, as well as assistance in the preparation of the annual income tax returns amounts to Php1,500,000.

There is no other assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the University financial statements.

Tax Fees

In 1 May 2023 the Audit Committee unanimously approved the engagement of the SGV Business Tax Services Division to handle the BIR Final Assessment Notice matter of Centro Escolar Las Pinas Inc., one of the University's subsidiaries. In the pre-concurrence, the committee declared that said engagement does not constitute an unmanageable independence threat. This engagement is on-going.

Other Fees

On September 24, 2024 the Audit Committee & Risk Committee unanimously gave its pre-concurrence on the independent review of the calculation of Incremental Proceeds and the related allowable deductions. In the pre-concurrence, the committee declared that said engagement does not constitute an unmanageable independence threat. This engagement is on-going.

On 21 July 2023 the Audit Committee unanimously approved the engagement of the SGV Business Tax Services Division to study and submit a report which documents all processes and analyses for the transfer pricing policies and documentation of the University for taxable year 2022-2023.

Audit Committee Pre-approval Policy

CEU's Audit Committee is composed of the Chairman, Dr. Emil Q. Javier, (Lead Independent Director) and members, Mr. Lope M. Yuvienco (independent director), Dr. Alejandro C. Dizon and Committee Secretary Atty. Sergio F. Apostol.

The Audit Committee is required to pre-approve all audit and non-audit services rendered and approve the engagement fees and other compensation to be paid to the external auditor.

The Audit Committee found the services and fees for external audit reasonable and approved the same following a conference with the external auditors and the University's financial officers to clarify the scope, extent and details of the audit.

Changes in and Disagreements with External Accountants on Accounting and Financial Disclosure

There was no change in nor disagreement with External Accountants on accounting and financial disclosures.

PART III. CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the University

Directors and Executive Officers

	Name	Age	Citizen ship	Positions	Term of Office	Directorship Held in Other Companies
1	Basilio C. Yap	76	Filipino	Chairman of the Board – April 25, 2014	Yearly	Chairman, President & Director – U.S. Automotive Co., Inc., USAUTO CO, Inc., Philtrust Realty Corporation, Manila Prince Hotel, Cocusphil Development Corporation, U.N. Properties Development Corporation and Seebreeze Enterprises Chairman Emeritus – Philtrust Bank Chairman, Manila Hotel Corporation Chairman, Manila Bulletin Publishing Corporation Chairman, CEU Hospital, Inc. and Centro Escolar Las - Pinas, Inc.
2	*Danilo L. Concepcion	67	Filipino	Vice Chairman / President / Chief Academic Officer- June 1, 2025	Yearly	Director, Centro Escolar University Hospital, Inc. Vice Chairman & President, Centro Escolar Las Pinas, Inc
3	Lope M. Yuvienco	80	Filipino	Director 21 March 2023	Yearly	Independent Director, AXA Philippines and Charter Ping An Insurance Corporation Director, Centro Escolar University

4	Emil Q. Javier**	85	Filipino	Director - July 10, 2002	Yearly	<ul style="list-style-type: none"> - Trustee, Asia Rice Foundation, Head Advisor, Biotech Coalition of the Phils., - - Academician, National Academy of Science & Technology (Phil) - Board Member, International Service for the Acquisition of Agri-Biotech Applications (South East Asia Center) - Chairman, Coalition for Agricultural Modernization of the Phils. - Chairman, Nutrition Center of the Philippines - Director: CEU Hospital, Inc. Del Monte Pacific Ltd. Centro Escolar Las Pinas, Inc. - Member, Advisory Com. Japan International Coop. Agency, Phils.
5	Benjamin C. Yap	79	Filipino	Director - July 22, 2014	Yearly	<ul style="list-style-type: none"> - President and Chairman, Benjamin Favored Son, Inc. - Chairman, House of Refuge - Director, USAUTOOCO, Inc - Director, Manila Hotel Corp..
6	Alejandro C. Dizon	65	Filipino	Director - Aug. 31, 2007	Yearly	<ul style="list-style-type: none"> - Active Consultant, General Surgery, Institute of Surgery, St. Lukes Medical Center - Fellow and President, Philippine College of Surgeons - Fellow, American College of Surgeons - Examiner & Member, Chairman Board of Directors & Governors,

						Philippine Board of Surgery, - Asst. Professor, UERMMMC Department of Surgery College of Medicine
7	Emilio C. Yap III	54	Filipino	Directors - Sept. 1, 2009	Yearly	- Chairman, Manila Prime Holdings - Director, Manila Bulletin Corporation, Manila Hotel, - Philtrust Bank and US Automotive Co., Inc.
8	Corazon M. Tiongco	76	Filipino	Director - July 25, 2000 Assistant Treasurer since Aug. 12, 2005	Yearly	- Director, Centro Escolar University Hospital, Inc. - Director, Centro Escolar Integrated School, Inc. - AVP for Treasury
9	Johnny C. Yap	53	Filipino	Director - Oct. 26, 2007	Yearly	- Vice Chairman & Treasurer, Euromed Laboratories Philippines, Inc. - Director, Philtrust Bank - Director, Centro Escolar Las Piñas - Chairman, Café France Corp.

Note: Dr. Ma. Cristina D. Padolina (Vice Chairman, President and Chief Academic Officer) tendered her retirement to the Board during the 25 April 2025 regular BOD Meeting. During the same meeting, she was replaced by Atty. Danilo L. Concepcion who will serve the unexpired term of Dr. Padolina, or until the next Stockholders Meeting and Organizational Meeting. Dr. Padolina's retirement took effect 31 May 2025. Atty. Concepcion assumed office 01 June 2025.

Executive Officers Who Are Not Directors

	Name	Age	Citizenship	Position	Term of Office	Directorship Held in Other Companies
1	Sergio F. Apostol	90	Filipino	Corporate Secretary - Feb. 26, 2010	Yearly	- Chairman, Kaytrix Agri-Aqua Corp. - Director, Manila Hotel
2	Cesar F. Tan	71	Filipino	Treasurer - April 17, 2006 Asst. Corp. Sec. - Oct. 1, 2009	Yearly	- Treasurer, Centro Escolar University Hospital, Inc., Centro Escolar Integrated School, Inc., Centro Escolar Las Piñas, Inc.
3	Jayson O'S. Ramos	44	Filipino	University Legal Counsel - July 2017	Yearly	Corporate Secretary, Centro Escolar Integrated School, Inc.

				Compliance Officer – July 2019		
3	Maria Clara Perlita Erna V. Yabut	59	Filipino	VP-Research & Evaluation – Jan. 29, 2010 AVP- Research & Evaluation - Aug. 18, 2006 Head, EDP Department – Aug. 1, 2001	Yearly	None
4	Teresa R. Perez	63	Filipino	Senior VP - Academics - October 22, 2021 VP Academic Affairs – Jan. 29, 2010 AVP- Academic Affairs - July 25, 2008 Acting AVP-Academic Affairs - July 27, 2007	Yearly	- Vice President, Centro Escolar Integrated School, Centro Escolar Las Piñas, Inc.
5	Pearly P. Lim	62	Filipino	VP-Makati Campus - August, 2013	Yearly	- Vice President and Dean of Studies, Centro Escolar University-Makati
6	Rhoda C. Aguilar	52	Filipino	University Registrar - July 25, 2014 Acting University Registrar – June 1, 2013	Yearly	None
7	Ma. Flordeliza L. Anastacio	65	Filipino	VP-Malolos Campus - July 25, 2014 -Officer-in-Charge, CEU Malolos - November, 2013	Yearly	None
8	Carlito B. Olaer	61	Filipino	VP-Student Affairs – July 30, 2010 Acting AVP- Student Affairs, Student Affairs Office since July 25, 2008 OIC, Student Affairs Office – since May 3, 2008	Yearly	None
9	Ma. Rolina S. Servitillo	56	Filipino	VP-Administration & Accounting – Jan. 2017	Yearly	- Vice President, Centro Escolar Integrated School, Centro Escolar Las Piñas, Inc., Centro Escolar University Hospital, Inc.
10	Jericho P. Orlina	59	Filipino	AVP- Business Affairs – Jan. 2017	Yearly	AVP, Centro Escolar University Hospital, Inc.

11	Bella Marie L. Fabian	62	Filipino	AVP-Administration – Jan. 2017	Yearly	None
12	Bernardita T. Traje	64	Filipino	Assistant Controller – Aug. 18, 2006 Assistant Treasurer – March 8, 1995 to Aug. 18, 2006	Yearly	None
13	Noel T. Baluyan	58	Filipino	AVP for Operations – October 25, 2024	Yearly	None

Significant Employees

All employees are expected to make reasonable contributions to the success of the business of the University. There is no “significant employee” as defined in Part IV(A)(2) of the SRC Rule 12 (i.e., a person who is not an executive officer of the registrant but who is expected to make a significant contribution to the business).

Deans

	Name*	Position*	Directorship Held in Other Companies
1.	Josue N. Bellosillo	Dean	None
2.	Charito M. Bermido	Dean	None
3.	Elena C. Borromeo	Dean	None
4.	Julieta Z. Dungca	Dean	None
5.	Mary Iodine S. Lacanienta	Dean	None
6.	Ma. Rita D. Lucas	Dean	None
7.	Maria Donnabelle U. Dean	Dean	None
8.	Rosemarie I. So	Dean	None
9.	Christine S. Tinio	Dean	None
10.	Cecilia G. Uncad	Dean	None
11.	Elvira L. Urgel	Dean	None
12.	Francis Michael P. Yambao	Dean	None

Assistant Deans

	Name	Position*	Directorship Held in Other Companies
1.	Ricardo S. Lumpas	Assistant Dean	None
2.	Marian Almyra S. Naranjilla	Assistant Dean	None
3.	Aileen C. Patron	Assistant Dean	None

Associate Deans

	Name	Position*	Directorship Held in Other Companies
1.	Josephine Carnate	Associate Dean	None
2.	Julian Rodrigo A. Dela Cruz	Associate Dean	None
3.	Rita Linda V. Jimeno	Associate Dean	None

Academic Department Heads

	Name	Position*	Directorship Held in Other Companies
1.	Elisa B. Ayo	Head	None
2.	Jonathan P. Catapang	Head	None
3.	Dorothea C. Dela Cruz	Head	None
4.	Sarah-Lou N. Obinguar	Head (Acting)	None
5.	Arlene S. Opina	Head	None
6.	John Carlo C. Perez	Head	None

7.	Imelda R. Romero	Head	None
8.	Ruth R. Santos	Head	None

Program Heads 2

	Name	Position*	Directorship Held in Other Companies
1.	Maria Dinna P. Aviñante	Program Head	None
2.	Maria Carmen S. Dizon	Program Head	None
3.	Regina A. Jazul	Program Head	None
4.	Roy Raian A. Joson	Program Head	None
5.	Mae Angeline M. Lontoc	Program Head	None
6.	Rowena E. Mercado	Program Head	None
7.	Eva E. Pacayra	Program Head (Acting)	None
8.	Carmen P. Sanchez	Program Head	None
9.	Cresencia M. Santos	Program Head	None
10.	Josan D. Tamayo	Program Head	None
11.	Maricar A. Veranga	Program Head	None
12.	Shirley S. Wong	Program Head	None

Non-Teaching Department Heads

	Name	Position*	Directorship Held in Other Companies
1.	Maria Corazon L. Andoy	Head	None
2.	Rouella M. Baluyut	Administrative Officer	None
3.	Josephine M. De Leon	Head	None
4.	Ma. Eleanor C. Espinas	Head	None
5.	Enrique M. Gungon Jr.	Head	None
6.	Rommel N. Jotic	Head	None

7.	Frederick R. Llanera	Head	None
8.	Rosario Donalyne L. Manigbas	Head	None
9.	Juana Rosa F. Martinez	Head	None
10.	Ivan Perry B. Mercado	Campus Registrar	None
11.	Teresita S. Mijares	Head	None
12.	Roland P. Ordañez	Head	None
13.	Eufrecina Jean DR. Ramirez	Head	None
14.	Benjamin M. Roman	Head	None
15.	Cynthia S. Sarmiento	Campus Registrar	None
16.	Engr. Ronie U. Siniguian	Head	None
17.	Maria Corazon C. Tiongco	Head	None
18.	Vivian C. Tobias	Head (OIC)	None
19.	Bernardita T. Traje	Head	None
20.	Ma. Cecilia L. Yu	Head	None

Assistant Heads

	Name	Position*	Directorship Held in Other Companies
1.	Noel V. Aguilar	Asst. Head	None
2.	Joey O. Chua	Asst. Head (Acting)	None
3.	Ma. Jesusa M. Laurio	Asst. Head	None
4.	Avelina R. Raqueño	Asst. Head	None
5.	Nelia PL. Sacopon	Asst. Head	None

Family Relationships

Mr. Basilio C. Yap and Mr. Benjamin C. Yap are relatives within the second degree of consanguinity, Dr. Emilio C. Yap III and Dr. Johnny C. Yap are relatives within the second degree of consanguinity. Mr. Basilio C. Yap and Mr. Benjamin C. Yap who are relatives within the second degree of consanguinity and Dr. Emilio C. Yap III and Dr. Johnny C. Yap who are also within the second degree of consanguinity are relatives within the third degree of consanguinity.

Involvement in Certain Legal Proceedings

The University is not aware of any legal proceedings in the past five (5) years to date involving its directors and officers which are material to the evaluation of the ability and integrity of any director or officer of the University.

No director or officer has been convicted by final judgment during the last five (5) years up to the present of any offense punishable by Philippine laws or by the laws of any other country.

Likewise, the University has no knowledge of pending legal proceedings against any of its directors or executive officers involving: (a) any bankruptcy petition filed by or against any business of which its directors or executive officers is subject; or (b) any judgment or decree permanently or temporarily limiting or suspending their involvement in any type of business, securities, commodities or banking activities; or, (c) any violation of a securities or commodities law or regulation and the judgment has not been reversed, suspended or vacated.

Item 10. Executive Compensation

Salaries and Benefits of Executive Officers

<u>Name and Position</u>	<u>Fiscal Year</u>	<u>Annual Salary</u>	<u>Bonus</u>	<u>Othe r Ann ual Com pens atio n</u>	<u>Total Compensation</u>
PRES. PADOLINA					
SVP PEREZ	2023-2024	12,798,102.56	1,497,245.64	N/A	14,295,348.20
VP YABUT	2024-2025	11,764,089.28	1,589,366.25	N/A	13,353,455.53
VP ANASTACIO	2025-2026***	11,764,089.28	1,589,366.25	N/A	3,353,455.53
VP OLAER					

All Officers and Directors as a Group

<u>Name and Position</u>	<u>Fiscal Year</u>	<u>Annual Salary</u>	<u>Bonus</u>	<u>Other Annual Compensation</u>	<u>Total Compensation</u>
All Officers and Directors as a Group	2023-2024 2024-2025 2025-2026***	}			₱ 31,754,550.55 ₱ 34,261,675.54 ₱ 34,261,675.54

***Figures are estimated amounts.

The Directors do not receive compensation for services provided as a director other than reasonable per diem for attendance at meetings of the Board or any of its committees.

There are no bonuses, profit sharing stock options warrants, rights of other compensation plans or arrangements with directors or officers that will result from their resignation, retirement, termination of employment or change in the control of the University.

The duties and responsibilities of the elected corporate officers are specified in the University's By-laws and/or Manual of Corporate Governance.

Other officers whose duties and responsibilities are set by Management are considered regular employees of the University.

There are no outstanding warrants or options held by the University's President, executive officers and directors.

There are no outstanding warrants or options held by the University's President, executive officers and directors.

Item 11. Security Ownership of Certain Beneficial Owners and Management

1. Security Ownership of Certain Record and Beneficial Owners

Owners of record of more than 5% of the University's shares of stock as of August 31, 2025 were as follows:

Title of Class	Name & Address of Record Owner & Relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	Number of Shares held	Percent (%)

Common	USAUTOCO, INC. 1000 United Nations Ave., Ermita, Manila Authorized Representative – Basilio C. Yap Relationship to Issuer - Stockholder	USAUTOCO, INC. Authorized Representative – Basilio C. Yap Position - President	Filipino	151,945,069	34.00%
Common	U.S. Automotive Co., Inc. 1000-1046 United Nations Ave., cor. San Marcelino, Ermita, Manila Authorized Representative – Basilio C. Yap Relationship to Issuer - Stockholder	U.S. Automotive Co., Inc. Authorized Representative – Basilio C. Yap Position - President	Filipino	102,780,115	22.99%
Common	PCD Nominee Corp. – Filipino	Alejandro C. Dizon Beneficial Owner	Filipino	75,269,764	16.84%
Aggregate Number of Shares and Percentage of All Beneficial/Record Owners as a Group				329,994,948	<u>73.83%</u>

³During the stockholders' meeting on July 27, 2004, the stockholders approved the grant of annual medical allowance and related bonuses to the members of the Board of Directors.

The proxy designated by the Board of Directors votes for the corporation.

2. Security Ownership of Management

Owners of record of CEU shares among Management as of August 31, 2025, the latest obtainable data as of the preparation of this report, are as follows:

Title of Class	Directors	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Basilio C. Yap (Chairman)	1201 (d)	Filipino	0.0003
Common	Danilo L. Concepcion (Vice Chairman/President)	100 (d)	Filipino	Nil
Common	Lope M. Yuvienco*	120 (d)	Filipino	Nil
Common	Emil Q. Javier *	1 (d)	Filipino	Nil
Common	Benjamin C. Yap	960 (d)	Filipino	0.0002
Common	Alejandro C. Dizon**	62,204 (d)	Filipino	0.0139
Common	Emilio C. Yap III	424,600 (d)	Filipino	0.0950
Common	Corazon M. Tiongco	12,139,085 (d)	Filipino	2.7163

	(Assistant Treasurer/AVP Treasury)			
Common	Johnny C. Yap	1,200 (d)	Filipino	0.0003
Total		12,629,471(d)		2.8260%

Title of Class	Officers	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Danilo L. Concepcion	100 (d)	Filipino	Nil
Common	Cesar F. Tan	23,682 (d)	Filipino	0.0053
Common	Ma. Flordeliza L. Anastacio	1,562 (d)	Filipino	0.0003
Common	Maria Clara Perlita Erna V. Yabut	4,800 (d)	Filipino	0.0011
Common	Pearly P. Lim	2,839 (d)	Filipino	0.0006
Common	Teresa R. Perez	3,871 (d)	Filipino	0.0009
Common	Corazon M. Tiongco	12,139,085 (d)	Filipino	2.7163
Common	Bernardita T. Traje	904 (d)	Filipino	0.0002
-	Ma. Rolina S. Servitillo	0 (d)	Filipino	0
-	Carlito B. Olaer	0 (d)	Filipino	0
-	Rhoda C. Aguilar	0 (d)	Filipino	0
-	Jericho P. Orlina	0 (d)	Filipino	0
-	Bella Marie L. Fabian	0 (d)	Filipino	0
-	Brig. Gen (Ret) Noel T. Baluyan	0 (d)	Filipino	0
Total (excluding shares of Ma. Cristina D. Padolina, and Corazon M. Tiongco)		37,658 (d)		0.0084
Aggregate Number of Shares and Percentage of All Security Ownership of Management as a Group		12,667,129 (d)		2.8344 %

To the best knowledge of the University, the above lists include shares beneficially owned by the directors and officers.

Item 12. Certain Relationship and Related Transactions

The University entered into a 25-year lease contract with Philtrust Bank on July 29, 2004. The lease covers the use of Philtrust Bank's land, building and improvements thereon located at 259-263 Sen. Gil Puyat Avenue and Malugay Street, Makati City. The lease commenced on January 1, 2005 for the operation of the CEU-Makati Extension Campus for the school year 2005-2006. Lease of the building from Philtrust Bank Building is for the exclusive purpose of maintaining and operating an extension campus in Makati City, and to conduct therein all such activities necessary to provide adequate educational instruction and other services to its students, including authorized extra-curricular activities.

The consideration for the lease was principally based on the valuation of the property by Asian Appraisal, Inc. and on the financial advisory by Buenaventura, Echauz and Partners. Except for the respective parties' covenants under said lease contract between CEU and Philtrust Bank, there is no further contractual or other commitment resulting from

the arrangement that would pose any risk or contingency. There are no other parties involved in this transaction.

The University, in line with its expansion program and for marketing purposes, avails of advertising services of Manila Bulletin Publishing Corporation. The terms of said advertising transactions are based on terms similar to those offered to non-related parties.

For a more detailed discussion on related party transactions, please see the Notes on the attached Audited Financial Statements for fiscal year ending May 31, 2023.

*Independent Director

**Dr. Alejandro C. Dizon has 62,204 shares registered in his name in addition to 75,269,764 shares lodged with PCD Nominee Corporation.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

The University has complied with the provisions of its Manual on Corporate Governance. Continuous monitoring is being done by the Compliance Officer, Audit Committee, President and Chief Financial Officer and Internal Auditor to assure compliance.

On 09 November 2024 the Board of Directors and identified key officers of CEU attended a seminar on Corporate Government conducted by the Institute of Corporate Directors.

CEU adheres to governance principles and best practices to attain its objectives. A system has been established to monitor and evaluate the performance of the University and its Management and CEU is committed. The University is committed to consistently abide by and ensure improved compliance with the requirements of good corporate governance.

CEU is not aware of any acts of its Directors, top management, middle managers, employees, or any acts of omission that may be considered as a deviation from the company's Code of Corporate Governance.

Committed to continuous improvement, CEU undertakes to regularly review its existing policies and practices and update the same when warranted.

PART V – EXHIBITS AND SCHEDULES

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

Exhibits Sustainability Report

Exhibit 1 Consolidated Financial Statements and Schedules:
1. 31 May 2025

Exhibit 2 Quarterly Report (SEC Form 17-Q)
(Please refer to the SEC Form 17-Q
previously filed with the SEC.)

Reports on SEC Form 17-C:

(Please refer to the SEC Form 17-C previously filed with the SEC for the following disclosures.)

	Integrated Annual Corporate Governance Report
	Results of Annual Stockholders' Meeting
	Results of Organizational Meeting

Item 15. CEU Sustainability Report for Fiscal Year 01 June 2024 to 31 May 2025

Contextual Information

Company Details

Name of Organization:	Centro Escolar University
Location of Headquarters:	9 Mendiola Street San Miguel Manila
Location of Operations:	Philippines
Report Boundary:	Philippines
Legal entities (e.g. subsidiaries) included in this report* -	None for the meantime, but the Board of Directors will explore including CEU's subsidiaries in future reports
Business Model, including Primary Activities, Brands, Products, and Services	– Educational Institution
Reporting Period	Fiscal Year ending beginning 01 June 2024 – 31 May 2025
Highest Ranking Person responsible for this report:	Vice Chairman

*If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.

Materiality Process:

In determining which topics are material and will be included in the initial Sustainability Report to be submitted by CEU, the University Management adopted the

“Stakeholders Areas of Concern” approach wherein the various stakeholders of the University are identified, and the topics deemed material for these stakeholders are matched.

The following stakeholders are identified:

- **Stockholders**
- **Government**
- **Management**
- **Employees, including the employees' union**
- **Students**
- **Alumni**
- **Communities**

The foregoing stakeholders were then matched and after which, the management has identified the following topics as the most material and shall be reported in its first Sustainability Report.

1. Economic Performance

- **Direct Economic Value Generated and Distributed**

2. Social

- **Employee Management**
- **Employee hiring and benefit**
- **Employee training and development**
- **Labor management relations**
- **Workplace Conditions, etc.**
- **Relationship with community**
- **Data Security**

The determination of the above-listed topics as material does not necessarily mean that the other topics will be disregarded; the management will include these topics in future reports.

Economic

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	2,444,384,272	PHP
Direct economic value distributed:		
a. Operating costs	1,747,618,011	PHP
b. Employee wages and benefits	916,302,692	PHP
c. Payments to suppliers, other operating costs	831,315,319	PHP
d. Dividends given to stockholders and interest payments to loan providers	493,516,975	PHP
e. Taxes given to government	20,522,947	PHP
f. Investments to community (e.g. donations, CSR)		

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
CEU, being an Institution of Higher Learning, provides quality education that prepares an individual to be the best in one's chosen field. The direct economic impact of the University is its accomplishment of its task in	Government, Community, Students, Alumni	Recent shifts in the educational system have resulted in a temporary but substantial "speed bump" that needs to be hurdled by

<p>providing a steady stream of professionals in allied health services such as Dentists, Optometrists, Pharmacists, Nurses, Medical Technologists, Nutritionists, and other professionals.</p>		<p>all Private Educational Institutions in the country.</p> <p>The most notable “speed bump” is the COVID19 Pandemic which caused a huge shift in instruction. As of this report, the University has resumed its on site operations, but at the same time introduced the Onsite +, Hybrid, and Full Online modalities.</p> <p>CEU during the pandemic easily coped with the shift to online classes with its readiness to hold online classes which were already being developed as early as 2014.</p>
<p>Direct economic value is distributed as a result of the operations of the University through the payment of taxes, payments to suppliers and salaries to employees.</p>	<p>Employees, Suppliers, Environment</p>	<p>The University has systems in place to ensure the timely fulfillment of these obligations.</p>

What are the risk/s identified?	Which stakeholders are affected?	Management Approach
<p>The economic condition currently affecting all the citizens of the country also tends to affect their choices when it comes to career and educational choices.</p> <p>The current hurdle, the various levels of community quarantine imposed by the government because of COVID19 will inevitably result in a reduction in the University's direct economic value.</p>	Management, Employees, Suppliers, Government	<p>The University has developed and will continue to develop courses of action that are designed to eliminate and/or minimize the effect of these risks.</p> <p>Examples of these are the various online courses offered by the University under the "Onsite +" modality to enable its students to continue with their studies.</p>

What are the opportunities identified?	Which stakeholders are affected	Management Approach
Health awareness has increased and hence, an increase in the demand for Health Professionals	Government, Community, Students, Alumni	The University will continue increasing and improving its capability in fulfilling its role as a Higher Education Institution.

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
The management has decided to defer reporting on this topic for the meantime. A mechanism will be set in place to be able to supply the necessary information next time.		%

What is the impact and where does it occur? What is the organization's involvement in the impact?	What stakeholders are affected?	Management Approach
The service provided by the University and to a certain extent its operations is affected by the timely services rendered by its suppliers and service provided, as well as the quality of the supplies delivered.	Suppliers/Employees/Management/Students	<p>The University has a rating system for suppliers in order to ensure that there will be no interruptions in the supply chain.</p> <p>The University likewise has an internal procurement policy and computerized procurement system that ensures timely requests and payment.</p>

What are the risks identified?	Which stakeholders are affected	Management Approach
The service provided by the University and to a certain extent its operations is affected by the timely services rendered by its suppliers and service provided, as well as the quality of the supplies delivered.	Suppliers/Employees/Management/Students	<p>The University currently have the following policies designed to avoid or minimize the risk:</p> <ul style="list-style-type: none"> - Supplier accreditation - Identification of back up suppliers

		- Continuous performance evaluation of suppliers.
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What are the opportunity/ies identified?	Which stakeholders are affected?	Management Approach
Technology keeps on evolving and better supplies and materials are getting more and more accessible.	Students, Suppliers	The University management encourages innovation proposals that would lead to the use of the state of the art technology and materials necessary for the fulfillment by the University of its duty to provide quality and relevant education. This program helps expose the University to the latest technology that may be used and or acquired by the latter.

Anti-corruption

Training on Anti-Corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to.	100	%
Percentage of business partners whom the organization's anti-corruption policies and procedures have been communicated to	NA – The current policies are limited internally but management will explore involving external suppliers in these trainings and orientations. As part of its corporate governance improvement program, the University plans to institute a more concrete and comprehensive anticorruption program. Once implemented, further details of this will be reported. .	%
Percentage of directors and management that have received anti-corruption training	100	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
As an educational institution, CEU observes the values "Scientia y virtud" or "Science and Virtue", and shall never tolerate corruption in its affairs.	Management, employees, investors, suppliers, students, alumni.	<p>The University has its Code of Ethics for Management. It also adopts the respective Codes of Ethics of the various professionals the University employs.</p> <p>As an educational institution, corruption shall never be tolerated in CEU.</p>

What are the risks identified?	Which stakeholders are affected?	Management Approach
Corrupt practices have somewhat become deeply ingrained in society	Management, employees, investors, suppliers, students, alumni.	CEU will do its role as an educational institution in curbing corruption and in making a difference in society.

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Opportunity to further strengthen the University's anti-corruption policies and the existence of various support groups that advocate against corruption.	Management, Government, students	The University will explore participating in the various support groups advocating against corruption.

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>No impact identified because of the existence of zero cases as disclosed above.</p> <p>The university will revisit this for the succeeding periods.</p>		

What are the risks identified?	Which stakeholders are affected?	Management Approach
<p>No impact identified because of the existence of zero cases as disclosed above.</p> <p>The University will revisit this for the succeeding periods</p>		

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p>No impact identified because of the existence of zero cases as disclosed above.</p> <p>The University will revisit this for the succeeding periods.</p>		

ENVIRONMENT

**Nota Bene: The University is currently in the process of institutionalizing an enterprise-wide compliance system that includes the introduction of measures towards environmental sustainability and reporting. The Topic on Environment shall be included in the subsequent reports to be submitted by the University.*

Resource Management

Energy consumption within the organization

Disclosure	Quantity	Units
Energy Consumption – renewable resources	Electricity - 2,070,280	kWh
Energy Consumption - Gasoline		
Energy Consumption - Diesel		
Energy Consumption – LPG		
Energy Consumption - Electricity		

Reduction of energy consumption

Disclosure	Quantity	Units
Energy Consumption – renewable resources	<p>The University is currently finalizing its revised environmental protection plan.</p> <p>The University will include these in its future reports</p>	N/A for now
Energy Consumption - Gasoline		
Energy Consumption - Diesel		
Energy Consumption – LPG		
Energy Consumption - Electricity		

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>No significant impact determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

What are the risks identified?	Which stakeholders are affected?	Management Approach
<p>No significant impact determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

What are the opportunities identified?	Which stakeholders are affected?	Management Approach
<p>No significant impact determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal		
Water consumption	40, 624	cu.m
Water recycled and reused		

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>No significant impact determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

What are the risks identified?	Which stakeholders are affected?	Management Approach
<p>No significant impact determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

What are the opportunities identified?	Which stakeholders are affected?	Management Approach
<p>No significant impact determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

Material used by the organization

Disclosure	Quantity	Units
<p>Materials used by weight or volume</p> <ul style="list-style-type: none"> Renewable Non-renewable 	<p>The University has its “May pera sa basura” program where reusable materials are collected and sold. A system will be institutionalized in order to quantify the results of this project and will be included in future reports.</p>	
<p>Percentage of recycled input materials used to manufacture the organization's primary product and services.</p>	<p>The University also instituted a “no single use plastic” policy for its canteen concessionaires.</p>	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>No significant impact determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

What are the risks identified?	Which stakeholders are affected?	Management Approach
<p>No significant impact determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

What are the opportunities identified?	Which stakeholders are affected?	Management Approach
<p>No significant impact determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	None identified. The University does not operate near a protected area.	
Habitats protected or restored		
IUCN Red List species and national conservation list species with habitats in areas affected by operations		

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>No significant impact determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

What are the risks identified?	Which stakeholders are affected?	Management Approach
<p>No significant impact determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

What are the opportunities identified?	Which stakeholders are affected?	Management Approach
<p>No significant impact determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

Environmental Impact Assessment

Air Emissions

GHG

Disclosure	Quantity	Units
Ditect (Scope1) GHG Emissions	The University does not have these air emissions.	
Energy indirect (Scope 2) GHG Emissions		
Emissions of ozone-depleting substances (ODS)		

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>The operations of any enterprise will inevitably have an impact on the environment. Relevant laws such as the clean air act, the clean water act, and other laws implemented by the DENR will make sure that entities eliminate or at the very least mitigate these effects.</p> <p>CEU is among those who comply with these requirements.</p>	<p>Management, employees, investors, suppliers, students, alumni.</p>	<p>All the requirements are complied with by CEU and the University has an Environmental Compliance Officer who serves as the contact person with the DENR. The ECC of the University is updated. Every physical campus of CEU also has its respective Pollution Control Officers.</p>

What are the risks identified?	Which stakeholders are affected?	Management Approach
<p>No significant risks determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

What are the opportunities identified?	Which stakeholders are affected?	Management Approach
<p>No significant opportunities determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

Air pollutants

Disclosure	Quantity	Units
NO	The University has no known air pollutants as defined by relevant laws.	
SO		
Persistent Organic Pollutants		
Volatile organic compounds		
Hazardous air pollutants		
Particulate Matter		

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>The operations of any enterprise will inevitably have an impact on the environment. Relevant laws such as the clean air act, the clean water act, and other laws implemented by the DENR will make sure that entities eliminate or at the very least mitigate these effects.</p> <p>CEU is among those who comply with these requirements.</p>	<p>Management, employees, investors, suppliers, students, alumni.</p>	<p>All the requirements are complied with by CEU and the University has an Environmental Compliance Officer who serves as the contact person with the DENR. The ECC of the University is updated.</p> <p>Every physical campus of CEU also has its respective Pollution Control Officers.</p>

What are the risks identified?	Which stakeholders are affected?	Management Approach
<p>No significant risks determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

What are the opportunities identified?	Which stakeholders are affected?	Management Approach
<p>No significant opportunities determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	<p>The University does not incinerate and compost solid waste.</p> <p>At most, the University either recycles solid waste under its “Pera sa Basura” program or had these wastes hauled by accredited haulers for disposition. CEU will come up with a data base and will include it in its future reports.</p>	
Reusable		
Recyclable		
Composted		
Incinerated		
Residual/Landfilled		

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>The operations of any enterprise will inevitably have an impact on the environment. Relevant laws such as the clean air act, the clean water act, and other laws implemented by the DENR will make sure that entities eliminate or at the very least mitigate these effects.</p> <p>CEU is among those who comply with these requirements.</p>	<p>Management, employees, investors, suppliers, students, alumni.</p>	<p>All the requirements are complied with by CEU and the University has an Environmental Compliance Officer who serves as the contact person with the DENR. The ECC of the University is updated.</p> <p>Every physical campus of CEU also has its respective Pollution Control Officers.</p>

What are the risks identified?	Which stakeholders are affected?	Management Approach
<p>No significant risks determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

What are the opportunities identified?	Which stakeholders are affected?	Management Approach
<p>Students are now more environment conscious</p> <p>Digital documents are gaining widespread acceptance</p>	<p>Students, Management, Suppliers, Community, Government</p>	<p>Various programs on recycling and reducing single use materials are currently being introduced by the University.</p> <p>The University is also working towards the digitization of several document-based transactions that would drastically reduce paper waste.</p>

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	<p>During the relevant period, the University did not have hazardous waste transported.</p> <p>The University will come up with a data base and will include it in its future reports The University will come up with a data base and will include it in its future reports</p>	
Total weight of hazardous waste transported		

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach

<p>The operations of any enterprise will inevitably have an impact on the environment. Relevant laws such as the clean air act, the clean water act, and other laws implemented by the DENR will make sure that entities eliminate or at the very least mitigate these effects.</p> <p>CEU is among those who comply with these requirements.</p>	<p>Management, employees, investors, suppliers, students, alumni.</p>	<p>All the requirements are complied with by CEU and the University has an Environmental Compliance Officer who serves as the contact person with the DENR. The ECC of the University is updated. Every physical campus of CEU also has its respective Pollution Control Officers.</p> <p>The University also has contracts with several accredited waste disposal entities to ensure that waste is properly processed.</p>
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Effluents

Disclosure	Quantity	Units
Total Volume of water discharges	<p>The University does not produce waste water as defined by relevant laws.</p> <p>The University will come up with a data base and will include it in its future reports</p>	
Percent of wastewater recycled		

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
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<p>The operations of any enterprise will inevitably have an impact on the environment. Relevant laws such as the clean air act, the clean water act, and other laws implemented by the DENR will make sure that entities eliminate or at the very least mitigate these effects.</p> <p>CEU is among those who comply with these requirements.</p>	<p>Management, employees, investors, suppliers, students, alumni.</p>	<p>All the requirements are complied with by CEU and the University has an Environmental Compliance Officer who serves as the contact person with the DENR. The ECC of the University is updated, as well as all the necessary water permits.</p>
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What are the risks identified?	Which stakeholders are affected?	Management Approach
<p>No significant risks determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

What are the opportunities identified?	Which stakeholders are affected?	Management Approach
<p>No significant opportunities determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

Environmental Compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations.	0	PHP
No. of non-monetary fines for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>The operations of any enterprise will inevitably have an impact on the environment.</p> <p>In line with its values "Science and Virtue", environmental concern is part of accountability which the University strives to deeply ingrain in all its activities.</p>	<p>Management, employees, investors, suppliers, students, alumni.</p>	<p>All the requirements are complied with by CEU and the University has an Environmental Compliance Officer who serves as the contact person with the DENR. The ECC of the University is updated, as well as all the necessary water permits.</p>

What are the risks identified?	Which stakeholders are affected?	Management Approach
<p>No significant risks determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

What are the opportunities identified?	Which stakeholders are affected?	Management Approach
People are now more environment conscious	Students, Management, Suppliers, Community, Government	The University as an Institution of Higher Learning can help raise awareness on environmental accountability and conservation.

