C O V E R   S H E E T

P	W	0	0	0	0	0	1	0	9	3

S.E.C. Registration Number

CENTRO ESCOLAR UNIVERSITY

(Company's Full Name)

9 MENDIOLA ST. SAN MIGUEL

MANILA

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

Atty. Jayson O'S. Ramos

Contact Person

8735-6861 to 71

Company Telephone Number

0	5

Month

3	1

Day

Fiscal Year

2	0	-	I	S

FORM TYPE

1	0

Month

4th Friday

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

LCU

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	20250130-PM-0012361-89
Transaction Number	503007117091
Payment Date	January 30, 2025 03:32 PM
Payment Scheme	master-card
Status	COMPLETED
Payment Status	PAYMENT_SUCCESS

Payment Assessment Details

PAF No.	20250130-12168542
PAF Date	2025-01-30 15:07:14
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.

1907
CENTRO ESCOLAR
UNIVERSITY
MANILA · MAKATI · MALOLOS
CIENCIA Y VIRTUD

07 February 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 31 January 2025 containing the Comments to CEU's Preliminary Information Statement (SEC Form 20-IS) filed with the Commission on 30 January 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 January 30, 2025 (Special Stockholders' Meeting)			
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		**Upload SEC Form 20-IS and its attachments on the Company's website & PSE Edge, and send us (via msrdsubmission@sec.gov.ph) the link to access the uploaded DIS.** **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.**	**1.** The PIS was uploaded via this link: https://corporate.ceu.edu.ph/static/files/REV%20CEU%20Special%2003072025%20PIS%20with%20attachments.pdf Once cleared the DIS will also be uploaded via the same page, and will have a different link. **2.** Planned publication of Notice of Meeting will be on 11 and 12 February 2025. The last day, 12 February 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**	**1.** Please see page 15 of the DIS. A supplemental disclosure was also made last 05 February 2025 and a copy of the 17c is attached to the DIS as Annex. Corresponding changes were also made on the Notice of special Stockholders Meeting in order to show the relevant dates as required by the RCC and SEC MC 2 s. 2020.
Instructions and Procedures for Registration and Online Voting in Absentia for the CEU Special Stockholders' Meeting on 07 March 2025.		**Online Registration (2) Revised registration period shall start from 13 February 2025, instead of 13 February 2028.**	**1.** Typographical Error already changed in page 15 of the DIS, as well as the relevant attachments.
COVER SHEET			

8. Date, time and place of the meeting of security holders		**Incomplete, indicate the link of the special stockholders meeting schedule on 7 March 2025.**	**1.** Please see page 1 and page 2 of the DIS, as well as the Notice of Special Stockholders Meeting as attachment. Link already provided. We will conduct the screening after the link access to ensure security.
Part I.			
A. General Information			
ITEM 1. DATE, TIME AND PLACE OF MEETING			
Date, time, place of meeting		**Incomplete, indicate the link of the special stockholders meeting schedule on 7 March 2025.**	**1.** Please see page 1 and page 2 of the DIS, as well as the Notice of Special Stockholders Meeting as attachment
D. Other Matters			
ITEM 16. MATTERS NOT REQUIRED TO BE SUBMITTED			
State Nature, the reason for submission and action intended to be taken in the event a negative vote on the matter by the security holders	**13**	**Revised third (3rd) paragraph it should be 25 October 2024 instead of 25 October 2025.**	1. Typographical error corrected in the first paragraph of item 17 on page 13. **2.** Please see last paragraph of Item 17 on page 13.

Note: Since we submitted the PIS 30 January 2025, given the change in month, we updated shareholder data and used information as of 31 January 2025 as the "latest obtainable data as of the preparation of the report". We will also attach Interim Financial Statement (unaudited) to the Management Report.

NOTICE OF SPECIAL STOCKHOLDERS MEETING

To the Stockholders of Centro Escolar University:

Notice is hereby given that a Special Meeting of the Stockholders of CENTRO ESCOLAR UNIVERSITY (CEU) will be held on Friday, 07 March 2025, 1:00 pm, online via the link https://us06web.zoom.us/j/83829051402?pwd=THX644ako4JNGWOfDnNXfU7s1EDObO.1

AGENDA

1. Call to Order
2. Proof of Notice and Quorum
3. 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, the rounding of shares based on universal mathematical principles, and the 43 extra shares that resulted from the rounding of shares.
4. Other Matters
5. Adjournment

All stockholders of record as of the close of business on 13 February 2025 are entitled to notice and to vote at the special meeting and at any adjournment thereof. Pursuant to the provisions of law, the stock and transfer book of the University will be closed for seven (7) days from 28 February 2025 to 06 March 2025.

Voting shall also be done electronically in absentia.

Stockholders who will participate in the Special Stockholders' meeting shall register and may vote electronically in absentia at www.ceu.edu.ph from 13 February 2025 to 04 March 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 25 February 2025. Proxies will be validated on 28 February 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.

January 29, 2025 City of Manila

ATTY. SERGIO F. APOSTOL
Corporate Secretary

Annex A

Instructions and Procedures for
Registration and Online Voting in Absentia
for the
CEU Special Stockholders' Meeting on 07 March 2025

I. Online Attendance and Voting in Absentia

For the CEU Special Stockholders' Meeting on 07 March 2025 (“Meeting”) stockholders may attend online and voting may be done electronically in absentia.

II. Online Registration

1. Stockholders who wish to participate in the Special Stockholders’ meeting shall register through the banner announcement found in the University’s Website, www.ceu.edu.ph starting 13 February 2025.

2. The registration period shall start from 13 February 2025 to the close of business hours on 04 March 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 Philippine 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**. The vote is considered cast for all the registered Stockholder's shares:

   - 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, the rounding of shares based on universal mathematical principles, and the 43 extra shares that resulted from the rounding of shares.

   Details of this agenda item is set forth in the Definitive Information Statement.

3. Votes cast will be validated and verified by Philippine Stock Transfer Inc., the Stock and Transfer Agent of CEU. Unsuccessful registration will result in invalid votes.

4. 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 Special Stockholders 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

KNOW ALL MEN BY THESE PRESENTS:

I, the undersigned, a stockholder of CENTRO ESCOLAR UNIVERSITY, do hereby nominate, constitute and appoint ______________________________ as my attorney and proxy to represent me and vote all shares registered in my name on the books of said corporation or owned by me, at any and all regular and special meetings of the stockholders of said corporation and adjournments and postponements thereof as fully to all intents and purposes as I might or could do if present and acting in person, hereby ratifying and confirming any and all matters which may properly come before any said meetings, or adjournments and postponements thereof.

This proxy shall take precedence over any other proxy and revokes and supersedes any proxy(ies) that I may have previously executed, and it shall continue until such time as the same is withdrawn by me through notice in writing. This proxy shall continue for a period of five (5) years or until such time as the same is withdrawn by me through notice in writing delivered to the Secretary.

I hereby confirm that my only proxy(ies) is/are the person(s) mentioned above and that this proxy is the only one that should be honoured.

In case of non-attendance of my abovenamed proxy(ies) at any particular meeting, I authorize and empower the Chairman of the meeting to fully exercise all rights as my proxy(ies) at such meeting.

IN WITNESS WHEREOF, I have hereunto signed these presents this _____ day of _______________, 20 _____ in __________________.

____
(Stockholder's Signature)

____
(Name in Print)

WITNESS:

____
(Signature over Printed Name)

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 07 March 2025, 1 P.M.
   Online via Zoom

https://us06web.zoom.us/j/83829051402?pwd=THX644ako4JNGWOfDnNXfU7s1EDObO.1

9. Approximate date on which the Information Statement is first to be sent or given to stockholders 13 February 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	07 March 2025
	Time of Meeting	1 P.M.
	Place of Meeting	Online via Zoom

https://us06web.zoom.us/j/83829051402?pwd=THX644ako4JNGWOfDnNXfU7s1EDObO.1

	Registrant's Mailing Address	9 Mendiola St., San Miguel, Manila 1005
b)	Approximate Date when the Information Statement is first to be sent or given to security holders	13 February 2025

Item 2. Dissenters' Right of Appraisal.

The agenda item for which this Special Stockholders Meeting will be held 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.

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 the special meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof.

a) As of 31 January 2025 the University has 446,897,323 issued and outstanding common stock at ₱1.00 per share. All the shares of stock are entitled to vote.

b) Only stockholders of record at the close of business hours on 13 February 2025 are entitled to notice and to vote at the Special Stockholders' Meeting.

c) A stockholder entitled to vote at the meeting shall have the right to do so in person via voting in absentia through remote communication or by proxy.

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 31 January 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 Represen-tative – Basilio C. Yap Position - President	Filipino	102,780,115	22.99%
Common	PCD Nominee Corp. – Filipino	Alejandro C. Dizon Beneficial Owner	Filipino	73,776,821	16.51%
Aggregate Number of Shares and Percentage of All Beneficial/Record Owners As a Group				328,502,005	73.5%

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

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 28 February 2025.

2. Security Ownership of Management

The following tables show the security ownership of CEU's directors and officers as of 31 January 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	0.0002
Common	Ma. Cristina D. Padolina (Vice Chairman/President)	45,979 (d)	Filipino	0.0102
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**	60,040,094 (d)	Filipino	13.4349
Common	Emilio C. Yap III	424,600 (d)	Filipino	0.09
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
	Total	72,653,240 (d)		16.24%

Title of Class	Officers	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Ma. Cristina D. Padolina	45,979 (d)	Filipino	0.0102
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 59,977,890 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
Total (excluding shares of Ma. Cristina D. Padolina, Corazon M. Tiongco)		37,658 (d)		0.0084

Aggregate Number of Shares and Percentage of all Security Ownership of Management as a Group	62,684,216 (d) ==========		16.25 ====

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.

No action is to be taken with respect to item 5 during the Special Stockholders Meeting.

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

DIRECTORS[1]

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, 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.

MA. CRISTINA D. PADOLINA, 78 years old, Filipino, is the President, Vice Chairman and Chief Academic Officer of the University. She was elected as a member of the Board of Directors and President of the University on August 18, 2006, and as Vice Chairman on July 25, 2008. She graduated from the University of the Philippines with the degree of Bachelor of Science in Chemical Engineering. She also holds a degree of Master of Science (Chemistry) from the Ateneo de Manila University and the degree of Doctor of Philosophy (Inorganic Chemistry) from the University of Texas at Austin. On secondment from her post as Professor of Chemistry at UP Los Baños, she served as Chancellor of the Open University from 1995 to 2001 and as Commissioner of the Commission on Higher Education from 2001 to 2005. She is Professor Emeritus of the University of the Philippines, Los Baños. She is also a Director of Centro Escolar University Hospital, Inc., Centro Escolar Integrated School and Vice-Chairman and President of Centro Escolar Las Piñas, Inc.