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees	1347	#
a. Number of Female Employees	741	#
b. Number of Male Employees	606	#

Attrition rate	3.04%	%
Ratio of lowest paid employee against minimum wage	1:1 Lowest rate is Minimum Wage	ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	2.56%	0.64%
PhilHealth	Y	0	0
Pag-ibig	Y	0	0
Parental leaves	Y	0.18%	0%
Vacation leaves	Y	36.89%	18.36%
Sick leaves	Y	26.58%	12.88%
Medical benefits (aside from PhilHealth)	Y	1.00%	0.55%

Housing assistance (aside from Pag-ibig)	Y	0	0
Retirement fund (aside from SSS)	Y	0.18%	0%
Further education support	Y	4.66%	2.74%
Company stock options	N	N/A	N/A
Telecommuting	N	N/A	N/A
Flexible-working Hours	Y	100%	100%
(Others)	Y	0	0

Note: Availment of flexible working hours peaked at 100% because of the COVID19 Pandemic.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
---	----------------------------------	---------------------

The employees themselves are considered as stakeholders. Without them, the University will not be able to carry out its functions.	Management, employees, investors, suppliers, students, alumni.	<p>The University recognizes the role played by its employees. As such, the University strives to comply with all the requirements of law with respect to labor standards.</p> <p>In addition to the minimum labor standards, additional benefits are also introduced by management <i>motu proprio</i> and/or through negotiations with the Union via the CBA.</p>
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What are the risks identified?	Which stakeholders are affected?	Management Approach
Employees attrition for various reasons.	Management, Students	The University is designing a succession plan where any change in the employee structure will not result to a significant disruption in operations.

What are the opportunities identified?	Which stakeholders are affected?	Management Approach
<p>No significant opportunities determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	44	hours
b. Male employees	44	hours
Average training hours provided to employees		
a. Female employees	5.5	hours/ employee
b. Male employees	5.5	hours/ employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Having agile employees is indispensable in this volatile, uncertain, complex and ambiguous environment.	Employees, Management, Investors and Students	The University recognizes the importance of employee training and development. Programs providing for responsive training and development are continuously being developed by my management.

What are the risks identified?	Which stakeholders are affected?	Management Approach
Employees attrition may take place for any reason after the employee have already undergone several trainings.	Management, Students, Investors	<p>Employee attrition is inevitable. The University cannot compel an employee to stay simply because he or she underwent several trainings. This is a risk that the University takes because the latter cannot afford to have untrained employees.</p> <p>The University is designing a succession plan where any change in the employee structure will not result to a significant disruption in operations.</p>

What are the opportunities identified?	Which stakeholders are affected?	Management Approach
<p>No significant opportunities determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	55.01	%
% of male workers in the workforce	44.99	%
Number of employees from indigenous communities and/or vulnerable sector*	Elderly – 0 Solo Parent – 0	#

*Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
There is no observable impact with the current ratio of employees as they are all treated equally without discrimination as to their gender, status, race, religion etc.		

Workplace Conditions, Labor Standards, and Human Rights Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man Hours	Exact amount not available. The University will start counting the safe man hours and will attempt to include the date in future reports	Hours
No. of work-related injuries	Three (3)	number
No. of work-related fatalities	0	number
No. of work-related ill health	0	number
No. of safety drills	2	# Events

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<p>The injuries reported are all minor injuries that has no significant impact to operations.</p>	<p>Policies are included in the Quality Management System Manual of the University to ensure the health and safety of the workforce such as:</p> <ul style="list-style-type: none"> • SAM 19.01 Handling of Non-Emergency Cases • SAM 19.02 Handling of Emergency Cases • SAM 19.04 Conducting Routine Physical Examination • SAM 19.07 Ensuring Food and Water Safety • SAM 19.08 Providing Health Information and Wellness Activities • SAM 19.09 Procuring and Disbursing Medicines and Medical/Dental Supplies • SAM 19.10 Handling Violations on Canteen and Food Inspection for Safety and Healthfulness (C-FISH) <p>Management is committed to the implementation of these Quality Management System processes as well as to the University's Occupational Safety and Health Program.</p>

What are the risks identified?	Management Approach
<p>Risk assessment of the University Health Services includes the following: food and water-borne illnesses from canteen concessionaires; workplace accidents; communicable and non-communicable diseases and unauthorized disclosure of personal and sensitive personal information.</p>	<p>Controls are created to manage occupational health and safety risks such as:</p> <p>Food and water-borne illnesses from canteen concessionaires:</p> <ul style="list-style-type: none"> • Food and water analysis • Sanitary permit of canteens • Canteen visits • Canteen and Food Inspection for Safety and Healthfulness • Health certificates of canteen personnel <p>Communicable and non-communicable diseases:</p> <ul style="list-style-type: none"> • Health and Safety Committee • Medical consultations • Monitoring of diseases • Monthly Summary Report • READINESS (Relevant Education and Advisories on Diseases and Injuries for Wellness) • Health and safety protocols • Vaccination of personnel <p>Workplace accidents:</p> <ul style="list-style-type: none"> • Medical consultations • Emergency care • Referrals to specialized care • Hospitalization benefits • Personal protective equipment • First aid kits • Medical Reports • Health and Safety Committee • Code FLASH (Fast, Life-saving, Accurate, Safe Rescue, Hospital-Ready) <p>Unauthorized disclosure of personal and sensitive personal information:</p> <ul style="list-style-type: none"> • Compliance to Data Privacy Act

	<p>The controls have been effective so that inspite of the risks, there have been no documented food and water-borne illnesses related to canteen concessionaires; no disease outbreaks; no recorded violations on data privacy; no illnesses directly related to work and minimal and minor accidents with no fatalities.</p>
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Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g.harassment, bullying) in the workplace?

Topic	Y/N	If yes, cite reference to company policy
Forced Labor	N	No specific policy, but since the University's policies are compliant with the Labor Code, forced labor is an impossibility.
Child Labor	Y	The University only hires as employees those who are of legal age.
Human Rights	Y	The University has an explicit policy against sexual harassment. Bullying, as a form of disrespect towards others, is punished under the employee code of conduct.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>There is no observable impact with the current policies vis-a-vis child labor, forced labor, and violation of human rights. All company policies are compliant with the requirements of the law and as such, the commission of child labor, forced labor, and violation of human rights are impossible.</p>		

What are the risks identified?	Which stakeholders are affected?	Management Approach
<p>No significant risks determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

What are the opportunities identified?	Which stakeholders are affected?	Management Approach
<p>No significant opportunities determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

Supply Chain Management

Do you have a supplier accreditation policy?

Yes, the University has a supplier accreditation policy. The policy, however is currently under review and is undergoing modifications. The University undertakes to attach said policy in future reports.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If yes, cite reference in the supplier policy
Environmental performance	N/A	
Forced Labor	N/A	
Child Labor	N/A	
Human Rights	N/A	
Bribery and Corruption	Y	Anti-corruption clauses are included in supplier contracts.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The way a supplier deals with society has an indirect effect to the University	The University is aware of its indirect effect to society through its suppliers. Hence, the University is in the process of coming up with a means of selecting only the most socially and ethically responsible suppliers.

What are the risks identified?	Which stakeholders are affected?	Management Approach
<p>No significant risks determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

What are the opportunities identified?	Which stakeholders are affected?	Management Approach
<p>No significant opportunities determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)	Does the particular operation have impacts on indigenous peoples (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
<p>Please refer to the attached copy of the nature and type of community outreach projects and activities and the number of vulnerable individuals and groups served</p> <p>(next table)</p>	Bry. 836, Zone 91, Pandacan, Manila	<p>Children and Youth</p> <p>Elderly</p> <p>Solo parents</p> <p>Base of the Pyramid (Class D and E)</p>	No Impact	<p>Children's Rights</p> <p>(based on PD 603)</p> <p>For the Elderly- (based on RA 1994 – Expanded Senior Citizens Act of 2010)</p> <p>For Solo Parents (based on RA 8972 - Solo Parents Welfare Act of 2020)</p> <p>Poor Families –</p>	<p>Enhancement Measures:</p> <p>1. Very good work relationship of the outreach volunteers with the elected barangay officials;</p> <p>2, Accessibility of the school to the community;</p> <p>3. A systematic approach used by the university in assisting the community, based on the people's identified and expressed needs;</p>

				Class D and E (based on RA 11310 - Pantawid Pamilyang Pilipino Program or 4Ps)	<p>4. A strong culture of volunteerism among the students, faculty and non-teaching personnel of the university;</p> <p>5. Regular monitoring and evaluation of community projects to validate how the efforts of the outreach volunteers impact on people's lives;</p> <p>6. Strong and sustained support of the CEU management in the implementation of outreach projects and activities.</p>
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**NATURE AND TYPE OF COMMUNITY OUTREACH PROJECTS AND ACTIVITIES AND
NUMBER OF VULNERABLE INDIVIDUALS AND GROUPS SERVE**

NATURE/TYPE OF COMMUNITY OUTREACH PROJECT/ACTIVITY	CHILDREN	YOUTH	SENIOR CITIZENS	SOLO PARENTS
A. Health and Nutrition 1. Operation “ Zero Bungi” 2. Operation “Zero Labo Mata” 3. Deworming 4. Peri-anal Swabbling 5. Operation Tuli 6. Nutritional Assessment and Nutrition Education 7. Cooking Demonstration				

B. Education and Values Development				
1. Alternative Learning System Program				
2. Computer Literacy Program				
3. Day Care Program				
4. Teen Summer Olympics				
5. Community Drama				

*Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: **N/A**

Certificates	Quantity	Units
FPIC process is still undergoing	N/A	#
CP Secured	N/A	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Everyone has a role in helping those in the vulnerable sectors to be included in all the affairs of society.	As an educational institution, the University acknowledges its role in the forming of a more inclusive society.

What are the risks identified?	Which stakeholders are affected?	Management Approach
The risk identified is possible exposure to COVID 19. The University currently implements strict protocols in order to avoid exposure when interacting with the community.		

What are the opportunities identified?	Which stakeholders are affected?	Management Approach
Members of the vulnerable sectors may benefit from the research program of the University	Students, Community	Subject to safeguards and the rules on research ethics, the University can integrate in its research programs aimed at helping the vulnerable sectors.

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study?
Customer Satisfaction	Exact figure not available. The current system identifies various customers (i.e. students, alumni, internal customers) which involves different metrics. The University shall come up with a way to consolidate data and undertake to include this in future reports.	No

What is the impact and where does it occur? What is the organization's involvement in the impact?	Stakeholders affected	Management Approach
Customer satisfaction ratings reflect the overall quality of service that customers experience within the University	Investors. Management, Students, employees, Alumni	The University shall continuously improve its customer satisfaction measurement system in order to arrive at a more responsive feedback response system.

What are the risks identified?	Which stakeholders are affected?	Management Approach
No significant risks determined for the meantime.		

The university will revisit this and discuss the matter in its future reports.

What are the opportunities identified?	Which stakeholders are affected?	Management Approach
Technology provides an avenue for easy collection of data	Investors. Management, Students, employees, Alumni	The University shall continuously improve its customer satisfaction measurement system in order to arrive at a more responsive feedback response system. In doing so, state of the art technology shall be explored.

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety	0	N/A
No. of complaints addressed	N/A	N/A

Note: The lack of data with respect to this is due to the nature of the activity of the corporation. As an educational institution, its product (rendering of educational services) does not necessarily have health and safety issues. The university will revisit this and discuss the matter in its future reports.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>There is no observable impact with the current policies. As an educational institution, its product (rendering of educational services) does not necessarily have health and safety issues. The university will revisit this and discuss the matter in its future reports.</p>		

What are the risks identified?	Which stakeholders are affected?	Management Approach
<p>No significant risks determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

What are the opportunities identified?	Which stakeholders are affected?	Management Approach
<p>No significant opportunities determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling	0	#
No. of complaints addressed	0	#

Note: The lack of data with respect to this is due to the nature of the activity of the corporation. As an educational institution, its product (rendering of educational services) does not necessarily have marketing and labelling issues. The university will revisit this and discuss the matter in its future reports.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>There is no observable impact with the current policies. As an educational institution, its product (rendering of educational services) does not necessarily have marketing and labeling issues. The university will revisit this and discuss the matter in its future reports.</p>		

What are the risks identified?	Which stakeholders are affected?	Management Approach
<p>No significant risks determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

What are the opportunities identified?	Which stakeholders are affected?	Management Approach
<p>No significant opportunities determined for the meantime.</p> <p>The university will revisit this and discuss the matter in its future reports.</p>		

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy	0	#
No. of complaints addressed	0	#
No. of customers, users, and account holders whose information is used for secondary purposes	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Customer privacy is an important component of their rights.	Students, Alumni, Employees	<p>The University strictly adheres to Data Privacy and also respects matters that are not covered by the Data Privacy Law. The University shall continuously improve its policies to protect such.</p> <p>The University is currently updating its pillars of compliance.</p>

What are the risks identified?	Which stakeholders are affected?	Management Approach
Digitization of data increases the risk of vulnerability to hackers.	Students, Alumni, Employees	The University shall continue improving its data systems and safeguards.

What are the opportunities identified?	Which stakeholders are affected?	Management Approach
High-spec data protection devices are now more accessible.	Students, Alumni, Employees	The University shall continue evaluating available technology and its suitability to the needs of the University.

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts, and losses of data.	0 Thankfully no such incidences took place.	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Gaining customer trust by keeping personal data secure and private is a key component of the University's Data Protection Program	The University strictly adheres to the provisions of the Data Privacy Act. In all its frontline service offices, all the necessary disclosures are being made and consents are obtained. CEU only uses data collected in the furtherance of its legitimate purposes and nothing more.

What are the risks identified?	Management Approach
Digitization of data increases the risk of vulnerability to hackers.	The University shall continue improving its data systems and safeguards.

What are the opportunities identified?	Management Approach
High-spec data protection devices are now more accessible. Free data privacy trainings are always available from the National Privacy Commission	The University shall continue evaluating available technology and its suitability to the needs of the University. It shall also take advantage of available trainings in order to increase capability.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key Products and Services	Societal Value	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Education/ Providing a Steady Stream of Professionals such as Doctors, Nurses, Pharmacists, Dentists, Optometrists, Psychologists, Medical Technicians, Nutritionists, Lawyers, Social Workers and other fields.	<p>Goal 3 – Good health and well-being</p> <p>Goal 4 – Quality Education</p> <p>Goal 8 – Decent growth and economic growth</p>	A societal tendency to lean towards these fields of education might result in the disregard of other fields, which is actually also important in a holistic society.	The University shall continue improving its programs and shall also continue to explore the introduction of other degree programs that are responsive to the needs of society.

*None/not applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereto duly authorized, in the City of Manila on SEP 30 2025.



DANILO L. CONCEPCION

Principal Executive Officer



CESAR F. TAN

Principal Financial Officer



MA. ROLINA S. SERVITILLO

Principal Operation Officer

SUBSCRIBED AND SWORN before me this SEP 30 2025 day of _____, affiants exhibiting to me their respective Philippine Passport Numbers, as follows:

NAME	PASSPORT	DATE ISSUED	PLACE OF ISSUE
Danilo L. Concepcion	P6199766A	February 27, 2018	Manila
Cesar F. Tan	P9759990A	November 29, 2018	Manila
Ma. Rolina S. Servitillo	P6233461B	February 05, 2021	DFA, Malolos

Doc. No. 96;
Page No. 40;
Book No. 92411
Series of 2025.



ATTY. MARIELLE JENELLE L. LAGUERTA
Notary Public of City of Manila- Until Dec.31,2025
Notarial Commission No. 2024-179
Tower 3, 3rd Fl., No. 161 N. Lopez St., Ermita, Manila
I.B.P. NO. 488207-Dec. 27, 2024 for the year 2025
PTR.NO.2041441- Jan. 2, 2025 at Manila
MCLE NO. VIII-0010660-Valid until 4-14-2028 Roll No. 88311

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of Centro Escolar University (CEU) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended May 31, 2025 and 2024, 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 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.

SyCip, Gorres, Velayo & Co., the independent auditors, 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, has expressed its opinion on the fairness of presentation upon completion of such examination.

Signed this 24th day of September, 2025.


BASILIO C. YAP
 Chairman

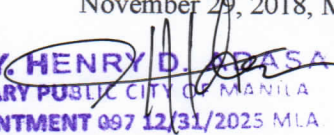

DANILO L. CONCEPCION
 President

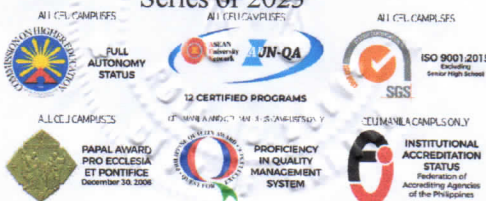

CESAR F. TAN
 Treasurer

SUBSCRIBED AND SWORN TO before me this 26 SEP 2025, 2025, affiants exhibiting to me their respective Philippine Passports as follows:

	<u>Passport No.</u>	<u>Date and Place of Issue</u>
BASILIO C. YAP	P4011351B	November 29, 2019, Manila
DANILO L. CONCEPCION	P6199766A	February 27, 2018, Manila
CESAR F. TAN	P9759990A	November 29, 2018, Manila

Doc. No. 1187
 Page No. 27
 Book No. 27
 Series of 2025


ATTY. HENRY D. PASA
 NOTARY PUBLIC, CITY OF MANILA
 APPOINTMENT 097 12/31/2025 MLA
 IBP NO. 512938 10/17/2025 PASI 3



ASEAN University Network (AUN) Quality Assurance certified: Biology*, Business Administration**, Communication and Media***, Dentistry*, International Hospitality Management*, International Tourism and Travel Management*, Medical Technology**, Nursing*, Nutrition and Dietetics*, Optometry*, Pharmacy* and Psychology*, **CHED Center of Excellence in Teacher Education • CHED Center of Development in Business Administration • CHED Center of Development in Optometry • HIGHEST LEVEL of accreditation, LEVEL IV, by PACUCOA as certified by FAAP:** Biology*, Business Administration***, Dentistry*, Education (Elementary and Secondary)*, Liberal Arts (Communication and Media and Political Science)***, Medical Technology*, Nutrition and Dietetics*, Pharmacy*, Psychology***, Master of Arts*, Master of Business Administration*, and Master of Science* • **HIGHEST LEVEL of accreditation, LEVEL III, by PAASCU:** Nursing* and Social Work*
*CEU Manila Campus only **All CEU Campuses ***CEU Manila and CEU Malolos Campuses only

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

P	W	1	0	9	3				
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COMPANY NAME

C	E	N	T	R	O		E	S	C	O	L	A	R		U	N	I	V	E	R	S	I	T	Y		A	N	D	
S	U	B	S	I	D	I	A	R	I	E	S																		

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

9		M	E	N	D	I	O	L	A		S	T	R	E	E	T	,		S	A	N		M	I	G	U	E	L	,
M	A	N	I	L	A																								

Form Type

A	C	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

	N	A	
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COMPANY INFORMATION

Company's Email Address

corporate@ceu.edu.ph

Company's Telephone Number

8735-5991

Mobile Number

09279276089

No. of Stockholders

1,011

Annual Meeting (Month / Day)

4th week of October

Fiscal Year (Month / Day)

5/31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Cesar F. Tan

Email Address

cftan@ceu.edu.ph

Telephone Number/s

8735-5991

Mobile Number

09279276089

CONTACT PERSON'S ADDRESS

9 Mendiola Street, San Miguel, Manila

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

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



INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Centro Escolar University
9 Mendiola Street
San Miguel, Manila

Opinion

We have audited the consolidated financial statements of Centro Escolar University (the “University”) and its subsidiaries (the “Group”), which comprise the consolidated statements of financial position as at May 31, 2025 and 2024, and the consolidated statements of income, 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 May 31, 2025, 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 May 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended May 31, 2025, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

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.



Adequacy of Allowance for Expected Credit Losses

The Group applies the simplified approach in calculating expected credit loss (ECL). Under this approach, the Group establishes a provision matrix that is based on its historical credit loss experience and adjusted for forward-looking factors and the economic environment. Allowance for credit losses and the provision for credit losses as of and for the year ended May 31, 2025 amounted to ₱158.46 million and ₱27.44 million, respectively. The use of the ECL model 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 timing and amounts of expected net recoveries from defaulted accounts; and incorporating forward-looking information (called overlays) in calculating ECL.

The disclosures in relation to the allowance for credit losses using the ECL model are included in Notes 2, 3 and 6 to the consolidated financial statements.

Audit Response

We updated our understanding of the methodologies and model 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) compared the 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 tuition fee receivable portfolios and industry practices.

Further, we compared the data used in the ECL models, such as the historical aging analysis, and default and recovery data from the source system reports to the database and from the database to the loss allowance analysis/models and financial reporting systems. 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 systems to the loss allowance analysis.

We recalculated the impairment provisions.

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 May 31, 2025 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 May 31, 2025 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 PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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



The engagement partner on the audit resulting in this independent auditor's report is Bryan Chrisnel M. Baes.

SYCIP GORRES VELAYO & CO.

Bryan Chrisnel M. Baes

Bryan Chrisnel M. Baes

Partner

CPA Certificate No. 128627

Tax Identification No. 275-229-188

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-148-2022, November 7, 2022, valid until November 6, 2025

PTR No. 10465262, January 2, 2025, Makati City

September 26, 2025



CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	May 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 5 and 21)	P1,114,216,448	P788,628,149
Short-term investment (Note 5)	470,724,983	450,000,000
Tuition and other receivables (Notes 6 and 21)	289,064,508	308,104,679
Inventories (Note 7)	35,334,469	31,923,660
Other current assets (Note 8)	106,396,419	103,613,684
Total Current Assets	2,015,736,827	1,682,270,172
Non-current Assets		
Property and equipment (Note 9)		
At revalued amount	5,094,787,432	5,094,787,432
At cost	1,456,702,400	1,436,029,552
Right-of-use asset (Note 18)	97,469,073	114,926,220
Goodwill (Note 4)	47,605,695	47,605,695
Other non-current assets (Note 10)	18,245,483	19,952,509
Total Non-current Assets	6,714,810,083	6,713,301,408
TOTAL ASSETS	P8,730,546,910	P8,395,571,580
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 11)	P763,398,608	P736,094,460
Deferred revenue (Notes 13 and 14)	131,237,190	35,755,839
Dividends payable (Note 12)	793,636,305	592,029,196
Current portion of lease liability (Note 18)	17,928,286	15,414,233
Income tax payable	19,135,966	27,441,448
Total Current Liabilities	1,725,336,355	1,406,735,176
Non-current Liabilities		
Lease liability - net of current portion (Note 18)	96,588,498	116,038,550
Retirement liability (Note 16)	128,447,316	157,336,740
Deferred tax liabilities - net (Note 17)	519,290,526	535,706,593
Other non-current liability (Note 11)	12,064,427	10,985,373
Total Non-current Liabilities	756,390,767	820,067,256
Total Liabilities	2,481,727,122	2,226,802,432
Equity		
Equity Attributable to Equity Holders of the University		
Capital stock (Note 12)	446,897,323	372,414,400
Additional paid-in capital (Note 12)	916,803,480	664,056
Retained earnings (Note 12)		
Appropriated	—	786,000,000
Unappropriated	802,178,091	949,366,405
Revaluation increment on land - net (Notes 9 and 24)	4,101,848,685	4,101,848,685
Remeasurement loss on retirement obligation (Note 16)	(27,226,271)	(49,918,465)
Revaluation reserve on financial assets at FVOCI (Note 10)	(324,309)	(305,301)
Effect of transactions with non-controlling interest (Note 12)	3,613,144	3,613,144
	6,243,790,143	6,163,682,924
Equity Attributable to Non-controlling Interests in Consolidated Subsidiaries	5,029,645	5,086,224
Total Equity	6,248,819,788	6,168,769,148
TOTAL LIABILITIES AND EQUITY	P8,730,546,910	P8,395,571,580

See accompanying Notes to Consolidated Financial Statements.



CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Years Ended May 31		
	2025	2024	2023
REVENUES FROM CONTRACTS WITH CUSTOMERS			
Tuition and other school fees (Note 13)	₱2,375,287,807	₱2,373,589,778	₱1,847,171,734
Miscellaneous fees (Notes 13 and 14)	55,081,372	26,631,575	33,146,389
	2,430,369,179	2,400,221,353	1,880,318,123
OTHER OPERATING INCOME			
Rental income (Notes 18 and 21)	14,015,093	13,227,724	10,953,501
	2,444,384,272	2,413,449,077	1,891,271,624
COSTS AND EXPENSES (Note 15)			
Costs of services	1,511,072,435	1,524,307,396	1,301,993,030
General and administrative expenses	236,545,576	238,271,617	198,242,634
	1,747,618,011	1,762,579,013	1,500,235,664
INCOME BEFORE OTHER INCOME AND INCOME TAX	696,766,261	650,870,064	391,035,960
OTHER INCOME (EXPENSES)			
Interest income (Note 5)	60,809,911	32,265,250	14,739,965
Interest expense (Notes 17 and 18)	(7,064,001)	(8,001,368)	(8,886,852)
Foreign currency exchange gains (losses) – net	598,302	84,299	4,004,234
Loss on retirement of property and equipment (Note 9)	(889)	(661,740)	(84,717)
Other income – net (Note 6)	–	–	4,000
	54,343,323	23,686,441	9,776,630
INCOME BEFORE INCOME TAX	751,109,584	674,556,505	400,812,590
PROVISION FOR INCOME TAX (Note 17)	65,408,460	57,574,960	4,793,073
NET INCOME	₱685,701,124	₱616,981,545	₱396,019,517
Attributable to:			
Equity holders of the University	₱683,090,285	₱613,858,616	₱392,645,438
Non-controlling interests	2,610,839	3,122,929	3,374,079
	₱685,701,124	₱616,981,545	₱396,019,517
Basic/Diluted Earnings Per Share (Note 23)	₱1.53	₱1.37*	₱0.88*

*Restated to show the effect of stock dividends distributed in 2025

See accompanying Notes to Consolidated Financial Statements.



CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended May 31		
	2025	2024	2023
NET INCOME	₱685,701,124	₱616,981,545	₱396,019,517
OTHER COMPREHENSIVE INCOME (LOSS)			
Items not to be reclassified to profit or loss			
Remeasurement gain on retirement obligation (Note 16)	25,245,127	529,176	1,559,318
Income tax effect (Note 17)	(2,524,513)	(52,918)	(155,932)
	22,720,614	476,258	1,403,386
Change in revaluation reserve on financial assets at FVOCI (Note 10)	(19,008)	13,678	(43,920)
Revaluation increment on land (Note 9)	–	736,151,430	–
Income tax effect (Note 17)	–	(73,615,143)	–
	–	662,536,287	–
TOTAL OTHER COMPREHENSIVE INCOME	22,701,606	663,026,223	1,359,466
TOTAL COMPREHENSIVE INCOME	₱708,402,730	₱1,280,007,768	₱397,378,983
Attributable to:			
Equity holders of the University	₱705,763,471	₱1,276,882,734	₱394,003,643
Non-controlling interests	2,639,259	3,125,034	3,375,340
	₱708,402,730	₱1,280,007,768	₱397,378,983

See accompanying Notes to Consolidated Financial Statements.



CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Years Ended May 31											
	Equity Attributable to Equity Holders of the University							Effect of Transactions with Non-controlling Interest (Note 12)	Equity Attributable to Non-controlling Interests in Consolidated Subsidiaries		
	Capital Stock (Note 12)	Additional Paid-in Capital	Retained Earnings (Note 12)		Revaluation Increment on Land - net (Notes 9 and 24)	Remeasurement Gain (Loss) on Retirement Obligation (Note 16)	Revaluation Reserve on Financial Assets at FVOCI (Note 10)		Total	Total Equity	
Balances at June 1, 2022	P372,414,400	P664,056	P996,000,000	P626,656,911	P3,439,312,398	(P51,794,744)	(P275,059)	P2,042,246	P5,385,020,208	P4,606,749	P5,389,626,957
Net income	—	—	—	392,645,438	—	—	—	—	392,645,438	3,374,079	396,019,517
Other comprehensive income (loss)	—	—	—	—	—	1,402,126	(43,920)	—	1,358,206	1,260	1,359,466
Acquisition of non-controlling interest	—	—	—	—	—	—	—	1,570,898	1,570,898	(1,820,898)	(250,000)
Cash dividends	—	—	—	(446,897,280)	—	—	—	—	(446,897,280)	(1,732,500)	(448,629,780)
Reversal of appropriation	—	—	(210,000,000)	210,000,000	—	—	—	—	—	—	—
Balances at May 31, 2023	P372,414,400	P664,056	P786,000,000	P782,405,069	P3,439,312,398	(P50,392,618)	(P318,979)	P3,613,144	P5,333,697,470	P4,428,690	P5,338,126,160
Balances at June 1, 2023	P372,414,400	P664,056	P786,000,000	P782,405,069	P3,439,312,398	(P50,392,618)	(P318,979)	P3,613,144	P5,333,697,470	P4,428,690	P5,338,126,160
Net income	—	—	—	613,858,616	—	—	—	—	613,858,616	3,122,929	616,981,545
Other comprehensive income	—	—	—	—	662,536,287	474,153	13,678	—	663,024,118	2,105	663,026,223
Cash dividends	—	—	—	(446,897,280)	—	—	—	—	(446,897,280)	(2,467,500)	(449,364,780)
Reversal of appropriation (Note 12)	—	—	(125,000,000)	125,000,000	—	—	—	—	—	—	—
Appropriation for business expansion (Note 12)	—	—	125,000,000	(125,000,000)	—	—	—	—	—	—	—
Balances at May 31, 2024	P372,414,400	P664,056	P786,000,000	P949,366,405	P4,101,848,685	(P49,918,465)	(P305,301)	P3,613,144	P6,163,682,924	P5,086,224	P6,168,769,148
Balances at June 1, 2024	P372,414,400	P664,056	P786,000,000	P949,366,405	P4,101,848,685	(P49,918,465)	(P305,301)	P3,613,144	P6,163,682,924	P5,086,224	P6,168,769,148
Net income	—	—	—	683,090,285	—	—	—	—	683,090,285	2,610,839	685,701,124
Other comprehensive income	—	—	—	—	—	22,692,194	(19,008)	—	22,673,186	28,420	22,701,606
Stock dividends (Note 12)	74,482,923	916,139,424	—	(990,622,347)	—	—	—	—	—	—	—
Cash dividends	—	—	—	(625,656,252)	—	—	—	—	(625,656,252)	(2,695,838)	(628,352,090)
Reversal of appropriation (Note 12)	—	—	(786,000,000)	786,000,000	—	—	—	—	—	—	—
Balances at May 31, 2025	P446,897,323	P916,803,480	P—	P802,178,091	P4,101,848,685	(P27,226,271)	(P324,309)	P3,613,144	P6,243,790,143	P5,029,645	P6,248,819,788

See accompanying Notes to Consolidated Financial Statements.



CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended May 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱751,109,584	₱674,556,505	₱400,812,590
Adjustments for:			
Depreciation and amortization (Notes 9, 10, 15 and 18)	146,903,184	102,780,017	122,132,765
Interest income (Note 5)	(60,809,911)	(32,265,250)	(14,739,965)
Provision for credit losses (Note 6)	27,439,901	40,818,500	17,934,199
Retirement expense (Note 16)	26,355,703	24,390,317	25,593,191
Interest expense (Notes 18 and 19)	7,064,001	8,001,368	8,886,852
Unrealized foreign exchange gains - net	(598,302)	(84,299)	(4,004,234)
Loss on retirement of assets (Note 9)	889	661,740	84,717
Operating income before changes in operating assets and liabilities	897,465,049	818,858,898	556,700,115
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Tuition and other receivables	(5,710,707)	(2,108,727)	(78,224,074)
Inventories	(3,410,809)	(8,659,825)	(4,690,030)
Other assets	(190,642)	(24,696,902)	177,717
Increase (decrease) in:			
Accounts payable and other current liabilities and contract liabilities	28,383,202	82,948,198	122,890,385
Deferred revenue	95,481,351	(8,591,798)	11,245,966
Net cash generated from operations	1,012,017,444	857,749,844	608,100,079
Income taxes paid	(92,654,522)	(43,921,223)	(859,710)
Interest received	58,120,888	33,072,102	13,742,958
Contribution to the plan asset (Note 16)	(30,000,000)	(30,000,000)	(30,730,610)
Net cash generated from operating activities	947,483,810	816,900,723	590,252,717
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property and equipment (Note 9)	(151,023,849)	(141,380,945)	(121,873,424)
Availment of short-term investments	(20,724,983)	(450,000,000)	—
Cash used in investing activities	(171,748,832)	(591,380,945)	(121,873,424)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of cash dividends (Note 27)	(426,744,981)	(203,949,599)	(218,995,566)
Payments of leases (Notes 18 and 27)	(24,000,000)	(24,000,000)	(24,000,000)
Cash used in financing activities	(450,744,981)	(227,949,599)	(242,995,566)
EFFECT OF FOREIGN CURRENCY RATE CHANGES ON CASH AND CASH EQUIVALENTS			
	598,302	84,299	4,004,234
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	325,588,299	(2,345,522)	229,387,961
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	788,628,149	790,973,671	561,585,710
CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Note 5)	₱1,114,216,448	₱788,628,149	₱790,973,671

See accompanying Notes to Consolidated Financial Statements.



CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information and Authorization for Issuance of the Financial Statements

The consolidated financial statements include the financial statements of Centro Escolar University (the “University”) and the following subsidiaries (collectively referred to as the “Group”):

Subsidiary	2025	2024
Centro Escolar University Hospital, Inc. (the “Hospital” or CEUHI)	100.00%	100.00%
Centro Escolar Las Piñas, Inc. (CELPI) (formerly Las Piñas College [LPC])	99.90%	99.90%
Centro Escolar Integrated School, Inc. (CE-IS)	95.80%	95.80%

The University, a publicly listed entity, was organized in the Philippines on June 3, 1907 to establish, maintain and operate an educational institution or institutions for the instruction and training of the youth in all branches of the arts and sciences, offering classes in tertiary level.

On September 15, 2023, the University applied for the renewal of grant of autonomous or deregulated status pursuant to CMO No. 6, series of 2023, for its three campuses, Makati, Malolos and Mendiola.

By virtue of CHED Memorandum Order No.07 series of 2024, issued on September 16, 2024, CHED granted autonomous and deregulated status to its three campuses, with a validity of three (3) years from September 16, 2024 to September 15, 2027.

Under this autonomous status, the University is free from monitoring and evaluation of activities of CHED and has the privilege to determine and prescribe curricular programs, among other benefits, as listed in the memorandum order. The three general criteria used by CHED for the selection and identification of institutions which shall receive autonomous status are as follows:

- Institutions established as centers of excellence or centers of development and/or with Federation of Accrediting Agencies of the Philippines Level III Accredited programs;
- With outstanding overall performance of graduates in the government licensure examinations; and
- With long tradition of integrity and untarnished reputation.

The registered principal office of the University is at 9 Mendiola Street, San Miguel, Manila.

The University incorporated the Hospital on June 10, 2008. The primary purpose of the Hospital is to establish, maintain and operate a hospital, medical and clinical laboratories and such other facilities that shall provide healthcare or any method of treatment for illnesses or abnormal physical or mental health in accordance with advancements in modern medicine and to provide education and training facilities in the furtherance of the health-related professions. The registered principal office of the Hospital is at 103 Esteban corner Legaspi Streets, Legaspi Village, Makati City. In January 2016, the Hospital entered into an agreement with Hemotek Renal Center (Hemotek), a dialysis clinic, for the former to provide laboratory examinations to Hemotek patients. As at May 31, 2025, the Hospital is providing laboratory examinations to eight Hemotek Renal Centers.

CELPI was incorporated on June 1, 1975 and is primarily engaged as an educational institution offering a full range of programs from kindergarten to graduate school. The principal place of business of CELPI is at Dr. Faustino Uy Avenue, Pilar Village, Las Piñas City.



CE-IS was incorporated on July 24, 2013 and is a learning institution which offers pre-school, primary and secondary education. The principal place of business of CE-IS is at Km. 44 MacArthur Highway, Longos, Malolos City. In September 2022, the University purchased an additional 1.80% ownership in CE-IS, increasing its ownership from 94.00% to 95.80%.

Authorization for Issuance of the Financial Statements

The consolidated financial statements were approved and authorized for issuance by the University's Board of Directors (BOD) on September 26, 2025.

2. Material Accounting Policy Information

Basis of Preparation

The consolidated financial statements have been prepared on a /historical cost basis, except for land classified under 'Property and equipment' which is measured at revalued amount, and equity investments classified as financial assets at fair value through other comprehensive income (FVOCI) included under 'Other non-current assets'.

The consolidated financial statements are presented in Philippine Peso (₱ or Peso), which is also the Group's functional currency. All values are rounded to the nearest Peso, unless otherwise stated.

Statement of Compliance

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

Presentation of Consolidated Financial Statements

The Group presents its assets and liabilities in the consolidated statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for trading;
- Expected to be realized within 12 months after the statement of financial position date; or
- Cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least 12 months after the statement of financial position date.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for trading;
- It is due to be settled within 12 months after the statement of financial position date; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the statement of financial position date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.



Basis of Consolidation

The consolidated financial statements comprise the financial statements of the University and its subsidiaries. Control is achieved when the University 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 University controls an investee if, and only if, the University has:

- Power over the investee (that is, 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.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the University has less than a majority of the voting or similar rights of an investee, the University 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 University's voting rights and potential voting rights.

The University reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the University obtains control over the subsidiary and ceases when the University loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the University gains control until the date the University ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with the University's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between entities in the Group are eliminated in full on consolidation.

The financial statements of the subsidiaries were prepared using consistent accounting principles and policies in accordance with PFRS Accounting Standards. The financial statements of CEUHI and CELPI were prepared following a fiscal year end of March 31 while the financial statements of CE-IS were prepared following a fiscal year end of December 31. For consolidation purposes, adjustments to the financial statements of CEUHI, CELPI and CE-IS are recorded to align with the reporting year of the University.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. In such circumstances, the carrying amount of the controlling and non-controlling interests are adjusted by the Group to reflect the changes in its relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the University.

When a change in ownership interest in a subsidiary occurs, which results in loss of control over the subsidiary, the University:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;



- Derecognizes the cumulative translation differences recorded in equity;
- Derecognizes the other comprehensive income (OCI) and recycle the same to the profit or loss to retained earnings;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained; and
- Recognizes any surplus or deficit in the consolidated statement of income.

Non-controlling Interests

Non-controlling interests represent the portion of profit or loss and the net assets not held by the University and are presented separately in the consolidated statement of income, consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to the equity holders of the University. Transactions with non-controlling interest are accounted for using the equity concept method, whereby the difference between the consideration and the book value of the share of the net assets acquired is recognized as an equity transaction. Any losses applicable to the non-controlling interests are allocated against the interests of the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards that became effective beginning in June 1, 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

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

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

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

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Foreign Currency Translation

Transactions denominated in foreign currencies are recorded in Peso based on the exchange rates prevailing at the transaction dates. Foreign currency-denominated monetary assets and liabilities are



translated in Peso based on the Bankers' Association of the Philippines closing rate prevailing at the reporting date in 2025 and 2024, respectively. Foreign exchange differences between rate at transaction date and rate at settlement date or reporting date of foreign currency-denominated monetary assets or liabilities are credited to or charged against profit or loss in the period in which the rates changed. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

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 by 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 reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of 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 and the level within the fair value hierarchy.



Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term deposits which are highly liquid investments readily convertible to known amounts of cash with original maturities of three months or less from dates of placements and are subject to insignificant risks of changes in value. Cash and cash equivalents are carried at face value in the consolidated statement of financial position.

Short-term Investment

Short-term investment represents investment with original maturity of more than three months but less than one year from date of placement.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, at FVOCI and at fair value through profit or loss (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. With the exception of trade receivables that do not contain significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or which the Group has applied the practical expedient are measured at transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows 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 to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

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

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets at FVOCI without recycling (equity instruments)
- Financial assets at FVTPL (debt and equity instruments)



Financial assets at amortized cost (debt instruments)

This category is most relevant to the Group. 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 closely 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 the consolidated statements of income when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes cash in banks and short-term deposits short-term investment, tuition fee and other receivables and refundable security deposits.

Financial assets at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation*, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to consolidated statement of income. Dividends are recognized as income in the consolidated statements of income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group elected to classify irrevocably its investments in quoted equity instruments under this category.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when, and only when:

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

Modification of financial assets

The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.



The Group considers both qualitative and quantitative factors in assessing whether a modification of financial asset is substantial or not. When assessing whether a modification is substantial, the Group considers the following factors below, among others:

- Change in currency
- Introduction of an equity feature
- Change in counterparty
- If the modification results in the asset no longer considered “solely payment for principal and interest”

The Group also performs a quantitative assessment similar to that being performed for modification of financial liabilities. In performing the quantitative assessment, the Group considers the new terms of a financial asset to be substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10.00% different from the present value of the remaining cash flows of the original financial asset.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the statement of income.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of a new financial asset, the modified asset is considered a ‘new’ financial asset. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The newly recognized financial asset is classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be originated as credit impaired (POCI).

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. 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).

The Group’s debt instruments at amortized cost comprise of cash and cash equivalents, short-term investments and refundable security 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 fee receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to debtors and the economic environment.

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

The Group considers a financial asset in default when contractual payments are past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual cash flows in full before considering 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 FVTPL, loans and borrowings, other financial liabilities carried at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Other financial liabilities carried at amortized cost

These are issued financial instruments or their components, which are not designated as at FVTPL and where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, financial liabilities not qualified and not designated as at FVTPL are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issuance and fees that are an integral part of the effective interest rate.

This accounting policy applies primarily to the Group's accounts payable and other current liabilities (excluding contract liabilities and statutory payables), dividends payable and lease liability.

Derecognition

A financial liability (or a part of a financial liability) is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability or a part of it are substantially modified, such an exchange or modification is treated as a derecognition of



the original financial liability and the recognition of a new financial liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of income.

Exchange or modification of financial liabilities

The Group considers both qualitative and quantitative factors in assessing whether a modification of financial liabilities is substantial or not. The terms are considered substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10.00% different from the present value of the remaining cash flows of the original financial liability. However, under certain circumstances, modification or exchange of a financial liability may still be considered substantial, even where the present value of the cash flows under the new terms is less than 10.00% different from the present value of the remaining cash flows of the original financial liability. There may be situations where the modification of the financial liability is so fundamental that immediate derecognition of the original financial liability is appropriate (e.g., restructuring a financial liability to include an embedded equity component).

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 a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the fair value of the new liability is recognized in profit or loss.

When the exchange or modification of the existing financial liability is not considered as substantial, the Group recalculates the gross carrying amount of the financial liability as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR and recognizes a modification gain or loss in profit or loss.

If modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the financial instrument and are amortized over the remaining term of the modified financial instrument.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Inventories

Inventories are valued at the lower of cost and net realizable value (NRV). NRV is the estimated selling price in the ordinary course of business, less marketing and distribution costs. The cost includes the invoice amount, freight in and other incidental costs and is determined using the first-in, first-out method.

Property and Equipment

Property and equipment, except for land, is carried at cost, less accumulated depreciation and amortization and accumulated allowance for impairment losses. The initial cost of property and equipment comprises its purchase price, including import duties, taxes and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

Land is carried at revalued amount. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.



Any revaluation surplus, net of tax effect, is presented in OCI, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the consolidated statement of income, in which case, the increase is recognized in the consolidated statement of income. A revaluation decrease is recognized in the consolidated statement of income, except to the extent that it offsets an existing surplus on the same asset presented in OCI. Upon disposal, any revaluation surplus, net of tax effect, relating to the land being sold is transferred to retained earnings.

Construction in progress, included in property and equipment, is stated at cost.

Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged against the consolidated statement of income 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.

The useful life and depreciation and amortization method are reviewed at least every reporting date and adjusted prospectively, if appropriate.

Depreciation of property and equipment is computed on a straight-line basis over the following estimated useful lives of the assets:

	Number of Years
Land improvements	10
Building	25 to 50
Furniture, transportation, auxiliary	5
Laboratory equipment	10
Library books	10
Leasehold improvements	10 or lease term whichever is shorter

Construction in progress is not depreciated until such time that the relevant assets are completed and become available for intended use.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition of the asset by sale (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) and by write off, is recognized under "Miscellaneous fees" and "Loss on retirement/disposal of assets," respectively, in the consolidated statement of income in the year the asset is derecognized.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share in the recognized amounts of the acquiree's identifiable net assets. Acquisition-related costs incurred are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.



If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in the consolidated statement of income.

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

When the seller agrees to contractually indemnify the acquirer for the outcome of a contingency or uncertainty related to a specific asset or liability, the acquirer recognizes an indemnification asset with an equivalent amount deducted from the consideration transferred for the business combination. Indemnification asset recognized at the acquisition date continues to be measured on the same basis as the related indemnified item subject to collectability and contractual terms until the asset is collected, sold, cancelled or expires in the post-combination period. The Group measures the indemnification asset on the same basis as the related item, subject to any restrictions in the contractual terms.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of income.

After initial recognition, goodwill is measured at cost, less any accumulated impairment losses. For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating unit (CGU), or group of CGU's, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is allocated should:

- Represent the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- Not be larger than an operating segment determined in accordance with PFRS 8.

When goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill allocated with disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation.



Impairment of Non-financial Assets

An assessment is made at each reporting date whether there is any indication of impairment of non-financial assets, or whether there is any indication that an impairment loss previously recognized for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated at the higher of the asset's or CGU's value-in-use or its fair value less cost to sell. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is assessed as part of the CGU to which it belongs.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or CGU). In determining fair value less cost to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

An impairment loss is recognized only if the carrying amount of an asset (or CGU) exceeds its recoverable amount. An impairment loss is charged against the consolidated statement of income in the period in which it arises, unless the asset (or CGU) is carried at a revalued amount, in which case, the impairment loss is charged against the revaluation increment of the said asset (or CGU).

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset (or CGU), but not to an amount higher than the carrying amount that would have been determined (net of any depreciation and amortization) had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is credited to current consolidated statement of income, unless the asset (or CGU) is carried at revalued amount, in which case, the reversal of the impairment loss is credited to the revaluation increment of the said asset (or CGU).

The following criteria are also applied in assessing impairment of specific assets:

Property and equipment and right-of-use asset

The carrying values of property and equipment and right-of-use asset are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists and when the carrying values exceed the estimated recoverable amounts, the assets or CGUs are written down to their recoverable amounts.

Goodwill

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or group of CGUs) to which goodwill has been allocated, an impairment loss is recognized immediately in the consolidated statement of income. Impairment losses relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods.



Other Assets

Advances to suppliers

Advances to suppliers, included under “Other current assets”, represent amounts paid to suppliers for purchases not yet received as at the reporting date. This is subsequently reversed to an expense account when the goods or services are received.

Prepaid taxes

Prepaid taxes, included under “Other current assets” and “Other non-current assets”, pertains to the tax withheld at source by the Group’s lessees and excess quarterly income tax payments. These are creditable against its income tax liability.

Advances to contractors

Advances to contractors, included under “Other non-current assets”, represent amounts paid to contractors for purchases not yet received as at the reporting date. This is subsequently reversed to an asset account when the goods or services are received.

Software cost

Software cost acquired separately is measured on initial recognition at cost. Following initial recognition, software cost is carried at cost less any accumulated amortization and any accumulated impairment loss. The estimated useful life of software cost is assessed at the individual asset level. Software cost is amortized over its estimated useful life of three years. Periods and method of amortization for software cost are reviewed annually or earlier when an indicator of impairment exists.

Gain or loss arising from derecognition of software cost is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss when the asset is derecognized.

Cost to fulfill the contract

Cost to fulfill the contract, included under “Other current assets”, are initially measured at amounts paid and subsequently recognized as expense upon performance of the related services to the students. The Group amortizes capitalized cost to fulfill a contract to “Expenses for co-curricular activities” under “Cost of services”.

Equity

Capital stock is measured at par value for all shares issued. When the University issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

When the shares are sold at a premium, the difference between the proceeds and the par value is credited to “Additional paid-in capital.” When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received.

Retained earnings represent accumulated earnings of the Group, less dividends declared.

Dividends on Common Shares

Cash dividends on common shares are recognized as a liability and deducted from the equity when approved by the BOD of the Parent Company. Stock dividends are deducted from equity when approved by BOD and shareholders of the Parent Company. Dividends for the year that are approved after the end of the reporting period are dealt with as an event after the end of the reporting period.



The Group recognizes stock dividends as a distribution of earnings to shareholders, measured at fair value based on the market price of the shares on the declaration date. Retained earnings is debited for the fair value of the shares, while capital stock is credited for the par value of the shares, and the difference is credited to additional paid-in capital.

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods, excluding the related taxes. The Group assesses its revenue arrangement 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 its all of its revenue arrangements, except for the sale of books.

Tuition and other school fees, including income from other school services

Tuition and other school fees, including income from other school services except for the sale of books and uniforms, are recognized over time as revenue over the corresponding school term using 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 school fees in full or in installment. Tuition and other fees, including income from other school services except for the sale of books and uniforms, to be recognized in the remaining months after statement of financial position date or next school term which are not yet due for collection are deferred and is shown under “Deferred revenue” account in the consolidated statement of financial position.

Sale of books

Income from sale of books are recognized equal to the amount of discount granted to the School by the consignor. The income is recognized upon sale of the books to the students.

Sale of uniforms

Income from sale of uniforms are recognized at a point in time upon delivery of uniforms to the students.

Contract Balances

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 liability

A contract liability is the obligation to transfer goods 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 the 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 the obligations under the contract. The Group’s contract liabilities represent advance collections for culminating and yearbook fees and for revenues expected to be earned on next academic year presented under “Accounts payable and other current liabilities” and will be recognized as revenue when the related services are rendered.

Other Revenues

Interest income

Interest income is recognized as the interest accrues taking into account the effective yield on the asset.



Rental income

Rental income arising from leased properties is accounted for on a straight-line basis over the lease terms.

Expense Recognition

Expenses are recognized in the consolidated statement of income when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Expenses are recognized in the consolidated statement of income:

- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- Immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the consolidated statement of financial position as an asset.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Retirement Benefits

The Group operates a defined benefit retirement plan which requires contribution to be made to a separately administered fund.

The cost of providing benefits under the defined benefit retirement plan is actuarially determined using the projected unit credit method.

Retirement expense comprises the following:

- Service cost; and
- Net interest on the retirement liability.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the consolidated statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by the independent qualified actuary.

Net interest on the retirement liability is the change during the period in the retirement liability that arises from the passage of time which is determined by applying the discount rate based on government bonds to the retirement liability. Net interest on the retirement liability is recognized as an expense or income in the consolidated statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on the retirement liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to the consolidated statement of income in subsequent periods.



The retirement liability is the aggregate of the present value of defined benefit obligation at the reporting date reduced by the fair value of plan assets, adjusted for any effect of limiting a net retirement 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. The 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

Income tax on income or loss for the year comprises current and deferred tax. Income tax is determined in accordance with Philippine tax laws. Income tax is recognized in the consolidated statement of income, except to the extent that it relates to items recognized directly in equity, in which case, the tax effect is recognized in the consolidated statement of comprehensive income.

Current tax

Current tax assets and current tax liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the statement of financial position date.

Deferred tax

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

Deferred tax assets are recognized for all deductible temporary differences and unused net operating loss carryover (NOLCO). Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and NOLCO can be utilized, except:

- a. When the deferred tax asset relating to the deductible temporary difference 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; or
- b. In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

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



Deferred tax liabilities are recognized for all taxable temporary differences, except:

- a. When the deferred tax liability arises from the initial recognition of goodwill or 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; or
- b. In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

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 where the Group does not transfer all the risks and benefits of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and are recognized over the lease term on the same basis as the rental income. Rental income are recognized in the consolidated statement of income on a straight-line basis over the lease term. Contingent rentals are recognized as revenue in the period in which they are earned.

Group as a lessee

The Group assesses at contract inception whether a contract is, or contains, a lease (i.e., if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration).

The Group applies a single recognition and measurement approach for all leases, except for its leases of low-value asset and short-term leases. The Group recognizes lease liability to make lease payments and right-of-use asset representing the right to use the underlying asset.

Right-of-use asset

The Group recognizes right-of-use asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use asset is measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability. The cost of right-of-use asset includes the amount of lease liability recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. 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 asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Right-of-use asset is subject to impairment. Refer to the accounting policies in section *Impairment of Non-financial Assets*.



Lease liability

At the commencement date of the lease, the Group recognizes lease liability 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 the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate 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 liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liability 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.

Segment Reporting

The Group's operating businesses are organized and managed separately according to the geographic locations, designated as the Group's campuses, with each segment representing a strategic business unit that offers varying courses depending on demands of the market. Financial information on business segments is presented in Note 20.

Basic and Diluted Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing net income attributable to common shareholders of the University by the weighted average number of ordinary shares outstanding during the year, after considering the retroactive effect of stock dividend declaration, if any.

Diluted EPS is calculated by dividing net income attributable to common shareholders of the University by the weighted average number of common shares outstanding during the year adjusted for the effects of any dilutive potential common shares.

Provisions

A provision is recognized only when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and, 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 assessments of the time value of money and, where appropriate, the risks specific to the liability.

Contingencies

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



Events after the Reporting Date

Post year-end events up to the date of approval of the BOD of the consolidated financial statements that provide additional information about the Group's position reporting date (adjusting events) are reflected in the consolidated financial statements, if any. Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material

3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in compliance with PFRS Accounting Standards 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 continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

In the process of applying the Group's accounting policies, management has made the judgments below apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Recognition of tuition and other fees over time

The Group determined that tuition and other fees, the major source of revenue of the Group, are to be recognized over time using the output method on the basis of time lapsed over the service period since it provides a faithful depiction of the Group's performance in transferring control of the services to the students. The fact that another entity would not need to re-perform the service that the Group has provided to date demonstrates that the customer or the student simultaneously receives and consumes the benefits of the Groups' performance as it is performed.

Leases

- Group as lessor
The Group has entered into commercial property leases on its Mendiola, Malolos, Makati and Las Piñas campuses. The Group has determined, based on an evaluation of the terms and conditions of the arrangements (that is, the lease does not transfer ownership of the asset to the lessee by the end of the lease term, the lessee has no option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option is exercisable, and the lease term is not for the major part of the asset's economic life), that it retains all the significant risks and rewards of ownership of these properties. Thus, the leases are classified as operating leases.
- Group as lessee
The Group has entered into a lease on premises it uses for its Makati-Buendia campus. The Group has determined, based on an evaluation of the terms and conditions of the arrangement (that is, the lease does not transfer ownership of the asset to the lessee by the end of the lease term, the lessee has no option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option is exercisable, and the lease term is not for the major part of the asset's economic life), that not all significant risks and rewards of ownership of



the properties have been transferred to the Group. Thus, the lease is qualified as in scope of and accounted for in accordance with PFRS 16, *Leases* (see Note 18).

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimation of allowance for expected credit losses

The Group uses the simplified approach in calculating ECLs for tuition fee receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type).

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecasted economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analyzed.

The segmentation of the Group's receivable, identification and definition of default and the assessment of the correlation between historically observed default rates, forecast economic conditions and ECLs are significant estimates. The amount of ECLs 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.

The carrying values of tuition and other receivables and related allowance for ECL as at May 31, 2025 and 2024 are disclosed in Note 6.

Impairment of property and equipment and right-of-use asset

The Group assesses at each reporting date whether there is any indication that its property and equipment and right-of-use asset are impaired. Determining the fair value of these non-current non-financial assets, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect the consolidated financial statements. Future events could cause management to conclude that these assets are impaired. Any resulting impairment loss could have a material adverse impact on the Group's financial position and financial performance. The preparation of the estimated future cash flows involves significant judgment and estimations. While management believes that the assumptions made are appropriate and reasonable, significant changes in management assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRS Accounting Standards.

As of May 31, 2024, the University's market capitalization is lower compared with the carrying amount of the net assets of the University. This is considered as an indicator that the University's property and equipment and right-of-use asset may be impaired as of May 31, 2024. Hence, the University performed impairment analysis as of May 31, 2024. The University's value-in-use calculation involves significant management judgment in the use of assumptions, particularly tuition fee rates, number of students, long-term growth rate and discount rate. As of May 31, 2025, the University's market capitalization exceeded the carrying amount of its net assets. Consequently, the University determined that no impairment analysis was necessary. The carrying values of property and equipment and right-of-use assets are disclosed in Notes 9 and 18, respectively.



As at May 31, 2024, the recoverable amount of the CGU has been determined based on the value-in-use calculation using cash flow projections from the five-year strategic plan for the University. Tuition fee rates and number of students assumed to project revenues were based on approved tuition fee increase and the University's historical data and performance.

The discount rate used for the computation of the net present value is the cost of the equity and was determined by reference to comparable entities. For the year ended May 31, 2024, the pre-tax discount rate applied to cash flow projections is 12.78%. The long-term growth rate to project cash flows beyond the five-year period is 5.00% in 2024.

The carrying values of property and equipment and right-of-use asset as at May 31, 2025 and 2024 are disclosed in Notes 9 and 18, respectively.

Revaluation of land

The fair value of the Group's land at revalued amount was based on a third-party appraisal with effective date of valuation of May 31, 2024, using market approach. Key assumptions used by the independent appraiser are disclosed in Note 24.

The revalued amount of land included under "Property and equipment" in the consolidated statement of financial position is disclosed in Note 9.

Retirement liability

The cost of the defined benefit retirement plan and the present value of defined benefit obligation are determined using an actuarial valuation. The actuarial valuation involves making assumptions about employee turnover rates, discount rates, prospective salary increases and mortality rate. Due to the complexity of the actuarial valuation, the underlying assumptions and long-term nature of this plan, such estimates are subject to significant uncertainty. All significant assumptions are reviewed at each reporting date.

The assumed discount rates were determined using the market yields on Philippine government bonds with terms consistent with the expected employee benefit payout as at the reporting date. Future salary increases are assumed for all future years within the duration of the plan and take into account the inflation, seniority, promotion, merit, productivity and other market factors. Employee turnover rates are based on the probability of voluntary separation of service from the University prior to their retirement date. Mortality rate are based on the probability of being deceased prior to retirement.

The present value of defined benefit obligation and details about the significant assumptions used are disclosed in Note 16.

Recognition of deferred income taxes

Deferred tax assets are recognized for all deductible temporary differences and unused NOLCO to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences and unused NOLCO can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The estimates of future taxable income indicate that all temporary differences will be realized in the future.



The Group's recognized and unrecognized deferred tax assets as at May 31, 2025 and 2024 are disclosed in Note 17.

Evaluation of provisions

The Group provides for present obligations (legal or constructive) where it is probable that there will be an outflow of resources embodying economic benefits that will be required to settle said obligations. An estimate of the provision is based on known information at the end of reporting period, net of any estimated amount that may be reimbursed to the Group. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. The amount of provision is being re-assessed at least on an annual basis to consider new relevant information.

The Group is involved in various claims and tax assessments that are normal to its business. Based on the legal grounds of certain claims and assessments, the Group's outstanding provision for probable losses is disclosed in Note 26.

4. Business Combination

On August 24, 2015, the University entered into an agreement with the previous owners of CELPI (the "Sellers") to purchase their interest in CELPI shares, and real and other properties consisting of parcels of land and buildings and improvements which are owned directly by the Sellers but are used by CELPI.

Accordingly, the University obtained control of CELPI through the execution of the agreements on September 1, 2015 as outlined below.

	Amount
Deed of Absolute Sale for the purchase of parcels of land, buildings and improvements	₱270,200,000
Deeds of Assignment for the purchase of CELPI shares representing 90.00% equity interest	3,600,000
	<u>₱273,800,000</u>

It was also agreed that the University would pay the Sellers the amount of ₱7.34 million to liquidate all liabilities of CELPI, including but not limited to, retirement/separation of all CELPI employees. The acquisition provided the University the opportunity to expand its operations in the southern part of Metro Manila.



The fair values of the identifiable assets and liabilities of CELPI as at the date of acquisition is shown below:

	Fair value recognized on acquisition
Assets	
Cash	₱108,234
Receivables	10,000
Property and equipment	836,314
Other assets	6,650
	<u>961,198</u>
Liabilities	
Accounts payable and accrued expenses	197,496
Advances from officers	2,870,473
	<u>3,067,969</u>
Net liabilities	<u>(₱2,106,771)</u>

In addition to the above identifiable assets and liabilities, the Group recognized the fair value of real and other properties acquired as a result of the business combination amounting to ₱229.46 million and the related deferred tax asset of ₱4.07 million.

The fair values of land and buildings and improvements as at September 1, 2015 have been determined based on the valuation done by a professionally qualified appraiser accredited by the Securities and Exchange Commission (SEC). The fair values of these assets were derived based on sales comparison approach. Under this approach, the fair value of the land was determined considering sales and listings of comparable property in the same area as the land, also taking into account the economic conditions prevailing at the time the valuation was made. The actual sales and listings regarded as comparable are adjusted to account for differences in a property's location, size and time element. For buildings and improvements, the significant input considered in the valuation is the reproduction cost, which is the estimated cost to create a virtual replica of the existing structure, employing the same design and similar building materials.

The University has elected to measure the non-controlling interest in CELPI at their proportionate share of CELPI's net identifiable assets.

Goodwill from the acquisition is computed as follows:

Consideration transferred	₱281,140,000
Fair value of net liabilities assumed	2,106,771
Less:	
Fair value of real and other properties acquired	(229,460,339)
Deferred tax asset on excess of acquisition cost over fair value of real and other properties acquired	(4,073,966)
Indemnification asset	(2,106,771)
<u>Goodwill</u>	<u>₱47,605,695</u>

The goodwill arising from the acquisition can be attributed mainly to expected synergies and increase in geographical presence and customer base.

The Sellers have contractually agreed to indemnify the University for all known liabilities until March 31, 2016, and consequently, the University recognized indemnification asset of ₱2.11 million at acquisition date.



Impairment Testing of Goodwill

As at May 31, 2025 and 2024, the carrying amount of goodwill amounted to ₱47.61 million. Management assessed that no impairment losses need to be recognized.

Key assumptions used in the value-in-use (VIU) calculation

As at May 31, 2025 and 2024, the recoverable amount of the CGU has been determined based on a VIU calculation using cash flow projections from the five-year strategic plan for CELPI. Tuition fee rates and number of students assumed to project revenues were based on externally available industry data and the Group's historical data and performance. The discount rate used for the computation of the net present value is the cost of equity and was determined by reference to comparable entities. For the year ended May 31, 2025 and 2024, the pre-tax discount rate applied to cash flow projections is 12.38% and 12.78%. The long-term growth rate to project cash flows beyond the five-year period is 5.00% to calculate the terminal value.

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 the goodwill to materially exceed its recoverable amount.

5. Cash and Cash Equivalents and Short-Term Investment

Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand and in banks (Note 21)	₱356,740,360	₱212,593,497
Cash equivalents (Note 21)	757,476,088	576,034,652
	₱1,114,216,448	₱788,628,149

Cash in banks earned annual interest ranging from 0.06% to 0.38% in 2025 and 2024.

Cash equivalents consist of short-term deposits made for varying periods of up to three months depending on the immediate cash requirements of the Group and earned interest rates ranging from 0.05% to 6.25% in 2025 and from 0.43% to 6.50% in 2024.

Interest income from cash in banks and short-term deposits amounted to ₱32.95 million, ₱32.27 million and ₱14.74 million in 2025, 2024 and 2023, respectively.

Short-term Investment

Short-term investment represents special savings deposit with maturity of more than three months but not more than one year from dates of placement.

As of May 31, 2025 and 2024, short-term investments amounted to ₱470.72 million and ₱450.00 million, respectively, and earned interest ranging from 5.75% to 6.25% in 2025.

Interest income from short-term investments amounted to ₱27.86 million, nil and nil in 2025, 2024 and 2023, respectively.



6. Tuition and Other Receivables

This account consists of:

	2025	2024
Tuition fee receivables	₱395,786,252	₱391,397,697
Advances to employees	20,601,294	26,393,413
Non-trade receivables	11,113,269	10,122,287
Accrued rent receivable (Notes 18 and 21)	7,153,295	7,357,103
Accrued interest receivable (Note 21)	2,927,128	238,105
Other receivables	9,939,092	3,611,995
	447,520,330	439,120,600
Allowance for ECL	(158,455,822)	(131,015,921)
	₱289,064,508	₱308,104,679

Tuition fee receivables are non-interest-bearing and are generally on a 120-day term for the University and CELPI and 300-day term for CE-IS.

Advances to employees comprise of non-interest-bearing advances which are collectible through salary deduction and are generally on a 6 to 12-month term.

Recoveries from previously written-off tuition fee receivables amounting to ₱1.21 million, ₱3.72 million and nil for the years ended May 31, 2025, 2024 and 2024, respectively, are recorded as part of “Tuition and other school fees”.

The allowance for ECL pertains to the Group’s tuition fee receivables and advances to employees, which were impaired through specific identification and collective assessment. The rollforward analysis of allowance for ECL follows:

	2025	2024
Balances at beginning of year		
Tuition fee receivables	₱125,833,525	₱90,197,421
Advances to employees	5,182,396	—
	131,015,921	90,197,421
Movements during the year:		
Provision (Note 15)		
Tuition fee receivables	27,439,901	35,636,104
Advances to employees	—	5,182,396
	27,439,901	40,818,500
Balances at end of the year		
Tuition fee receivables	153,273,426	125,833,525
Advances to employees	5,182,396	5,182,396
	₱158,455,822	₱131,015,921



As at May 31, 2025 and 2024, the aging analysis of tuition and other receivables follows:

2025						
	Current	Days Past Due			Impaired	Total
		1-30 Days	Over 30 Days	Over 60 Days		
Tuition fee receivables	₱2,407,500	₱—	₱—	₱274,597,888	₱118,780,864	₱395,786,252
Advances to employees	15,418,898	—	—	—	5,182,396	20,601,294
Non-trade receivables	—	—	—	11,113,269	—	11,113,269
Accrued rent receivable	7,153,295	—	—	—	—	7,153,295
Accrued interest receivable	2,927,128	—	—	—	—	2,927,128
Other receivables	9,939,092	—	—	—	—	9,939,092
	₱37,845,913	₱—	₱—	₱285,711,157	₱123,963,260	₱447,520,330

2024						
	Current	Days Past Due			Impaired	Total
		1-30 Days	Over 30 Days	Over 60 Days		
Tuition fee receivables	₱3,097,583	₱—	₱—	₱299,324,946	₱88,975,168	₱391,397,697
Advances to employees	21,211,017	—	—	—	5,182,396	26,393,413
Non-trade receivables	—	—	—	10,122,287	—	10,122,287
Accrued rent receivable	7,357,103	—	—	—	—	7,357,103
Accrued interest receivable	238,105	—	—	—	—	238,105
Other receivables	3,611,995	—	—	—	—	3,611,995
	₱35,515,803	₱—	—	₱309,447,233	94,157,564	₱439,120,600

7. Inventories

This account consists of:

	2025	2024
Uniforms and outfits	₱31,641,000	₱27,936,123
Materials	1,856,018	1,554,707
Supplies	1,837,451	2,432,830
	₱35,334,469	₱31,923,660

The cost of uniforms and outfits charged to “Cost of services - Uniforms and outfits” amounted to ₱24.01 million, ₱47.61 million and ₱35.99 million for the years ended May 31, 2025, 2024, and 2023, respectively (see Note 15).

The cost of materials and supplies charged to “Cost of services - Others” amounted to ₱0.33 million, ₱0.28 million and ₱0.22 million for the years ended May 31, 2025, 2024, and 2023, respectively (see Note 15).

8. Other Current Assets

This account consists of:

	2025	2024
Advances to suppliers	₱86,819,591	₱94,941,482
Prepaid expenses	8,818,991	7,212,589
Cost to fulfill a contract	618,954	618,954
Others	10,238,883	850,569
	₱106,396,419	₱103,613,684



Advances to suppliers are advances paid to suppliers for classroom materials and supplies.

Prepaid expenses include advanced payment for taxes, licenses and library subscription which are amortized over a period of less than one year.

Cost to fulfill a contract includes future expenses paid in advance related to year books, and graduation that is subsequently charged to expenses upon amortization. The amortization of the cost to fulfill a contract is charged to "Cost of services - Expenses for co-curricular activities" (see Note 15).

Others include input vat and creditable withholding taxes.



9. Property and Equipment

The composition of and the movements in this account follow:

	2025								
	At Cost								
	Land (At Revalued Amount)	Land Improvements	Buildings and Leasehold Improvements	Furniture, Transportation and Auxiliary Equipment	Laboratory Equipment	Library Books	Construction in Progress	Subtotal	Total
Cost									
Balances at beginning of year	₱5,094,787,432	₱32,002,632	₱2,020,391,643	₱702,532,746	₱445,282,280	₱164,355,907	₱13,523,000	₱3,378,088,208	₱8,472,875,640
Additions	—	—	18,450,933	72,948,359	42,513,666	17,110,891	—	151,023,849	151,023,849
Retirement/disposals	—	—	—	(18,344,259)	(6,037,087)	—	—	(24,381,346)	(24,381,346)
Reclassifications and adjustments (Note 10)	—	—	(1,536,770)	382,406	—	—	(13,523,000)	(14,677,364)	(14,677,364)
Balances at end of year	5,094,787,432	32,002,632	2,037,305,806	757,519,252	481,758,859	181,466,798	—	3,490,053,347	8,584,840,779
Accumulated depreciation and amortization									
Balances at beginning of year	—	31,215,072	899,963,226	528,695,795	353,367,833	128,816,730	—	1,942,058,656	1,942,058,656
Depreciation and amortization (Note 15)	—	287,380	48,013,412	37,287,702	22,468,729	7,865,814	—	115,923,037	115,923,037
Retirement/disposals	—	—	—	(18,343,566)	(6,036,891)	—	—	(24,380,457)	(24,380,457)
Reclassifications and adjustments	—	—	(127,796)	(6,218)	(60,392)	(55,883)	—	(250,289)	(250,289)
Balances at end of year	—	31,502,452	947,848,842	547,633,713	369,739,279	136,626,661	—	2,033,350,947	2,033,350,947
Net book values	₱5,094,787,432	₱500,180	₱1,089,456,964	₱209,885,539	₱112,019,580	₱44,840,137	₱—	₱1,456,702,400	₱6,551,489,832



	2024								
	At Cost								
	Land (At Revalued Amount)	Land Improvements	Buildings and Leasehold Improvements	Furniture, Transportation and Auxiliary Equipment	Laboratory Equipment	Library Books	Construction in Progress	Subtotal	Total
Cost									
Balances at beginning of year	₱4,358,636,002	₱32,002,632	₱1,966,255,235	₱620,894,911	₱420,988,839	₱152,771,292	₱66,892,016	₱3,259,804,925	₱7,618,440,927
Revaluation of Land	736,151,430	—	—	—	—	—	—	—	736,151,430
Additions	—	—	1,952,577	90,644,806	37,251,222	11,532,340	—	141,380,945	141,380,945
Retirement/disposals	—	—	—	(10,139,881)	(12,957,781)	—	—	(23,097,662)	(23,097,662)
Adjustment	—	—	52,183,831	1,132,910	—	52,275	(53,369,016)	—	—
Balances at end of year	5,094,787,432	32,002,632	2,020,391,643	702,532,746	445,282,280	164,355,907	13,523,000	3,378,088,208	8,472,875,640
Accumulated depreciation and amortization									
Balances at beginning of year	—	30,927,692	854,084,339	516,053,518	356,001,730	122,123,595	—	1,879,190,874	1,879,190,874
Depreciation and amortization (Note 15)	—	287,380	45,878,887	22,780,690	10,323,528	6,693,135	—	85,963,620	85,963,620
Retirements	—	—	—	(10,138,413)	(12,957,425)	—	—	(23,095,838)	(23,095,838)
Reclassification	—	—	—	—	—	—	—	—	—
Balances at end of year	—	31,215,072	899,963,226	528,695,795	353,367,833	128,816,730	—	1,942,058,656	1,942,058,656
Net book values	₱5,094,787,432	₱787,560	₱1,120,428,417	₱173,836,951	₱91,914,447	₱35,539,177	₱13,523,000	₱1,436,029,552	₱6,530,816,984

Major developments accounted under construction in progress as at May 31, 2023 pertain to construction and renovation of 5-storey building for CE-IS amounting to ₱53.69 million. This was reclassified to other accounts within “Property and equipment” in 2024. In 2025, the Group reclassified the remaining construction in progress to “Software” account, recorded under “Other non-current assets” (see Note 10).