LOPE M. YUVIENCO, 79 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, 83 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, 64 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 is currently 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, 53 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, 75 years old, Filipino, has been a member of the University's Board of Directors since 2000. She has been the Assistant Treasurer since August 12, 2005. She obtained her Bachelor of Arts degree from the College of the Holy Spirit. She is currently a member of the Nomination Committee, Head of the Purchasing Committee and the Purchasing Department. She is also a Director of Centro Escolar University Hospital, Inc.

JOHNNY C. YAP, 52 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.

---

[3]Section 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.

[4]The Nomination Committee is composed of Dr. Ma. Cristina D. Padolina, chairman; Dr. Emil Q. Javier, Ms. Corazon M. Tiongco and Atty. Sergio F. Apostol, members.

OFFICERS

SERGIO F. APOSTOL, 89 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, 70 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 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 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, 58 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, 60 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, 58 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, 58 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, 51 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.

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 2024 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:

Name and Position	Fiscal Year	Annual Salary	Bonus	Other Annual Compensation	Total Compensation
PRES. PADOLINA VP LIMUACO VP PEREZ VP YABUT VP OLAER	2022-2023 2023-2024 2024-2025***	11,645,333.49 12,798,102.56 12,798,102.56	1,520,419.35 1,497,245.64 1,497,245.64	N/A N/A N/A	13,165,752.84 14,295,348.20 14,295,348.20

***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:

Name and Position	Fiscal Year	Annual Salary	Bonus	Other Annual Compensation	Total Compensation
All Officers and Directors as a Group	2022-2023 2023-2024 2024-2025***				₱ 35,943,018.72 ₱ 31,754,550.55 ₱ 31,754,550.55

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.[5]

4. There are no bonus, 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.

No action is to be taken with respect to item 7 during the Special Stockholders Meeting.

The accounting firm of Sycip, Gorres, Velayo & Co., Inc. (SGV) served as the University's external auditors for the last fiscal year. The handling partner of SGV is Mr. Bryan M. Baes. There was no change in or disagreement with the external auditor on accounting and financial disclosures.

---

[5]During 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.

[6] 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 present) as handling partner.

[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.

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

Item 8. Compensation Plans

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

Item 11. Financial and Other Information

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

D. OTHER MATTERS

Item 15. Action with Respect to Reports

No action is to be taken regarding Item 15 (Action with respect to reports) during the Special Stockholders Meeting.

Item 16. Matters Not Required to be Submitted

No action is to be taken regarding any matter that is not required to be submitted to a vote of security holders during the Special Stockholders Meeting.

Item 17. 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, the rounding of shares based on universal mathematical principles, and the 43 extra shares that resulted from the rounding of shares.

In relation to the declaration of 20% stock dividends approved during the 25 October 2024 Stockholders Meeting, as of record date 18 December 2024, there were fractional shares.

As the result of the rounding of shares in accordance within the parameters set by the Board of Directors, i.e. "fractional shares shall be rounded in accordance with universal mathematical principles. That is, fractional shares that are 0.5 above shall be rounded up and fractional shares that are below 0.5 shall be rounded down. The University will not pay cash to rounded down shares", there were 83 rounded up fractional shares, thereby resulting in the total of 74,482,923 shares, or 43 shares more than 74,482,880 shares (20% of 374,414,400).

Thus, during Special Meeting of the Board of Directors of CEU held in the morning of 28 January 2025, the Board of Directors approved, in relation to the declaration of 20% stock dividends approved during the 25 October 2024 Annual Stockholders Meeting, the following: treatment of fractional shares based on stockholder data as of record date 18 December 2024, the rounding of shares based on universal mathematical principles, and the 43 extra shares that resulted from the rounding of shares.

And then in the same meeting, the BOD also resolved that a Special Stockholders Meeting be held on 07 March 2025, 1pm for the purpose of submitting the above-mentioned treatment of fractional shares based on stockholder data as of record date 18 December 2024, the rounding of shares based on universal mathematical principles, and the 43 extra shares that resulted from the rounding of shares for ratification by the stockholders.

Since the resulting 43 extra shares constitute stock dividends, ratification is being sought since under the law, stock dividends require approval of stockholders constituting 2/3 of the Outstanding Capital Stock. The matter is then submitted to the stockholders for voting because of this reason. In the event of negative vote on the matter by security holders, the matter will immediately be reported to the Securities and Exchange Commission and the Philippine Stock Exchange for further evaluation.

Item 18. Other proposed actions

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.

<u>AGENDA</u>

1. Call to Order
2. Proof of Notice and Quorum
3. 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, the rounding of shares based on universal mathematical principles, and the 43 extra shares that resulted from the rounding of shares.
4. Other Matters
5. 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 11 February 2025 and 12 February 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. See item 17 for the discussion of the main agenda item.

Item 19. 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

Article I, Section 3 of the By-laws provides that except as otherwise provided by the Corporation Law, at each meeting of the stockholders, every stockholder entitled to vote thereat shall be entitled to one (1) vote in person or by proxy for each share of stock of the University subscribed for by him or held by him and registered in his name on the books of the University.

c. The manner by which the votes may be made

The Board during its 28 January 2025 special meeting approved that specifically for the 07 March 2025 Special Stockholders' Meeting, the meeting will be held online, and the right to vote may be exercised in absentia via remote communication.

The Rules on Meeting by remote Communication and Voting in Absentia shall be made available to the stockholders through the University Website and the Definitive Information Statement, as well as part of the Notice of Special Stockholders Meeting which will be published via 2 newspapers of general circulation in print and online form on February 11 and 12, 2025 the last day more than 21 days prior to the date of meeting.

The Pre-registration and Voting in absentia page will be open from 13 February 2025 to 04 March 2025.

As previously reported, Record date is close of business hours of 13 February 2025. Since this is a Special Stockholders Meeting, the stock and transfer book will be closed for 7 days from 28 February 2025 to 06 March 2025. Last day of Proxy submission is 25 February 2025 and Proxy validation is 28 February 2025.

Attendees are required to pre-register and may vote in absentia via remote communication (online).

Instructions and Procedures for
Registration and Online Voting in Absentia
for the
CEU Special Stockholders' Meeting on 07 March 2025

I. Online Attendance and Voting in Absentia

For the CEU Special Stockholders' Meeting on 07 March 2025 (“Meeting”) stockholders may attend online and voting may be done electronically in absentia.

II. Online Registration

1. Stockholders who wish to participate in the Special Stockholders’ meeting shall register through the banner announcement found in the University’s Website, www.ceu.edu.ph starting 13 February 2025.

2. The registration period shall start from 13 February 2025 to the close of business hours on 04 March 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 Philippine 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**. The vote is considered cast for all the registered Stockholder's shares:

    - 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, the rounding of shares based on universal mathematical principles, and the 43 extra shares that resulted from the rounding of shares.

    Details of this agenda item is set forth in the Definitive Information Statement.

3. Votes cast will be validated and verified by Philippine Stock Transfer Inc., the Stock and Transfer Agent of CEU. Unsuccessful registration will result in invalid votes.

4. 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 Special Stockholders 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
17c Notice of Special Stockholders Meeting
17c Supplemental Disclosure re: details of registration and relevant dates
Latest 17Q
Management Report
Interim Financial Statements (Unaudited)

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:

SERGIO F. APOSTOL
Corporate Secretary

February 07, 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. 28 January, 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. 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 Stock	446,897,323

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

Item 9. Other Events

During the recently concluded Special Meeting of the Board of Directors of CEU held in the morning of 28 January 2025, the Board of Directors approved, in relation to the declaration of 20% stock dividends approved during the 25 October 2024 Annual Stockholders Meeting, the following: treatment of fractional shares based on stockholder data as of record date 18 December 2024, the rounding of shares based on universal mathematical principles, and the 43 extra shares that resulted from the rounding of shares.

In the same meeting, the BOD also resolved that a Special Stockholders Meeting be held on 07 March 2025, 1pm for the purpose of submitting the above-mentioned treatment of fractional shares based on stockholder data as of record date 18 December 2024, the rounding of shares based on universal mathematical principles, and the 43 extra shares that resulted from the rounding of shares for ratification by the stockholders.

The BOD further approved that specifically for the 07 March 2025 Special Stockholders' Meeting, the meeting will be held online, and the right to vote may be exercised in absentia via remote communication. The Rules on Meeting by remote Communication and Voting in Absentia shall be made available to the stockholders through the University Website and the Definitive Information Statement.

The BOD resolved that Record date is close of business hours of 13 February 2025. Since this is a Special Stockholders Meeting, the stock and transfer book will be closed for 7 days from 28 February 2025 to 06 March 2025. Last day of Proxy submission is 25 February 2025 and Proxy validation is 28 February 2025.

Agenda will be as follows:

1. Call to Order
2. Proof of Notice and Quorum
3. 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, the rounding of shares based on universal mathematical principles, and the 43 extra shares that resulted from the rounding of shares for ratification by the stockholders.
4. Other Matters
5. Adjournment

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

28 January 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. 05 February 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 incorporation   Industry Classification Code:

7. 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 Stock	446,897,323

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

Item 9. Other Events

This is in connection with the Notice of Special Stockholder Meeting disclosed last 28 January 2025.

Per advice by the SEC MSRD in its comments to the Preliminary Information Statement, the University hereby provides the following further details:

As previously disclosed, the Board during its 28 January 2025 special meeting approved that specifically for the 07 March 2025 Special Stockholders' Meeting, the meeting will be held online, and the right to vote may be exercised in absentia via remote communication.

The Rules on Meeting by remote Communication and Voting in Absentia shall be made available to the stockholders through the University Website and the Definitive Information Statement, as well as part of the Notice of Special Stockholders Meeting which will be published via 2 newspapers of general circulation in print and online form on February 11 and 12, 2025 the last day more than 21 days prior to the date of meeting.

Copies of the Notice and the Rules are attached herein. The Pre-registration and Voting in absentia page will be open from 13 February 2025 to 04 March 2025.

As previously reported, Record date is close of business hours of 13 February 2025. Since this is a Special Stockholders Meeting, the stock and transfer book will be closed for 7 days from 28 February 2025 to 06 March 2025. Last day of Proxy submission is 25 February 2025 and Proxy validation is 28 February 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:

Atty. SERGIO F. APOSTOL
Corporate Secretary

05 February 2025

COVER SHEET

P	W	0	0	0	0	1	0	9	3	

S.E.C. Registration Number

CENTRO ESCOLAR UNIVERSITY

(Company's Full Name)

9 MENDIOLA ST. SAN MIGUEL
MANILA

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

Contact Person:

Contact Number: 8735-6861 to 71

Fiscal Year Month	Fiscal Year Day	FORM TYPE	Annual Meeting Month	Annual Meeting Day
05	31	17-Q	10	4^{th} Friday

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

LCU

CASHIER

SEC Number 1093
PSE CODE
File Number

CENTROESCOLARUNIVERSITY
Company's Full Name

9 Mendiola Street
San Miguel, Manila
Company's Address

735-68-61 to 71
Telephone Number

May 31
Fiscal Year Ending
(Month & Day)

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE, SRC RULE 17(2)(b) THEREUNDER

Form Type

(Amendment Designation [If applicable])

Second Quarter Report –November 30, 2024

Period Ended Date

N/A
(Secondary License Type and File Number)

cc: Philippine Stock Exchange

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17– Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC 17(2)(b)THEREUNDER

1.	For the quarterly period ended	November 30, 2024
2.	Commission identification number	1093
3.	BIR Tax identification No.	240-000-531-126
4.	Exact name of registrant as specified in its charter	**CENTRO ESCOLAR UNIVERSITY**
5.	Province, country or other jurisdiction of incorporation or organization	Manila, Philippines
6.	Industry Classification Code	_______ (SEC Use only)
7.	Address of registrant's principal office	9 Mendiola St. San Miguel, Manila
8.	Registrant's telephone number, including area code:	(02) 8735-68-61 to 71
9.	Former name, former address and former fiscal year, if change since last report	N/A

10. Securities registered pursuant to Section 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of Each Class and amount of debt outstanding	Number of shares of common stock outstanding
Common Shares	372,414,400

11. Are any or all of the securities listed on the Philippine Stock Exchange?

Yes [√]   No [ ]

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the 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 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 [ ]

Part I. FINANCIAL INFORMATION

Item I. FINANCIAL STATEMENTS

The financial statements are attached to this SEC Form 17-Q.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the unaudited financial statements of the University for the three months ended November 30, 2024.

RESULTS OF OPERATIONS

For the six months ended November 30, 2024, the University had a gross revenue of ₱1,069,913,458 and a net income of ₱272,783,678.

Three months ended November 31, 2024 (Second Quarter This Year) versus Three months ended November 31, 2023 (Second Quarter Last Year).

For the three months ended November 30, 2024, the revenues amounted to ₱727,049,133 as compared to ₱ 565,941,731 for the same period in 2023. Net income of ₱ 257,639,245 was registered for the three months ended November 30, 2024 as compared to ₱135,907,752 net income for the same period in 2023.

Operating expenses increased to ₱ 469,409,887 for the three months' period ended November 30, 2024 from ₱ 430,033,979 for the same period in 2023.

KEY PERFORMANCE INDICATORS (KPI)

Basic performance indicators are employed and comparisons are then made against internal targets and the previous periods performance.

Performance	Second Quarter November 2024	Second Quarter November 2023	Manner of computation	Significance
Revenue Growth	-1.30%	9.21%	Difference between current and last year's tuition and other fees divided by last year's revenues	Measures revenue growth
Return on Revenue	27.40%	28.07%	Net income divided by tuition and other school fees	Shows how much profit is derived from every peso of tuition and other school fees
Dividend Pay-out Ratio	0	0	Dividends divided by net income	Indicates how earnings support dividend payment
Return on Equity	4.33%	10.34%	Net income divided by average total stockholder's equity	Measures extent of profit earned
Return on Assets	3.15%	3.79%	Net income divided by average total assets	Measures use of assets to generate income

LIQUIDITY

The principal sources of liquidity of the University are cash generated from operations. The principal uses of liquidity are for payment of liabilities, operating expenditures, capital expenditures and cash dividends.

The University's cash balance on November 30, 2024 increased to ₽1,002,255,556 from ₽788,628,149 as of May 31, 2024.

The University has always relied on internally generated cash to fund its working capital needs and capital expenditures.

The University's current ratio stands at 1.32:1 as of November 30, 2024. The University does not anticipate any liquidity problems in the next 12 months as it consistently maintains a strong cash position.

There is no trend/event or uncertainty that will have a material impact on the University's liquidity, net sales, revenues, and income from continuing operations.

The internal sources of liquidity are tuition and miscellaneous fees, the registrant being a University.

There is no event that will trigger direct or contingent financial obligation that is material to the University, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the University with unconsolidated entities for the year ended November 30, 2024.

MATERIAL COMMITMENTS FOR CAPITAL EXPENDITURES

For SY 2024-2025, CEU approved the improvements of offices, classroom, laboratories including laboratory equipment. Replacement of computer units and tables in the computer laboratories and offices. Construction of streets inside CEU Malolos campus and development of drainage system to avoid flooding and acquisition of service vehicles for Manila and Malolos.

Segment Reporting

The University operates in three geographical segments – Manila, Malolos and Makati campuses. The financial information on the operations of these segments are based on segment assets, segment property and equipment (net), segment liabilities, segment revenues, operating expenses and net income/loss.

FINANCIAL CONDITION

The current assets of the University as of the second quarter ended November 30, 2024 were ₱2,139,481,563 as compared with ₱1,682,270,172 on May 31, 2024. The increase in current assets of ₱457,211,391 over May 31, 2024 balance was mainly due to increase in tuition and other receivables.

Receivables from tuition and other fees increased by ₱ 237,685,440.

This account consists of:		
	November 2024	May 31, 2024
Students	636,770,106	391,397,697
Accrued interest receivable	238,105	238,105
Nontrade receivables	10,122,287	10,122,287
Others:		
Advances to employees	18,706,444	26,393,413
Accrued rent receivable	7,357,103	7,357,103
Other receivable	3,611,995	3,611,995
	676,806,040	439,120,600
Less allowance for ECL	131,015,921	131,015,921
	545,790,119	308,104,679

The total current liabilities of the University as of November 30, 2024 were ₱1,623,974,413 higher by ₱217,239,237 from the balance as of May 31, 2024.

Deferred revenue as of the second quarter ending November 30, 2024 were ₱ 343,801,246.

Unappropriated Retained Earnings increased by ₱68,161,374 due to net income, stock dividends and release past appropriation for second quarter ending November 30, 2024.

The nature and amount of items affecting assets, liabilities, equity, net income and cash flow are ordinary and occur in the usual course of University operations.

There is no significant element of income or loss arising from continuing operations.

There are no material changes in the estimates of amounts reported in prior interim periods of the current financial year. Thus, there is no effect on the amounts reflected in the current interim period.

There have been no material events subsequent to the end of the interim period, nor any other changes in the composition of the issuer. Also, there are no changes in contingent liabilities or contingent assets since the last annual balance sheet date. Neither does any material contingencies or events that are material to the understanding of the current interim period exist.

CEU operations are generally affected by seasonality. There is usually a 10% to 12% drop in the number of students in the second semester, as compared to the first semester. There are generally fewer students enrolled during summer months.

There are no issuances, repurchases or repayments of debt and equity securities.

Drop in enrollment, a seasonal aspect, had a material effect on the financial condition or results of operations of the university.

ADDITIONAL DISCLOSURES

In view of the global financial conditions, Centro Escolar University hereby assesses its financial risk exposures on its financial instruments as of date of these financial statements.

1. Financial Risk
    a. Currency risk
        i. The majority of the University's short-term investments is maintained in Peso government securities and time deposits. As of the end of November 2024, ₱847,598,877 worth of money market placements were maintained in Peso government securities and time deposits.
        ii. As of the end of November 2024, US$118,994 were maintained in Dollar time deposits. The University maintains these deposits in order to service its academic purchases from the United States. Examples of these purchases are library books, subscriptions, as well as purchases of equipment used in education.

    b. Interest risk
        i. The University has no purchases or transactions that bear interest.
    c. Credit risk

i. The University's clientele is composed of students who are admitted to the University only upon full or installment payment of tuition fees. When the student fails to pay for his/her tuition fee, the University allows the student to take the examinations but withholds his/her grades and clearance until the student settles his/her accounts.

ii. The University maintains policies on providing for doubtful accounts. As of the end of November 2024, the provision for doubtful accounts was at ₱131.01 million.

d. Market risk

i. As of the end of November 2024, the University foresees no market risk until the end of its fiscal year May 31, 2025.

e. Liquidity risk

i. The University maintains a sufficient cash balance to sustain its operations, as well as to provide dividends for shareholders. The University foresees no liquidity risk.

2. Disclosure regarding financial instruments

PFRS 9, Financial Instruments: Classification and Measurement, effective for annual periods beginning on or after January 1, 2015. PFRS 9, as issued in 2010, reflects the first phase of the work on the replacement of PAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in PAS 39. In subsequent phases, hedge accounting and impairment of financial assets will be addressed with the completion of this project.

After careful consideration of the result of its impact evaluation, the Group decided not to early adopt PFRS 9 for its 2013 reporting ahead of its effectivity date, and therefore the impact of the said standard on its quarterly financial statements is not reflected. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on the classification and measurement of financial liabilities. The Group will conduct another impact evaluation using the consolidated financial statements as of and for the year ended March 31, 2015. Should the Group decide to early adopt the said standard for its 2016 financial reporting, its interim consolidated financial statements as of and for the period ending March 31, 2018 will reflect application of the requirement under the said standard and will contain the qualitative and quantitative discussions of the results of the Group's impact evaluation.

Except for the short-term placements as described above, the University maintains no other financial instruments.

DIVIDEND DECLARATION

During the special board meeting of the University on October 3, 2024, the Board of Directors declared a 20% stock dividend.

EARNINGS/LOSS PER SHARE

The income per share is ₱0.61 based on the outstanding common shares of 446,897,280 for the second quarter ended November 30, 2024, and income per share of ₱0.76 based on the outstanding common shares of 372,414,400 for the second quarter ended November 31. 2023.

PART II. OTHER INFORMATION

There are no other information not otherwise previously reported on SEC Form 17-C.

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 thereunto duly authorized.

CENTROESCOLARUNIVERSITY

MA. CRISTINA D. PADOLINA	**CESAR F. TAN**
President and Vice Chairman	Principal Financial Officer
Date JAN 13 2025	Date JAN 13 2025

CENTRO ESCOLAR UNIVERSITY		
BALANCE SHEET		
As of November 30, 2024		
(With Comparative Figures for May 31, 2024)		
	Unaudited	**Audited**
	November 2024	**May 2024**
ASSETS		
Current Assets		
Cash and cash equivalents	1,002,255,556	788,628,149
Short-term investment	450,817,978	450,000,000
Tuition and other receivables - net	545,790,119	308,104,679
Inventories	46,722,104	31,923,660
Other current assets	93,895,806	103,613,684
Total Current Assets	2,139,481,563	1,682,270,172
Noncurrent Assets		
Property and Equipment	6,574,991,432	6,530,816,984
Right-of-use- asset	114,926,220	114,926,220
Goodwill	47,605,695	47,605,695
Other assets	20,352,509	19,952,509
Total Noncurrent Assets	6,757,875,856	6,713,301,408
	8,897,357,419	8,395,571,580
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	647,171,825	736,094,460
Deferred revenue	343,801,246	35,755,839
Dividends payable	590,145,661	592,029,196
Current portion of lease liability	15,414,233	15,414,233
Income tax payable	27,441,448	27,441,448
Total Current Liabilities	1,623,974,413	1,406,735,176
Noncurrent Liabilities		
Deferred income tax liability -net	535,706,593	535,706,593
Lease liability - net of current portion	116,038,550	116,038,550
Retirement liability	169,099,664	157,336,740
Other noncurrent liability	10,985,373	10,985,373
Total Noncurrent Liabilities	831,830,180	820,067,256
Total Liabilities	2,455,804,593	2,226,802,432
Stockholders' Equity		
Capital stock	446,897,280	372,414,400
Additional paid-in capital	916,803,480	664,056
Revaluation increment in property	4,101,848,685	4,101,848,685
Financial assets at FVOCI	(305,301)	(305,301)
Remeasurement loss on retirement obligation	(49,918,465)	(49,918,465)
Effect of transactions with non-controlling interes	3,613,144	3,613,144
Retained earnings		
Unappropriated	1,017,527,779	949,366,405
Appropriated	0	786,000,000
Noncontrolling interest	5,086,224	5,086,224
Total Stockholders' Equity	6,441,552,826	6,168,769,148
	8,897,357,419	8,395,571,580