As of May 31, 2025 and 2024, there were no contractual commitments for the acquisition of property, plant and equipment.

For the years ended May 31, 2025, 2024 and 2023, the Group retired certain properties with aggregate cost of ₱24.38 million, ₱23.10 million and ₱13.01 million, respectively. Loss on retirement of these properties amounted to ₱889, ₱661,740 and ₱84,717 for the years ended May 31, 2025, 2024 and 2023, respectively. There were no proceeds from sale of property and equipment for the years ended May 31, 2025, 2024 and 2023.



Land

As at May 31, 2025 and 2024, land at revalued amount consists of:

	2025	2024
Cost		
Balances at beginning and end of period	₱537,177,782	₱537,177,782
Revaluation increment - gross		
Beginning balance	4,557,609,650	3,821,458,220
Revaluation during the period	–	736,151,430
Ending balance	4,557,609,650	4,557,609,650
	₱5,094,787,432	₱5,094,787,432

Based on the Group's policy, the appraisal of its properties is done within three to five years. The latest appraisal was done in May 2024 by a professionally qualified appraiser accredited by the SEC (see Note 24).

Provision for deferred tax liability related to the revaluation surplus amounted to nil, ₱73.62 million and nil for the years ended May 31, 2025, 2024 and 2023, respectively (see Note 17).

Key assumptions used in the VIU calculation

As of May 31, 2025, the University determined that an impairment analysis was not necessary as the University's market capitalization exceeded the carrying amount of its net assets.

As at May 31, 2024, 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 (e.g., tuition fee rates and number of students). Cash flow projections based on financial budgets approved by management covering a five-year period.
- Long-term growth rates. Management considered a long-term growth rate of 5.00% in 2024 to project cash flows beyond the five-year period to calculate the terminal value.
- Discount rate (12.78% for May 31, 2024). 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 the Parent Company's capital structure.

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 property and equipment to materially exceed its recoverable amount.



10. Other Non-current Assets

This account consists of:

	2025	2024
Advances to contractors	₱10,141,716	₱11,741,718
Prepaid taxes	7,108,198	7,108,198
Financial assets at FVOCI	87,550	106,558
Others	908,019	996,035
	₱18,245,483	₱19,952,509

Advances to contractors pertain to advances paid to contractors for planned construction of various facilities.

For the year ended May 31, 2025, the Group reclassified construction in progress (recorded under “Property and equipment”) to software (recorded under “Other non-current assets”), with cost of ₱13.52 million (see Note 9). Amortization of software amounted to ₱13.52 million and nil for the years ended May 31, 2025 and 2024, respectively (see Note 15). The University has fully amortized software still in use as at May 31, 2025 and 2024 amounting to ₱22.00 million and ₱8.48 million, respectively.

Financial assets at FVOCI investments pertain to the Group’s investments in listed shares of stocks and are valued at the closing stock price as at May 31, 2025 and 2024.

Cost of quoted equity investments and dividend income earned during from these investments follow:

	2025	2024	2023
Cost of quoted equity investments	₱411,859	₱411,859	₱411,859
Dividend income	5,238	—	9,396

Movements in carrying value of financial assets at FVOCI investments for the years ended May 31, 2024 and 2023 follow:

	2025	2024
Balance at beginning of year	₱106,558	₱92,880
Fair value (loss) gain	(19,008)	13,678
Balances at end of year	₱87,550	₱106,558

Changes in revaluation reserve on financial assets at FVOCI for the years ended May 31, 2025 and 2024:

	2025	2024
Balance at beginning of year	(₱305,301)	(₱318,979)
Change in revaluation reserve on financial assets at FVOCI	(19,008)	13,678
	(₱324,309)	(₱305,301)

Others pertain to refundable security deposits. The effect of discounting the refundable security deposits is immaterial.



11. Accounts Payable and Other Current Liabilities

This account consists of:

	2025	2024
Accounts payable	₱392,179,457	₱332,146,329
Accrued expenses:		
Employee benefits	199,372,440	162,652,975
Others	61,857,687	150,467,527
Deposits	41,233,877	14,149,341
Payable to students	35,071,158	38,606,026
Contract liabilities	16,131,432	26,025,656
Provision for probable losses (Note 26)	10,133,294	9,353,517
Alumni fees payable	7,418,263	2,693,089
	₱763,398,608	₱736,094,460

Accounts payable are non-interest-bearing and are generally on 30 to 60-day terms.

Accrued expenses include accrued rent pertaining to the unpaid contingent rent to its affiliate, equivalent to 40.00% of the annual income derived from the leased premises (see Note 21).

Other accrued expenses pertain to accrued purchases, accruals for audit fees, janitorial and security services, advertising services and other services.

Deposits include refundable deposits for toga rentals and security deposits on leases.

Payable to students are refunds of miscellaneous fees to students to be applied in the next school year or semester.

As at May 31, 2025, contract liabilities amounting to ₱16.13 million will be recognized as revenue in the following year. Contract liabilities amounting to ₱16.03 million as at May 31, 2024 were recognized as revenue for the year ended May 31, 2025.

As at May 31, 2025 and 2024, other non-current liabilities amounting to ₱12.06 million and ₱10.99 million, respectively, pertain to contract liabilities that are estimated to be recognized as revenue within two to five years.

Alumni fees payable includes graduating students' payments for alumni registration and identification cards which are remitted to the alumni foundation.



12. Equity

Capital Stock

The University's shares are listed and traded in the Philippine Stock Exchange.

Details of capital stock as at May 31, 2025 and 2024 are presented below.

	2025	2024
Shares authorized	800,000,000	800,000,000
Shares issued and outstanding	446,897,323	372,414,400
Par value	₱1	₱1
Amount	₱446,897,323	₱372,414,400

Below is the summary of the University's track record of registration of securities under the Revised Securities Regulation Code (SRC):

Date	Number of Shares	Issue Price
November 10, 1986	305,000	₱100
August 9, 1988	152,500	100
February 23, 1994	297,375	100
September 18, 1995	993,174	100
March 17, 1998	2,237,356	100

As at May 31, 2025 and 2024, the total number of shares registered under the Revised SRC are 446,897,323 shares and 372,414,400 shares, held by 1,011 and 1,009 stockholders, respectively.

Cash Dividends

The University's BOD approved the declaration of the following cash dividends:

Date of Declaration	Date of Record	Date of Payment	Amount	Dividend per Share
May 30, 2025	July 10, 2025	August 5, 2025	₱625,656,252	₱1.40
May 31, 2024	July 11, 2024	August 5, 2024	446,897,280	1.20
May 26, 2023	June 30, 2023	July 25, 2023	223,448,640	0.60

As at May 31, 2025 and 2024, the carrying value of dividends payable amounted to ₱793.64 million and ₱592.03 million, respectively.

Stock Dividends

On October 3, 2024 and October 25, 2024, the BOD and Stockholders, respectively, approved the issuance of 20.00% stock dividends, equivalent to 74,482,880 shares, at a market value of ₱13.30 per share, amounting to ₱990.62 million. The record and payment dates were set on December 18, 2024 and January 16, 2025, respectively. Subsequently, on January 28, 2025 and March 7, 2025, the BOD and Stockholders, respectively, approved the additional distribution of 43 common shares at par value of ₱1.00 per share.

In accordance with Section 10.1 (d) of the Revised SRC, the dividend declaration is exempt from the registration requirements. On March 17, 2025, the University paid ₱1,010 as an exemption fee.



Retained Earnings

Appropriations of retained earnings are as follows:

Date of Appropriation and Expiration	Remarks/ Projects	Amount
June 23, 2017 - June 22, 2022	<p>On June 23, 2017, the University's BOD approved the expansion projects of the University. These projects include the items enumerated below:</p> <ul style="list-style-type: none"> • Planned construction of a 3-storey building for Science-related courses in CEU Malolos; • Additional investments in CE-IS for construction of building in anticipation of increased number of students in S.Y. 2020-2021; • Additional investment in CELPI for construction of building in anticipation of increased number of students in S.Y. 2020-2021; and • Modernization of CEU Manila campus. <p>The estimated date of completion of the above projects as set by the University is within 5 years.</p>	₱210,000,000
August 28, 2020 - August 27, 2025	<p>On August 28, 2020, the University's BOD approved the detailed expansion program and projects of the University. These projects include the budget for capital expenditures and the following in the Malolos Campus:</p> <ul style="list-style-type: none"> • Planned construction of a 5-storey dormitory for the students, faculty and employees of the University; • Planned construction of a 2-storey building for the School of Dentistry; • Planned construction of a 2-storey building to house a food court with students' area in the ground floor and commercial spaces in the second floor; • Renovation of the Centrodome; • Planned construction of a multi-purpose activity center and swimming pool for use of students; and • Renovation and extension of buildings and various laboratories. <p>The estimated date of completion of the above projects as set by the University is within five years.</p>	₱336,000,000
April 29, 2022 - April 28, 2027	<p>On April 29, 2022, the University's BOD approved the expansion projects of the University. These projects include the items enumerated below:</p> <ul style="list-style-type: none"> • Continuous upgrading of laboratory equipment of all campuses in preparation for full setup of face to face modality of learning. • Construction of 8 storey building in the Manila campus • Construction of road, drainages, and primary metering in the Malolos campus • Construction of multipurpose activity center on the Malugay property for the Makati campus <p>The estimated date of completion of the above projects as set by the University is within 5 years.</p>	₱450,000,000



Date of Appropriation and Expiration	Remarks/ Projects	Amount
August 25, 2023 - May 31, 2024*	On August 25, 2023, the University's BOD approved for the upgrading and procurement of laboratory equipment such as dental chairs, precision instruments, optometry equipment and devices for School Year (S.Y.) 2023-2024.	₱125,000,000

**Appropriated retained earnings amounting to ₱125.00 million was reversed on May 31, 2024, upon expiration of the related appropriation.*

On October 3, 2024, the Group released in advance the appropriations made on August 28, 2020 and April 29, 2022 amounting to ₱336.00 million and ₱450.00 million, respectively, prior to their expiration dates. The construction projects for the Malolos campus are substantially complete, and the planned dormitory will no longer be pursued. Additionally, construction projects for the Malugay campus have been deferred due to a strategic shift in the Group's development plans.

Effect of Transactions with Non-controlling Interest

In April 2019, the University purchased an additional 4.00% ownership in CE-IS using the advances to CE-IS stockholders amounting to ₱0.50 million. This resulted in a transfer of non-controlling interest to equity reserve amounting to ₱2.04 million.

In September 2022, the University purchased an additional 1.80% ownership interest in CE-IS using the advances to CE-IS stockholders amounting to ₱0.25 million. This resulted in a transfer of non-controlling interest to equity reserve amounting to ₱1.57 million.

Dividends declared by CE-IS to NCI amounted to ₱2.70 million, ₱2.47 million and ₱1.73 million for the years ended May 31, 2025, 2024 and 2023, respectively.

13. Tuition and Other School Fees

This account consists of:

	2025	2024	2023
Tuition fees	₱1,036,185,659	₱1,074,477,021	₱855,941,560
Other fees	913,805,934	847,870,282	673,031,789
Income from other school services	425,296,214	451,242,475	318,198,385
	₱2,375,287,807	₱2,373,589,778	₱1,847,171,734

Other fees include registration fees, health services fees, library fees, laboratory fees, development fees, practicum fees, internship fees and review fees.

Income from other school services comprise of fees for diploma and certificates, transcript of records, student handbooks, identification cards, entrance, qualifying and special examinations, laboratory materials, application fees for foreign students, uniforms and outfits, and various collections for specific items or activities.



Revenue from contracts with customers for tuition and other fees and miscellaneous fees are as follows:

Timing of Recognition	2025		2024		2023	
	Tuition fees and other school fees	Miscellaneous fees (Note 14)	Tuition fees and other school fees	Miscellaneous fees (Note 14)	Tuition fees and other school fees	Miscellaneous fees (Note 14)
Over time	₱2,299,257,297	₱—	₱2,292,251,724	₱—	₱1,751,387,904	₱—
Point in time	76,030,510	55,081,372	81,338,054	26,631,575	95,783,830	33,146,389
	₱2,375,287,807	₱55,081,372	₱2,373,589,778	₱26,631,575	₱1,847,171,734	₱33,146,389

Receivables and contract liabilities are disclosed in Notes 6 and 11, respectively.

Deferred tuition fees amounting to ₱131.24 million and ₱35.76 million as at May 31, 2025 and 2024, respectively, pertain to tuition and income from other school services to be recognized as revenue in the remaining months after the statement of financial position date or next school term.

14. Miscellaneous Fees

This account consists of:

	2025	2024	2023
Dental pre-board fees	₱12,598,065	₱2,005,367	₱15,801,145
Admission and convenience fees	5,157,232	2,292,793	1,479,405
Dental materials	4,955,115	4,625,549	4,958,709
Swimming fees	4,862,709	3,743,096	—
Locker fees	4,691,522	3,702,152	2,975,670
Laboratory fees	2,869,363	1,004,690	1,122,057
Photograph fees	1,823,199	1,553,237	1,404,767
Service commissions	832,628	2,292,793	111,693
Professional and continuing education	737,629	840,756	3,565,251
Insurance fees	456,754	435,606	395,711
Others	16,097,156	4,135,536	1,331,981
	₱55,081,372	₱26,631,575	₱33,146,389

Others include income from sale of promotional items, sale of scrap, handling fees and penalty from students.



15. Costs and Expenses

Cost of Services

This account consists of:

	2025	2024	2023
Salaries and wages	₱591,867,993	₱529,873,742	₱478,599,148
SSS contributions and other employee benefits	324,434,699	389,221,391	379,069,994
Depreciation and amortization (Notes 9, 10 and 18)	146,903,184	103,420,767	122,132,765
Light and water	123,380,945	97,073,631	85,314,313
Library	57,523,087	86,641,393	36,467,249
Sports and academic development	52,694,658	39,464,169	32,695,415
Expenses for co-curricular activities (Notes 8 and 21)	35,879,322	32,243,240	24,264,542
Rental (Note 18)	32,656,177	91,034,065	6,699,344
Management information	27,401,031	21,062,863	20,004,364
Retirement expense (Note 16)	26,355,703	24,390,317	25,593,191
Uniforms and outfits (Note 7)	24,008,486	47,606,418	35,991,224
Stationery and office supplies	22,634,232	22,064,797	17,096,021
Professional fees	20,314,944	18,505,579	11,031,330
Affiliation	12,827,600	8,829,606	7,157,425
Directors' and administrative committee	5,360,234	5,060,407	6,643,832
Laboratory	3,195,607	5,420,238	7,477,661
Others (Note 7)	3,634,533	2,394,773	5,755,212
	₱1,511,072,435	₱1,524,307,396	₱1,301,993,030

General and Administrative Expenses

This account consists of:

	2025	2024	2023
Janitorial and security services	₱63,283,254	₱56,248,863	₱43,626,185
Repairs and maintenance	61,677,126	57,270,731	33,950,105
Provision for credit losses (Note 6)	27,439,901	40,818,500	17,934,199
Taxes and licenses	20,522,947	22,874,506	31,694,075
Transportation and communication	15,065,225	20,830,473	35,195,235
Clinical expenses	15,334,379	7,146,925	—
Advertisement	8,739,551	3,462,745	4,424,547
Insurance	4,868,464	13,193,708	3,281,415
Entertainment, amusement and recreation	1,726,059	2,421,956	18,915,279
Membership fees and dues	1,682,899	1,777,548	1,565,610
Others	16,205,771	12,225,662	7,655,984
	₱236,545,576	₱238,271,617	₱198,242,634

Others mainly consist of expenses incurred for other school expense and donations made by the University for funeral and calamity assistance, among others.



16. Retirement Plan

The University has a funded, non-contributory defined benefit retirement plan which provides for death, disability and retirement benefits for all of its permanent employees. The annual contributions to the retirement plan consist of a payment covering the current service cost for the year plus payments toward funding the unfunded actuarial liabilities. Benefits are based on the employees' years of service and final plan salary.

The fund is administered by two trustee banks under the supervision of the Board of Trustees (BOT) of the plan. The BOT is responsible for the investment strategy of the plan.

In 2015, the University approved a new collective bargaining agreement with its employees with changes in the increments on employee retirement benefits.

CE-IS and CELPI have unfunded defined benefits plans based on the requirements of the Republic Act 7641, Retirement Pay Law, covering all of their eligible officers and employees.

The latest actuarial valuation study of the University and CE-IS were made as at May 31, 2025 while the latest actuarial valuation study of CELPI was made as at March 31, 2025.

The tables below summarize the components of retirement benefit expense recognized in the consolidated statements of income and the funded status and amounts recognized in the consolidated statements of financial position for the retirement plan.

- a. Retirement benefit expense recognized in the consolidated statements of income follows:

	2025	2024
Current service cost	₱16,881,719	₱14,978,589
Net interest cost	9,473,984	9,411,728
Retirement benefit expense	₱26,355,703	₱24,390,317

- b. Movements in net retirement liability (asset) recognized in the consolidated statements of financial position follows:

	2025	2024
Balance at beginning of year	₱157,336,740	₱163,204,269
Retirement benefit expense (Note 15)	26,355,703	24,390,317
Actual contributions	(30,000,000)	(30,000,000)
Remeasurement gains recognized in OCI (gross of deferred income tax impact)	(25,245,127)	(257,846)
Balance at end of year	₱128,447,316	₱157,336,740



- c. Retirement benefits liability (asset) recognized in the consolidated statements of financial position follows:

	2025	2024
Present value of defined benefit obligation	₱395,319,445	₱366,290,335
Fair value of net plan assets	(266,872,129)	(208,953,595)
Retirement benefits liability	₱128,447,316	₱157,336,740

- d. Changes in the present value of defined benefit obligation follows:

	2025	2024
Balance at beginning of year	₱366,290,335	₱338,971,591
Current service cost	16,881,719	14,978,589
Interest cost	22,503,696	20,594,716
Benefits paid	(40,106,333)	(30,277,664)
Remeasurements on actuarial losses (gains) from changes in:		
financial assumptions	8,268,852	(4,788,948)
experience adjustments	21,481,176	26,812,051
Balance at end of year	₱395,319,445	₱366,290,335

- e. Changes in the fair value of plan assets follows:

	2025	2024
Balance at beginning of year	₱208,953,595	₱175,767,322
Actual contributions	30,000,000	30,000,000
Interest income	13,029,712	11,182,988
Gains on returns excluding amount recognized in net interest cost	54,995,155	22,280,949
Benefits paid	(40,106,333)	(30,277,664)
Balance at end of year	₱266,872,129	₱208,953,595

The number of plan members for the University, CE-IS and CELPI are 655, 67, and 41, respectively, as at May 31, 2025, and 644, 68, and 42, respectively, as at May 31, 2024.

Actual return on plan assets for the years ended May 31, 2025 and 2024 amounted to ₱68.02 million and ₱33.46 million, respectively.

The fair value of plan assets as at May 31, 2025 and 2024 follows:

	2025	2024
Long-term investments:		
Equity securities	₱93,772,477	₱83,015,101
Debt securities	146,248,815	93,880,499
Cash and cash equivalents	25,910,423	31,204,986
Loans and receivable	1,281,247	955,867
Other assets	60,317	47,695
	267,273,279	209,104,148
Liabilities	(401,150)	(150,553)
	₱266,872,129	₱208,953,595



All components of the plan assets do not have quoted prices in an active market, except for equity and debt securities. Cash and cash equivalents are with reputable financial institutions and are deemed to be standard grade.

The plan assets pertain to diversified investments and are not exposed to concentration risk. The overall investment policy and strategy of the University's defined benefit plan is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay retirement benefits as they fall due while also mitigating the various risks of the retirement plan.

The Group expects to contribute ₱37.49 million to the defined benefit retirement plan in fiscal year 2025-2026.

The cost of defined retirement plan, as well as the present value of defined benefit obligation, is determined using actuarial valuation. The actuarial valuation involves making various assumptions. The principal assumptions used in determining the pension for the defined benefit retirement plan are shown below:

	2025	2024
Discount rates	6.26% to 6.90%	6.54% to 6.70%
Future salary increases	2.00% to 3.00%	2.00% to 3.00%
Mortality rate	2017 Philippine Intercompany Mortality	2017 Philippine Intercompany Mortality
Average expected future years of service	10 to 11	10 to 11
Turnover rate	A scale ranging from 12% at age 18 to 0% at age 60 to 65	A scale ranging from 12% at age 18 to 0% at age 60 to 65

The sensitivity analysis on the next page has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the reporting date, assuming all other assumptions were held constant:

	Increase (Decrease) in Defined Benefit Obligation	
	2025	2024
Discount rates		
+1.00%	(₱21,983,024)	(₱18,955,085)
-1.00%	24,598,673	21,368,590
Future salary increases		
+1.00%	27,235,698	24,603,037
-1.00%	(24,691,384)	(22,310,254)

The methods and types of assumptions used in preparing the sensitivity analysis did not change as at May 31, 2025 and 2024.



Shown below is the maturity analysis of the undiscounted benefit payments:

	2025	2024
Less than 1 year	₱58,961,359	₱52,994,548
More than 1 year to 5 years	172,954,605	163,934,011
More than 5 years to 10 years	258,660,526	236,424,227
More than 10 years to 15 years	169,104,221	165,572,258
More than 15 years to 20 years	93,162,651	87,574,904
More than 20 years	241,155,846	237,292,317

17. Income Taxes

All domestic subsidiaries qualifying as private educational institutions are subject to tax under Republic Act No. 8424 (RA 8424), *An Act Amending the National Internal Revenue Code, as amended, and For Other Purposes*, which was passed into law effective January 1, 1998. Title II Chapter IV - Tax on Corporation - Sec 27(B) of the said Act defines and provides that: a “Proprietary Educational Institution” is any private school maintained and administered by private individuals or groups with an issued permit to operate from Department of Education, or CHED, or Technical Education and Skills Development Authority, as the case may be, in accordance with the existing laws and regulations and shall pay a tax of 10.00% on its taxable income. Regular corporations, which include the Hospital, is subject to regular corporate income tax of 30.00%.

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

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

- Minimum corporate income tax (MCIT) rate is reverted to 2.00% of gross income which was previously reduced from 2.00% to 1.00% effective July 1, 2020 to June 30, 2023.
- Preferential income tax rate for proprietary educational institutions and hospitals, which are nonprofit, is reduced from 10.00% to 1.00% effective July 1, 2020 to June 30, 2023. This is applicable to the University, CELPI and CE-IS. However starting July 1, 2023, the rate also reverted back to the original 10.00% preferential rate.

The provision for income tax consists of:

	2025	2024	2023
Current	₱84,349,040	₱77,382,990	₱4,218,908
Deferred	(18,940,580)	(19,808,030)	574,165
	₱65,408,460	₱57,574,960	₱4,793,073



The reconciliation of income before tax computed at statutory income tax rate to provision for income tax in the consolidated statements of income is shown below.

	2025	2024	2023
Statutory provision for income tax - at 10.00% in 2025 and 2024 and 1.00% in 2023	₱75,110,958	₱67,455,651	₱4,008,126
Tax effects of:			
Effect of using different tax rate for the set-up of deferred tax expected to reverse subsequent to June 30, 2023 and others	(16,081,859)	(14,787,229)	(341,106)
Non-deductible expenses	12,004,431	7,550,570	1,184,460
Interest income subjected to final tax	(5,720,906)	(2,731,352)	(114,032)
Movement in carryforward benefits of NOLCO and MCIT for which no deferred income tax asset was recognized	95,836	87,320	47,703
Effect of higher tax rate for the Hospital	—	—	7,922
Provision for income tax	₱65,408,460	₱57,574,960	₱4,793,073

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

	2025	2024
Deferred tax liabilities on:		
Revaluation gain on land	₱455,760,965	₱455,760,965
Undepreciated cost of property and equipment	141,417,417	150,454,876
Cost to fulfill a contract	61,895	57,253
Unrealized foreign currency exchange gain	59,830	370,392
	597,300,107	606,643,486
Deferred tax assets on:		
Accrued expenses	24,828,418	28,557,122
Allowance for ECL	13,303,502	10,703,317
Retirement liability*	12,541,971	18,714,352
Advance collection on tuition fee not yet recognized as income during the FY	11,982,702	—
Unamortized excess of contribution over the normal cost	7,093,823	6,468,672
Excess of acquisition cost over fair value of net assets acquired from business combination	4,073,966	4,073,966
Nonrefundable contract liability	2,475,345	783,824
Difference between the actual lease payments and PFRS 16 related accounts	1,704,771	1,486,150
NOLCO	5,083	149,490
	78,009,581	70,936,893
Net deferred tax liabilities	₱519,290,526	₱535,706,593

*Net of deferred tax recognized in other comprehensive income (including amounts attributable to non-controlling interest) amounting to ₱2.52 million and ₱5.66 million as at May 31, 2025 and 2024, respectively.



As allowed under RA 8424, being a private educational institution, the Group claims the tax deductions of capital expenditures for tax purposes in the year incurred. The Group recognized deferred tax liability on the undepreciated cost of property and equipment pertains to the remaining cost of property and equipment of the University and CELPI not yet depreciated but was already recognized as tax deduction.

The details of NOLCO which can be claimed in the future by CELPI and the Hospital as credit against the regular corporate income are shown below.

Inception Year	May 31, 2024	Addition	Application	Expiration	May 31, 2025	Expiry Year
2024	P-	P481,968	P-	P-	P481,968	2027
2023	557,401	-	-	-	557,401	2026
2022	515,704	-	-	515,704	-	2025
2021	1,364,338	-	-	-	1,364,338	2026
	P2,437,443	P481,968	P-	P515,704	P2,403,707	

On September 30, 2020 the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of “Bayanihan to Recover As One Act” which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss. Hence, the incurred NOLCO of the companies within the Group in taxable year 2021 can be claimed as deduction from the regular taxable income from taxable years 2022 to 2026, in pursuant to the Bayanihan to Recover As One Act.

The details of MCIT which can be claimed in the future by CELPI and the Hospital used as credit against income tax due are shown below.

Inception Year	May 31, 2024	Addition	Application	Expiration	May 31, 2025	Expiry Year
2024	P-	P322,055	P-	P-	P322,055	2027
2023	7,600	-	-	-	7,600	2026
2022	6,857	-	-	6,857	-	2025
	P14,457	P322,055	P-	P6,857	P329,655	

As at May 31, 2025 and 20214, the Group did not recognize deferred tax assets on the following temporary differences deemed to be not recoverable:

	2025	2024
NOLCO	P2,403,707	P1,880,043
MCIT	329,655	14,457
	P2,733,362	P1,894,500

Issuances of Relevant BIR Regulations

Revenue Regulations 3-2022

The BIR issued RR 3-2022 clarifying that the preferential corporate income tax rate of 1.00% shall apply to proprietary educational institutions, among others, beginning July 1, 2020 until June 30, 2023. After June 30, 2023, the rate shall revert to the preferential corporate tax rate of 10.00%.



18. Leases

Group as Lessor

The Group leases out portions of its spaces to concessioners which are renewable every two years. Total rent income recognized amounted to ₱14.02 million for the year ended May 31, 2025, ₱13.23 million for the year ended May 31, 2024, ₱10.95 million for the year ended May 31, 2023 (see Note 21).

As lessor, future minimum rentals under operating leases are shown below.

	2025	2024
Within 1 year	₱11,493,481	₱11,145,422
After 1 year but not more than 5 years	9,278,827	16,990,934
More than 5 years	–	1,085,027
	₱20,772,308	₱29,221,383

Accrued rental payments not yet billed as at May 31, 2025 and 2024 amounted to ₱7.15 million and ₱7.36 million, respectively (see Note 6).

Group as Lessee

On July 29, 2004, the Group entered into a 25-year operating lease, which commenced on January 1, 2005, with PhilTrust Bank for the lease of its land in Makati. The contract requires for ₱24.00 million fixed annual rentals plus 40.00% of the annual net income before tax of the Group's Makati-Buendia campus.

The Group recognized right-of-use asset and lease liability.

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

	2025	2024
Cost		
Balance at beginning and end of year	₱205,121,481	₱205,121,481
Accumulated Amortization		
Balance at beginning of year	90,195,261	72,738,114
Amortization (Note 15)	17,457,147	17,457,147
Balance at end of year	107,652,408	90,195,261
Net Book Value	₱97,469,073	₱114,926,220

The rollforward analysis of lease liability follows:

	2025	2024
Balance at beginning of year	₱131,452,783	₱147,451,415
Interest expense (Note 19)	7,064,001	8,001,368
Payments	(24,000,000)	(24,000,000)
Balance at end of year	₱114,516,784	₱131,452,783
Lease liability - current	₱17,928,286	₱15,414,233
Lease liability - non-current	96,588,498	116,038,550
Total	₱114,516,784	₱131,452,783



The following are the amounts recognized in the consolidated statements of income:

	2025	2024	2023
Amortization expense of right-of-use asset (Note 5)	₱17,457,147	₱17,457,147	₱17,457,148
Interest expense on lease liability (Note 19)	7,064,001	8,001,368	8,886,853
Expenses relating to variable rent (included in cost and expenses in Note 15)	32,656,177	91,034,065	6,699,344
Total amount recognized in consolidated statements of income	₱57,177,325	₱116,492,580	₱33,043,345

Shown below is the maturity analysis of the undiscounted lease payments:

	2025	2024
Within one year	₱24,000,000	₱24,000,000
After 1 year but not more than 5 years	96,000,000	96,000,000
More than 5 years	14,000,000	38,000,000
	₱134,000,000	₱158,000,000

19. Interest Expense

The account consists of the following:

	2025	2024	2023
Interest from lease liability (Note 18)	₱7,064,001	₱8,001,368	₱8,886,852
	₱7,064,001	₱8,001,368	₱8,886,852



20. Segment Reporting

The Group operates in geographical segments. Financial information on the operations of these segments are summarized as follows:

As at and for the year ended May 31, 2025									
	Mendiola	Malolos	Makati-Buendia	Makati-Legaspi	Makati-Legaspi Hospital (Pre-operating)	CE-IS	CELPI	Adjustments	Total
Segment assets	₱5,911,064,493	₱1,590,105,802	₱172,949,644	₱725,448,729	₱37,348,210	₱174,925,386	₱71,098,951	₱47,605,695	₱8,730,546,910
Segment liabilities	632,801,488	140,105,278	160,832,055	24,509,720	574,732	57,327,708	24,201,994	1,441,374,147	2,481,727,122
Capital expenditures	95,185,443	30,146,806	15,633,214	3,963,349	—	311,231	5,783,806	—	151,023,849
Segment revenues	1,615,980,411	282,653,663	227,022,910	173,255,628	4,667,987	123,886,457	78,325,429	—	2,505,792,485
Expenses	1,207,659,708	164,101,875	181,695,349	65,997,009	1,838,708	55,250,019	78,140,233	—	1,754,682,901
Depreciation and amortization expense	95,973,056	8,743,875	25,209,986	10,172,684	—	1,104,479	5,699,104	—	146,903,184
Net income (loss)	408,320,703	118,551,788	45,327,561	107,258,619	2,829,279	68,636,438	185,196	(65,408,460)	685,701,124
As at and for the year ended May 31, 2024									
	Mendiola	Malolos	Makati-Buendia	Makati-Legaspi	Makati-Legaspi Hospital (Pre-operating)	CE-IS	CELPI	Adjustments	Total
Segment assets	₱5,804,976,134	₱1,501,839,116	₱119,578,213	₱650,016,239	₱34,523,384	₱175,420,275	₱61,612,524	₱47,605,695	₱8,395,571,580
Segment liabilities	744,514,559	92,243,967	59,347,954	5,306,501	405,424	31,567,653	8,343,845	1,285,072,529	2,226,802,432
Capital expenditures	67,883,911	39,758,383	11,593,270	—	—	8,957,064	13,188,317	—	141,380,945
Segment revenues	1,521,736,907	268,443,267	253,605,132	198,958,381	2,410,998	128,158,324	72,485,617	—	2,445,798,626
Expenses	1,099,320,553	212,729,082	215,289,616	121,344,935	2,045,298	56,216,081	64,296,556	—	1,771,242,121
Depreciation and amortization expense	35,735,714	18,830,549	24,692,620	17,192,716	—	2,231,902	4,096,516	—	102,780,017
Net income (loss)	422,416,354	55,714,186	38,315,515	77,613,446	365,700	71,942,243	8,189,061	(57,574,960)	616,981,545
As at and for the year ended May 31, 2023									
	Mendiola	Malolos	Makati-Buendia	Makati-Legaspi	Makati-Legaspi Hospital (Pre-operating)	CE-IS	CELPI	Adjustments	Total
Segment assets	₱4,527,254,887	₱1,442,900,513	₱250,520,964	₱658,571,180	₱33,479,345	₱164,885,343	₱60,816,522	₱47,605,695	₱7,186,034,449
Segment liabilities	551,987,423	36,884,194	215,103,216	13,236,000	373,797	29,068,526	9,548,627	991,706,506	1,847,908,289
Capital expenditures	63,901,817	869,444	466,471	50,706,055	—	4,447,882	1,481,755	—	121,873,424
Segment revenues	1,207,457,900	195,724,839	245,677,866	81,888,383	1,889,596	123,814,617	53,566,622	—	1,910,019,823
Expenses	947,523,251	175,813,782	228,557,556	55,242,368	1,847,900	52,526,924	47,695,452	—	1,509,207,233
Depreciation and amortization expense	75,461,679	14,592,473	21,524,096	5,546,236	—	1,518,834	3,489,447	—	122,132,765
Net income (loss)	259,220,649	19,911,057	17,120,310	26,646,015	41,696	71,287,693	5,871,170	(4,079,073)	396,019,517



For the years ended May 31, 2025, 2024, and 2023, there were no intersegment revenues and all revenues are made to external customers.

As at May 31, 2025, 2024, and 2023, segment assets for each segment do not include “Goodwill” amounting to ₱47.61 million.

Segment liabilities for each segment do not include the following:

	2025	2024	2023
Deferred tax liabilities - net	₱519,290,526	₱535,706,593	₱481,888,222
Retirement liability	128,447,316	157,336,740	163,204,269
Dividends payable	793,636,305	592,029,196	346,614,015
	₱1,441,374,147	₱1,285,072,529	₱991,706,506

Net income for each segment does not include “Provision for income tax” amounting to ₱64.32 million, ₱57.57 million and ₱4.79 million for the years ended May 31, 2025, 2024, and 2023, respectively.

21. Related Party Transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions; and the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Affiliates are entities that are subject to common control.