CENTRO ESCOLAR UNIVERSITY				
STATEMENT OF INCOME				
FOR THE SIX MONTHS PERIOD ENDED NOVEMBER 30, 2024 AND 2023				
	3 mos. Ended	3 mos. Ended	6 mos. Ended	6 mos. Ended
	November 2024	November 2023	November 2024	November 2023
REVENUES				
Tuition and other school fees	724,603,927	564,351,529	995,479,698	1,008,582,822
Interest income	2,221,816	1,599,445	4,062,488	2,997,788
Auxiliary services	(3,859,927)	(10,059,885)	44,744,335	26,732,709
Miscellaneous	4,083,317	10,050,642	25,626,936	28,539,720
	727,049,133	565,941,731	1,069,913,458	1,066,853,039
EXPENSES				
General and administrative expenses	469,409,887	430,033,979	797,129,780	783,534,750
Interest expense				-
	469,409,887	430,033,979	797,129,780	783,534,750
NET INCOME (LOSS)	257,639,245	135,907,752	272,783,678	283,318,289
Earnings (loss) Per Share	0.58	0.36	0.61	0.76

CENTRO ESCOLAR UNIVERSITY				
STATEMENT OF INCOME				
FOR THE SIX MONTHS PERIOD ENDED NOVEMBER 30, 2024 AND 2023				
	3 mos. Ended	3 mos. Ended	6 mos. Ended	6 mos. Ended
	November 2024	November 2023	November 2024	November 2023
NET INCOME (LOSS)	257,639,245	135,907,752	272,783,678	283,318,289
OTHER COMPREHENSIVE INCOME(LOSS)				
Revaluation increment on land	0	0	0	0
Income tax effect	0	0	0	0
TOTAL COMPREHENSIVE INCOME (LOSS	257,639,245	135,907,752	272,783,678	283,318,289

CENTRO ESCOLAR UNIVERSITY
STATEMENT OF CASH FLOWS
FOR THE THREE MONTH PERIOD AND SIX MONTH PERIOD NOVEMBER 30, 2024
(With Comparative Figures for the three month period and six months period ended November 30, 2023)

	Three Months Period		Six Months Period	
	November 2024	November 2023	November 2024	November 2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	257,639,245	135,907,752	272,783,678	283,318,289
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	26,230,407	24,544,971	50,504,177	45,038,489
Changes in operating assets and liabilities	-	-	-	
Decrease (increase) in:	-	-	-	
Tuition and other receivables	293,634,466	274,675,260	(237,685,440)	(196,414,489)
Inventories	(5,143,549)	(9,010,656)	(14,798,444)	(23,295,817)
Other current assets	4,662,970	(11,150,789)	9,717,878	(16,726,877)
Increase (decrease) in:	-	-	-	
Accounts payable and	-	-	-	
accrued expenses	(38,510,797)	(153,384,758)	(88,922,635)	52,165,247
Dividends payable	(1,165,789)	221,639,154	(1,883,535)	(5,386,986)
Income tax payable	-	-	-	
Retirement liability	5,881,462	7,345,385	11,762,924	10,732,116
Deferred income tax liability	-	-	-	
Deferred tuition and other school fees	(703,029,151)	(397,989,858)	308,045,407	226,475,675
Net cash provided by operating activities	(159,800,736)	92,576,461	309,524,010	375,905,647
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to property and equipment	(48,282,087)	(44,776,950)	(94,678,625)	(67,398,534)
Availment of short term investment	(817,978)		(817,978)	
Other assets	400,000	(1,350,094)	(400,000)	112,480
Net cash used in investing activities	(48,700,065)	(46,127,044)	(95,896,603)	(67,286,054)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of cash dividends	-	-	-	-
Net cash used in financing activities	-	-	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	(208,500,801)	46,449,417	213,627,407	308,619,593
CASH AND CASH EQUIVALENTS AT BEGINNING	1,210,756,357	1,053,143,846	788,628,149	790,973,671
CASH AND CASH EQUIVALENTS AT OF SECOND QUARTER	1,002,255,556	1,099,593,263	1,002,255,556	1,099,593,264

CENTRO ESCOLAR UNIVERSITY		
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY		
As of November 2024		
(With Comparative Figures for November 2023)		
	November 2024	**November 2023**
CAPITAL STOCK = P1 par value		
Authorized - 800,000,000 shares		
Issued - 372,414,400 shares	372,414,400	372,414,400
Stock Dividend (20%)	74,482,880	-
	446,897,280	372,414,400
ADDITIONAL PAID-IN CAPITAL	916,803,480	664,056
REVALUATION INCREMENT IN PROPERTY	4,101,848,685	3,439,312,398
UNREALIZED GAIN ON AVAILABLE-FOR-SALE INVESTMENT	-	-
FINANCIAL ASSETS AT FVOCI	(305,301)	(318,979)
REMEASUREMENT LOSS ON RETIREMENT PLAN - NET	(49,918,465)	(50,392,618)
EFFECT OF TRANSACTIONS WITH NON-CONTROLLING INTEREST	3,613,144	3,613,144
NONCONTROLLING INTEREST	5,086,224	5,086,224
RETAINED EARNINGS		
Unappropriated		
Balance at beginning of year	**949,366,405**	**949,366,405**
Release past appropriation	786,000,000	-
Balance	**1,735,366,405**	**949,366,405**
Comprehensive Income (Loss)	272,783,678	147,410,537
Other Comprehensive Income(Loss)	-	-
Total Comprehensive Income(Loss)	**272,783,678**	**147,410,537**
Cash dividends	-	-
Stock Dividends	(990,622,304)	
Balance at end of quarter	**1,017,527,779**	**1,096,776,942**
Appropriated		
Balance at beginning of year	786,000,000	786,000,000
Release past appropriation	(786,000,000)	-
Balance	**-**	**786,000,000**
Balance at end of quarter	**1,017,527,779**	**1,882,776,942**
TOTAL STOCKHOLDERS' EQUITY	**6,367,069,946**	**5,653,155,567**

CENTRO ESCOLAR UNIVERSITY		
AGING OF ACCOUNTS RECEIVABLE		
As of November 30, 2024		
School Year	Amount	Percent
2024-2025	327,750,690	51.47%
2023-2024	269,195,634	42.28%
2022-2023	23,737,261	3.73%
2021-2022	16,086,520	2.53%
Total	636,770,106	100.00%

Please note that the terms of aging of accounts receivable is by school year or semester.

CENTROESCOLARUNIVERSITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1.Corporate Information

The consolidated financial statements include the financial statements of Centro Escolar University (the University), Centro Escolar University Hospital, Inc. (the Hospital), a wholly owned subsidiary, Centro Escolar Integrated School (CEIS) and Centro Escolar Las Piñas (CELP) formerly Las Piñas College (LPC), a newly acquired business, (collectively referred to as the Group"").

The University, a publicly listed entity, was organized 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 primary, secondary, and tertiary levels.

In accordance with the Commission on Higher Education (CHED) Memorandum Order No. 32, the University's Mendiola and Makati campuses were granted autonomous status to be in force and in effect for five years from November 15, 2007 to November 14, 2012 per Resolution Nos. 087-2012 and 148-2012. Private Higher Education Institutions (HEIs) which were granted with autonomous status in 2007 to 2009 and deregulated status in 2009 and 2010 shall retain their respective status until December 31, 2015 by virtue of CHED Memorandum Order No. 21, series of 2015. On May 16, 2016, the CHED extended the autonomous status of these two (2) campuses until May 31, 2019. On October 24, 2019, under CHED Memorandum Order No. 12, series of 2019, CHED extended the autonomous status of these two campuses for an additional period of two (2) years until May 31, 2023 by virtue of CHED Memorandum Order No. 07 series of 2021 issued on April 30, 2021.

The University's Malolos campus was granted autonomous status for a period of five years effective from November 15, 2009 to November 14, 2014 per Resolution Nos. 087-2012 and 148-2012. Such autonomous status was extended until December 31, 2015 by virtue of CHED Memorandum Order No. 21, series of 2015. The CHED extended the autonomous status of the University's Malolos campus for two times until May 31, 2021. The autonomous status of the University's Malolos campus is also further extended until May 31, 2024 by virtue of CHED Memorandum Order No.07 series of 2021 issued on April 30, 2021.

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 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 November 31, 2024, the Hospital is providing laboratory examinations to seven Hemotek Renal Centers.

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 located at Km 44 MacArthur Highway, Longos, Malolos City. On December 31, 2019, the University purchased additional 2,000 shares of CE-IS increasing its ownership to 94%.

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 located at Dr. Faustino Uy Avenue, Pillar Village, Las Piñas City.

The registered principal office of the Group is 9 Mendiola Street, San Miguel, Manila.

2. Summary of Significant Accounting Policies

Basis of Preparation

The accompanying consolidated financial statements are prepared using the historical cost basis, except for land, which is carried at revalued amount and available-for-sale (AFS) financial assets which are measured at fair value.

The consolidated financial statements are presented in Philippine Peso (₱), which is also the Group’s functional currency.

Statement of Compliance

The accompanying consolidated financial statements are prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Basis of Consolidation

The consolidated financial statements include the financial statements of the University and its wholly owned subsidiary, the Hospital, which were incorporated in the Philippines.

The financial statements of the Hospital are prepared for the same reporting year as the University.

A 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 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 that the Group has adopted the following new accounting pronouncements starting April 1, 2019. Adoption of these pronouncements did not have any significant impact on the Group's financial position or performance, unless otherwise discussed.

- PFRS 16, *Leases*

  PFRS 16 supersedes PAS 17, *Leases*, Philippine Interpretation IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15, Operating Leases-Incentives, and SIC-27, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases and requires lessees to recognize most leases on the balance sheet.

  Lessor accounting under PFRS 16 is substantially unchanged from today's accounting under PAS 17. Lessors will continue to classify all leases using the same classification principle as in PAS 17 and distinguish between two types of leases; operating and finance leases.

  The Group adopted PFRS 16 using the modified retrospective approach with an initial application date of April 1, 2019 and did not restate comparative amounts for the year prior to first adoption. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 1, 2019. Instead, the Group applied the standard only to IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemption to the lease contracts for which the underlying asset is of low value (low-value asset) and for leases with a lease term of 12 months or less (short-term leases).

  The impact of adoption of PFRS 16 as at April 1, 2019 is as follows:

	March 31, 2019, as previously reported	Impact from adoption of PFRS 16	April 1, 2019 as restated
Right-of-use asset	₱-	₱205,121,481	₱205,121,481
Lease liability - current	-	(12,619,721)	(12,619,721)
Lease liability - noncurrent	-	(192,501,760)	(192,501,760)

Before the adoption of PFRS 16, the Group classified each of its leases (lessee) at the inception date as operating lease. Upon adoption of PFRS 16, the Group applied a single recognition and measurement approach for all leases except for the leases of low-value assets and short-term leases. For the detailed disclosures, refer to Note 19.

The Group has a lease contract for the land and building of Philtrust Bank for its Makati-Buendia Campus which qualifies as a lease contract under PFRS 16. The Group also has lease contracts for its water services and billboard placement which qualify as leases of low-value assets and short-term leases.

Leases previously accounted for as operating leases
The Group recognized right-of-use asset and lease liability for the lease previously classified as operating leases,except for the leases of low-value assets and short-term leases. The right-of-use asset was recognized based on the amount equal to the lease liability. Lease liability was recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The lessee’s incremental borrowing rate applied to the lease liability on March 31, 2019 and April 1, 2019 was 5.71%. The lease commitments as of March 31, 2019 reconciled to the lease liability as of April 1, 2019 is as follows.

Operating lease commitment as at April 1, 2019	₱282,000,000
Weighted average incremental borrowing rate as at April 1, 2019	5.71%
Lease liability as at April 1, 2019	₱205,121,48

Due to the adoption of PFRS 16, the Group’s net income decreased. This is due to the change in the accounting for rent expense related to leases that were classified as operating leases under PAS 17.

The adoption of PFRS 16 did not have an impact on beginning retained earnings in 2020 since the Group elected to measure the right-of-use asset an amount equal to the lease liability.

- Philippine Interpretation IFRIC 23, *Uncertainty over income Tax Treatments*

  The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of PAS 12, *Income Taxes*. It does not apply to taxes or levies outside the scope of PAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

  - Whether an entity considers uncertain tax treatments separately;
  - The assumptions an entity makes about the examination of tax treatments by taxation authorities;
  - How an entity determines taxable profit (tax loss), tax bases,unused tax losses,unused tax credits and tax rates; and
  - How an entity considers changes in facts and circumstances.

The Group is required to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and use the approach that better predicts the resolution of the uncertainty. The Group shall assume that the taxation authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the Group concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, it shall reflect the effect of the uncertainty for each uncertain tax treatment using the method the entity expects to better predict the resolution of the uncertainty.

Upon adoption of the Interpretation, the Group has assessed whether it has any uncertain tax position. The Group applies significant judgement in identifying uncertainties over its income tax treatments. The Group determined based on its assessment that it is probable that its uncertain tax treatment will be accepted by the taxation authorities. Accordingly, the Interpretation did not have an impact on the financial statements of the Group.

- Amendments to PFRS 9, *Prepayment Features with Negative Compensation*
- Amendments to PFRS 19, *Employee Benefits, Plan Amendment, Curtailment or Settlement*
- Amendment to PFRS 28, *Long-term Interests in Associates and Joint Ventures*
- *Annual Improvements to PFRSs* 2015-2017 Cycle.
- Amendments to PFRS 3, *Business Combinations, and PFRS 11, Joint Arrangements, Previously Held Interest in a Joint Operation.*
- Amendments to PAS 12, *Income Tax Consequences of Payments on Financial Instruments Classified as Equity.*
- Amendments to PAS 23, *Borrowing Costs, Borrowing Costs Eligible for Capitalization*

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

Summary of Significant Accounting Policies

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

Inventories
Inventories are valued at cost or net realizable value (NRV), whichever is lower. NRV is the estimated selling price in the ordinary course of business, less costs of marketing and distribution. Cost includes the invoice amount, freight and other incidental costs, and is determined using the first-in, first-out method.

Financial Assets and Liabilities
Date of Recognition
The Group recognizes a financial asset or a financial liability in the consolidated statement of financial position when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition is done using settlement date accounting.

Initial Recognition
Financial assets and financial liabilities are recognized initially at fair value. Transaction costs are included in the initial measurement of all financial assets and liabilities, except for financial instruments which are classified at FVPL.

As of June 30, 2019 and March 31, 2019, the Group has no financial asset or liability at PL and HTM financial assets.

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

Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are carried at amortized cost in the consolidated statement of financial position. Amortization is determined using the effective interest rate method, and is included under interest income in the profit and loss. The losses arising from impairment of such financial assets are recognized in the profit and loss. Gains and losses are recognized in the profit and loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Included under this category are the Group's cash and cash equivalents and tuition and other receivables.

AFS Financial Assets
AFS financial assets are non-derivative instruments that are either designated in this category or are not classified in any of the other categories. AFS financial assets are carried at fair value in the consolidated statement of financial position.

Changes in the fair value of such assets are accounted for as other comprehensive income until the investment is derecognized or until the investment is determined to be impaired at which time the cumulative gain or loss previously recognized as other comprehensive income is included in the profit and loss.

Classified under this category are the Group's investments in equity shares.

Other Financial Liabilities
Other financial liabilities pertain to issued financial instruments or their components that are not classified or designated at FVPL and contain contractual obligations to deliver cash or another financial asset to the holder.

After initial recognition, these liabilities are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate.

Other financial liabilities consist primarily of accounts payable and accrued expenses, dividends payable and long-term liability.

Impairment of Financial Assets

The Group assesses at each statement of financial position date whether a financial asset or a group of financial assets is impaired.

Assets Carried at Amortized Cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss is recognized in the profit and loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the profit and loss, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

AFS Financial Assets

If an AFS financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in the profit and loss, is transferred from other comprehensive income to the profit and loss. Reversals in respect of equity instruments classified as AFS financial assets are not recognized in the profit and loss. Increases in fair value after impairment are recognized under other comprehensive income.

Derecognition of Financial Assets and Liabilities

Financial Assets

The derecognition of financial asset takes place when the Hospital has either (a) transferred substantially all the risks and rewards of the ownership or (b) when it has neither transferred nor retained substantially all the risks and rewards but it no longer has control over the assets or a portion of the asset.

Financial Liabilities
A financial liability is derecognized when the obligation under the liability expires, is discharged or cancelled.

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

Property and Equipment
Property and equipment, except for land, are carried at cost less accumulated depreciation and amortization and any 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 included under other comprehensive income except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the profit and loss, in which case the increase is recognized in the profit and loss. A revaluation decrease is recognized in the profit and loss, except to the extent that it offsets an existing surplus on the same asset recognized under other comprehensive income.

Construction in progress, included in property and equipment, is stated at cost. This includes cost of building construction. Construction in progress is not depreciated until such time that the relevant assets are completed and put into operational use.

Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance and overhaul cost, are normally charged to 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.

Depreciation of property and equipment is computed using the straight-line method over 10 years except for buildings, which are depreciated over 50 years.

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

The useful life and depreciation and amortization method are reviewed at least at each statement of financial position date to ensure that the period and the method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

When assets are retired or otherwise disposed of, the cost of the related accumulated depreciation and amortization and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Impairment of Nonfinancial Assets
The carrying values of nonfinancial assets (i.e., property and equipment) are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the profit and loss.

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, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation or amortization) had no impairment loss been recognized for the asset in prior years. Any reversal of an impairment loss is credited to current operations.

Other Current Assets
Advances to suppliers and contractors
Advances to suppliers and contractors represent amounts paid to suppliers and contractors for purchases not yet received as of statement of financial position date. This is subsequently reversed to asset or expense accounts when the asset or services are received.

Prepayments
Prepayments are initially measured at the amounts paid and subsequently recognized as expense over the period on which the prepayments apply.

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

Deferred Income Tax
Deferred income tax is provided using the liability method on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and unused NOLCO can be utilized.

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply on the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Deferred income tax assets and liabilities are offset, if a legally enforceable right exists to offset current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Tuition and Other School Fees

Tuition and other school fees are recognized as income when earned over the corresponding school term.

Interest Income

Revenue is recognized as the interest accrues taking into account the effective yield on the asset.

Auxiliary Services and Miscellaneous Income

Revenue is recognized when services are rendered.

Retirement Costs

Retirement costs on the Group's defined benefit retirement plan are actuarially computed using the projected unit credit valuation method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. Actuarial valuations are conducted with sufficient regularity, with option to accelerate when significant changes to underlying assumptions occur.

Retirement cost includes current service cost, interest cost, expected return on any plan assets, actuarial gains and losses to the extent recognized, past service cost to the extent recognized and the effect of any curtailment or settlement. Actuarial gains and losses are recognized as income or expense using the corridor approach. The excess of the net cumulative actuarial gains and losses over the greater of 10% of the present value of the defined benefit obligation at the end of the previous reporting period and of 10% of the fair value of any plan assets is distributed over the expected average remaining working life of the employees as income or expense.

The liability recognized in the consolidated statement of financial position with respect to the defined benefit retirement plan is the present value of the defined benefit obligation at the statement of financial position date and actuarial gains and losses not recognized less past service cost not yet recognized and the fair value of the plan asset. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using rates that have terms to maturity approximating the terms of the related retirement liability.

The past service cost is recognized as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are vested immediately following the introduction of, or changes to, a retirement plan, past service cost is recognized immediately.

Borrowing Costs

Borrowing costs are generally expensed as incurred. Borrowing costs that are directly attributable to the acquisition, development, improvement and construction of a property that necessarily take a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the property.

The capitalization of borrowing costs as part of the cost of the property: (a) commences when the expenditures and borrowing costs for the property are incurred and activities that are necessary to prepare the property for its intended use; (b) is suspended during extended periods in which active development, improvement and construction of the property are interrupted; and (c) ceases when substantially all the activities necessary to prepare the property for its intended use are complete.

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” account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the University, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Retained earnings represent accumulated earnings of the Group, less dividends declared. Unappropriated retained earnings represent accumulated earnings available for dividend declaration subject to certain adjustments per SEC Memorandum Circular No. 11, Series of 2008, while appropriated retained earnings represent portion appropriated by the University’s BOD for expansion of school facilities and laboratory equipment, payment of long-term liability and contribution to the retirement fund.

Expense Recognition

Expenses are recognized in the profit and loss when decrease in future economic benefit 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 a direct association between the costs incurred and the earning of specific items 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 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.

<u>Operating Leases</u>
Leases where the lessor retains substantially all the risks and benefits of the ownership of the asset are classified as operating leases. Lease payments are recognized on a straight-line basis over the lease term or based on a certain percentage of the net income of the leased property, pursuant to the terms of the lease contracts.

<u>Foreign Currency Transactions and Translations</u>
Transactions denominated in foreign currencies are recorded in Philippine Peso based on the exchange rates prevailing at the transaction dates. Foreign currency denominated monetary assets and liabilities are translated to Philippine Peso at exchange rates prevailing at the statement of financial position date. Foreign exchange differentials between rate at transaction date and rate at settlement date or statement of financial position date of foreign currency denominated monetary assets or liabilities are credited to or charged against current operations.