Transactions with related parties include the following:

Category	As at and for the year ended May 31, 2025		
	Amount/Volume	Outstanding Balance	Nature/Terms and Conditions
<i>PhilTrust Bank</i>			
Cash (Note 5)	₱71,885,598	₱182,861,051	Savings deposit; interest rate ranging from 0.05% to 0.375%
Interest income (Note 5)	417,163	–	
Short-term deposits (Note 5)	178,993,361	604,581,395	Money market placements at 6 to 53 days with interest ranging from 0.27% to 1.2%
Interest income (Note 5)	39,078,990	–	
Short-term investment (Note 5)	27,861,045	470,724,984	Special Peso Savings plan at 125 days maturity; interest rate at 6.25%
Rent (Note 11)	54,696,727	30,696,727	Rent of building in Makati; unsecured and non-interest-bearing

(Forward)



As at and for the year ended May 31, 2025			
Category	Amount/Volume	Outstanding Balance	Nature/Terms and Conditions
<i>Manila Bulletin Publishing Corporation</i>			
Recruitment and placement (Note 15)	₱2,198,847	₱–	Advertising services; terms vary as to type and frequency of advertisements, unsecured and non-interest-bearing
<i>TH Coffee Services Philippine Corp.</i>			
Rental income (Note 18)	2,043,140	2,153,251	Rental of commercial space; payable the following month, unsecured and non-interest-bearing
<i>Karate Kid Japanese Fastfood</i>			
Rental income (Note 18)	524,250	13,500	Rental of commercial space; payable the following month, unsecured and non-interest-bearing
As at and for the year ended May 31, 2024			
Category	Amount/Volume	Outstanding Balance	Nature/Terms and Conditions
<i>PhilTrust Bank</i>			
Cash (Note 5)	₱115,282,975	₱132,764,120	Savings deposit; interest rate ranging from 0.05% to 0.375%
Interest income (Note 5)	249,839	–	
Short-term deposits (Note 5)	419,042,549	420,770,129	Money market placements at 6 to 53 days with interest ranging from 0.27% to 1.2%
Interest income (Note 5)	26,812,756	–	
Short-term investment (Note 5)	450,000,000	450,000,000	Special Peso Savings plan at 125 days maturity; interest rate at 6.25%
Rent (Note 11)	31,161,294	7,161,294	
<i>Manila Bulletin Publishing Corporation</i>			
Recruitment and placement (Note 15)	390,882	–	Advertising services; terms vary as to type and frequency of advertisements, unsecured and non-interest-bearing
Expenses for co-curricular activities (Note 15)	32,243,240	–	
<i>TH Coffee Services Philippine Corp.</i>			
Rental income (Note 18)	798,415	1,655,752	Rental of commercial space; payable the following month, unsecured and non-interest-bearing
<i>Karate Kid Japanese Fastfood</i>			
Rental income (Note 18)	540,000	–	Rental of commercial space; payable the following month, unsecured and non-interest-bearing

Generally, related party transactions are settled in cash.

Transactions with Retirement Plans

Under PFRS Accounting Standards, certain post-employment benefit plans are considered as related parties. The University's retirement plan is in the form of a trust administered by two trustee banks.



As at May 31, 2025 and 2024, the retirement fund has 9,686,759 and 8,072,299 shares, respectively, or 2.16% interest in the University, with a fair value of ₱139.68 million and ₱88.80 million, respectively. The total unrealized gain (loss) from these investments amounted to ₱65.87 million and ₱14.99 million as of May 31, 2025 and 2024, respectively.

No limitations and restrictions are provided and voting rights over these shares are exercised by a trust officer.

There are no other transactions by the University or its related parties with the retirement fund for the years ended May 31, 2025 and 2024.

Remuneration of Key Management Personnel

The Group's key management personnel include all management committee officers. The summary of compensation of key management personnel follows:

	2025	2024	2023
Short-term employee salaries and benefits	₱14,836,977	₱17,020,837	₱16,781,975
Post-employment benefits	17,707,421	13,296,060	4,710,411
	₱32,544,398	₱30,316,897	₱21,492,386

There are no agreements between the Group and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled under the Group's retirement plan.

Approval Requirements and Limits on the Amount and Extent of Related Party Transactions

The BOD shall approve all material related party transactions before their commencement. Material related party transactions shall be identified taking into account the related party registry. Transactions amounting to ten percent (10.00%) or more of the total assets of the Group that were entered into with an unrelated party that subsequently becomes a related party may be excluded from the limits and approval process requirement.

22. Notes to Consolidated Statements of Cash Flows

Non-cash investing activities pertain to the following:

a. Retirement of assets

For the years ended May 31, 2025, 2024 and 2023, the Group retired certain properties with aggregate cost of ₱24.38 million, ₱23.10 million and ₱13.01, respectively. Loss on retirement of these properties amounted to ₱889, ₱0.66 million and ₱0.08 million for the years ended May 31, 2025, 2024 and 2023, respectively. There were no proceeds from sale of property and equipment for the year ended May 31, 2025, 2024 and 2023.

b. Stock dividends

On October 3, 2024 and October 25, 2024, the BOD and Stockholders, respectively, approved the issuance of 20.00% stock dividends, equivalent to 74,482,880 shares, at a market value of ₱13.30 per share, amounting to ₱990.62 million. Subsequently, on January 28, 2025 and March 7, 2025, the BOD and Stockholders, respectively, approved the additional distribution of 43 common shares at par value of ₱1.00 per share.



c. Reclassification of assets

For the year ended May 31, 2025, the Group reclassified construction in progress (recorded under “Property and equipment”) to software (recorded under “Other non-current assets”), with cost of ₱13.52 million.

d. Additional investment in CE-IS

In September 2022, the University purchased additional 1.80% ownership interest in CE-IS using the advances to CE-IS stockholders amounting to ₱0.25 million.

23. Basic/Diluted EPS

The income and share data used in the basic/diluted EPS computations are as follows:

	2025	2024	2023
Net income (a)	₱683,090,285	₱613,858,616	₱392,645,438
Weighted average number of outstanding common shares (b)	446,897,323	446,897,323*	446,897,323*
Basic/diluted earnings per share (a/b)	₱1.53	₱1.37*	₱0.88*

*Restated to show the effect of stock dividends distributed in 2025

There were no potential dilutive financial instruments for each of the three years in the period ended May 31, 2025.

24. Fair Value Measurement

The Group uses a hierarchy for determining and disclosing the fair value of its assets and liabilities.

The tables on the next page summarize the carrying amounts and the fair values of the Group’s financial and non-financial assets and liabilities as at May 31, 2025, 2024 and 2023.

	2025			
	Fair Value Measurement Using			
	Carrying Value	Quoted Prices in Active Markets (Level 1)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets measured at fair value:				
Financial assets:				
Financial assets at FVOCI	₱87,550	₱87,550	₱–	₱87,550
Non-financial assets:				
Land classified as Property and equipment under revaluation model	5,094,787,432	–	5,094,787,432	5,094,787,432
	₱5,094,874,982	₱87,550	₱5,094,787,432	₱5,094,874,982



	2024			
	Fair Value Measurement Using			Total Fair Value
	Carrying Value	Quoted Prices in Active Markets (Level 1)	Significant Unobservable Inputs (Level 3)	
Assets measured at fair value:				
Financial assets:				
Financial assets at FVOCI	₱106,500	₱106,500	₱—	₱106,500
Non-financial assets:				
Land classified as Property and equipment under revaluation model	5,094,787,432	—	5,094,787,432	5,094,787,432
	₱5,094,893,932	₱106,500	₱5,094,787,432	₱5,094,893,932

The methods and assumptions used by the University in estimating the fair value of the financial and non-financial assets and liabilities are as follows:

Cash and cash equivalents, tuition and other receivables, accounts payable and other current liabilities (excluding contract liabilities and statutory obligations), dividends payable

Fair values approximate carrying amounts given the short-term nature of these accounts.

Quoted equity securities classified as investments at FVOCI

Fair value is based on quoted prices.

Property and equipment

The tables below summarize the valuation techniques and the significant unobservable inputs used in the valuation of land recorded as property equipment:

	Valuation Techniques	Significant Unobservable Inputs	Range (Weighted Average)
Land	Sales Comparison Approach/Market Approach	<i>Internal factors:</i> Location Improvements Elevation Corner Influence Use Development Size Time Element	+10.00% to -20.00% +0.00% to -20.00% +0.00% to +20.00% +0.00% to +5.00% -20.00% to +20.00% +10.00% to +20.00% -20.00% to +20.00% +0.00%

The range of the prices per square meter used in the valuation is shown below:

	Valuation techniques	Location	Range (Weighted Average)
Land	Sales Comparison Approach/Market Approach	<i>Comparable analysis:</i> <i>External factor (net price)</i> Manila - Site 1 and 2 Makati - Malugay Makati - Legaspi Malolos, Bulacan Las Piñas	₱110,465 to ₱142,500 per sqm ₱409,500 to ₱440,426 per sqm ₱380,000 to ₱464,894 per sqm ₱13,500 to ₱18,000 per sqm ₱35,100 to ₱45,000 per sqm



The description of the valuation technique and inputs used in valuation of the University's land follows:

Market Data Approach	A comparable method where the value of the property is based on sales and listings of comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as basis of comparison are situated within the immediate vicinity of the subject property. Comparison would be premised on the factors of location, size and shape of the lot, and time element.
Location	For a tract of land designated for a purpose or site occupied or available for occupancy, one of the key factors in land valuation is the location or area of preference.
Improvements and developments	Renovations in the land including the construction of building and installation of machineries and equipment should not be included in the valuation.
Corner influence	Enhancement in usefulness accrues to those lots located or near street corners especially in retail business districts.
Use	Includes considerations factored in such as zoning, water and riparian rights, environmental issues, building codes and flood zones.
Elevation	Height of the property above or below a fixed reference point.
Size	Physical magnitude, extent or bulk, relative or proportionate dimensions. The value of the lot varies in accordance to the size of the lots. Basic rule of thumb is the bigger the lot size the lower the value, the smaller the lot size the higher the value.
Time element	The measured or measurable period during action or condition exist. It is usually associated with the period in which the property can be sold in an open market within reasonable time.

Sensitivity analyses to the significant changes in unobservable inputs are shown below:

- Significant increases (decreases) in the price (per sqm) would result in a significantly higher (lower) fair value measurement.
- Significant factor in the location of the property (e.g., closer to a main road or secondary road) would result in a significantly higher (lower) fair value measurement
- Significant improvements and developments (deterioration) in the location would result in a significantly higher (lower) fair value measurement.
- Significant increases (decreases) in the influence of the corners of the property would result in a significantly higher (lower) fair value measurement.
- Significant change in the use of the property would result in a significant change in fair value measurement.
- Significant increases (decreases) in the elevation of the property would result in a significantly lower (higher) fair value measurement.
- Significant increases (decreases) in the size of the property would result in a significantly lower (higher) fair value (per sqm) measurement.
- Significant increases (decreases) in the period in which the property can be sold in an open market would result in a significantly lower (higher) fair value measurement.

The appraiser considers the highest and best use of the asset which takes into account the use of the asset that is physically possible, legally permissible and financially feasible.



25. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash and cash equivalents, and short-term investments. The main purpose of these financial instruments is to fund the Group's operations and capital expenditures. The Group has various other financial instruments such as tuition and other receivables, refundable deposits, equity investments, accounts payable and accrued expenses excluding statutory payables and dividends payable that arise directly from operations.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and foreign currency risk.

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 risk management policy to mitigate credit risk on its receivables from students include the refusal of the Group to release pertinent records like examination permit, transcript of records and transfer credentials, if applicable, until the student's account is cleared/paid. As at the reporting date, there are no significant concentrations of credit risk.

As at May 31, 2025 and May 31, 2024, the analysis of financial assets is shown below:

	May 31, 2025			
	Neither Past Due nor Impaired	Past Due	ECL	Net of ECL
Financial assets at amortized cost:				
Cash and cash equivalents*	₱1,113,884,719	₱–	₱–	₱1,113,884,719
Short-term investment	470,724,983	–	–	470,724,983
Tuition and other receivables				
Tuition fee receivables	2,407,500	393,378,752	(152,541,777)	243,244,475
Advances to employees	15,418,898	5,182,396	(5,182,396)	15,418,898
Non-trade receivables	–	11,113,269	–	11,113,269
Accrued rent receivable	7,153,295	–	–	7,153,295
Accrued interest receivable	2,927,128	–	–	2,927,128
Other receivables	9,939,092	–	(731,649)	9,207,443
Refundable security deposits	908,019	–	–	908,019
	₱1,623,363,634	₱409,674,417	(₱158,455,822)	₱1,874,582,229

*Excluding cash on hand

	May 31, 2024			
	Neither Past Due nor Impaired	Past Due	ECL	Net of ECL
Financial assets at amortized cost:				
Cash and cash equivalents*	₱788,249,649	₱–	₱–	₱788,249,649
Short-term investment	450,000,000	–	–	450,000,000
Tuition and other receivables				
Tuition fee receivables	3,097,583	388,300,114	(125,267,803)	266,129,894
Advances to employees	21,211,017	5,182,396	(5,182,396)	21,211,017
Non-trade receivables	–	10,122,287	–	10,122,287
Accrued rent receivable	7,357,103	–	–	7,357,103
Accrued interest receivable	238,105	–	–	238,105
Other receivables	3,611,995	–	(565,722)	3,046,273
Refundable security deposits	996,035	–	–	996,035
	₱1,274,761	₱403,604,797	(₱131,015,921)	₱1,547,350,363

* Excluding cash on hand



The Group's neither past due nor impaired receivables are high grade receivables which, based on experience, are highly collectible.

As at May 31, 2025 and 2024, the age of the entire Group's past due but not impaired tuition fee receivables is disclosed in Note 6.

Tuition fee receivables

The Group uses a provision matrix to calculate ECL for tuition fee receivables. The provision rates are determined based on the Group's historical observed default rates analyzed in accordance to days past due by grouping of customers based on customer type. The Group adjusts historical default rates to forward-looking default rate by determining the closely related economic factors affecting each customer segment. At each reporting date, the observed historical default rates are updated and changes in the forward-looking estimates are analyzed.

Set out below is the information about the credit risk exposure on the Group's tuition fee receivables using a provision matrix as at May 31, 2025 and 2024.

	May 31, 2025				
	Days Past Due				
	Current	< 1 quarter	1 to less 3 quarters	Over 3 quarters	Total
Estimated tuition fee receivable at default	₱2,407,500	₱225,493,692	₱40,899,260	₱126,985,800	₱395,786,252
Expected credit losses	₱—	₱19,373,223	₱10,491,383	₱122,677,171	₱152,541,777

	May 31, 2024				
	Days Past Due				
	Current	< 1 quarter	1 to less 3 quarters	Over 3 quarters	Total
Estimated tuition fee receivable at default	₱3,097,583	₱243,938,698	₱44,146,990	₱100,214,426	₱391,397,697
Expected credit losses	₱—	₱18,597,157	₱20,157,180	₱86,513,466	₱125,267,803

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial assets and financial liabilities. Liquidity risk may result from a counterparty failing on repayment of a contractual obligation or inability to generate cash inflows as anticipated.

The Group seeks to manage its liquidity risk to be able to meet its operating cash flow requirements, finance capital expenditures and maturing debts. As an inherent part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. To cover its short-term and long-term funding requirements, the Group intends to use internally generated funds and external financing, if needed. The Group maintains a diversified funding strategy that includes access to various sources of financing, such as bank loans, credit facilities, and capital markets. This diversification helps ensure that the Group can secure funding even in adverse market conditions.



The maturity profile of the Group's financial assets and financial liabilities as at May 31, 2025 and 2024 based on contractual undiscounted receipts and payments as shown below:

May 31, 2025					
	On Demand	Less than 3 Months	3 to 12 Months	Over 1 Year	Total
Cash on hand	₱331,729	₱—	₱—	₱—	₱331,729
Cash in banks and cash equivalents	356,408,629	757,476,090	—	—	1,113,884,719
Short-term investments	—	—	470,724,983	—	470,724,983
Tuition and other receivables:					
Tuition fee receivables	2,407,500	206,120,469	30,407,876	4,308,870	243,244,715
Advances to employees	15,418,898	—	—	—	15,418,898
Non-trade receivables	11,113,269	—	—	—	11,113,269
Accrued rent receivable	7,153,295	—	—	—	7,153,295
Accrued interest receivable	—	2,927,128	—	—	2,927,128
Other receivables	9,207,443	—	—	—	9,207,443
Refundable security deposits	—	—	—	908,019	908,019
Financial assets at FVOCI	—	—	—	87,550	87,550
	402,040,763	966,523,687	501,132,859	5,304,439	1,875,001,748
Accounts payable and accrued expenses:					
Accounts payable*	378,521,153	—	—	—	378,521,153
Accrued expenses	261,230,127	—	—	—	261,230,127
Payable to students	35,071,158	—	—	—	35,071,158
Deposits	41,233,877	—	—	—	41,233,877
Alumni fees payable	7,418,263	—	—	—	7,418,263
Lease liability**	—	6,000,000	18,000,000	110,000,000	134,000,000
Dividends payable	793,636,305	—	—	—	793,636,305
	1,517,110,883	6,000,000	18,000,000	110,000,000	1,651,110,883
Net undiscounted financial assets (liabilities)	(₱1,115,070,120)	₱960,523,687	₱483,132,589	(₱104,695,561)	₱223,890,865

*Excluding statutory payables of ₱13,658,304

**Including interest to maturity amounting to ₱19,483,216

May 31, 2024					
	On Demand	Less than 3 Months	3 to 12 Months	Over 1 Year	Total
Cash on hand	₱378,500	₱—	₱—	₱—	₱378,500
Cash in banks and cash equivalents	212,215,001	576,034,648	—	—	788,249,649
Short-term investments	—	—	450,000,000	—	450,000,000
Tuition and other receivables:					
Tuition fee receivables	3,097,583	240,773,980	20,404,470	1,853,861	266,129,894
Advances to employees	21,211,017	—	—	—	21,211,017
Non-trade receivables	10,122,287	—	—	—	10,122,287
Accrued rent receivable	7,357,103	—	—	—	7,357,103
Accrued interest receivable	—	238,105	—	—	238,105
Other receivables	3,046,273	—	—	—	3,046,273
Refundable security deposits	—	—	—	996,035	996,035
Financial assets at FVOCI	—	—	—	106,558	106,558
	257,427,764	817,046,733	470,404,470	2,956,454	1,547,835,421
Accounts payable and accrued expenses:					
Accounts payable*	313,045,009	—	—	—	313,045,009
Accrued expenses	313,120,502	—	—	—	313,120,502
Payable to students	38,606,026	—	—	—	38,606,026
Deposits	14,149,341	—	—	—	14,149,341
Alumni fees payable	2,693,089	—	—	—	2,693,089
Lease liability**	—	6,000,000	18,000,000	134,000,000	158,000,000
Dividends payable	592,029,196	—	—	—	592,029,196
	1,273,643,163	6,000,000	18,000,000	134,000,000	1,431,643,163
Net undiscounted financial assets (liabilities)	(₱1,016,215,399)	₱811,046,733	₱452,404,470	(₱131,043,546)	₱116,192,258

*Excluding statutory payables of ₱19,101,320

**Including interest to maturity amounting to ₱26,547,217



The Group relies on internally-generated cash to fund its working capital needs, capital expenditures and cash dividends. The Group will continuously assess its overhead costs to determine opportunities to decrease them. As laid down in the Group's strategic plan, the Group is committed to attain its goal on sound financial position by accomplishing the objectives to implement cost saving measures, increase income of existing revenue generating programs and activities and expand revenue generating activities.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's principal transactions are carried out in Peso and its exposure to foreign currency risk arises primarily from cash in banks and short-term deposits that are denominated in United States dollar (\$ or USD).

To mitigate the Group's exposure to foreign currency risk related to foreign currency-denominated accounts, management keeps the amount of these assets at a low level.

The following table shows the foreign currency-denominated accounts of the Group as at May 31, 2025 and 2024 in USD:

	2025	2024
Cash in banks	\$55,128	\$20,391
Short-term deposits	119,643	119,038
	\$174,771	\$139,429

In translating the foreign currency-denominated accounts to Peso amounts, the exchange rate used was ₱55.75 to \$1.00 and ₱58.62 to \$1.00 as at May 31, 2025 and 2024, respectively.

The table below demonstrates the sensitivity to a reasonably possible change in the Peso/USD exchange rate, with all other variables held constant, of the Group's net income before tax. There is no impact on the Group's equity.

	2025	2024
Percentage change in exchange rate	4.84% (4.84%)	4.40% (4.40%)
Effect on net income before tax	₱471,838 (₱471,838)	₱359,375 (₱359,375)

Interest Rate Risk

The Group's exposure to market risk for changes in interest rates is not significant to the consolidated financial statements. The financial instruments of the Group are either non-interest-bearing or has minimal interest rate exposure due to the short-term nature of the account (that is, cash equivalents).

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value.

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 dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made to the objectives and policies or processes during the years ended May 31, 2025 and 2024. The Group



monitors capital using a debt-to-equity ratio which is debt divided by total equity. Debt includes accounts payable and other current liabilities and lease liability.

The table below shows how the Group computes for its debt-to-equity ratio as at May 31, 2025 and 2024.

	2025	2024
Accounts payable and other current liabilities (Note 12)	₱763,398,608	₱736,094,460
Lease liability (Note 19)	114,516,784	131,452,782
Total debt (a)	₱877,915,392	₱867,547,242
Total equity (b)	₱6,248,819,788	₱6,168,769,148
Debt-to-equity ratio (a/b)	₱0.14:1	₱0.14:1

As of May 31, 2025 and 2024, the Group was able to meet its capital management objectives and was successful in achieving its capital management policies.

26. Provision

The Group has several pending claims and assessments, the expected ultimate outcome of which is based on management's judgment in consultation with its legal counsel. Disclosure of additional details beyond the present disclosures may seriously prejudice the Group's position. Thus, as allowed by PAS 37, only general disclosures were provided.

Outstanding provision for losses for disputed claims and assessments amounted to ₱10.13 million and ₱9.35 million as at May 31, 2025 and May 31, 2024, respectively, as presented under "Accounts payable and other current liabilities" account (see Note 11).

27. Changes in Liabilities Arising from Financing Activities

Changes in the Group's liabilities arising from financing activities are presented below:

	2025		2024	
	Dividends Payable (Note 12)	Lease Liability (Note 19)	Dividends Payable (Note 12)	Lease Liability (Note 19)
Balances at beginning of year	₱592,029,196	₱131,452,783	₱346,614,015	₱147,451,415
Interest expense (Notes 18 and 19)	—	7,064,001	—	8,001,368
Dividend declaration including dividends to NCI (Note 12)	628,352,090	—	449,364,780	—
Cash payments including dividends to NCI (Notes 12 and 18)	(426,744,981)	(24,000,000)	(203,949,599)	(24,000,000)
	₱793,636,305	₱114,516,784	₱592,029,196	₱131,452,783



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Centro Escolar University
9 Mendiola Street
San Miguel, Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Centro Escolar University (the "University") and its subsidiaries (the "Group") as at May 31, 2025 and 2024, and for each of the three years in the period ended May 31, 2025, and have issued our report thereon dated September 26, 2025. 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 University'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.



Bryan Chrisnel M. Baes

Partner

CPA Certificate No. 128627

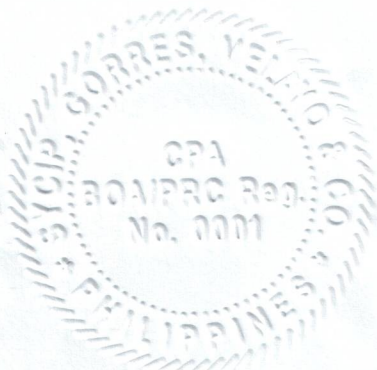
Tax Identification No. 275-229-188

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-148-2022, November 7, 2022, valid until November 6, 2025

PTR No. 10465262, January 2, 2025, Makati City

September 26, 2025



CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
INDEX TO THE SUPPLEMENTARY SCHEDULES

Annex A: Reconciliation of Retained Earnings Available for Dividend Declaration

Annex B: Map Showing the Relationships Between and Among the University and its Subsidiaries,
Wherever Located or Registered

Annex C: Supplementary Schedules Required by Annex 68-J

- Schedule A. Financial Assets
- Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
- Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
- Schedule D. Long-term Debt
- Schedule E. Indebtedness to Related Parties
- Schedule F. Guarantees of Securities of Other Issuers
- Schedule G. Capital Stock

Annex A

**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND
DECLARATION**

For the reporting period ended May 31, 2025

CENTRO ESCOLAR UNIVERSITY

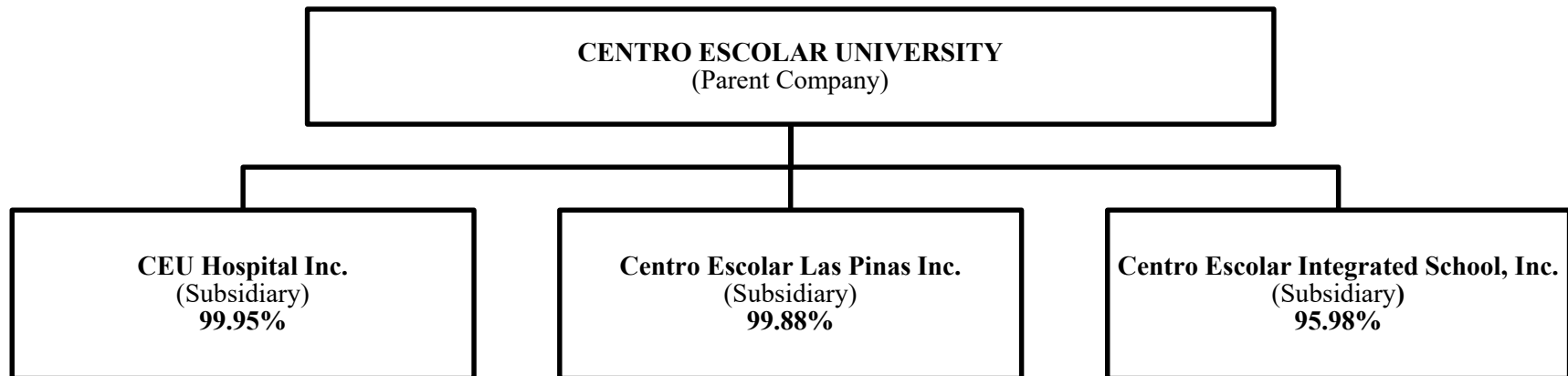
9 Mendiola Street, San Miguel, Manila

Unappropriated Retained Earnings, beginning of reporting period	₱777,239,725
Add: <u>Category A: Items that are directly credited to Unappropriated Retained Earnings</u>	
Reversal of appropriation during the reporting period	<u>786,000,000 786,000,000</u>
Less: <u>Category B: Items that are directly debited to Unappropriated Retained Earnings</u>	
Stock dividend declaration during the reporting period	990,622,347
Cash dividend declaration during the reporting period	<u>625,656,252 1,616,278,599</u>
Unappropriated Retained Earnings, as adjusted	(53,038,874)
Add: Net income for the current year	682,963,674
Less: <u>Category C.1: Unrealized income recognized in the profit or loss during the reporting (net of tax)</u>	
Sub-total	<u>— —</u>
Add: <u>Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting (net of tax)</u>	
Sub-total	<u>— —</u>
Add: <u>Category C.3: Unrealized income recognized in the profit or loss in prior reporting periods but reversed in the current reporting (net of tax)</u>	
Sub-total	<u>— —</u>
Adjusted Net Income	<u>682,963,674</u>
Add: <u>Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)</u>	
Sub-total	<u>— —</u>
Add/Less: <u>Category E: Adjustments related to relief granted by the SEC and BSP</u>	
Sub-total	<u>— —</u>
Add/Less: <u>Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution</u>	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	<u>(9,705,904)</u>
Sub-total	<u>(9,705,904)</u>
Total Retained Earnings, end of the reporting period available for dividend	<u>₱620,218,896</u>

Annex B

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES

**MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE UNIVERSITY AND ITS SUBSIDIARIES, WHEREVER LOCATED
OR REGISTERED THE MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE UNIVERSITY AND ITS SUBSIDIARIES**



Annex C

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J

Schedule A - Financial Assets
May 31, 2025

Name of Issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the consolidated statement of financial position	Valued based on market quotation at end of reporting period	Loss incurred (Income received)
<i>Investments at FVOCI</i>				
Casino Español de Manila	1	₱—	₱—	₱—
PLDT - Common	72	87,550	87,550	(19,008)
Polymedic General Hospital	80	—	—	—
PLDT - Preferred	9,500	—	—	—
PLDT Comm & Energy Ventures, Inc. (formerly Pilipino Telephone Corp.)	300	—	—	—
Total	9,953	₱87,550	₱87,550	(₱19,008)

Annex C

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J

Schedule B - Amounts Receivable from Related Parties which are eliminated during the Consolidation of financial assets
May 31, 2025

Name of Related Companies	Balance at beginning of period	Additions	Deductions		Ending balance	
			Amounts collected	Amounts written off/Offset	Current	Not current
Centro Escolar Las Piñas, Inc.	P—	P—	P—	P—	P—	P—
Centro Escolar Integrated School, Inc.	—	41,378	—	—	41,378	—
Centro Escolar University Hospital, Inc.	3,319,751	266,051	—	—	3,585,802	—
TOTAL	P3,319,751	P307,430	P—	P—	P3,627,181	P—

Annex C

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J

Schedule C - Intangible Assets - Other Assets
May 31, 2025

Description	Beginning balance	Additions at cost	Charged to cost and expenses	Charged to other accounts	Other changes Additions (deductions)	Ending balance
Goodwill	₱47,605,695	₱—	₱—	₱—	₱—	₱47,605,595
TOTAL	₱47,605,695	₱—	₱—	₱—	₱—	₱47,605,595

Annex C

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J

Schedule D - Long-term Debt
May 31, 2025

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under caption "Current portion of Long-term debt" in related consolidated statement of financial position	Amount shown under caption "Long-term Debt" in related consolidated statement of financial position
---------------------------------------	--------------------------------	--	---

As of May 31, 2025, the University does not have long-term debt.

Annex C

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J

Schedule E - Indebtedness to Related Parties (Long-Term Loans from Related Companies)
May 31, 2025

Name of Related Companies	Balance at beginning of period	Additions	Deductions		Ending balance	
			Amounts paid	Amounts written off	Current	Not current

As of May 31, 2025, the University does not have long-term loans from related parties.

Annex C

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J

Schedule F - Guarantees of Securities of Other Issuers
May 31, 2025

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by persons for which statement is filed	Nature of guarantee
--	---	---	--	---------------------

As at May 31, 2025, the University has no guaranteed securities by other issuers.

Annex C

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J

Schedule H - Capital Stock
May 31, 2025

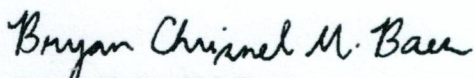
Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under the related statement of financial position caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by		
				Related parties	Directors, officers and employees	Others
Common stock	800,000,000	446,897,323	—	254,725,184	72,645,019	119,527,120

INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Centro Escolar University
9 Mendiola Street
San Miguel, Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Centro Escolar University (the "University") and its subsidiaries (the "Group") as at May 31, 2025 and 2024, and for each of the three years in the period ended May 31, 2025, and have issued our report thereon dated September 26, 2025. 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 University's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards 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 PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at May 31, 2025 and 2024, and for each of the three years in the period ended May 31, 2025, and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Bryan Chrisnel M. Baes

Partner

CPA Certificate No. 128627

Tax Identification No. 275-229-188

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-148-2022, November 7, 2022, valid until November 6, 2025

PTR No. 10079899, January 5, 2024, Makati City

September 26, 2025



CENTRO ESCOLAR UNIVERSITY
SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

Ratio	Formula	2025	2024	2023
Current ratio	Total Current Assets	₱2,015,736,827	₱1,682,270,172	₱1,250,860,782
	Divided by: Total Current Liabilities	1,725,336,355	1,406,735,176	1,057,356,007
		1.17	1.20	1.18
Acid-test ratio	Total Quick Assets (current assets less inventories and other current assets)	1,874,005,939	1,546,732,828	1,138,594,975
	Divided by: Total Current Liabilities	1,725,336,355	1,406,735,176	1,057,356,007
		1.09	1.10	1.08
Solvency ratio	Total Assets	8,730,546,910	8,395,571,580	7,186,034,449
	Divided by: Total Liabilities	2,481,727,122	2,226,802,432	1,847,908,289
		3.52	3.77	3.89
Debt-to-equity ratio	Total Liabilities	2,481,727,122	2,226,802,432	1,847,908,289
	Divided by: Total Equity	6,248,819,788	6,168,769,148	5,338,126,160
		0.40	0.36	0.35
Asset-to-equity ratio	Total Asset	8,730,546,910	8,395,571,580	7,186,034,449
	Divided by: Total Equity	6,248,819,788	6,168,769,148	5,338,126,160
		1.40	1.36	1.35
Interest rate coverage ratio	Income Before Interest and Tax	758,173,585	682,557,873	409,699,442
	Divided by: Interest Expense	7,064,001	8,001,368	8,886,852
		107.33	85.31	46.10
Return on equity	Net Income	685,701,124	616,981,545	396,019,517
	Divided by: Total Equity	6,248,819,788	6,168,769,148	5,338,126,160
		10.97%	10.00%	7.42%
Return on assets	Net Income	685,701,124	616,981,545	396,019,517
	Divided by: Total Assets	8,730,546,910	8,395,571,580	7,186,034,449
		7.85%	7.35%	5.51%
Net profit margin	Net income	685,701,124	616,981,545	396,019,517
	Divided by: Total Revenue	2,444,384,272	2,413,449,077	1,891,271,624
		28.05%	25.56%	20.94%

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE RELATED INFORMATION
AS OF MAY 31, 2025

	2025	2024
Total Audit Fees	₱1,410,000	₱1,726,120
Non-audit services fees:		
Other assurance services	90,000	116,120
Tax services	600,000	200,000
All other services	—	—
Total Non-audit Fees	₱690,000	₱316,120
Total Audit and Non-audit Fees	₱2,100,000	₱2,042,240

Audit and Non-audit fees of other related entities	2025	2024
Audit Fees	₱—	₱—
Non-audit services fees:		
Other assurance services	—	—
Tax services	—	—
All other services	—	—
Total Audit and Non-audit fees of other related entities	₱—	₱—

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of Centro Escolar University (CEU) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended May 31, 2025 and 2024, 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 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.

SyCip, Gorres, Velayo & Co., the independent auditors, 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, has expressed its opinion on the fairness of presentation upon completion of such examination.

Signed this 24th day of September, 2025.


BASILIO C. YAP
 Chairman


DANILO L. CONCEPCION
 President

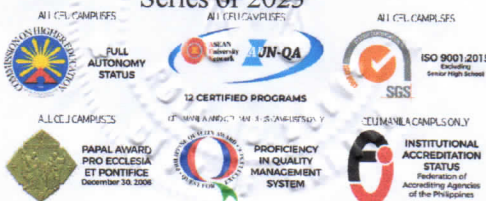

CESAR F. TAN
 Treasurer

SUBSCRIBED AND SWORN TO before me this 26 SEP 2025, 2025, affiants exhibiting to me their respective Philippine Passports as follows:

	<u>Passport No.</u>	<u>Date and Place of Issue</u>
BASILIO C. YAP	P4011351B	November 29, 2019, Manila
DANILO L. CONCEPCION	P6199766A	February 27, 2018, Manila
CESAR F. TAN	P9759990A	November 29, 2018, Manila

Doc. No. 1187
 Page No. 27
 Book No. 27
 Series of 2025


ATTY. HENRY D. PASA
 NOTARY PUBLIC, CITY OF MANILA
 APPOINTMENT 097 12/31/2025 MLA
 IBP NO. 512938 10/17/2025 PASI 3



ASEAN University Network (AUN) Quality Assurance certified: Biology*, Business Administration**, Communication and Media***, Dentistry*, International Hospitality Management*, International Tourism and Travel Management*, Medical Technology**, Nursing*, Nutrition and Dietetics*, Optometry*, Pharmacy* and Psychology*, **CHED Center of Excellence in Teacher Education • CHED Center of Development in Business Administration • CHED Center of Development in Optometry • HIGHEST LEVEL of accreditation, LEVEL IV, by PACUCOA as certified by FAAP:** Biology*, Business Administration***, Dentistry*, Education (Elementary and Secondary)*, Liberal Arts (Communication and Media and Political Science)***, Medical Technology*, Nutrition and Dietetics*, Pharmacy*, Psychology***, Master of Arts*, Master of Business Administration*, and Master of Science* • **HIGHEST LEVEL of accreditation, LEVEL III, by PAASCU:** Nursing* and Social Work*
*CEU Manila Campus only **All CEU Campuses ***CEU Manila and CEU Malolos Campuses only

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

P	W	1	0	0	0	0	9	3		
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COMPANY NAME

C	E	N	T	R	O		E	S	C	O	L	A	R		U	N	I	V	E	R	S	I	T	Y				

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

9		M	e	n	d	i	o	l	a		S	t	r	e	e	t	,		S	a	n		M	i	g	u	e	l	,
M	a	n	i	l	a																								

Form Type

A	A	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

	N	A	
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COMPANY INFORMATION

Company's Email Address

corporate@ceu.edu.ph

Company's Telephone Number

8735-5991

Mobile Number

09279276089

No. of Stockholders

1,011

Annual Meeting (Month / Day)

4th week of October

Fiscal Year (Month / Day)

5/31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Cesar F. Tan

Email Address

cftan@ceu.edu.ph

Telephone Number/s

8735-5991

Mobile Number

09279276089

CONTACT PERSON'S ADDRESS

9 Mendiola Street, San Miguel, Manila

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

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



INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Centro Escolar University
9 Mendiola Street
San Miguel, Manila

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of Centro Escolar University (the "University"), which comprise the parent company statements of financial position as at May 31, 2025 and 2024, and the parent company statements of income, parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for each of the three years in the period ended May 31, 2024, and notes to the parent company financial statements, including material accounting policy information.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the parent company as at May 31, 2025 and 2024, and its financial performance and its cash flows for each of the three years in the period ended May 31, 2025, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

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 Parent Company Financial Statements* section of our report. We are independent of the University 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 parent company 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.

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

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

In preparing the parent company financial statements, management is responsible for assessing the University'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 University or to cease operations, or has no realistic alternative but to do so.



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

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company 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 parent company 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 parent company 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 University's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

Report on the Supplementary Information Required under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 27 to the parent company financial statements is presented for the purpose of filing with the Bureau of Internal Revenue and is not a required part of the basic parent company financial statements. Such information is the responsibility of the management of Centro Escolar University. The information has been subjected to the auditing procedures applied in our audit of the basic parent company financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic parent company financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Bryan Chrisnel M. Baes

Bryan Chrisnel M. Baes

Partner

CPA Certificate No. 128627

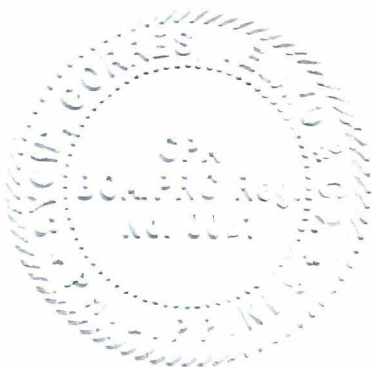
Tax Identification No. 275-229-188

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-148-2022, November 7, 2022, valid until November 6, 2025

PTR No. 10465262, January 2, 2025, Makati City

September 26, 2025



CENTRO ESCOLAR UNIVERSITY
PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

	May 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱914,173,796	₱614,708,491
Short-term investments (Note 4)	470,724,984	450,000,000
Tuition and other receivables (Notes 5 and 20)	248,881,716	276,260,866
Inventories (Note 6)	23,049,439	20,292,024
Other current assets (Note 7)	101,869,038	97,116,557
Total Current Assets	1,758,698,973	1,458,377,938
Non-current Assets		
Investments in subsidiaries (Note 8)	168,661,317	168,661,317
Property and equipment (Note 9)		
At revalued amount	5,094,787,432	5,094,787,432
At cost	1,413,373,441	1,391,087,974
Right-of-use asset (Note 18)	97,469,073	114,926,220
Other non-current assets (Note 10)	17,974,333	19,593,339
Total Non-current Assets	6,792,265,596	6,789,056,282
TOTAL ASSETS	₱8,550,964,569	₱8,247,434,220
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 11)	₱714,606,856	₱712,499,287
Deferred revenue (Note 13)	120,154,105	35,446,899
Dividends payable (Note 12)	793,636,305	588,451,696
Current portion of lease liability (Note 18)	17,928,286	15,414,233
Income tax payable	18,377,706	25,520,126
Total Current Liabilities	1,664,703,258	1,377,332,241
Non-current Liabilities		
Deferred tax liabilities - net (Note 17)	523,739,627	539,798,305
Lease liability - net of current portion (Note 18)	96,588,498	116,038,550
Retirement liability (Note 16)	125,419,736	155,043,549
Other non-current liability (Note 11)	12,064,427	10,985,374
Total Non-current Liabilities	757,812,288	821,865,778
TOTAL LIABILITIES	2,422,515,546	2,199,198,019
Equity		
Capital stock (Note 12)	446,897,323	372,414,400
Additional paid-in capital	916,803,480	664,056
Retained earnings (Note 12)		
Appropriated	—	786,000,000
Unappropriated	690,651,756	837,966,681
Revaluation increment on land (Notes 9 and 22)	4,101,848,685	4,101,848,685
Remeasurement loss on retirement obligation (Note 16)	(27,427,914)	(50,352,322)
Revaluation reserve on financial assets at FVOCI (Note 10)	(324,307)	(305,299)
Total Equity	6,128,449,023	6,048,236,201
TOTAL LIABILITIES AND EQUITY	₱8,550,964,569	₱8,247,434,220

See accompanying Notes to Parent Company Financial Statements.



CENTRO ESCOLAR UNIVERSITY
PARENT COMPANY STATEMENTS OF INCOME

	Years Ended May 31		
	2025	2024	2023
REVENUES FROM CONTRACTS WITH CUSTOMERS			
Tuition and other school fees (Note 13)	₱2,191,393,129	₱2,183,175,699	₱1,677,657,011
Miscellaneous fees (Notes 13 and 14)	38,278,168	21,959,136	26,943,782
	2,229,671,297	2,205,134,835	1,704,600,793
OTHER REVENUES			
Dividend income (Notes 8 and 10)	64,191,863	56,393,380	39,526,896
Rent income (Note 18)	13,584,210	12,729,565	10,953,501
	77,776,073	69,122,945	50,480,397
TOTAL REVENUES	2,307,447,370	2,274,257,780	1,755,081,190
COSTS AND EXPENSES (Note 15)			
Costs of services	1,395,849,168	1,414,114,997	1,213,544,200
General and administrative expenses	216,539,890	223,936,695	185,830,849
	1,612,389,058	1,638,051,692	1,399,375,049
INCOME BEFORE OTHER INCOME (EXPENSES) AND INCOME TAX	695,058,312	636,206,088	355,706,141
OTHER INCOME (EXPENSES)			
Interest income (Note 4)	52,357,727	24,684,109	11,177,062
Interest expense (Note 18)	(7,064,001)	(8,001,368)	(8,886,853)
Foreign currency exchange gains – net	598,302	84,299	4,004,234
Loss on retirement of property and equipment (Note 9)	(889)	(661,740)	(565)
Other income (Note 5)	—	—	4,000
	45,891,139	16,105,300	6,297,878
INCOME BEFORE INCOME TAX	740,949,451	652,311,388	362,004,019
PROVISION FOR INCOME TAX (Note 17)	57,985,777	51,928,027	2,469,139
NET INCOME	₱682,963,674	₱600,383,361	₱359,534,880

See accompanying Notes to Parent Company Financial Statements.



CENTRO ESCOLAR UNIVERSITY**PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended May 31		
	2025	2024	2023
NET INCOME	₱682,963,674	₱600,383,361	₱359,534,880
OTHER COMPREHENSIVE INCOME (LOSS)			
Items not to be reclassified to profit or loss:			
Change in revaluation reserve on financial asset at FVOCI (Note 10)	(19,008)	13,680	(43,920)
Revaluation increment on land (Note 9)	–	736,151,430	–
Income tax effect	–	(73,615,143)	–
	–	662,536,287	–
Remeasurement gain (loss) on retirement obligation (Note 16)	25,471,565	(25,327)	1,986,806
Income tax effect	(2,547,157)	2,533	(198,681)
	22,924,408	(22,794)	1,788,125
TOTAL OTHER COMPREHENSIVE INCOME	22,905,400	662,527,173	1,744,205
TOTAL COMPREHENSIVE INCOME	₱705,869,074	₱1,262,910,534	₱361,279,085

See accompanying Notes to Parent Company Financial Statements.



CENTRO ESCOLAR UNIVERSITY

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY

	Capital Stock (Note 12)	Additional Paid-in Capital	Retained Earnings (Note 12)		Revaluation Increment on Land (Notes 9 and 22)	Remeasurement Gain (Loss) on Retirement Obligation (Note 16)	Revaluation Reserve on Financial Assets at FVOCI (Note 10)	Total Equity
			Appropriated	Unappropriated				
Balances at June 1, 2022	₱372,414,400	₱664,056	₱996,000,000	₱561,843,000	₱3,439,312,398	(₱52,117,653)	(₱275,059)	₱5,317,841,142
Net income	—	—	—	359,534,880	—	—	—	359,534,880
Other comprehensive income (loss)	—	—	—	—	—	1,788,125	(43,920)	1,744,205
Cash dividends (Note 12)	—	—	—	(446,897,280)	—	—	—	(446,897,280)
Expiration of appropriation (Note 12)	—	—	(210,000,000)	210,000,000	—	—	—	—
Balances at May 31, 2023	₱372,414,400	₱664,056	₱786,000,000	₱684,480,600	₱3,439,312,398	(₱50,329,528)	(₱318,979)	₱5,232,222,947
Balances at June 1, 2023	₱372,414,400	₱664,056	₱786,000,000	₱684,480,600	₱3,439,312,398	(₱50,329,528)	(₱318,979)	₱5,232,222,947
Net income	—	—	—	600,383,361	—	—	—	600,383,361
Other comprehensive income (loss)	—	—	—	—	662,536,287	(22,794)	13,680	662,527,153
Cash dividends (Note 12)	—	—	—	(446,897,280)	—	—	—	(446,897,280)
Appropriation for business expansion (Note 12)	—	—	125,000,000	(125,000,000)	—	—	—	—
Expiration of appropriation (Note 12)	—	—	(125,000,000)	125,000,000	—	—	—	—
Balances at May 31, 2024	₱372,414,400	₱664,056	₱786,000,000	₱837,966,681	₱4,101,848,685	(₱50,352,322)	(₱305,299)	₱6,048,236,201
Balances at June 1, 2024	₱372,414,400	₱664,056	₱786,000,000	₱837,966,681	₱4,101,848,685	(₱50,352,322)	(₱305,299)	₱6,048,236,201
Net income	—	—	—	682,963,674	—	—	—	682,963,674
Other comprehensive income (loss)	—	—	—	—	—	22,924,408	(19,008)	22,905,400
Stock dividends (Note 12)	74,482,923	916,139,424	—	(990,622,347)	—	—	—	—
Cash dividends (Note 12)	—	—	—	(625,656,252)	—	—	—	(625,656,252)
Reversal of appropriation (Note 12)	—	—	(786,000,000)	786,000,000	—	—	—	—
Balances at May 31, 2025	₱446,897,323	₱916,803,480	₱—	₱690,651,756	₱4,101,848,685	(₱27,427,914)	(₱324,307)	₱6,128,449,023

See accompanying Notes to Parent Company Financial Statements.



CENTRO ESCOLAR UNIVERSITY
PARENT COMPANY STATEMENTS OF CASH FLOWS

	Years Ended May 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱740,949,451	₱652,311,388	₱362,004,019
Adjustments for:			
Depreciation and amortization (Notes 9, 10, 15 and 18)	140,099,601	97,973,901	117,124,486
Dividend income (Notes 8 and 10)	(64,191,863)	(56,393,380)	(39,526,896)
Provision for credit losses (Note 5)	23,948,218	40,706,373	16,747,859
Interest income (Note 4)	(52,357,727)	(24,684,109)	(11,177,062)
Retirement expense (Notes 15 and 16)	25,847,752	23,708,870	25,020,078
Interest expense (Note 18)	7,064,001	8,001,368	8,886,853
Loss on retirement of assets (Note 9)	889	661,740	565
Unrealized foreign exchange gains - net	(598,302)	(84,299)	(4,004,234)
Operating income before changes in operating assets and liabilities	820,762,020	742,201,852	475,075,668
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Tuition and other receivables	6,149,800	249,779,182	(141,618,931)
Inventories	(2,757,415)	(3,303,664)	(5,432,051)
Other assets	(3,152,473)	55,677,788	(17,353,669)
Increase (decrease) in:			
Accounts payable and other current liabilities and contract liabilities	3,186,613	(160,340,241)	206,856,453
Deferred revenue	84,707,206	(6,394,814)	15,193,559
Net cash generated from operations	908,895,751	877,620,103	532,721,029
Income taxes paid	(83,734,031)	(120,500,068)	(451,267)
Interest received	49,638,859	25,467,900	10,532,520
Contribution to the plan asset (Note 16)	(30,000,000)	(30,000,000)	(30,000,000)
Net cash from generated from operating activities	844,800,579	752,587,935	512,802,282
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property and equipment (Note 9)	(144,928,812)	(122,111,309)	(115,670,469)
Dividends received (Notes 8 and 10)	64,191,863	56,393,380	39,526,896
Availment of short-term investments	(20,724,984)	(450,000,000)	—
Net cash used in investing activities	(101,461,933)	(515,717,929)	(76,143,573)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of cash dividends (Note 25)	(420,471,643)	(201,482,099)	(217,263,066)
Payments of leases (Notes 18 and 25)	(24,000,000)	(24,000,000)	(24,000,000)
Cash used in financing activities	(444,471,643)	(225,482,099)	(241,263,066)
EFFECT OF FOREIGN CURRENCY RATE CHANGES ON CASH AND CASH EQUIVALENTS	598,302	84,299	4,004,234
NET INCREASE IN CASH AND CASH EQUIVALENTS	299,465,305	11,472,206	199,399,877
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	614,708,491	603,236,285	403,836,408
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	₱914,173,796	₱614,708,491	₱603,236,285

See accompanying Notes to Parent Company Financial Statements.



CENTRO ESCOLAR UNIVERSITY

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

1. University Information and Authorization for Issuance of the Financial Statements

University Information

Centro Escolar University (the “University”), a publicly listed entity, was organized in the Philippines on June 3, 1907 to establish, maintain, and operate an educational institution or institutions for the instruction and training of the youth in all branches of the arts and sciences, offering classes in tertiary level.

On September 15, 2023, the University applied for the renewal of grant of autonomous or deregulated status pursuant to CMO NO.6 series of 2023 for its three campuses, Makati, Malolos and Mendiola..

By virtue of CHED Memorandum Order No.07 series of 2024, issued on September 16, 2024, CHED granted autonomous and deregulated status to its three campuses, with a validity of three (3) years from September 16, 2024 to September 15, 2027.

Under this autonomous status, the University is free from monitoring and evaluation of activities by the CHED and has the privilege to determine and prescribe curricular programs, among other benefits, as listed in the memorandum order. The three general criteria used by the CHED for the selection and identification of institutions which shall receive autonomous status are as follows:

- a. Institutions established as centers of excellence or centers of development and/or with Federation of Accrediting Agencies of the Philippines Level III Accredited programs;
- b. With outstanding overall performance of graduates in the government licensure examinations; and;
- c. With long tradition of integrity and untarnished reputation.

The registered principal office of the University is at 9 Mendiola Street, San Miguel, Manila.

Authorization for Issuance of the Financial Statements

The parent company financial statements were approved and authorized for issuance by the University’s Board of Directors (BOD) on September 26, 2025.

2. Material Accounting Policy Information

Basis of Preparation

The parent company financial statements have been prepared on a historical cost basis, except for land classified as “Property and equipment” that is measured at revalued amount, and equity investments classified as financial assets at fair value through other comprehensive income (FVOCI) included under “Other non-current assets”.

The parent company financial statements are presented in Philippine Peso (₱ or Peso), which is also the University’s functional currency. All values are rounded to the nearest Peso, unless otherwise indicated.

Statement of Compliance

The parent company financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.



The University also prepares and issues consolidated financial statements with same fiscal year as the parent company financial statements in compliance with PFRS Accounting Standards. These may be obtained at the University's registered office address and may be accessed through its website at <https://www.ceu.edu.ph/>.

Presentation of Parent Company Financial Statements

The University presents its assets and liabilities in the parent company statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for trading;
- Expected to be realized within 12 months after the reporting date; or
- Cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards that became effective beginning June 1, 2024. The University has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the financial statements of the University.

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

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.



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

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Foreign Currency Translation

Transactions denominated in foreign currencies are recorded in Peso based on the exchange rates prevailing at the transaction dates. Foreign currency-denominated monetary assets and liabilities are translated in Peso based on the Bankers' Association of the Philippines (BAP) closing rate prevailing at the reporting date as of May 31, 2025 and 2024. Foreign exchange differences between rate at transaction date and rate at settlement date or reporting date of foreign currency-denominated monetary assets or liabilities are credited to or charged against the parent company statement of income in the period in which the rates changed. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

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 by the University.

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 University 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 parent company 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 parent company financial statements on a recurring basis, the University determines whether transfers have occurred between Levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting date.

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

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term deposits which are highly liquid investments readily convertible to known amounts of cash with original maturities of three months or less from dates of placements and are subject to insignificant risks of changes in value. Cash and cash equivalents are carried at face value in the parent company statement of financial position.

Short-term Investment

Short-term investment represents investment with original maturity of more than three months but less than one year from date of placement.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the University's business model for managing them. With the exception of tuition fee receivables that do not contain significant financing component or for which the University has applied the practical expedient, the University initially measures a financial asset at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or which the University has applied the practical expedient are measured at transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows 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 University's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the University commits to purchase or sell the asset.



Subsequent measurement

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

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets at FVOCI without recycling (equity instruments)

Financial assets at FVTPL (debt and equity instruments) Financial assets at amortized cost (debt instruments)

This category is most relevant to the University. The University 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 closely 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 the parent company statements of income when the asset is derecognized, modified or impaired.

The University's financial assets at amortized cost includes cash in banks and short-term deposits, tuition fee and other receivables and refundable security deposits.

Financial assets at FVOCI (equity instruments)

Upon initial recognition, the University can elect to classify irrevocably its equity investments as equity investments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as income in the parent company statements of income when the right of payment has been established, except when the University benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The University elected to classify irrevocably its investments in quoted instruments under this category.

Derecognition

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 parent company statement of financial position) when and only when:

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



Modification of financial assets

The University derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

The University considers both qualitative and quantitative factors in assessing whether a modification of financial asset is substantial or not. When assessing whether a modification is substantial, the University considers the following factors, among others:

- Change in currency
- Introduction of an equity feature
- Change in counterparty
- If the modification results in the asset no longer considered “solely payment for principal and interest”

The University also performs a quantitative assessment similar to that being performed for modification of financial liabilities. In performing the quantitative assessment, the University considers the new terms of a financial asset to be substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial asset.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the University recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the parent company statement of income.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of a new financial asset, the modified asset is considered a 'new' financial asset. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The newly recognized financial asset is classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be originated as credit impaired (POCI).

Impairment of financial assets

The University recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the University 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).



The University's debt instruments at amortized cost comprise of cash and cash equivalents, short-term investment and refundable security deposits that are considered to have low credit risk. Hence, it is the University'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 University uses external credit ratings both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECL.

For tuition fee receivables, the University applies a simplified approach in calculating ECLs. Therefore, the University does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The University has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to debtors and the economic environment.

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

The University considers a financial asset in default when contractual payments are past due i.e., when the semester is over. However, in certain cases, the University may also consider a financial asset to be in default when internal or external information indicates that the University is unlikely to receive the outstanding contractual cash flows in full before considering any credit enhancements held by the University. 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 FVTPL, loans and borrowings, other financial liabilities carried at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The University's financial liabilities include accounts payable and other current liabilities (excluding contract liabilities and statutory payables), dividends payable and lease liability.

Subsequent measurement

Other financial liabilities carried at amortized cost

These are issued financial instruments or their components, which are not designated as at FVTPL and where the substance of the contractual arrangement results in the University having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, financial liabilities not qualified and not designated as at FVTPL are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issuance and fees that are an integral part of the effective interest rate.



This accounting policy applies primarily to the University's accounts payable and other current liabilities (excluding contract liabilities and statutory payables), dividends payable and lease liability.

Derecognition

A financial liability (or a part of a financial liability) is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability or a part of it are substantially modified, such an exchange or modification is treated as a derecognition of the original financial liability and the recognition of a new financial liability, and the difference in the respective carrying amounts is recognized in the parent company statement of income.

Exchange or modification of financial liabilities

The University considers both qualitative and quantitative factors in assessing whether a modification of financial liabilities is substantial or not. The terms are considered substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial liability. However, under certain circumstances, modification or exchange of a financial liability may still be considered substantial, even where the present value of the cash flows under the new terms is less than 10% different from the present value of the remaining cash flows of the original financial liability. There may be situations where the modification of the financial liability is so fundamental that immediate derecognition of the original financial liability is appropriate (e.g., restructuring a financial liability to include an embedded equity component).

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 a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the fair value of the new liability is recognized in profit or loss.

When the exchange or modification of the existing financial liability is not considered as substantial, the University recalculates the gross carrying amount of the financial liability as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR and recognizes a modification gain or loss in profit or loss.

If modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the financial instrument and are amortized over the remaining term of the modified financial instrument.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Inventories

Inventories are valued at the lower of cost and net realizable value (NRV). NRV is the estimated selling price in the ordinary course of business, less marketing and distribution costs. The cost includes the invoice amount, freight and other incidental costs and is determined using the first-in, first-out method.



Investments in Subsidiaries

A subsidiary is an entity which is controlled by the University.

Control is achieved when the University 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 University controls an investee if, and only if, the University has:

- Power over the investee (that is, 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.

Generally, there is a presumption that a majority of voting rights result in control to support this presumption and when the University has less than a majority of the voting or similar rights of an investee, the University 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 University's voting rights and potential voting rights.

The University reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The investments in subsidiaries are carried in the parent company statement of financial position at cost, less any impairment in value.

Distributions from accumulated profits of the investee are recognized as dividend income from the investments when the right to receive dividends is established.

The difference between the proceeds from the disposal and the carrying amount of the University's investment is recognized in the parent company statement of income.

Property and Equipment

Property and equipment, except for land, is carried at cost less accumulated depreciation and amortization and any accumulated impairment in value. The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

Land is carried at revalued amount. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus, net of tax effect, is presented in other comprehensive income (OCI), except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the parent company statement of income, in which case, the increase is recognized in the parent company statement of income. A revaluation decrease is recognized in the parent company statement of income, except to the extent that it offsets an existing surplus on the same asset presented in OCI. Upon disposal, any revaluation surplus, net of tax effect, relating to the land being sold is transferred to retained earnings.

Construction in progress, included in property and equipment, is stated at cost.



Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged to the parent company statement of income in the year 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.

The useful life and depreciation and amortization method are reviewed at least every reporting date and adjusted prospectively, if appropriate.

Depreciation of property and equipment is computed on a straight-line basis over the following estimated useful lives of the assets:

	Number of Years
Land improvements	10
Building	25 to 50
Furniture, transportation, auxiliary	5
Laboratory equipment	10
Library books	10
Leasehold improvements	10 or lease term whichever is shorter

Construction in progress is not depreciated until such time that the relevant assets are completed and become available for intended use.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition of the asset by sale (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) and by write off, is recognized under "Miscellaneous income" and "Loss on retirement/disposal of assets," respectively, in the parent company statement of income in the year the asset is derecognized.

Impairment of Non-financial Assets

An assessment is made at each reporting date whether there is any indication of impairment of non-financial assets, or whether there is any indication that an impairment loss previously recognized for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated at the higher of the asset's or cash-generating unit's (CGU's) value-in-use or its fair value less cost to sell. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is assessed as part of the CGU to which it belongs.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or CGU). In determining fair value less cost to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

An impairment loss is recognized only if the carrying amount of an asset (or CGU) exceeds its recoverable amount. An impairment loss is charged against the parent company statement of income in the period in which it arises, unless the asset (or CGU) is carried at a revalued amount, in which case, the impairment loss is charged against the revaluation increment of the said asset (or CGU).



A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset (or CGU), but not to an amount higher than the carrying amount that would have been determined (net of any depreciation and amortization) had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is credited to current parent company statement of income, unless the asset (or CGU) is carried at revalued amount, in which case, the reversal of the impairment loss is credited to the revaluation increment of the said asset (or CGU).

The following criteria are also applied in assessing impairment of specific assets:

Property and equipment, software and right-of-use asset

The carrying values of property and equipment, software and right-of-use asset are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists and when the carrying values exceed the estimated recoverable amounts, the assets or CGUs are written down to their recoverable amounts.

Other Assets

Advances to suppliers

Advances to suppliers, included under “Other current assets”, represent amounts paid to suppliers for purchases not yet received as at the reporting date. This is subsequently reversed to an expense account when the goods or services are received.

Prepayments

Prepayments, included under “Other current assets”, are initially measured at the amounts paid and subsequently recognized as expense over the period in which the prepayments apply.

Prepaid taxes

Prepaid taxes, included under “Other current assets” and “Other non-current assets”, pertains to the tax withheld at source by the University’s lessees and excess quarterly income tax payments. These are creditable against its income tax liability.

Advances to contractors

Advances to contractors, included under “Other non-current assets”, represent amounts paid to contractors for purchases not yet received as at the reporting date. This is subsequently reversed to an asset account when the goods or services are received.

Software cost

Software cost acquired separately is measured on initial recognition at cost. Following initial recognition, software cost is carried at cost less any accumulated amortization and any accumulated impairment loss. The estimated useful life of software cost is assessed at the individual asset level. Software cost is amortized over its estimated useful life of three years. Periods and method of amortization for software cost are reviewed annually or earlier when an indicator of impairment exists.

Gain or loss arising from derecognition of software cost is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss when the asset is derecognized.

Cost to fulfill the contract

Cost to fulfill the contract, included under “Other current assets”, are initially measured at amounts paid and subsequently recognized as expense upon performance of the related services to the students. The University amortizes capitalized cost to fulfill a contract to “Expenses for co-curricular activities” under “Cost of services”.



Equity

Capital stock is measured at par value for all shares issued. When the University issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

When the shares are sold at a premium, the difference between the proceeds and the par value is credited to “Additional paid-in capital.” When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received.

Retained earnings represent accumulated earnings of the University less dividends declared.

Dividends on Common Shares

Cash dividends on common shares are recognized as a liability and deducted from the equity when approved by the BOD of the Parent Company. Stock dividends are deducted from equity when approved by BOD and shareholders of the Parent Company. Dividends for the year that are approved after the end of the reporting period are dealt with as an event after the end of the reporting period

The University recognizes stock dividends as a distribution of earnings to shareholders, measured at fair value based on the market price of the shares on the declaration date. Retained earnings is debited for the fair value of the shares, while capital stock is credited for the par value of the shares, and the difference is credited to additional paid-in capital.

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the University expects to be entitled in exchange for those goods or services, excluding the related taxes. The University assesses its revenue arrangement against specific criteria in order to determine if it is acting as principal or agent. The University has concluded that it is acting as principal in its all of its revenue arrangements, except for the sale of books.

Tuition and other school fees, including income from other school services

Tuition and other school fees, including income from other school services except for the sale of books and uniforms, are recognized over time as revenue over the corresponding school term using 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 school fees in full or in installment. Tuition and other fees, including income from other school services except for the sale of books and uniforms, to be recognized in the remaining months after statement of financial position date or next school term which are not yet due for collection are deferred and is shown under “Deferred revenue” account in the parent company statement of financial position.

Sale of books

Income from sale of books are recognized equal to the amount of discount granted to the School by the consignor. The income is recognized upon sale of the books to the students.

Sale of uniforms

Income from sale of uniforms are recognized at a point in time upon delivery of uniforms to the students.



Contract Balances

Receivables

A receivable represents the University'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 liability

A contract liability is the obligation to transfer goods or services to a customer for which the University has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the University transfers goods or services to the 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 University performs the obligations under the contract. The University's contract liabilities represent advance collections for tuition and school other fees, culminating, yearbook fees and for revenues expected to be earned until end of the academic year presented under "Accounts payable and other current liabilities" and will be recognized as revenue when the related services are rendered.

Other Revenues

Interest income

Interest income is recognized as the interest accrues taking into account the effective yield on the asset.

Rental income

Rental income arising from leased properties is accounted for on a straight-line basis over the lease terms.

Dividend income

Dividend income is recognized when the right to receive the payment is established.

Expense Recognition

Expenses are recognized in the parent company statement of income when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Expenses are recognized in the parent company statement of income:

- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- Immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the parent company statement of financial position as an asset.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.



Retirement Benefits

The University operates a defined benefit retirement plan which requires contribution to be made to a separately administered fund.

The cost of providing benefits under the defined benefit retirement plan is actuarially determined using the projected unit credit method.

Retirement expense comprises the following:

- Service cost; and
- Net interest on the retirement liability.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the parent company statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by the independent qualified actuary.

Net interest on the retirement liability is the change during the period in the retirement liability that arises from the passage of time which is determined by applying the discount rate based on government bonds to the retirement liability. Net interest on the retirement liability is recognized as an expense or income in the parent company statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on the retirement liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to the parent company statement of income in subsequent periods.

The retirement liability is the aggregate of the present value of defined benefit obligation at the reporting date reduced by the fair value of plan assets, adjusted for any effect of limiting a net retirement 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 University, nor can they be paid directly to the University. The 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

Income tax on income or loss for the year comprises current and deferred tax. Income tax is determined in accordance with Philippine tax laws. Income tax is recognized in the parent company statement of income, except to the extent that it relates to items recognized directly in equity, in which case, the tax effect is recognized in the parent company statement of comprehensive income.

Current tax

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



Deferred tax

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

Deferred tax assets are recognized for all deductible temporary differences. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of net operating loss carryover (NOLCO) can be utilized, except:

- a. When the deferred tax asset relating to the deductible temporary difference 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; or
- b. In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- a. When the deferred tax liability arises from the initial recognition of goodwill or 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; or
- b. In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

Leases

University as lessor

Leases where the University does not transfer all the risks and benefits of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and are recognized over the lease term on the same basis as the rental income. Rental income are recognized in the parent statement of income. Rental income arising are accounted for on a straight-line basis over the lease term.

Contingent rentals are recognized as revenue in the period in which they are earned.

University as a lessee

The University assesses at contract inception whether a contract is, or contains, a lease (i.e., if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration).



The University applies a single recognition and measurement approach for all leases, except for its leases of low-value asset and short-term leases. The University recognizes lease liability to make lease payments and right-of-use asset representing the right to use the underlying asset.

Right-of-use assets

The University recognizes right-of-use asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use asset is initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability. The initial cost of right-of-use asset includes the amount of lease liability recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received. Unless the University is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Right-of-use asset is subject to impairment. Refer to the accounting policies in section *Impairment of Non-financial Assets*.

Lease liability

At the commencement date of the lease, the University recognizes lease liability 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 University and payments of penalties for terminating a lease, if the lease term reflects the University exercising the option to terminate.

In calculating the present value of lease payments, the University uses the incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liability 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 of an option to purchase the underlying asset.

Segment Reporting

The University's operating businesses are organized and managed separately according to the geographic locations, designated as the University branches, with each segment representing a strategic business unit that offers varying courses depending on demands of the market. Financial information on business segments is presented in Note 19.

Provisions

A provision is recognized only when the University has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and 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 assessments of the time value of money and, where appropriate, the risks specific to the liability.

Contingencies

Contingent assets are not recognized in the parent company financial statements but are disclosed in the notes to parent company financial statements when an inflow of economic benefits is probable. Contingent liabilities are not recognized in the parent company financial statements but these are



disclosed in the notes to parent company financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Events after the Reporting Date

Post year-end events up to the date of approval of the BOD of the parent company financial statements that provide additional information about the University's position at reporting date (adjusting events) are reflected in the parent company financial statements, if any. Post year-end events that are not adjusting events are disclosed in the notes to parent company financial statements when material.

3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the parent company financial statements in compliance with PFRS Accounting Standards requires management to make judgments and estimates that affect the amounts reported in the parent company 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 parent company financial statements as they become reasonably determinable.

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

Judgments

In the process of applying the University's accounting policies, management has made the judgments below apart from those involving estimations, which have the most significant effect on the amounts recognized in the parent company financial statements:

Recognition of tuition and other fees over time

The University determined that tuition and other fees, the major source of revenue of the University, are to be recognized over time using the output method on the basis of time lapsed over the service period since it provides a faithful depiction of the University's performance in transferring control of the services to the students. The fact that another entity would not need to re-perform the service that the University has provided to date demonstrates that the customer or the student simultaneously receives and consumes the benefits of the University's performance as it is performed.

Leases

- University as lessor
The University has entered into commercial property leases on its Mendiola, Malolos and Makati campuses. The University has determined, based on an evaluation of the terms and conditions of the arrangements (that is, the lease does not transfer ownership of the asset to the lessee by the end of the lease term, the lessee has no option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option is exercisable, and the lease term is not for the major part of the asset's economic life), that it retains all the significant risks and rewards of ownership of these properties. Thus, the leases are classified as operating leases.
- University as lessee
The University has entered into a lease on premises it uses for its Makati-Buendia campus. The University has determined, based on an evaluation of the terms and conditions of the arrangement (that is, the lease does not transfer ownership of the asset to the lessee by the end of the lease term, the lessee has no option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option is exercisable, and the lease term is not for the



major part of the asset's economic life), that not all significant risks and rewards of ownership of the properties have been transferred to the University. Thus, the lease is qualified as in scope of and accounted for in accordance with PFRS 16, *Leases* (see Note 18).

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimation of allowance for expected credit losses

The University uses simplified approach in calculating ECLs for tuition fee receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type).

The provision matrix is initially based on the University's historical observed default rates. The University calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecasted economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analyzed.

The segmentation of the University's receivable, identification and definition of default and the assessment of the correlation between historically observed default rates, forecast economic conditions and ECLs are significant estimates. The University also applied weights to various scenarios in the computation of the allowance for ECL as of May 31, 2025 and 2024 to include the impact of uncertainty. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The University's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

The carrying values of tuition and other receivables and allowance for expected credit losses as at May 31, 2025 and 2024 are disclosed in Note 5.

Determination of NRV of inventories

The University's estimates of the NRV of inventories are based on the most reliable evidence available at the time the estimates are made and the amount at which the inventories are expected to be realized. These estimates consider the fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the balance sheet date. A new assessment is made of NRV in each subsequent period. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is a clear evidence of an increase in NRV because of changes in economic circumstances, the amount of the write-down is reversed so that the new carrying amount is the lower of the cost and the revised NRV.

No write-down of inventories was recognized for the years ended May 31, 2025 and 2024. The carrying value of inventories is disclosed in Note 6.

Estimation of useful lives of property and equipment and right-of-use asset

The useful lives of property and equipment and right-of-use asset are estimated based on the period over which these assets are expected to be available for use. The estimated useful lives of property and equipment and right-of-use asset are reviewed periodically and are updated if expectations differ from previous estimates due to asset utilization, internal technical evaluation, technological and environmental changes and anticipated use of the assets tempered by related industry benchmark



information. It is possible that future financial performance could be materially affected by changes in these estimates brought about by changes in factors mentioned. Any reduction in the estimated useful lives of the property and equipment and right-of-use asset and would increase depreciation and amortization expense.

The estimated useful lives of property and equipment and right-of-use asset are discussed in Note 2. There is no change in the estimated useful lives of property and equipment and right-of-use asset as of May 31, 2025 and 2024.

The carrying values of depreciable property, plant and equipment (i.e., excluding land and construction in progress) and right-of-use asset are disclosed in Notes 9 and 18, respectively.