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. Foreign currency exchange gains or losses are recognized in the profit and loss.

<u>Basic and Diluted Earnings Per Share (EPS)</u>
Basic EPS amounts are calculated by dividing net income by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is computed by dividing net income by the weighted average number of common shares outstanding during the year and adjusted for the effect of dilutive options and dilutive convertible preferred shares, if any.

<u>Segment Reporting</u>
The Group's operating businesses are organized and managed separately according to the geographic locations, designated as the Group 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.

<u>Provisions</u>
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 assessment of the time value of money and, where appropriate, the risks specific to the liability.

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

Events after the Statement of Financial Position Date
Post year-end events that provide additional information about the Group's position at statement of financial position 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 the consolidated financial statements when material.

3.Significant Accounting Judgments and Estimates

The preparation of the accompanying consolidated financial statements in compliance with PFRS requires Management to make judgments, estimates and assumptions 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. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgment
In the process of applying the Group's accounting policies, Management has made the judgment below apart from those involving estimations, which has the most significant effect on the amounts recognized in the consolidated financial statements:

Operating Lease - Group as Lessee
The Group has entered into lease on premises it uses for its Makati-Buendia campus. The Group has determined based on an evaluation of (a) the terms and condition of the arrangement, (b) the economic life of the asset as against the lease term and (c) the minimum lease payments of the contract as against the fair value of the asset, that all significant risks and rewards of ownership of the properties are not transferrable to the Group, and so accounts for the contract as operating lease.

Operating Lease - Group as Lessor
The Group has entered into commercial property leases on its Mendiola campus. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risk and rewards of ownership of these properties and so accounts for the contracts as operating leases.

Management's Use of Estimates
The key assumptions concerning the future and other key sources of estimation and uncertainty at the statement of financial position 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:

Estimating Allowance for Doubtful Accounts
The Group maintains allowance for doubtful accounts at a level considered adequate to provide for potential uncollectible receivables. The level of the allowance for doubtful accounts is evaluated by Management on the basis of factors affecting the collectability of the receivables. In addition, a review of the age and status of receivables, designed to identify accounts to be provided with allowance, is made on a continuous basis. The carrying value of tuition and other receivables as of November 30, 2024 and May 31, 2024 amounted to ₱545,79 million and ₱308.10 million, respectively.

Estimating Useful Lives of Property and Equipment
The Group estimates the useful lives of its property and equipment based on the year over which these assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets. It is possible that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above.

The carrying value of property and equipment as of November 30, 2024 and May 31, 2024 amounted to ₱6,574.99 million and ₱6,530.81 million, respectively.

Estimating Retirement Obligation and Other Retirement Benefits
The determination of the Group's obligation and cost for retirement and other retirement benefits is dependent on selection of certain assumptions used by actuaries in calculating such amounts.

Those assumptions are described in Note 16 and include among others, discount and salary increase rates. While the Group believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions materially affect retirement obligations.

Retirement liability amounted to ₱169.09 million and ₱157.33 million as of November 30, 2024 and May 31, 2024.

Revaluation of Land

The Group engaged the services of an independent appraiser to determine the fair values of its land carried at revalued amount. Key assumptions used by the independent appraiser are disclosed in Note 9. The revalued amount of land included under property and equipment in the consolidated statements of financial position amounted to ₱4.35 billion and ₱4.35 billion as of November 30, 2024 and May 31, 2024, respectively .

4. Cash and Cash Equivalents and Short-term Investments

This account consists of:

	November 2024	May 31, 2024
Cash on hand and in banks	191,866,626	212,593,497
Short-term deposits	810,388,930	576,034,652
	1,002,255,556	788,628,149

Cash in banks earns interest at the prevailing bank deposit rates. Short-term deposits are made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

5. Tuition and Other Receivables

This account consists of:		
	November 2024	May 31, 2024
Students	636,770,106	391,397,697
Accrued interest receivable	238,105	238,105
Nontrade receivables	10,122,287	10,122,287
Others:		
Advances to employees	18,706,444	26,393,413
Accrued rent receivable	7,357,103	7,357,103
Other receivable	3,611,995	3,611,995
	676,806,040	439,120,600
Less allowance for ECL	131,015,921	131,015,921
	545,790,119	308,104,679

Other receivables comprise of Meralco refund and advances and loans to faculty members and employees, which are collectible through salary deductions.

The allowance pertains to the Group’s tuition fee receivables which was impaired through collective assessment.

6. Inventories

This account consists of:

	November 2024	May 31, 2024
Uniforms and outfits	38,169,734	27,936,123
Materials production	2,616,900	2,432,830
Supplies	5,935,470	1,554,707
	46,722,104	31,923,660

7. Other Current Assets

This account consists of:

	November 2024	May 31, 2024
Advances to suppliers	78,670,869	92,408,544
Prepaid expense	14,605,983	10,586,186
Cost to fulfil a contract	618,954	618,954
	93,895,806	103,613,684

8. Other Assets

This account consists of:

	November 2024	May 2024
Advances to contractors	12,141,718	11,741,718
Prepaid taxes	7,108,198	7,108,198
Refundable security deposits	996,035	996,035
Financial assets at FVOCI	106,558	106,558
	20,352,509	19,952,509

9. Property and Equipment

This account consists of:			
		Addition	
	May 2024	(deductions)	November 2024
Cost:			
Land (Revalued Amount)	5,094,787,432		5,094,787,432
Land improvements	32,002,632		32,002,632
Buildings and Leasehold improvements	2,020,391,643	14,435,169	2,034,826,812
Furniture ,Transportation and Auxiliary	702,532,746	37,023,523	739,556,269
Laboratory equipment	445,282,280	33,348,984	478,631,264
Library books	164,355,907	8,941,349	173,297,256
	8,459,352,640	93,749,025	8,553,101,665
Less accumulated depreciation	1,942,058,656	50,504,177	1,992,562,833
	6,517,293,984	43,244,848	6,560,538,832
Construction in progress	13,523,000	929,600	14,452,600
	6,530,816,984	44,174,448	6,574,991,432

_

10. Accounts Payable and Accrued Expenses

This account consists of:		
	November 2024	May 2024
Accounts payable	340,885,106	332,146,329
Accrued expenses	217,504,526	313,120,502
Deposits	13,668,988	14,149,341
Contract liability	26,025,656	26,025,656
Payable to students	38,606,026	38,606,026
Provision for propable losses	9,353,517	9,353,517
Alumni fees payable	1,128,007	2,693,089
	647,171,825	736,094,460

Others include miscellaneous payables for culminating fees and alumni fees, among others.

11. Stockholders' Equity

Capital Stock

The University's capital stock consists of the following number of shares:

Common shares - ₱1 par value	
Authorized	800,000,000
Issued	372,414,400
Outstanding	372,414,400

Appropriated Retained Earnings

On April 29, 2022, the University's BOD approved the expansion projects of the University amounting to ₱450,000,000.

These projects include the items enumerated below:

- 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.

On August 28, 2020, the University's BOD approved the detailed expansion program and projects of the University amounting to ₱336,000,000.

These projects include the budget for capital expenditures and the following in the Malolos Campus:

- 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.

On June 23, 2017, the University's BOD approved the expansion projects of the University relating to the additional appropriated retained earnings amounting to ₱210.00 million. These projects include the planned construction of the following in Malolos campus:

- 3-storey building for Science-related courses;
- 4-storey building for the increased number of students in S.Y. 2019-2020; and
- 3-storey building to house of food court with student's area and commercial spaces.

On March 27, 2015, the University's BOD approved the detailed expansion program and projects of the University relating to the additional appropriated retained earnings amounting to ₱336.00 million. These projects include the budget for capital expenditures for the fiscal year April 2015 to March 2016 and the planned constructions of the following in Malolos Campus:

- 5-storey dormitory for students, faculty and employees of the University;

- 2-storey building for School of Dentistry;
- 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;
- multi-purpose activity center and swimming pool for use of students; and
- renovation and extension of buildings and various laboratories.

On April 26, 2013, the University's BOD approved the detailed expansion program and projects of the University relating to the appropriated retained earnings amounting to ₱450.00 million. These projects include the budget for capital expenditures for the fiscal year April 2013 to March 2015, the planned construction of a 3-storey building for the proposed setting up of a pre-school, elementary and high school in preparation for the K-12 program and to support the proposed five-year development plan for Malolos campus.

The estimated date of completion of the said projects as set by the University is within one (1) to five (5) years.

12. Tuition and Other School Fees

This account consists of:

	November 2024	November 2023
Tuition fees	458,242,031	491,215,870
Other fees	356,064,945	332,294,252
Income from other school services	181,172,722	185,072,700
	995,479,698	1,008,582,822

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 and qualifying examinations and various collections for specific items or activities.

13. Miscellaneous Income

Miscellaneous Income include rent, foreign currency exchange gains, swimming fee, dental pre-board fee, fee for dental materials, photograph fee, handling fee, insurance fee and others.

14. General and Administrative Expenses

This account consists of:

	November 2024	November 2023
Salaries, SSS contributions and other	389,504,849	407,746,208
Light and water	59,997,857	47,873,423
Depreciation and amortization	50,504,177	45,038,489
Development	20,421,657	13,528,470
Library	9,137,622	17,930,179
Rental	10,349,025	12,000,000
Janitorial and security services	34,862,374	23,995,259
Transportation and communications	15,312,696	13,730,919
Retirement expense	11,762,924	11,762,924
Recruitment and placement	6,012,407	5,639,654
Stationery and office supplies	9,576,050	7,981,994
Publications	46,626	351,943
Management information	8,111,426	8,350,235
Repairs and maintenance	25,762,041	23,214,030
Guidance and counseling	4,459,981	4,837,766
Laboratory	26,902,897	14,655,118
Instructional and academic expenses	4,755,664	5,653,240
Entertainment, amusement and recreation	6,433,640	3,249,874
Insurance	944,851	1,278,193
Directors' and administrative committee	2,828,989	3,680,494
Professional fees	9,976,410	7,218,790
Membership fees and dues	517,187	278,395
Comprehensive and oral examinations	908,413	985,044
Affiliation	6,548,728	7,102,651
Miscellaneous	81,473,914	95,438,750
	797,129,780	783,534,750

15. Retirement Plan

The Group has a funded, noncontributory 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.

16. Income Taxes

The current provision for income tax represents the 10% income tax on special corporations.

The significant components of the Group's net deferred income tax liabilities follow:

	November 2024	May 2024
Deferred income tax assets on:		
Retirement liability	18,714,352	18,714,352
Accrued expenses	28,557,122	28,557,122
Allowance for ECL/doubtful accounts	10,703,317	10,703,317
Unamortized excess of contribution over the normal cost	6,468,672	6,468,672
Excess of acquisition cost over fair value of net assets acquired from business combination	4,073,966	4,073,966
Contract liability	2,943,195	2,943,195
NOLCO	149,490	149,490
Difference betweeb the actual lease payments and PFRS 16 related accounts	1,486,150	1,486,150
Unrealized foreign currency exchange loss	-	-
Others	-	-
	73,096,264	73,096,264
Deferred income tax liabilities on:		
Revaluation increment on land	455,760,965	455,760,965
Undepreciated cost of property and	150,454,876	150,454,876
Advance Collection on tuition fee not yet recognized as income during the FY	2,159,371	2,159,371
Unrealized foreign currency exchange gain	370,392	370,392
Cost to fullfill a contract	57,253	57,253
Other	-	-
	608,802,857	608,802,857
Net deferred tax liabilities	535,706,593	535,706,593

The Group claims the tax deductions from capital expenditures for tax purposes when incurred.

17. Operating Lease

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 building in Makati. The contract requires for ₱24.00 million fixed minimum annual rentals, plus a percentage of the annual income of the Group's Makati-Buendia campus.

Group as Lessor
The Group leases out portions of its spaces to concessioners which is renewable every two (2) years.

19. Segment Reporting

The University operates in geographical segments. Financial information on the operations of these segments are summarized as follows:

November 2024	Mendiola	Malolos	Makati- Gil Puyat	Makati-Legaspi	Malolos Intergrated School	Makati-Legaspi Hospital (Pre-operating)	Las Piñas College	Total
Segment assets	6,276,078,436	1,524,963,707	4,628,545	671,151,186	279,137,551	35,955,089	105,442,905	8,897,357,418
Segment property and equipment - net	4,375,995,063	1,490,341,028	50,142,293	612,501,305	17,753,511	0	28,258,230	6,574,991,431
Segment liabilities	1,980,747,153	152,818,385	159,316,879	20,771,279	108,222,913	3,991,636	29,936,347	2,455,804,593
Segment revenues	681,340,119	124,700,226	95,657,777	78,966,503	51,144,496	1,712,843	36,391,493	1,069,913,458
Operating expenses	507,464,395	103,718,314	83,922,041	44,168,247	24,740,410	420,661	32,695,711	797,129,780
Depreciation expense	28,406,723	5,608,045	4,366,132	8,477,909	1,219,526	0	2,425,843	50,504,178
Net income (loss)	173,875,724	20,981,912	11,735,736	34,798,257	26,404,086	1,292,182	3,695,782	272,783,678

November 2023	Mendiola	Malolos	Makati- Gil Puyat	Makati-Legaspi	Malolos Intergrated School	Makati-Legaspi Hospital (Pre-operating)	Las Piñas College	Total
Segment assets	4,965,082,360	1,392,520,197	304,502,206	676,202,521	266,667,146	44,986,693	103,377,666	7,753,338,790
Segment property and equipment - net	3,642,471,980	1,434,764,394	40,604,036	612,505,751	14,100,498		17,163,439	5,761,610,098
Segment liabilities	1,612,388,437	98,081,527	214,626,744	16,260,924	149,167,477	14,483,239	26,885,992	2,131,894,340
Segment revenues	652,401,342	130,012,265	142,413,780	59,174,918	58,158,451	1,358,428	23,333,856	1,066,853,039
Operating expenses	543,959,812	75,868,337	79,228,542	37,993,333	28,467,502	1,225,648	16,791,575	783,534,750
Depreciation expense	24,225,643	5,608,045	4,366,132	6,847,658	1,470,328		2,520,683	45,038,489
Net income (loss)	108,441,529	54,143,928	63,185,238	21,181,585	29,690,949	132,780	6,542,281	283,318,289

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.

Transaction with related parties are made at terms similar to those offered to third parties.

In the ordinary course of business, the Group has transactions with Philtrust Bank, an affiliate under common control, as follows:

a. Lease of a building in Makati as lessee
b. Savings account and short-term investments.

The Group avails of advertising services of Manila Bulletin Publishing Corporation, an affiliate under common control.

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.

21. Basic/Diluted EPS

The income and share data used in the basic/diluted EPS computations are as follows:

	November 2024	November 2023
Net income(loss)(a)	272,783,678	283,318,289
Weighted average number of outstanding		
common shares(b)	446,897,280	372,414,400
Basic/diluted earnings (loss) per share	0.61	0.76

There were no dilutive financial instruments during the year.

22. Financial Assets and Liabilities

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

- *Cash and cash equivalents, tuition and other receivables and accounts payable and accrued expenses* - due to short-term nature of these accounts, the fair values approximate the carrying amounts.

- *AFS financial assets* -fair values of quoted AFS financial assets are based on quoted prices published in markets. Fair values of unquoted AFS financial assets approximate carrying amounts due to the unpredictable nature of future cash flows and lack of suitable methods of arriving at reliable fair value.

- *Long-term liability* - fair value is estimated using the discounted cash flow methodology using the prevailing risk free rates, plus the applicable spread.

23. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash and cash equivalents, receivables, AFS investments and long-term liability. The main purpose of these financial instruments is to raise funds for the Group's operations and capital expenditures. The Group has various other financial instruments such as tuition and other receivables and accounts payable and accrued expenses that arise directly from operations.

The main risk arising from the Group's financial instruments are credit risk, liquidity risk, foreign currency risk and interest rate 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 accounts receivable 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 of balance sheet date, there are no significant concentrations of credit risk.

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 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.

Foreign Currency Risk
The Group's foreign exchange risk results primarily from movements in the prevailing exchange rate between the Philippine Peso (PHP) and the United States Dollar (USD). The revenues and the operating expenses of the Group are denominated in PHP. However, the Group maintains certain deposits with banks which are denominated in USD.

The Group closely monitors the movements in the USD/PHP exchange rate and makes a regular assessment of future foreign exchange movements. The Group then manages the balance of its USD-denominated deposits based on this assessment.

There is no other impact on the Group's equity other than those already affecting income before income tax.

<u>Capital Management</u>
The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group 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 in the objectives and policies or processes during the year ended May 31, 2024 and quarter ended November 30, 2024.

The Group monitors capital using a debt-to-equity ratio which is debt divided by total stockholder's equity. The Group includes within debt, interest-bearing loans and accounts payable and accrued expenses.

The following table shows how the Group computes for its debt-to-equity ratio as of November 31, 2024 and May 31, 2024:

	November 2024	May 31, 2024
Accounts payable and accrued expenses	647,171,825	736,094,461
Lease Liability	131,452,782	131,452,782
Total debt	778,624,607	867,547,243
Total Stockholders' Equity (d)	6,441,552,826	6,168,769,148
Debt-to-Equity ratio (c/d)	0.12:1	0.14:1

CENTRO ESCOLAR UNIVERSITY			
LIST OF FINANCIAL RATIOS			
November 30, 2024			
		Second Quarter	Second Quarter
		November 2024	November 2023
Current ratio	Current assets / Current Liabilities	1.32:1	1.35:1
Debt to equity ratio	Accounts Payable+Accrued Expenses+Interest bearing loans / Total Equity (capital)	0.10:1	0.12:1
Interest rate coverage	Net income before income tax / Interest expense	-	-
Revenue growth	(Current period tuition+other school fees)-(Present period tuition+other school fees) / Present period tuition + other school fees	-1.30%	9.21%
Return on Revenue	Net income / Tuition + other school fees	27.40%	28.07%
Return on Equity	Net Income / Average Stockholders' Equity	4.33%	10.34%
Return on assets	Net Income / Average total assets	3.15%	3.79%

Centro Escolar University and Subsidiary

Unaudited Interim Consolidated Financial Statements November 30, 2024
and for the Six Months Ended November 30, 2024 and 2023
(With comparative Audited Consolidated Statements of
Financial Position as at May 31, 2024)

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	November 2024 Unaudited	May 2024 Audited
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 5 and 21)	₱ 1,002,255,556	₱ 788,628,149
Short-term investment (Note 5)	450,817,978	450,000,000
Tuition and other receivables (Notes 6 and 21)	545,790,119	308,104,679
Inventories (Note 7)	46,722,104	31,923,660
Other current assets (Note 8)	93,895,806	103,613,684
Total Current Assets	2,139,481,563	1,682,270,172
Noncurrent Assets		
Property and equipment (Note 9)	6,574,991,432	6,530,816,984
Right-of-use asset (Note 18)	114,926,220	114,926,220
Goodwill (Note 4)	47,605,695	47,605,695
Other non-current assets (Note 10)	20,352,509	19,952,509
Total Noncurrent Assets	6,757,875,856	6,713,301,408
	₱8,897,357,419	₱ 8,395,571,580
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 11)	₱ 647,171,825	₱ 736,094,460
Deferred revenue (Notes 13 and 14)	343,801,246	35,755,839
Dividends payable (Note 12)	590,145,661	592,029,196
Current portion of lease liability (Note 18)	15,414,233	15,414,233
Income tax payable	27,441,448	27,441,448
Total Current Liabilities	1,623,974,413	1,406,735,176
Noncurrent Liabilities		
Deferred tax liabilities - net (Note 17)	535,706,593	535,706,593
Lease liability - net of current portion (Note 18)	116,038,550	116,038,550
Retirement liability (Note 16)	169,099,664	157,336,740
Other non-current liability (Note 11)	10,985,373	10,985,373
Total Noncurrent Liabilities	831,830,180	820,067,256
Total Liabilities	2,455,804,593	2,226,802,432
Stockholders' Equity		
Capital stock	446,897,280	372,414,400
Additional paid-in capital	916,803,480	664,056
Revaluation increment on land - net (Notes 9 and 24)	4,101,848,685	4,101,848,685
Revaluation reserve on financial assets at FVOCI (Note 10)	(305,301)	(305,301)
Remeasurement loss on retirement obligation (Note 16)	(49,918,465)	(49,918,465)
Effect of transactions with non-controlling interest	3,613,144	3,613,144
Retained earnings (Note 12)		
Unappropriated	1,017,527,779	949,366,405
Appropriated	0	786,000,000
Noncontrolling interest	5,086,224	5,086,224
Total Stockholders' Equity	6,441,552,826	6,168,769,148
	₱ 8,897,357,418	₱ 8,395,571,580

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF INCOME

Unaudited

	Three Months Period Ended November 30		Six Months Period Ended November 30	
	2024	2023	2024	2023
REVENUES				
Tuition and other school fees (Note 13)	₱ 724,603,927	₱ 564,351,529	₱ 995,479,698	₱ 1,008,582,822
Interest income (Note 5)	2,221,816	1,599,445	4,062,488	2,997,788
Auxiliary services	(3,859,927)	(10,059,885)	44,744,335	26,732,709
Miscellaneous fees (Notes 13 and 14)	4,083,317	10,050,642	25,626,936	28,539,720
	727,049,133	565,941,731	1,069,913,458	1,066,853,039
EXPENSES				
Cost and expenses (Note 15)	469,409,887	430,033,979	797,129,780	783,534,750
Interest expense (Notes 17 and 18)				-
	469,409,887	430,033,979	797,129,780	783,534,750
NET INCOME (LOSS)	₱ 257,639,245	₱ 135,907,752	₱ 272,783,678	₱ 283,318,289
Earnings (loss) Per Share	₱ 0.58	₱ 0.36	₱ 0.61	₱ 0.76

See accompanying Notes to Consolidated Financial Statements.