Impairment of property and equipment and right-of-use asset

The University assesses at each balance sheet date whether there is any indication that its property and equipment and right-of-use asset are impaired. Determining the fair value of these non-current non-financial assets, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the University to make estimates and assumptions that can materially affect the financial statements. Future events could cause management to conclude that these assets are impaired. Any resulting impairment loss could have a material adverse impact on the financial position and financial performance. The preparation of the estimated future cash flows involves significant judgment and estimations. While management believes that the assumptions made are appropriate and reasonable, significant changes in management assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRS Accounting Standards.

As of May 31, 2024, the University's market capitalization is lower compared with the carrying amount of the net assets of the University. This is considered as an indicator that the University's property and equipment and right-of-use asset may be impaired as of May 31, 2024. Hence, the University performed impairment analysis as of May 31, 2024. The University's value-in-use calculation involves significant management judgment in the use of assumptions, particularly tuition fee rates, number of students, long-term growth rate and discount rate. As of May 31, 2025, the University's market capitalization exceeded the carrying amount of its net assets. Consequently, the University determined that no impairment analysis was necessary. The carrying values of property and equipment and right-of-use assets are disclosed in Notes 9 and 18, respectively.

As at May 31, 2024, the recoverable amount of the CGU has been determined based on the value-in-use calculation using cash flow projections from the five-year strategic plan for the University. Tuition fee rates and number of students assumed to project revenues were based on approved tuition fee increase and the University's historical data and performance.

The discount rate used for the computation of the net present value is the cost of the equity and was determined by reference to comparable entities. For the year ended May 31, 2024, the pre-tax discount rate applied to cash flow projections is 12.78%. The long-term growth rate to project cash flows beyond the five-year period is 5.00% in 2024.

The carrying values of property and equipment and right-of-use asset as at May 31, 2025 and 2024 are disclosed in Notes 9 and 18, respectively.



Impairment of investments in subsidiaries

The University assesses impairment on its investments in subsidiaries whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Among others, the factors that the University considers important which could trigger an impairment review on its investments in subsidiaries include the following:

- Deteriorating or poor financial condition;
- Recurring net losses; and
- Significant changes with an adverse effect on the subsidiary have taken place during the period, or will take place in the near future, the technological, market, economic, or legal environment in which the subsidiary operates.

Management assessed that there is no impairment indicator on its investment in subsidiaries as of May 31, 2025 and 2024.

The carrying values of investments in subsidiaries are disclosed in Note 8.

Revaluation of land

The fair value of the University's land at revalued amount was based on a third party appraisal with effective date of valuation of May 31, 2024, using sales comparison approach. Based on comparison of recent sale transactions or offerings of similar properties done by the University as at May 31, 2025, management assessed that there were no significant movements in the fair value of the land from date of last valuation until May 31, 2024. Key assumptions used by the independent appraiser are disclosed in Note 22.

The revalued amount of land included under "Property and equipment" in the parent company statement of financial position is disclosed in Note 9.

Retirement liability

The cost of the defined benefit retirement plan and the present value of defined benefit obligation are determined using an actuarial valuation. The actuarial valuation involves making assumptions about employee turnover rates, discount rates, prospective salary increases and mortality rate. Due to the complexity of the actuarial valuation, the underlying assumptions and long-term nature of this plan, such estimates are subject to significant uncertainty. All significant assumptions are reviewed at each reporting date.

The assumed discount rates were determined using the market yields on Philippine government bonds with terms consistent with the expected employee benefit payout as at reporting date. Future salary increases are assumed for all future years within the duration of the plan and take into account the inflation, seniority, promotion, merit, productivity and other market factors. Employee turnover rates are based on the probability of voluntary separation of service from the University prior to their retirement. Mortality rate are based on the probability of being deceased prior to retirement.

The present value of defined benefit obligation and details about the significant assumptions used are disclosed in Note 16.

Recognition of deferred income taxes

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The estimates of future taxable income indicate that all temporary differences will be realized in the future.



The University has no unrecognized deferred tax assets as of May 31, 2025 and 2024 as disclosed in Note 17.

Evaluation of provisions

The University provides for present obligations (legal or constructive) where it is probable that there will be an outflow of resources embodying economic benefits that will be required to settle said obligations. An estimate of the provision is based on known information at the end of reporting period, net of any estimated amount that may be reimbursed to the University. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. The amount of provision is being re-assessed at least on an annual basis to consider new relevant information.

The University is involved in various claims and tax assessments that are normal to its business. Based on the legal grounds of certain claims and assessments, the University's outstanding provision for probable losses is disclosed in Note 24.

4. Cash and Cash Equivalents and Short-Term Investments

Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand and in banks (Note 20)	₱307,437,650	₱186,965,705
Short-term deposits (Note 20)	606,736,146	427,742,786
	₱914,173,796	₱614,708,491

Cash in banks earned annual interest ranging from 0.0625% to 0.38% in 2025 and 2024

Cash equivalents consist of short-term deposits made for varying periods of up to three months depending on the immediate cash requirements of the University and earned interest ranging from 0.05% to 6.25% in 2025 and from 0.43% to 6.50% in 2024 .

Interest income from cash in banks and short-term deposits amounted to ₱24.50 million, ₱24.68 million and ₱11.15 million in 2025, 2024 and 2023, respectively.

Short-Term Investments

Short-term investment represents special savings deposit with maturity of more than three months but not more than one year from dates of placement.

As of May 31, 2025 and 2024, short-term investments amounted to ₱470.72 million and ₱450.00 million, respectively, and earned interest ranging from 5.75% to 6.25% in 2025 and 6.25% in 2024.

Interest income from short-term investments amounted to ₱27.86 million, nil and nil in 2025, 2024 and 2023, respectively.



5. Tuition and Other Receivables

This account consists of:

	2025	2024
Tuition fee receivables	₱347,271,819	₱349,458,289
Advances to employees	20,327,308	24,534,389
Accrued rent receivable (Notes 18 and 20)	7,471,565	7,357,103
Advances to subsidiaries (Note 20)	3,627,181	3,319,751
Accrued interest receivable	2,718,868	178,141
Advances to Centro Escolar-Integrated School (CE-IS)'s stockholders	500,000	500,000
	381,916,741	385,347,673
Allowance for ECL	(133,035,025)	(109,086,807)
	₱248,881,716	₱276,260,866

Tuition fee receivables are non-interest-bearing and are generally on a 120-day term.

Advances to employees comprise of non-interest-bearing advances which are collectible through salary deduction and are generally on a 6 to 12-month term.

Recoveries from previously written-off tuition fee receivables amounting to ₱1.21 million, ₱3.72 million and nil for the years ended May 31, 2025, 2024 and 2024, respectively, are recorded as part of "Tuition and other school fees".

The allowance for ECL pertains to the University's tuition fee receivables and advances to employees, which were impaired through collective assessment. The rollforward analysis of allowance for ECL is shown below:

	2025	2024
Balances at beginning of year		
Tuition fee receivables	₱103,904,411	₱68,380,434
Advances to employees	5,182,396	—
	₱109,086,807	68,380,434
Movements during the year:		
Provision (Note 15)		
Tuition fee receivables	23,938,218	35,523,977
Advances to employees	—	5,182,396
	23,938,218	40,706,373
Balances at end of the year		
Tuition fee receivables	127,852,629	103,904,411
Advances to employees	5,182,396	5,182,396
	₱133,035,025	₱109,086,807



As at May 31, 2025 and 2024, the aging analysis of tuition and other receivables follows:

	2025					
	Neither Past Due nor Impaired	Past Due but not Impaired			Past Due and Impaired	Total
		1-30 Days	Over 30 Days	Over 60 Days		
Tuition fee receivables	P=	P=	P=	P245,176,712	P102,095,107	P347,271,819
Advances to employees	20,327,308	—	—	—	—	20,327,308
Accrued rent receivable	7,471,565	—	—	—	—	7,471,565
Advances to subsidiaries	3,627,181	—	—	—	—	3,627,181
Accrued interest receivable	2,718,868	—	—	—	—	2,718,868
Advances to CE-IS's stockholders	500,000	—	—	—	—	500,000
	P34,644,922	P=	P=	P245,176,712	P102,095,107	P381,916,741

	2024					
	Neither Past Due nor Impaired	Past Due but not Impaired			Past Due and Impaired	Total
		1-30 Days	Over 30 Days	Over 60 Days		
Tuition fee receivables	P=	P=	P=	P269,195,635	P80,262,654	P349,458,289
Advances to employees	24,534,389	—	—	—	—	24,534,389
Accrued rent receivable	7,357,103	—	—	—	—	7,357,103
Advances to subsidiaries	3,319,751	—	—	—	—	3,319,751
Advances to CE-IS's stockholders	500,000	—	—	—	—	500,000
Accrued interest receivable	178,141	—	—	—	—	178,141
	P35,889,384	P=	P=	P269,195,635	P80,262,654	P385,347,673

6. Inventories

This account consists of:

	2025	2024
Uniforms and outfits	P20,187,445	P17,905,295
Materials	1,024,543	1,554,708
Supplies	1,837,451	832,021
	P23,049,439	P20,292,024

The cost of uniforms and outfits charged to “Cost of services - Uniforms and outfits” amounted to P24.00 million and P47.31 million for the years ended May 31, 2025 and 2024, respectively (see Note 15).

The cost of materials and supplies charged to under “Cost of services - Others” amounted to P0.34 million and P1.54 million for the years ended May 31, 2025 and 2024, respectively (see Note 15).

7. Other Current Assets

This account consists of:

	2025	2024
Advances to suppliers	P85,273,516	P91,179,129
Prepaid expenses	15,976,568	5,318,474
Cost to fulfill a contract	618,954	618,954
	P101,869,038	P97,116,557



Advances to suppliers are advances paid to suppliers for classroom materials and supplies. Prepaid expenses include advanced payments for insurance, licenses and library subscription which are amortized over a period of less than one year.

Cost to fulfill a contract includes future expenses paid in advance related to year books, and graduation that is subsequently charged to expenses upon amortization. The amortization of the cost to fulfill a contract is charged to “Cost of services - Expenses for co-curricular activities” (see Note 15).

The amortization of cost to fulfill a contract is charged to “Cost of services - Expenses for co-curricular activities” (see Note 15).

8. Investments in Subsidiaries

This account consists of the following investments:

	2025	2024
Centro Escolar Las Piñas, Inc. (CELPI)	₱94,161,317	₱94,161,317
The Hospital	62,500,000	62,500,000
CE-IS	12,000,000	12,000,000
	₱168,661,317	₱168,661,317

The University’s ownership percentage follows:

	2025	2024
The Hospital	100.00%	100.00%
CELPI	99.90%	99.90%
CE-IS	95.80%	95.80%

The Hospital

The University incorporated the Hospital on June 10, 2008. Its principal place of business is at 103 Esteban corner Dela Rosa Streets, Legaspi Village, Makati City. In January 2016, the Hospital entered into an agreement with Hemotek, a dialysis clinic for the former to provide laboratory examinations to Hemotek patients.

The primary purpose of the Hospital is to establish, maintain and operate a hospital, medical and clinical laboratories and such other facilities that shall provide healthcare or any method of treatment for illnesses or abnormal physical or mental health in accordance with advancements in modern medicine and to provide education and training facilities in the furtherance of the health-related professions.

CELPI

On September 1, 2015, the University completed its acquisition of 90% of CELPI, and real and other properties consisting of parcels of land and improvements which are owned directly by the previous owners of CELPI (the “Sellers”) but are used by CELPI for a total consideration of ₱281.14 million. In 2018 and 2017, the University made an additional investment in CELPI of ₱19.04 million and ₱23.44 million, respectively. The minority of stockholders of CELPI waived their right of refusal.

CELPI, which was incorporated on June 1, 1975, is primarily engaged as an educational institution offering a full range of programs from Kindergarten to Graduate school. The principal place of business of CELPI is located at Dr. Faustino Uy Avenue, Pillar Village, Las Piñas City.



CE-IS

CE-IS was incorporated on July 24, 2013. Its principal place of business is located at Km 44 MacArthur Highway, Longos, Malolos City.

The primary purpose of CE-IS is to organize, establish, operate, maintain and conduct a progressive institution of high learning of high academic standing which will emphasize cultural development, moral character, including but not limited to courses such as a day care center, nursery, play groups, preparatory, kindergarten, elementary and high school in the cities and province of Bulacan, as well as in other places in the Philippines, in accordance with up-to-date and modern educational theories and methods.

In April 2019, the University acquired an additional 4% ownership from CE-IS amounting to ₱0.50 million. In September 2022, the University acquired an additional 1.8% ownership from CE-IS amounting to ₱0.25 million.

As at May 31, 2025 and 2024, the outstanding dividends receivable of the University from CE-IS amounted to nil. The University received dividends from CE-IS amounting to ₱64.19 million, ₱56.39 million and ₱39.52 million for each of the three years ended May 31, 2025.



9. Property and Equipment

The composition of and the movements in this account follow:

	2025								
	At Cost								
	Land (At Revalued Amount)	Land Improvements	Buildings and Leasehold Improvements	Furniture, Transportation and Auxiliary Equipment	Laboratory Equipment	Library Books	Construction in Progress	Subtotal	Total
Cost									
Balances at beginning of year	₱5,094,787,432	₱32,002,632	₱2,014,121,626	₱638,335,170	₱444,979,842	₱161,000,170	₱13,523,000	₱3,303,962,440	₱8,398,749,872
Additions	—	—	14,563,733	70,833,181	42,513,666	17,018,232	—	144,928,812	144,928,812
Retirements	—	—	—	(18,344,259)	(6,037,087)	—	—	(24,381,346)	(24,381,346)
Reclassifications and adjustments	—	—	—	(862,299)	—	—	(13,523,000)	(14,385,299)	(14,385,299)
Balances at end of year	5,094,787,432	32,002,632	2,028,685,359	689,961,793	481,456,421	178,018,402	—	3,410,124,607	8,504,912,039
Accumulated depreciation and amortization									
Balances at beginning of year	—	31,215,072	898,213,416	501,466,204	354,514,767	127,465,007	—	1,912,874,466	1,912,874,466
Depreciation and amortization	—	287,380	47,092,035	31,840,915	22,408,338	7,490,788	—	109,119,456	109,119,456
Retirements	—	—	—	(18,343,566)	(6,036,891)	—	—	(24,380,457)	(24,380,457)
Reclassifications and adjustments	—	—	—	(862,299)	—	—	—	(862,299)	(862,299)
Balances at end of year	—	31,502,452	945,305,451	514,101,254	370,886,214	134,955,795	—	1,996,751,166	1,996,751,166
Net book values	₱5,094,787,432	₱500,180	₱1,083,379,908	175,860,539	110,570,207	43,062,607	—	1,413,373,441	6,508,160,873



2024

	At Cost								Total
	Land (At Revalued Amount)	Land Improvements	Buildings and Leasehold Improvements	Furniture, Transportation and Auxiliary Equipment	Laboratory Equipment	Library Books	Construction in Progress	Subtotal	
Cost									
Balances at beginning of year	₱4,358,636,002	₱32,002,632	₱1,961,937,795	₱576,095,467	₱419,326,174	₱149,354,625	₱66,892,016	₱3,205,608,709	₱7,564,244,711
Revaluation of land	736,151,430	—	—	—	—	—	—	—	736,151,430
Additions	—	—	—	71,246,674	38,611,449	11,593,270	—	121,451,393	121,451,393
Retirements	—	—	—	(10,139,881)	(12,957,781)	—	—	(23,097,662)	(23,097,662)
Reclassifications	—	—	52,183,831	1,132,910	—	52,275	(53,369,016)	—	—
Balances at end of year	5,094,787,432	32,002,632	2,014,121,626	638,335,170	444,979,842	161,000,170	13,523,000	3,303,962,440	8,398,749,872
Accumulated depreciation and amortization									
Balances at beginning of year	—	30,927,692	852,831,506	494,910,910	355,705,637	121,077,805	—	1,855,453,550	1,855,453,550
Depreciation and amortization	—	287,380	45,381,910	16,693,707	11,766,555	6,387,202	—	80,516,754	80,516,754
Retirements	—	—	—	(10,138,413)	(12,957,425)	—	—	(23,095,838)	(23,095,838)
Balances at end of year	—	31,215,072	898,213,416	501,466,204	354,514,767	127,465,007	—	1,912,874,466	1,912,874,466
Net book values	₱5,094,787,432	₱787,560	₱1,115,908,210	₱136,868,966	₱90,465,075	₱33,535,163	₱13,523,000	₱1,391,087,974	₱6,485,875,406

Major developments accounted under construction in progress as at May 31, 2023 pertain to construction and renovation of 5-storey building for CE-IS amounting to ₱53.69 million. This was reclassified to other accounts within “Property and equipment” in 2024. In 2025, the University reclassified the remaining construction in progress in “Software” account under Other Non-current Assets in Note 10.

As of May 31, 2025 and 2024, there were no contractual commitments for the acquisition of property, plant and equipment.

For the years ended May 31, 2025, 2024 and 2023, the University retired certain properties with aggregate cost of ₱24.38 million, ₱23.10 million and ₱13.01 million, respectively. Loss on retirement of these properties amounted to ₱889, ₱0.66 million and ₱565 for the years ended May 31, 2025, 2024 and 2023, respectively. There were no proceeds from sale of property and equipment for the years ended May 31, 2025, 2024 and 2023.



Land

As at May 31, 2025 and 2024, land at revalued amounts consists of:

	2025	2024
Cost		
Balances at beginning and end of period	₱537,177,782	₱537,177,782
Revaluation increment - gross		
Beginning balance	4,557,609,650	3,821,458,220
Revaluation during the period	–	736,151,430
Ending balance	4,557,609,650	4,557,609,650
	₱5,094,787,432	₱5,094,787,432

Based on the University's policy, the appraisal of its properties is done within three to five years. The latest appraisal was done in May 2024 by a professionally qualified appraiser accredited by the SEC (see Note 22).

Deferred tax liability related to the revaluation surplus amounted to nil, ₱73.62 million and nil as at May 31, 2025, 2024 and 2023, respectively (see Note 17).

Key assumptions used in the value in use (VIU) calculation

As of May 31, 2025, the University determined that an impairment analysis was not necessary as the University's market capitalization exceeded the carrying amount of its net assets.

As at May 31, 2024, 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 (e.g., tuition fee rates and number of students). Cash flow projections based on financial budgets approved by management covering a five-year period.
- Long-term growth rates. Management considered a long-term growth rate of 5.00% in 2024 to project cash flows beyond the five-year period to calculate the terminal value.
- Discount rate (12.78% for May 31, 2024). 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 the Parent Company's capital structure.

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 property and equipment to materially exceed its recoverable amount.

10. Other Non-current Assets

This account consists of:

	2025	2024
Advances to contractors	₱10,141,720	₱11,741,718
Prepaid taxes	7,108,199	7,108,199
Financial assets at FVOCI	87,550	106,558
Others	636,864	636,864
	₱17,974,333	₱19,593,339



The effect of discounting the refundable security deposits is immaterial.

Advances to contractors pertain to advances paid to contractors for planned construction of various facilities.

For the year ended May 31, 2025, the University reclassified construction in progress (recorded under “Property and equipment”) to software (recorded under “Other non-current assets”), with cost of ₱13.52 million (see Note 9). Amortization of software amounted to ₱13.52 million and nil for the years ended May 31, 2025 and 2024, respectively (see Note 15). The University has fully amortized software still in use as at May 31, 2025 and 2024 amounting to ₱22.00 million and ₱8.48 million, respectively.

Financial assets at FVOCI pertain to the University’s investments in listed shares of stocks and are valued at the closing stock price as at May 31, 2025 and 2024.

Cost of quoted equity investments and dividend income earned during from these investments follow:

	2025	2024	2023
Cost of quoted equity investments	₱411,859	₱411,859	₱411,859
Dividend income	5,238	—	9,396

Movements in carrying value of financial assets at FVOCI investments for the years ended May 31, 2025 and 2024 follow:

	2025	2024
Balances at beginning of period	₱106,558	₱92,880
Fair value (losses) gains	(19,008)	13,678
Balances at end of period	₱87,550	₱106,558

Changes in revaluation reserve on financial assets at FVOCI for the years ended May 31, 2025 and 2024:

	2025	2024
Balances at beginning of year	(₱305,299)	(₱318,977)
Change in revaluation reserve on financial assets at FVOCI	(19,008)	13,678
	(₱324,307)	(₱305,299)

Others pertain to refundable security deposits. The effect of discounting the refundable security deposits is immaterial



11. Accounts Payable and Other Current Liabilities

This account consists of:

	2025	2024
Accounts payable:		
Third parties	₱378,347,516	₱320,946,826
Subsidiaries (Note 20)	24,154,029	22,384,847
Accrued expenses:		
Employee benefits	197,693,658	161,460,070
Others	45,762,165	132,023,344
Payable to students	34,931,619	38,603,759
Contract liabilities	12,689,018	16,393,915
Deposits	11,609,814	11,009,920
Provision for probable losses	6,983,517	6,983,517
Alumni fees payable	2,435,520	2,693,089
	₱714,606,856	₱712,499,287

Accounts payable are non-interest-bearing and are generally on 30 to 60-day terms.

Accrued expenses include accrued rent pertaining to the unpaid contingent rent to its affiliate equivalent to 40% of the annual income derived from the leased premises (see Note 18).

Accrued expenses - others pertain to accrued purchases, accruals for audit fees, janitorial and security services, advertising services and other services.

Payable to students are refunds of miscellaneous fees to students to be applied to the next school year or semester.

As at May 31, 2025, contract liabilities amounting to ₱12.69 million will be recognized the following year. Contract liabilities amounting to ₱6.40 million as of May 31, 2024 were recognized as revenue for the year ended May 31, 2025.

As at May 31, 2025 and 2024, other non-current liability to ₱12.06 million and ₱10.99 million, respectively, pertains to contract liability that is estimated to be recognized as revenue within two to five years.

Deposits include refundable deposits of students for toga rentals and security deposits on leases.

Alumni fees payable include graduating students' payments for alumni registration and identification cards which are remitted to the alumni foundation.



12. Equity

Capital Stock

The University's shares are listed and traded in the Philippine Stock Exchange.

Details of capital stock as at May 31, 2025 and 2024 follow:

	2025	2024
Shares Authorized	800,000,000	800,000,000
Shared Issued and Outstanding	446,897,323	372,414,400
Par Value	1	1
Amount	₱446,897,323	₱372,414,400

Shown below is the summary of the University's track record of registration of securities under the Revised Securities Regulation Code (SRC).

Date	Number of Shares	Issue Price
November 10, 1986	305,000	₱100
August 9, 1988	152,500	100
February 23, 1994	297,375	100
September 18, 1995	993,174	100
March 17, 1998	2,237,356	100

As of May 31, 2025 and 2024, the total number of shares registered under the SRC is 446,897,323 shares and 372,414,400 shares, respectively, being held by 1,011 stockholders in 2025 and 1,009 stockholders in 2024.

Cash Dividends

The University's BOD approved the declaration of the following cash dividends:

Date of Declaration	Date of Record	Date of Payment	Amount	Dividend per Share
May 30, 2025	July 10, 2025	August 5, 2025	₱625,656,252	₱1.40
May 31, 2024	July 1, 2024	August 5, 2024	446,897,280	1.20
May 26, 2023	June 30, 2023	July 25, 2023	223,448,640	0.60

As at May 31, 2025 and 2024, the carrying value of dividends payable amounted to ₱793.64 million and ₱588.45 million, respectively.

Stock Dividends

On October 3, 2024 and October 25, 2024, the BOD and Stockholders, respectively, approved the issuance of 20.00% stock dividends, equivalent to 74,482,880 shares, at a market value of ₱13.30 per share, amounting to ₱990.62 million. The record and payment dates were set on December 18, 2024 and January 16, 2025, respectively. Subsequently, on January 28, 2025 and March 7, 2025, the BOD and Stockholders, respectively, approved the additional distribution of 43 common shares at par value of ₱1.00 per share.

In accordance with Section 10.1 (d) of the Revised SRC, the dividend declaration is exempt from the registration requirements. On March 17, 2025, the University paid ₱1,010 as an exemption fee.



Retained Earnings

Appropriations of retained earnings are as follow:

Date of Appropriation and Expiration	Remarks/ Projects	Amount
June 23, 2017 - June 22, 2022	<p>On June 23, 2017, the University's BOD approved the expansion projects of the University. These projects include the items enumerated below:</p> <ul style="list-style-type: none"> • Planned construction of a 3-storey building for Science-related courses in CEU Malolos; • Additional investments in CE-IS for construction of building in anticipation of increased number of students in S.Y. 2020-2021; • Additional investment in CELPI for construction of building in anticipation of increased number of students in S.Y. 2020-2021; and • Modernization of CEU Manila campus. <p>The estimated date of completion of the above projects as set by the University is within 5 years.</p>	₱210,000,000
August 28, 2020 - August 27, 2025	<p>On August 28, 2020, the University's BOD approved the detailed expansion program and projects of the University. These projects include the budget for capital expenditures and the following in the Malolos Campus:</p> <ul style="list-style-type: none"> • Planned construction of a 5-storey dormitory for the students, faculty and employees of the University; • Planned construction of a 2-storey building for the School of Dentistry; • Planned construction of a 2-storey building to house a food court with students' area in the ground floor and commercial spaces in the second floor; • Renovation of the Centrodome; • Planned construction of a multi-purpose activity center and swimming pool for use of students; and • Renovation and extension of buildings and various laboratories. <p>The estimated date of completion of the above projects as set by the University is within five years.</p>	₱336,000,000
April 29, 2022 - April 28, 2027	<p>On April 29, 2022, the University's BOD approved the expansion projects of the University. These projects include the items enumerated below:</p> <ul style="list-style-type: none"> • Continuous upgrading of laboratory equipment of all campuses in preparation for full setup of face to face modality of learning. • Construction of 8 storey building in the Manila campus • Construction of road, drainages, and primary metering in the Malolos campus • Construction of multipurpose activity center on the Malugay property for the Makati campus <p>The estimated date of completion of the above projects as set by the University is within 5 years.</p>	₱450,000,000



Date of Appropriation and Expiration	Remarks/ Projects	Amount
August 25, 2023 - May 31, 2024*	On August 25, 2023, the University's BOD approved for the upgrading and procurement of laboratory equipment such as dental chairs, precision instruments, optometry equipment and devices for School Year (S.Y.) 2023-2024.	₱125,000,000

*Appropriated retained earnings amounting to ₱125.00 million was reversed on May 31, 2024, upon expiration of the related appropriation.

On October 3, 2024, the University released in advance the appropriation made on August 28, 2020 and April 29, 2022 amounting to ₱336.00 million and ₱450.00 million, respectively, prior to their expiration dates. The construction projects for the Malolos campus are substantially complete, and the planned dormitory will no longer be pursued. Additionally, construction projects for the Malugay campus have been deferred due to a strategic shift in the University's development plans.

13. Revenue from Contracts with Customers

Set out below is the disaggregation of the University's revenue from contracts with customers:

	2025	2024	2023
Tuition fees	₱858,505,845	₱889,505,872	₱692,892,755
Other fees	908,405,646	842,882,269	666,975,331
Income from other school services	424,481,638	450,787,558	317,788,925
	₱2,191,393,129	₱2,183,175,699	₱1,677,657,011

Other fees include registration fees, health services fees, library fees, laboratory fees, development fees, practicum fees, internship fees and review fees.

Income from other school services comprise of fees for diploma and certificates, transcript of records, student handbooks, identification cards, entrance, qualifying and special examinations, laboratory materials, application fees for foreign students, uniforms and outfits, and various collections for specific items or activities.

Revenue from contracts with customers for tuition and other fees and miscellaneous fees are as follows:

	2025		2024		2023	
Timing of Recognition	Tuition fees and other school fees	Miscellaneous fees (Note 14)	Tuition fees and other school fees	Miscellaneous fees (Note 14)	Tuition fees and other school fees	Miscellaneous fees (Note 14)
Over time	₱2,120,632,528	₱-	₱2,106,825,657	₱-	₱1,599,260,926	₱-
Point in time	70,760,601	38,278,168	76,350,042	21,959,136	78,396,085	26,943,782
	₱2,191,393,129	₱38,278,168	₱2,183,175,699	₱21,959,136	₱1,677,657,011	₱26,943,782

Receivables and contract liabilities are disclosed in Notes 5 and 11, respectively.

Deferred tuition fees amounting to ₱120.15 million and ₱35.45 million as of May 31, 2025 and 2024, respectively, pertains to tuition and income from other school services to be recognized as revenue in the remaining months after the statement of financial position date or next school term.



14. Miscellaneous Income

This account consists of:

	2025	2024	2023
Dental pre-board fees	₱12,598,065	₱2,005,367	₱15,791,749
Admission and convenience fee	5,157,232	2,292,793	1,479,405
Dental materials	4,955,115	4,625,549	697,083
Locker fees	4,691,522	3,702,152	2,975,670
Photograph fees	1,823,199	1,533,237	1,404,767
Service commissions	832,628	1,750,419	111,693
Professional and continuing education	737,629	4,603,852	3,565,251
Insurance fees	456,754	435,606	395,711
Others	7,026,024	1,010,161	522,453
	₱38,278,168	₱21,959,136	₱26,943,782

Others include income from sale of promotional items, sale of scrap, penalty from students, handling fees, and swimming fee.

15. Costs and Expenses

This account consists of:

Cost of Services

	2025	2024	2023
Salaries and wages	₱527,765,681	₱471,788,870	₱428,631,257
SSS contributions and other employee benefits	309,799,216	374,055,515	367,527,931
Depreciation and amortization (Notes 9 and 18)	140,099,601	97,973,901	117,124,486
Light and water	116,896,179	91,523,523	81,449,009
Library	57,523,087	85,119,089	36,467,249
Sports and academic development	44,948,292	32,346,599	28,800,299
Rental (Note 18)	32,606,177	91,614,815	6,639,344
Expenses for co-curricular activities (Notes 7 and 20)	31,598,755	24,327,026	18,391,733
Management information	27,107,840	20,390,307	19,762,358
Retirement expense (Note 16)	25,847,752	23,708,870	25,020,078
Uniforms and outfits (Note 6)	24,008,486	47,307,873	35,991,224
Stationery and office supplies	21,113,487	20,789,013	16,045,549
Professional fees	16,666,202	15,654,283	7,617,940
Affiliation	12,827,600	8,829,606	7,157,425
Directors' and administrative committee	4,176,182	3,891,408	5,086,832
Laboratory	1,183,727	3,117,422	6,552,954
Others (Note 6)	1,680,904	1,676,877	5,278,532
	1,395,849,168	₱1,414,114,997	₱1,213,544,200



General and Administrative Expenses

	2025	2024	2023
Repairs and maintenance	₱57,394,241	₱55,068,297	₱31,509,289
Janitorial and security services	57,048,455	51,010,096	39,533,080
Provision for ECL (Note 5)	23,948,218	40,706,373	16,747,859
Taxes and licenses (Note 27)	19,828,896	22,167,924	31,001,051
Clinical experience	15,334,379	13,193,708	5,911,000
Transportation and communications	13,346,360	19,070,163	33,462,239
Advertisement	8,439,138	6,933,793	4,342,937
Insurance	4,592,265	3,290,482	3,145,056
Entertainment, amusement, and recreation	1,495,147	2,221,030	18,734,138
Membership fees and dues	1,303,751	1,366,699	1,418,965
Others	13,809,040	8,908,130	25,235
	₱216,539,890	₱223,936,695	₱185,830,849

Others mainly consists of expenses incurred for other school expense and donations made by the University for funeral and calamity assistance, among others.

16. Retirement Plan

The University has a funded, non-contributory defined benefit retirement plan which provides for death, disability and retirement benefits for all of its permanent employees. The annual contributions to the retirement plan consist of a payment covering the current service cost plus payments toward funding the unfunded actuarial liabilities. Benefits are based on the employees' years of service and final plan salary.

The fund is administered by two trustee banks under the supervision of the Board of Trustees (BOT) of the plan. The BOT is responsible for the investment strategy of the plan.

In 2015 and 2024, the University approved a new collective bargaining agreement with its employees with changes in the increments on employee retirement benefits.

The tables below summarize the components of retirement benefits expense recognized in the statements of income and the funded status and amounts recognized in the statements of financial position for the retirement plan.

a. Retirement benefits expense recognized in the statements of income follows:

	2025	2024
Current service cost	₱16,483,121	₱14,384,203
Net interest cost	9,364,631	9,324,667
Retirement benefits expense (Note 15)	₱25,847,752	₱23,708,870



- b. Movements in net retirement liability (asset) recognized in the statements of financial position follows:

	2025	2024
Balance at beginning of year	₱155,043,549	₱161,309,352
Retirement benefits expense (Note 15)	25,847,752	23,708,870
Actual contributions	(30,000,000)	(30,000,000)
Remeasurement losses (gains) recognized in OCI (gross of deferred income tax impact)	(25,471,565)	25,327
Balance at end of year	₱125,419,736	₱155,043,549

- c. Retirement benefits liability recognized in the statements of financial position follows:

	2025	2024
Present value of defined benefit obligation	₱392,291,865	₱363,997,144
Fair value of net plan assets	(266,872,129)	(208,953,595)
Retirement benefits liability	₱125,419,736	₱155,043,549

- d. Changes in the present value of defined benefit obligation follows:

	2025	2024
Balance at beginning of year	₱363,997,144	₱337,076,674
Current service cost	16,483,121	14,384,203
Interest cost	22,394,343	20,507,655
Benefits paid	(40,106,333)	(30,277,664)
Remeasurements on actuarial losses (gains) from changes in:		
financial assumptions	8,251,447	(4,606,218)
experience adjustments	21,272,143	26,912,494
Balance at end of year	₱392,291,865	₱363,997,144

- e. Changes in the fair value of plan assets follows:

	2025	2024
Balance at beginning of year	₱208,953,595	₱175,767,322
Actual contributions	30,000,000	30,000,000
Interest income	13,029,712	11,182,988
Gains on returns excluding amount recognized in net interest cost	54,995,155	22,280,949
Benefits paid	(40,106,333)	(30,277,664)
Balance at end of year	₱266,872,129	₱208,953,595

The number of plan members as at May 31, 2025 and 2024 is 655 and 644 respectively.

Actual return on plan assets for the years ended May 31, 2025 and 2024 amounted to ₱68.02 million and ₱33.46 million, respectively.



The fair value of plan assets as at May 31, 2025 and 2024 follows:

	2025	2024
Long-term investments:		
Equity securities	₱146,248,815	₱93,880,499
Debt securities	93,772,477	83,015,101
Cash and cash equivalents	25,910,423	31,204,986
Loans and receivable	1,281,247	955,867
Other assets	60,317	47,695
	267,273,279	209,104,148
Liabilities	(401,150)	(150,553)
	₱266,872,129	₱208,953,595

All plan assets do not have quoted prices in an active market except, for equity and debt securities. Cash and cash equivalents are with reputable financial institutions and are deemed to be standard grade.

The plan assets pertain to diversified investments and are not exposed to concentration risk.

The overall investment policy and strategy of the University's defined benefit retirement plan is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay retirement benefits as they fall due while also mitigating the various risks of the retirement plan.

The University expects to contribute ₱37.49 million to the defined benefit retirement plan in fiscal year 2025-2026.

The latest actuarial valuation of the plan is as of May 31, 2025. The cost of defined benefit retirement plan, as well as the present value of defined benefit obligation, is determined using actuarial valuation. The actuarial valuation involves making various assumptions.

The principal assumptions used in determining pension for the defined benefit retirement plan are shown below:

	2025	2024
Discount rates	6.41%	6.77%
Future salary increases	3.00%	3.00%
Mortality rate	2017 Philippine Intercompany Mortality	2017 Philippine Intercompany Mortality
Average expected future years of service	11	11
Turnover rate	A scale ranging from 12% at age 18 to 0% at age 65	A scale ranging from 12% at age 18 to 0% at age 65



The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the reporting date, assuming all other assumptions were held constant:

		Increase (Decrease) in Defined Benefit Obligation	
		May 31, 2025	May 31, 2024
Discount rates	+1.00%	(P21,794,347)	(P18,883,189)
	-1.00%	24,369,491	21,277,417
Future salary increases	+1.00%	P26,981,794	P24,507,374
	-1.00%	(24,479,484)	(22,234,967)

The methods and types of assumptions used in preparing the sensitivity analysis did not change as at May 31, 2025.

Shown below is the maturity analysis of the undiscounted benefit payments:

	2025	2024
Less than 1 year	P60,416,857	P52,994,548
More than 1 year to 5 years	174,095,845	163,934,011
More than 5 years to 10 years	259,711,695	236,424,227
More than 10 years to 15 years	169,723,422	165,572,258
More than 15 years to 20 years	94,658,116	87,574,904
More than 20 years	259,064,697	237,292,317

17. Income Taxes

All domestic subsidiaries qualifying as private educational institutions are subject to tax under Republic Act No. 8424, *An Act Amending the National Internal Revenue Code, as amended, and For Other Purposes*, which was passed into law effective January 1, 1998. Title II Chapter IV - Tax on Corporation - Sec 27(B) of the said Act defines and provides that: a “Proprietary Educational Institution” is any private school maintained and administered by private individuals or groups with an issued permit to operate from Department of Education (DepEd), or CHED, or Technical Education and Skills Development Authority (TESDA), as the case may be, in accordance with the existing laws and regulations and shall pay a tax of 10.00% on its taxable income.

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

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

- Preferential income tax rate for proprietary educational institutions and Schools which are nonprofit is reduced from 10% to 1% effective July 1, 2020 to June 30, 2023.
- Beginning July 1, 2023, the preferential income tax rate for proprietary educational institutions and Schools which are nonprofit is 10%.



The provision for (benefit from) income tax consists of:

	2025	2024	2023
Current	₱76,591,612	₱71,809,555	₱2,916,203
Deferred	(18,605,835)	(19,881,528)	(447,064)
	₱57,985,777	₱51,928,027	₱2,469,139

The reconciliation of income before tax computed at statutory income tax rate to benefit from income tax in the parent company statements of income is shown below:

	2025	2024	2023
Statutory provision for income tax at 10% in 2025 and 2024 and 1% in 2023	₱74,094,945	₱65,231,139	₱3,620,040
Effect of using different tax rate and others		(12,389,432)	(769,768)
Tax effects of:			
Non-deductible expenses	11,604,468	7,194,069	125,907
Dividend exempt from income tax	(6,419,186)	(5,639,338)	(395,269)
Interest income subjected to final tax	(5,235,773)	(2,468,411)	(111,771)
Other adjustments	(16,058,677)	—	—
Effective provision for income tax	₱57,985,777	₱51,928,027	₱2,469,139

The components of the University's net deferred tax liabilities follow:

	2025	2024
Deferred tax liabilities on:		
Revaluation gain on land	₱455,760,965	₱455,760,965
Undepreciated cost of property and equipment	141,337,345	147,852,379
Unrealized foreign currency exchange gain	59,830	370,392
Cost to fulfill a contract	61,895	57,253
	597,220,035	604,040,989
Deferred tax assets on:		
Retirement liability*	12,541,971	18,544,296
Accrued expenses	24,345,585	27,793,169
Allowance for ECL	13,303,502	9,408,681
Advance collection on tuition fee not yet recognized as income during the fiscal year	12,015,411	—
Unamortized excess of contribution over the normal cost	7,093,823	6,468,672
Nonrefundable contract liabilities	2,475,345	541,716
Difference between the actual lease payments and PFRS 16 related accounts	1,704,771	1,486,150
	73,480,408	64,242,684
Net deferred tax liabilities	₱523,739,627	₱539,798,305

* Net of deferred income tax asset from Other Comprehensive Income amounting to ₱2,547,157 million and 2,533 as at May 31, 2025 and 2024, respectively.

As allowed under RA8424, being a private educational institution, the University claims the tax deductions of capital expenditures for tax purposes in the year incurred. The University recognized deferred tax liability on the undepreciated cost of property and equipment which pertains to the remaining cost of property and equipment not yet depreciated but was already recognized as tax deduction.



18. Leases

University as Lessor

The University leases out portions of its spaces to third party and related party concessioners which are renewable every two years. Total rental income recognized amounted to ₱13.58 million, ₱12.73 million and ₱10.95 million for the year ended May 31, 2025, 2024 and 2023, respectively (see Note 20).

As lessor, future minimum rentals under operating leases as at May 31, 2025 and 2024 are shown below:

	2025	2024
Within 1 year	₱11,493,481	₱11,145,422
After 1 year but not more than 5 years	9,278,827	16,990,934
More than 5 years	–	1,085,027
	₱20,772,308	₱29,221,383

Accrued rental payments not yet billed as of May 31, 2025 and 2024 amounted to ₱7.47 million and ₱7.36 million, respectively (see Note 5).

University as Lessee

On July 29, 2004, the University entered into a 25-year operating lease, which commenced on January 1, 2005, with Philtrust Bank for the lease of its land in Makati. The contract requires for ₱24.00 million fixed annual rentals plus 40.00% of the annual net income before tax of the University's Makati-Buendia campus (variable rent).

The University recognized right-of-use asset for their lease of land. The rollforward analysis of the account in 2025 and 2024 is shown below:

	2025	2024
Cost		
Balances at beginning and end of year	₱205,121,481	₱205,121,481
Accumulated Amortization		
Balances at beginning of year	90,195,261	72,738,114
Amortization (Note 15)	17,457,147	17,457,147
Balances at end of year	107,652,408	90,195,261
Net Book Value	₱97,469,073	₱114,926,220

The rollforward analysis of lease liability follows:

	2025	2024
Balances at beginning of year	₱131,452,783	₱147,451,415
Interest expense	7,064,001	8,001,368
Lease payments	(24,000,000)	(24,000,000)
Balances at end of year	₱114,516,784	₱131,452,783
Lease liability - current	₱17,928,286	₱15,414,233
Lease liability - non-current	96,588,498	116,038,550
	₱114,516,784	₱131,452,783



The following are the amounts recognized in the parent company statements of income:

	2025	2024	2023
Amortization expense of right-of-use asset (Note 15)	₱17,457,147	₱17,457,147	₱17,457,148
Interest expense on lease liability	7,064,001	8,001,368	8,886,853
Expenses relating to variable rent (included in cost and expenses)	32,606,177	91,034,065	6,699,344
Total amount recognized in parent company statements of income	₱57,127,325	₱116,492,580	₱33,043,345

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

	2025	2024
Within one year	₱24,000,000	₱24,000,000
After 1 year but not more than 5 years	96,000,000	96,000,000
More than 5 years	14,000,000	38,000,000
	₱134,000,000	₱158,000,000



19. Segment Reporting

The University operates in geographical segments. Financial information on the operations of these segments are summarized as follows:

As at and for the year ended May 31, 2025						
	Mendiola	Malolos	Makati-Buendia	Makati-Legaspi	Adjustments	Total
Segment assets	P6,062,460,395	P1,590,105,802	P172,949,643	P725,448,729	P–	P8,550,964,569
Segment liabilities	654,272,825	140,105,278	160,832,055	24,509,720	1,442,795,668	2,422,515,546
Capital expenditures	95,185,443	30,146,806	15,633,214	3,963,349	–	144,928,812
Segment revenues	1,677,471,198	282,653,663	227,022,910	173,255,628	–	2,360,403,399
Expenses	1,207,659,715	164,101,875	181,695,349	65,997,009	–	1,619,453,948
Depreciation and amortization expense	95,973,056	8,743,875	25,209,986	10,172,684	–	140,099,601
Net income (loss)	469,811,483	118,551,788	45,327,561	107,258,619	(57,985,777)	682,963,674
As at and for the year ended May 31, 2024						
	Mendiola	Malolos	Makati-Buendia	Makati-Legaspi	Adjustments	Total
Segment assets	P5,976,000,652	P1,501,839,116	P119,578,213	P650,016,239	P–	P8,247,434,220
Segment liabilities	759,006,047	92,243,967	59,347,954	5,306,501	1,283,293,550	2,199,198,019
Capital expenditures	71,246,675	39,758,383	11,593,270	–	–	122,598,328
Segment revenues	1,498,629,369	268,443,267	253,592,572	253,592,572	–	2,274,257,780
Expenses	890,924,018	261,336,576	174,020,434	311,770,664	–	1,638,051,692
Depreciation and amortization expense	37,258,016	18,830,549	24,692,620	17,192,716	–	97,973,901
Net income (loss)	461,435,514	55,714,186	54,842,078	80,319,610	(51,928,027)	600,383,361
As at and for the year ended May 31, 2023						
	Mendiola	Malolos	Makati-Buendia	Makati-Legaspi	Adjustments	Total
Segment assets	P4,943,761,389	P1,442,900,513	P250,520,964	P658,571,180	P–	P7,295,754,046
Segment liabilities	807,894,619	36,884,194	215,103,216	13,236,000	990,413,070	2,063,531,099
Capital expenditures	63,628,499	869,444	466,471	50,706,055	–	115,670,469
Segment revenues	1,246,975,398	195,724,839	245,677,866	81,888,383	–	1,770,266,486
Expenses	948,648,761	175,813,782	228,557,556	55,242,368	–	1,408,262,467
Depreciation and amortization expense	75,461,681	14,592,473	21,524,096	5,546,236	–	117,124,486
Net income (loss)	298,326,637	19,911,057	17,120,310	26,646,015	(2,469,139)	359,534,880

For the years ended May 31, 2025, 2024 and 2023, there were no intersegment revenues and all revenues are made to external customers.



Segment liabilities for each segment do not include the following:

	2025	2024	2023
Deferred tax liabilities - net	₱523,739,627	₱539,798,305	₱486,067,203
Retirement liability	125,419,736	155,043,549	161,309,352
Dividends payable	793,636,305	588,451,696	343,036,515
	₱1,442,795,668	₱1,283,293,550	₱990,413,070

Net income for each segment does not include “Provision for income tax” amounting to ₱71.13 million, ₱51.93 million and ₱2.47 million for the year ended May 31, 2025, 2024 and 2023, respectively.

20. Related Party Transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions; and the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Affiliates are entities that are subject to common control.

Significant transactions with related parties include the following:

Category	As at and for the year ended May 31, 2025		
	Amount/Volume	Outstanding Balance	Terms and Conditions/Nature
Subsidiaries			
<i>CELPI</i>			
Accounts payable (Note 11)	₱1,353,619	₱17,308,725	Payment for the VAT on purchase of CELPI; non-interest-bearing; payable on demand
<i>CE-IS</i>			
Accounts payable (Note 11)	415,562	6,845,304	Cash collection of student deposits for Senior High School Program of CE-IS; non-interest-bearing; payable on demand
Advances to CE-IS (Note 5)	41,379	41,379	Expenses incurred by CE-IS; non-interest-bearing; payable on demand; not impaired
<i>The Hospital</i>			
Advances to Hospital (Note 5)	–	3,585,803	Expenses incurred by Hospital; non-interest-bearing; payable on demand; not impaired
Accounts payable (Note 11)	266,052	–	Consideration for the purchase of hospital supplies and payment of salaries non-interest-bearing; payable in 3 years
Affiliates			
<i>PhilTrust Bank</i>			
Cash (Note 4)	71,885,598	182,846,051	Savings deposit with interest rate ranging from 0.50% to 0.375%
Interest income	417,163	–	
Short-term deposits (Note 4)	178,993,361	1,075,303,425	Money market placements ; varying periods up to three months, interest of such ranges from 0.44% to 5.5%
Interest income	39,078,990	–	
Rent (Note 18)	₱54,696,727	₱30,696,727	Rent of building in Makati unsecured and non-interest bearing
<i>(Forward)</i>			



Category	As at and for the year ended May 31, 2025		
	Amount/Volume	Outstanding Balance	Terms and Conditions/Nature
<i>TH Coffee Services Philippine Corp.</i>			
Rent Income (Note 18)	₱2,043,140	₱2,513,251	Rental of commercial space; payable the following month, unsecured and non-interest bearing
<i>Manila Hotel</i>			
Expenses for co-curricular activities	1,450,845	–	Rental of room and facilities for commencement exercises
<i>Karate Kid Japanese Fast food</i>			
Rent Income (Note 18)	524,250	13,500	Rental of commercial space; payable the following month, unsecured and non-interest bearing
<i>Manila Bulletin Publishing Corporation</i>			
Advertising, recruitment and placement (Note 15)	2,198,847	–	Advertising services, terms vary as to type and frequency of advertisements, unsecured and non-interest bearing
Category	As at and for the year ended May 31, 2024		
	Amount/Volume	Outstanding Balance	Terms and Conditions/Nature
Subsidiaries			
<i>CELPI</i>			
Accounts payable (Note 11)	₱95,445,071	₱15,955,106	Payment for the VAT on purchase of CELPI; non-interest-bearing; payable on demand
Advances to CELPI (Note 5)	88,578,387	–	Expenses incurred by CELPI; non-interest-bearing; payable on demand
<i>CE-IS</i>			
Accounts payable (Note 11)	737,830	6,429,742	Cash collection of student deposits for Senior High School Program of CE-IS; non-interest-bearing; payable on demand
Advances to CE-IS (Note 5)	155,317	–	Expenses incurred by CE-IS; non-interest-bearing; payable on demand; not impaired
<i>The Hospital</i>			
Advances to Hospital (Note 5)	532,820	3,319,751	Expenses incurred by Hospital; non-interest-bearing; payable on demand; not impaired
Accounts payable (Note 11)	15,190	–	Consideration for the purchase of hospital supplies and payment of salaries non-interest-bearing; payable in 3 years
Affiliates			
<i>PhilTrust Bank</i>			
Cash (Note 4)	3,989,774	110,975,454	Savings deposit with interest rate ranging from 0.50% to 0.375%
Interest income	228,383		
Short-term deposits (Note 4)	205,584,345	419,042,549	Money market placements ; varying periods up to three months, interest of such ranges from 0.44% to 5.5%
Interest income	22,424,467		
Rent (Note 18)	30,639,344	16,482,698	Rent of building in Makati unsecured and non-interest bearing

(Forward)



Category	As at and for the year ended May 31, 2024		
	Amount/Volume	Outstanding Balance	Terms and Conditions/Nature
<i>TH Coffee Services Philippine Corp.</i>			
Rent Income (Note 18)	₱71,429	₱45,000	Rental of commercial space; payable the following month, unsecured and non-interest bearing
<i>Manila Hotel</i>			
Expenses for co-curricular activities	1,588,344	–	Rental of room and facilities for commencement exercises
<i>Karate Kid Japanese Fast food</i>			
Rent Income (Note 18)	524,250	–	Rental of commercial space; payable the following month, unsecured and non-interest bearing
<i>Manila Bulletin Publishing Corporation</i>			
Advertising, recruitment and placement (Note 15)	5,419,535	–	Advertising services, terms vary as to type and frequency of advertisements, unsecured and non-interest bearing

Generally, related party transactions are settled in cash.

Transactions with Retirement Plan

Under PFRS Accounting Standards, certain post-employment benefit plans are considered as related parties. The University's retirement plan is in the form of a trust administered by two trustee banks. Transactions with the retirement fund for 2025 and 2024 are shown in Note 16.

As at May 31, 2025 and 2024, the retirement fund has 9,686,759 and 8,072,299 shares, respectively, or 2.16% interest in the University, with a fair value of ₱139.68 million and ₱88.80 million, respectively. The total unrealized gain (loss) from these investments amounted to ₱65.87 million and ₱14.99 million as of May 31, 2025 and 2024, respectively.

No limitations and restrictions are provided and voting rights over these shares are exercised by a trust officer.

There are no other transactions by the University or its related parties with the retirement fund for the year ended May 31 2025, and 2024.

Remuneration of Key Management Personnel

The University's key management personnel include all management committee officers. The summary of compensation of key management personnel follows:

	2025	2024	2023
Short-term employee salaries and benefits	₱13,353,456	₱14,295,348	₱13,165,753
Post-employment benefits	17,707,421	13,296,060	4,710,411
	₱31,060,877	₱27,591,408	₱17,876,164

There are no agreements between the University and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled under the University's retirement plan.



Approval Requirements and Limits on the Amount and Extent of Related Party Transactions

The Board of Directors shall approve all material related party transactions before their commencement. Material related party transactions shall be identified taking into account the related party registry. Transactions amounting to ten percent (10%) or more of the total assets of the

University that were entered into with an unrelated party that subsequently becomes a related party may be excluded from the limits and approval process requirement.

21. Notes to Parent Company Statements of Cash Flows

Non-cash investing activities pertain to the following:

a. Retirement of assets

For the years ended May 31, 2025, 2024 and 2023, the University retired certain properties with aggregate cost of ₱24.38 million, ₱23.09 million and ₱13.01, respectively. Loss on retirement of these properties amounted to ₱889 million, ₱0.66 million and ₱565 for the years ended May 31, 2025, 2024 and 2023, respectively. There were no proceeds from sale of property and equipment for the year ended May 31, 2025, 2024 and 2023.

b. Stock dividends

On October 3, 2024 and October 25, 2024, the BOD and Stockholders, respectively, approved the issuance of 20.00% stock dividends, equivalent to 74,482,880 shares, at a market value of ₱13.30 per share, amounting to ₱990.62 million. Subsequently, on January 28, 2025 and March 7, 2025, the BOD and Stockholders, respectively, approved the additional distribution of 43 common shares at par value of ₱1.00 per share.

c. Reclassification of assets

For the year ended May 31, 2025, the University reclassified construction in progress (recorded under “Property and equipment”) to software (recorded under “Other non-current assets”), with cost of ₱13.52 million.

d. Additional investment in CE-IS

In September 2022, the University purchased additional 1.80% ownership interest in CE-IS using the advances to CE-IS stockholders amounting to ₱0.25 million.

22. Fair Value Measurement

The University uses a hierarchy for determining and disclosing the fair value of its assets and liabilities (see accounting policy on Fair Value Measurement).



The tables below summarize the carrying amounts and the fair values of the University's financial and non-financial assets as at May 31.

	2025			
	Fair Value Measurement Using			
	Carrying Value	Quoted Prices in Active Markets (Level 1)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets measured at fair value:				
Financial assets:				
Financial assets at FVOCI	₱87,550	₱87,550	₱—	₱87,550
Non-financial assets:				
Land classified as Property and equipment under revaluation model	5,094,787,432	—	5,094,787,432	5,094,787,432
	₱5,094,874,982	₱87,550	₱5,094,787,432	₱5,094,874,982

	2024			
		Fair Value Measurement Using		
		Quoted Prices in Active Markets (Level 1)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Carrying Value				
Assets measured at fair value:				
Financial assets:				
Financial assets at FVOCI	₱106,560	₱106,560	₱–	₱106,560
Non-financial assets:				
Land classified as Property and equipment under revaluation model	5,094,787,432	–	5,094,787,432	5,094,787,432
	₱5,094,893,992	₱106,560	₱5,094,787,432	₱5,094,893,992

The methods and assumptions used by the University in estimating the fair value of the financial and non-financial assets and liabilities are as follows:

Cash and cash equivalents, tuition and other receivables, accounts payable and other current liabilities (excluding contract liabilities and statutory obligations), dividends payable
Fair values approximate carrying amounts given the short-term nature of these accounts.

Quoted equity securities classified as investments at FVOCI
Fair value is based on quoted prices.

Property and equipment

The tables below summarize the valuation techniques and the significant unobservable inputs used in the valuation of land recorded as property and equipment.

	Valuation Techniques	Significant Unobservable Inputs	Range (Weighted Average)
Land	Sales Comparison Approach/Market Approach	<i>Internal factors:</i>	
		Location	+10.00% to -20.00%
		Improvements	+0.00% to -20.00%
		Elevation	+0.00% to +20.00%
		Corner Influence	+0.00% to +5.00%
		Use	-20.00% to +20.00%
		Development	+10.00% to +20.00%
		Size	-20.00% to +20.00%
		Time Element	+0.00%



The range of the prices per square meter used in the valuation is shown below:

	Valuation techniques	Location	Range (Weighted Average)
Land	Sales Comparison Approach/Market Approach	<i>Comparable analysis:</i>	
		<i>External factor (net price)</i>	
		Manila - Site 1 and 2	₱110,465 to ₱142,500 per sqm
		Makati - Malugay	₱409,500 to ₱440,426 per sqm
		Makati - Legaspi	₱380,000 to ₱464,894 per sqm
		Malolos, Bulacan	₱13,500 to ₱18,000 per sqm
		Las Piñas	₱35,100 to ₱45,000 per sqm

The description of the valuation technique and inputs used in valuation of the University's land follows:

Market Data Approach	A comparable method where the value of the property is based on sales and listings of comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as basis of comparison are situated within the immediate vicinity of the subject property. Comparison would be premised on the factors of location, size and shape of the lot, and time element.
Location	For a tract of land designated for a purpose or site occupied or available for occupancy, one of the key factors in land valuation is the location or area of preference.
Improvements and developments	Renovations in the land including the construction of building and installation of machineries and equipment should not be included in the valuation.
Road Frontage	Enhancement in usefulness accrues to those lots located or near street corners especially in retail business districts.
Use	Includes considerations factored in such as zoning, water and riparian rights, environmental issues, building codes and flood zones.
Size	Physical magnitude, extent or bulk, relative or proportionate dimensions. The value of the lot varies in accordance to the size of the lots. Basic rule of thumb is the bigger the lot size the lower the value, the smaller the lot size the higher the value.
Time Element	The measured or measurable period during action or condition exist. It is usually associated with the period in which the property can be sold in an open market within reasonable time.

Sensitivity analyses to the significant changes in unobservable inputs are shown below:

- Significant increases (decreases) in the price (per sqm) would result in a significantly higher (lower) fair value measurement.
- Significant factor in the location of the property (e.g., closer to a main road or secondary road) would result in a significantly higher (lower) fair value measurement
- Significant improvements and developments (deterioration) in the location would result in a significantly higher (lower) fair value measurement.
- Significant increases (decreases) in the influence of the corners of the property would result in a significantly higher (lower) fair value measurement.
- Significant increases (decreases) in the use of the property would result in a significantly lower (higher) fair value measurement.



- Significant increases (decreases) in the size of the property would result in a significantly lower (higher) fair value (per sqm) measurement.
- Significant increases (decreases) in the period in which the property can be sold in an open market would result in a significantly lower (higher) fair value measurement.

The appraiser considers the highest and best use of the asset which takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

23. Financial Risk Management Objectives and Policies

The University's principal financial instruments comprise of cash and cash equivalents. The main purpose of these financial instruments is to fund the University's operations and capital expenditures. The University has various other financial instruments such as tuition and other receivables, accounts payable and other current liabilities excluding statutory payables and dividends payable that arise directly from operations.

The main risk arising from the University's financial instruments are credit risk, liquidity risk and foreign currency risk.

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 University's risk management policy to mitigate credit risk on its receivables from students include the refusal of the University to release pertinent records like examination permit, transcript of records and transfer credentials, if applicable, until the student's account is cleared/paid. As at reporting date, there are no significant concentrations of credit risk.

As at May 31, 2025 and 2024, the analysis of financial assets follows:

	2025			
	Neither Past Due nor Impaired	Past Due	ECL	Net of ECL
Financial assets at amortized cost				
Cash and cash equivalents*	₱913,938,016	₱—	₱—	₱913,938,016
Short-term investments	470,724,984	—	—	470,724,984
Tuition and other receivables:				
Tuition fee receivables	—	347,271,819	(127,852,629)	219,419,190
Advances to employees	15,144,912	5,182,396	(5,182,396)	15,144,912
Accrued rent receivable	7,471,565	—	—	7,471,565
Advances to subsidiaries	3,627,181	—	—	3,627,181
Accrued interest receivable	2,718,868	—	—	2,718,868
Advances to CE-IS's stockholders	500,000	—	—	500,000
Refundable deposit	636,864	—	—	636,864
	₱1,414,762,390	₱352,454,215	(₱133,035,025)	₱1,634,181,580

*Excluding cash on hand.



	2024			
	Neither Past Due nor Impaired	Past Due	ECL	Net of ECL
Financial assets at amortized cost				
Cash and cash equivalents*	₱614,411,991	₱—	₱—	₱614,411,991
Short-term investments	450,000,000	—	—	450,000,000
Tuition and other receivables:				
Tuition fee receivables	—	349,458,289	(103,904,411)	245,553,878
Advances to subsidiaries	3,319,751	—	—	3,319,751
Advances to employees	19,351,993	5,182,396	(5,182,396)	19,351,993
Accrued rent receivable	7,357,103	—	—	7,357,103
Accrued interest receivable	178,141	—	—	178,141
Advances to CE-IS's stockholders	500,000	—	—	500,000
Refundable deposit	636,864	—	—	636,864
	₱1,095,755,843	₱344,640,685	(₱109,086,807)	₱1,341,309,721

*Excluding cash on hand.

The University's neither past due nor impaired receivables are high grade receivables which, based on experience, are highly collectible.

The age of the entire University's past due but not impaired tuition fee receivables is disclosed in Note 5.

Tuition fee receivables

The University uses a provision matrix to calculate ECL for tuition fee receivables. The provision rates are determined based on the University's historical observed default rates analyzed in accordance to days past due by grouping of customers based on customer type. The University adjusts historical default rates to forward-looking default rate by determining the closely related economic factors affecting each customer segment. At each reporting date, the observed historical default rates are updated and changes in the forward-looking estimates are analyzed.

Set out below is the information about the credit risk exposure on the University's tuition fee receivables using a provision matrix:

	May 31, 2025				
	Days Past Due				
	Current	< 1 quarter	1 to less 3 quarters	Over 3 quarters	Total
Estimated tuition fee receivable at default	₱—	₱218,769,531	₱26,407,182	₱102,095,106	₱347,371,819
Expected credit losses	₱—	₱19,373,007	₱10,383,154	₱98,096,468	₱127,852,629

	May 31, 2024				
	Days Past Due				
	Current	< 1 quarter	1 to less 3 quarters	Over 3 quarters	Total
Estimated tuition fee receivable at default	₱—	₱243,938,698	₱25,385,049	₱80,134,541	₱349,458,288
Expected credit losses	₱—	₱18,597,157	₱7,580,316	₱77,726,938	₱103,904,411

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial assets and liabilities. Liquidity risk may result from a counterparty failing on repayment of a contractual obligation or inability to generate cash inflows as anticipated.

The University seeks to manage its liquidity risk to be able to meet its operating cash flow requirements, finance capital expenditures and maturing debts. As an inherent part of its liquidity risk management, the University regularly evaluates its projected and actual cash flows. To cover its short-term and long-term funding requirements, the University intends to use internally generated funds and external financing, if needed. The University maintains a diversified funding strategy that



includes access to various sources of financing, such as bank loans, credit facilities, and capital markets. This diversification helps ensure that the University can secure funding even in adverse market conditions.

The maturity profile of the University's financial assets and liabilities as at May 31, 2025 and 2024 based on contractual undiscounted payments follows:

	2025				
	On Demand	Less than 3 Months	3 to 12 Months	Over 1 Year	Total
Cash on hand	₱235,780	₱–	₱–	₱–	₱235,780
Financial assets:					
Cash in banks and cash equivalents	307,201,870	606,736,146	–	–	913,938,016
Short-term investments	–	–	470,724,984	–	470,724,984
Tuition fee and other receivables:					
Tuition fee receivable	–	219,419,190	–	–	219,419,190
Advances to subsidiaries	3,627,181	–	–	–	3,627,181
Advances to employees	15,144,912	–	–	–	15,144,912
Accrued rent receivable	7,471,565	–	–	–	7,471,565
Accrued interest receivable	–	2,718,868	–	–	2,718,868
Advances to CE-IS's stockholders	500,000	–	–	–	500,000
Refundable security deposits	–	–	–	636,864	636,864
Financial assets at FVOCI	–	–	–	87,552	87,552
	334,181,308	828,874,204	470,724,984	724,416	1,634,504,912
Financial liabilities:					
Accounts payable and accrued expenses:					
Accounts payable*	357,619,245	–	–	–	357,619,245
Accrued expenses	45,762,165	197,693,658	–	–	243,455,823
Payable to students	34,931,619	–	–	–	34,931,619
Contract liabilities	12,689,018	–	–	–	12,689,018
Deposits	11,609,814	–	–	–	11,609,814
Alumni fees payable	2,435,520	–	–	–	2,435,520
Lease liability	–	6,000,000	18,000,000	110,000,000	134,000,000
Dividends payable	793,636,305	–	–	–	793,636,305
	1,258,683,686	203,693,658	18,000,000	110,000,000	1,590,377,344
Net undiscounted financial assets (liabilities)	(₱924,502,378)	₱625,180,546	₱452,724,984	(₱109,275,584)	₱44,127,568

*Excluding statutory payables of ₱44,882,300.

**Including interest to maturity amounting to ₱19,483,216

	2024				
	On Demand	Less than 3 Months	3 to 12 Months	Over 1 Year	Total
Cash on hand	₱296,500	₱–	₱–	₱–	₱296,500
Financial assets:					
Cash in banks and cash equivalents	186,669,205	427,742,786	–	–	614,411,991
Short-term investments	–	–	450,000,000	–	450,000,000
Tuition fee and other receivables:					
Tuition fee receivable	–	245,553,878	–	–	245,553,878
Advances to subsidiaries	3,319,751	–	–	–	3,319,751
Advances to employees	19,351,993	–	–	–	19,351,993
Accrued rent receivable	7,357,103	–	–	–	7,357,103
Accrued interest receivable	–	178,141	–	–	178,141
Advances to CE-IS's stockholders	500,000	–	–	–	500,000
Refundable security deposits	–	–	–	636,864	636,864
Financial assets at FVOCI	–	–	–	106,560	106,560
	217,494,552	673,474,805	450,000,000	743,424	1,341,712,781
Financial liabilities:					
Accounts payable and accrued expenses:					
Accounts payable*	327,395,091	–	–	–	327,395,091
Accrued expenses	139,006,883	161,460,070	–	–	300,466,953
Payable to students	38,603,759	–	–	–	38,603,759
Contract liabilities	16,393,915	–	–	–	16,393,915
Deposits	11,009,920	–	–	–	11,009,920
Alumni fees payable	2,693,089	–	–	–	2,693,089
Lease liability**	–	6,000,000	18,000,000	134,000,000	158,000,000
Dividends payable	588,451,696	–	–	–	588,451,696
	1,123,554,353	167,460,070	18,000,000	134,000,000	1,443,014,423
Net undiscounted financial assets (liabilities)	(₱906,059,801)	506,014,735	432,000,000	(₱133,256,576)	(₱101,301,642)

*Excluding statutory payables of ₱15,936,582

**Including interest to maturity amounting to ₱26,547,217



The University relies on internally-generated cash to fund its working capital needs, capital expenditures and cash dividends. The University will continuously assess its overhead costs to determine opportunities to decrease them. As laid down in the University's strategic plan, the University is committed to attain its goal on sound financial position by accomplishing the objectives to implement cost saving measures, increase income of existing revenue generating programs and activities and expand revenue generating activities.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The University's principal transactions are carried out in Peso and its exposure to foreign currency risk arises from cash in banks and short-term investments that are denominated in US dollar (\$ or USD).

To mitigate the University's exposure to foreign currency risk related to foreign currency-denominated accounts, management keeps the amount of these assets at a low level.

The following table shows the foreign currency-denominated accounts of the University as at May 31, 2025, and 2024 in USD:

	2025	2024
Cash in banks	\$55,128	\$20,391
Short-term investments	119,643	119,080
	\$174,771	\$139,471

In translating the foreign currency-denominated accounts to Peso amounts, the exchange rate used was ₱55.78 to \$1.00 and ₱58.62 to \$1.00 as at May 31, 2025 and 2024, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the Peso/USD exchange rate, with all other variables held constant, of the University's net income before tax. There is no impact on the University's equity.

	2025		2024	
Percentage change in exchange rate	4.84%	(4.84%)	4.40%	(4.40%)
Effect on net income before tax	\$471,838	(\$471,838)	\$359,375	(\$359,375)

Interest Rate Risk

The University's exposure to market risk for changes in interest rates is not significant to the parent company financial statements. The financial instruments of the University are either non-interest-bearing or has minimal interest rate exposure due to the short-term nature of the account (for example, cash equivalents).

Capital Management

The primary objective of the University's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value.

The University manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the University may adjust dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made to the objectives, policies or processes during the years ended May 31, 2025 and 2024.



The University monitors capital using a debt-to-equity ratio which is debt divided by total equity. Debt includes accounts payable and other current liabilities and lease liability.

The following table shows how the University computes for its debt-to-equity ratio as at May 31, 2025, and 2024:

	2025	2024
Accounts payable and other current liabilities (Note 11)	₱714,606,865	₱712,499,309
Lease liability (Note 18)	114,516,784	131,452,782
Total debt (a)	829,123,649	843,952,091
Total equity (b)	6,127,287,814	6,048,236,180
Debt-to-equity ratio (a)/(b)	₱0.14:1	₱0.14:1

As of May 31, 2025, and 2024, the University was able to meet its capital management objectives and was successful in achieving its capital management policies.

24. Provision

The University has several pending claims and assessments, the expected ultimate outcome of which is based on management's judgment in consultation with its legal counsel. Disclosure of additional details beyond the present disclosures may seriously prejudice the Group's position. Thus, as allowed by PAS 37, only general disclosures were provided.

Outstanding provision for losses for disputed claims and assessments amounted to ₱6.98 million as at May 31, 2024, presented under "Accounts payable and other current liabilities" account (see Note 11).

25. Changes in Liabilities Arising from Financing Activities

Changes in the University's liabilities arising from financing activities are presented below:

	2025		2024		2023	
	Lease liability (Note 18)	Dividends payable (Note 12)	Lease liability (Note 18)	Dividends payable (Note 12)	Lease liability (Note 18)	Dividends payable (Note 12)
Balances at beginning of year	₱131,452,783	₱588,451,696	₱147,451,415	₱343,036,515	₱162,564,562	₱113,402,301
Interest expense (Notes 18 and 19)	7,064,001	—	8,001,368	—	8,886,853	—
Dividend declaration (Note 12)	—	625,656,252	—	446,897,280	—	446,897,280
Cash payments (Note 12)	(24,000,000)	(420,471,643)	(24,000,000)	(201,482,099)	(24,000,000)	(217,263,066)
Balances at end of year	₱114,516,784	793,636,305	₱131,452,783	₱588,451,696	₱147,451,415	₱343,036,515



26. Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the University does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements. The University intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2025

- Amendments to PAS 21, *Lack of Exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards – Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

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 University continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to May 31, 2025 on the University's financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the financial statements when these amendments are adopted.

27. Supplementary Tax Information Under Revenue Regulations (RR) No. 15-2010

In compliance with the requirements set forth by RR No. 15-2010, set out below are the information on taxes and licenses paid or accrued for the fiscal year ended May 31, 2025:

Value-added tax (VAT)

Output VAT

The University has VAT-exempt sales/receipts amounting to ₱2.14 billion pursuant to Section 109 of the Tax Code, as amended, which provides that educational services rendered by private educational institutions duly accredited by the DepEd, the TESDA and CHED, and those rendered by government educational institutions shall be exempt from VAT.

While the University is a non-VAT registered entity engaged in a business as educational institution, the University paid or accrued output VAT amounting to ₱6.04 million based on the amount reflected in the sales of uniform, rental of facilities/lockers and sale of scrap materials of ₱50.34 million.



Input VAT

The amount of input VAT claimed for the fiscal year ended May 31, 2025 follows:

Balance at June 1, 2024	₱1,221,671
Current year's domestic purchases/payments:	2,936,283
	4,157,954
Claims for tax credit/refund and other adjustments	4,157,954
Balance at May 31, 2025	₱—

Withholding Taxes

The amount of withholding taxes paid for the fiscal year ended follows:

Withholding taxes on compensation and benefits	₱66,810,197
Expanded withholding taxes	11,095,745
Final withholding taxes	18,040,276
	₱95,946,218

Other Taxes and Licenses

For the fiscal year ended May 31, 2025, other taxes and licenses of the University consist of:

Business permits	₱18,771,500
Real property taxes	982,446
Other taxes, permits and fees	74,950
	₱19,828,896

Tax Contingencies

The University does not have tax cases, preliminary investigations, litigations and/or prosecution in courts of bodies outside the BIR.