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Unaudited

	Three Months Period Ended November 30		Six Months Period Ended November 30	
	2024	2023	2024	2023
NET INCOME (LOSS)	₱ 257,639,245	₱ 135,907,752	₱ 272,783,678	₱ 283,318,289
OTHER COMPREHENSIVE INCOME(LOSS)				
Revaluation increment on land	0	0	0	0
Income tax effect	0	0	0	0
TOTAL COMPREHENSIVE INCOME (LOSS)	₱ 257,639,245	₱ 135,907,752	₱ 272,783,678	₱ 283,318,289

See accompanying Notes to Consolidated Financial Statements.

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	November 2024 Unaudited	November 2023 Unaudited
CAPITAL STOCK = P1 par value		
Authorized - 800,000,000 shares		
Issued - 372,414,400 shares	372,414,400	372,414,400
Stock Dividend (20%)	74,482,880	-
CAPITAL STOCK (Note 12)	446,897,280	372,414,400
ADDITIONAL PAID-IN CAPITAL	916,803,480	664,056
REVALUATION INCREMENT IN PROPERTY (Note 16)	4,101,848,685	3,439,312,398
UNREALIZED GAIN ON AVAILABLE-FOR-SALE INVESTMENT	-	-
FINANCIAL ASSETS AT FVOCI	(305,301)	(318,979)
REMEASUREMENT LOSS ON RETIREMENT PLAN - NET	(49,918,465)	(50,392,618)
EFFECT OF TRANSACTIONS WITH NON-CONTROLLING INTEREST	3,613,144	3,613,144
NONCONTROLLING INTEREST	5,086,224	5,086,224
RETAINED EARNINGS		
Unappropriated		
Balance at beginning of year	**949,366,405**	**949,366,405**
Release past appropriation	786,000,000	-
Balance	**1,735,366,405**	**949,366,405**
Comprehensive Income (Loss)	272,783,678	147,410,537
Other Comprehensive Income(Loss)	-	-
Total Comprehensive Income(Loss)	**272,783,678**	**147,410,537**
Cash dividends	-	-
Stock Dividends	(990,622,304)	
Balance at end of quarter	**1,017,527,779**	**1,096,776,942**
Appropriated		
Balance at beginning of year	786,000,000	786,000,000
Release past appropriation	(786,000,000)	-
Balance	**-**	**786,000,000**
Balance at end of quarter	**1,017,527,779**	**1,882,776,942**
TOTAL STOCKHOLDERS' EQUITY	**6,441,552,826**	**5,653,155,567**

See accompanying Notes to Interim Consolidated Financial Statements.

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited

	Three Months Period Ended November 30		Six Months Period Ended November 30	
	2024	2023	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	₱ 257,639,245	₱ 135,907,752	₱ 272,783,678	₱ 283,318,289
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation (Notes 9, 10,15 and 18)	26,230,407	24,544,971	50,504,177	45,038,489
Changes in operating assets and liabilities:	-	-	-	
Decrease (increase) in:	-	-	-	
Tuition and other receivables	293,634,466	274,675,260	(237,685,440)	(196,414,489)
Inventories	(5,143,549)	(9,010,656)	(14,798,444)	(23,295,817)
Other current assets	4,662,970	(11,150,789)	9,717,878	(16,726,877)
Increase (decrease) in:	-	-	-	
Accounts payable and	-	-	-	
accrued expenses	(38,510,797)	(153,384,758)	(88,922,635)	52,165,247
Dividends payable	(1,165,789)	221,639,154	(1,883,535)	(5,386,986)
Income tax payable	-	-	-	
Retirement liability	5,881,462	7,345,385	11,762,924	10,732,116
Deferred income tax liability	-	-	-	
Deferred tuition and other school fees	(703,029,151)	(397,989,858)	308,045,407	226,475,675
Net cash provided by operating activities	(159,800,736)	92,576,461	309,524,010	375,905,647
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to property and equipment	(48,282,087)	(44,776,950)	(94,678,625)	(67,398,534)
Availment of short term investment	(817,978)		(817,978)	
Other assets	400,000	(1,350,094)	(400,000)	112,480
Net cash used in investing activities	(48,700,065)	(46,127,044)	(95,896,603)	(67,286,054)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of cash dividends	-	-	-	-
Net cash used in financing activities	-	-	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	(208,500,801)	46,449,417	213,627,407	308,619,593
CASH AND CASH EQUIVALENTS AT BEGINNING	1,210,756,357	1,053,143,846	788,628,149	790,973,671
CASH AND CASH EQUIVALENTS AT OF SECOND QUARTER (Note 5)	₱ 1,002,255,556	₱ 1,099,593,263	₱ 1,002,255,556	₱ 1,099,593,264

See accompanying Notes to Interim Consolidated Financial Statements.

1. Corporate Information

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	**November2024**	May 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.

In accordance with the Commission on Higher Education (CHED) Memorandum Order No. 32, the University's Mendiola and Makati campuses were granted autonomous status to be in force and effective from November 15, 2007. By virtue of CHED Memorandum Order No. 7, series of 2021, issued on April 30, 2021, autonomous status of these two campuses were further extended until May 31, 2022.

The University's Malolos campus was granted autonomous status effective from November 15, 2009 per Resolution Nos. 087-2012 and 148-2012. By virtue of CHED Memorandum Order No. 7, series of 2021, issued on April 30, 2021, autonomous status of Malolos University was further extended until May 31, 2022.

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. 7, 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:

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.

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, 2024, the Hospital is providing laboratory examinations to nine 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%.

Change in Academic Year and Fiscal Year

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

The University intends to modify the academic year starting fiscal period of 2023-2024. The change in the academic year will result in classes commencing in August instead of September for the first semester, while the second semester classes will be held from January to May instead of February to June.

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 (PFRSs).

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 PFRSs. 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 that the Group has adopted the following new accounting pronouncements effective in 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 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

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

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

- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to PAS 12, *International Tax Reform-Pillar Two Model Rules*

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Group's consolidated financial statements.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1*, Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16*, Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7*, Disclosures: Supplier Finance Arrangements*

Effective beginning on or after January 1, 2025

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

Deferred effectivity

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

The Group continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to May 31, 2024 on the Group's financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the consolidated financial statements when these amendments are adopted.

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 2024 and 2023, 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 expire 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 CGUs, 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.

<u>Impairment of Non-financial Assets</u>

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 exists 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.

<u>Other Assets</u>

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.

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 is 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 is 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.

<u>Other Revenues</u>

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.

<u>Expense Recognition</u>
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.

<u>Borrowing Costs</u>
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.

<u>Retirement Benefits</u>
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).

<u>Income Taxes</u>
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.

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 PFRSs 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 November 30, 2024 and May 31, 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 PFRSs.

As of November 30, 2024 and May 31, 2024, the Group's market capitalization is lower compared to the carrying amount of the net assets of the Group. This is considered as an indicator that the Group's property and equipment and right-of-use asset may be impaired as of November 30, 2024 and May 31, 2024. Hence, the Group performed impairment analysis as of November 30 and May 31, 2024. The Group'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 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% and 11.32%, respectively. 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 November 30, 2024 and May 31, 2024 are disclosed in Notes 9 and 18, respectively.

Impairment of goodwill
The Group determines whether goodwill is impaired at least on an annual basis. The Group's value-in-use calculation involves significant management judgment in the use of assumptions, particularly the tuition fee rates, number of students, long-term growth rate and the discount rate.

The carrying value of goodwill of the Group is disclosed in Note 4.

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 November 30, 2024 and May 31, 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
	₱273,800,000

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
	961,198
Liabilities	
Accounts payable and accrued expenses	197,496
Advances from officers	2,870,473
	3,067,969
Net liabilities	(₱2,106,771)

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 (see Note 18).

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)
Goodwill	₱47,605,695

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 November 30, 2024 and May 31, 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 November 30, 2024 and May 31, 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 six months ended November 30, 2024 and May 31, 2024, the pre-tax discount rate applied to cash flow projections is 12.78%

and 11.32%. 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 Equivalent
This account consists of:

	November 2024 Unaudited	May 31, 2024 Audited
Cash on hand and in banks (Note 21)	₱ 191,866,626	₱ 212,593,497
Cash equivalents (Note 21)	810,388,930	576,034,652
	₱ 1,002,255,556	₱ 788,628,149

Cash in banks earned interest rates ranging from 0.25% to 0.38% and from 0.05% to 0.38% for the years ended May 31, 2024 and 2023, respectively.

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 0.43% to 6.50% and from 0.27% to 1.20% for the six months ended November 30, 2024 and November 30, 2023, respectively.

Interest income from cash in banks and short-term deposits amounted to ₱4.06 million and ₱2.99 million for the six months ended November 30, 2024 and six months ended November 30, 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 November 30, 2024, short-term investments amounted to ₱450.00 million and earned interest at annual rate of 6.25% in 2024.

6. Tuition and Other Receivables

This account consists of:

	November 2024 Unaudited	May 31, 2024 Audited
Students	₱ 636,770,106	₱ 391,397,697
Accrued interest receivable	238,105	238,105
Nontrade receivables	10,122,287	10,122,287
Others:		
Advances to employees	18,706,444	26,393,413
Accrued rent receivable	7,357,103	7,357,103
Other receivable	3,611,995	3,611,995
	676,806,040	439,120,600
Less allowance for ECL	131,015,921	131,015,921
	₱ 545,790,119	₱ 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.

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:

As at	**November 2024 Unaudited**	May 31,2024 Audited
Balances at beginning of year		
Tuition fee receivables	**₱90,197,421**	**₱90,197,421**
Advances to employees	**–**	**–**
	90,197,421	**90,197,421**
Movements during the year:		
Provision (Note 15)		
Tuition fee receivables	**35,636,104**	**35,636,104**
Advances to employees	**5,182,396**	**5,182,396**
Write-off		
Tuition fee receivables	**–**	**–**
Advances to employees	**–**	**–**
Reversal of provision		
Tuition fee receivables	**–**	**–**
Advances to employees	**–**	**–**
	40,818,500	**40,818,500**
Balances at end of the year		
Tuition fee receivables	**125,833,525**	**125,833,525**
Advances to employees	**5,182,396**	**5,182,396**
	₱131,015,921	**₱131,015,921**

November 30, 2024, the aging analysis of tuition and other receivables follows:

	November 30, 2024					
		Days Past Due				
	Current	1-30 Days	Over 30 Days	Over 60 Days	Impaired	Total
Tuition fee receivables	₱ 3,097,583	₱–	₱–	₱ 544,697,355	₱ 88,975,168	₱ 391,397,697
Advances to employees	18,706,444	–	–	–	-	18,706,444
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
	₱ 33,011,230	–	–	₱ 554,819,642	88,975,168	₱ 676,806,040

	May 31, 2024					
		Days Past Due				
	Current	1-30 Days	Over 30 Days	Over 60 Days	Impaired	Total
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:

	November 2024 Unaudited	May 31, 2024 Audited
Uniforms and outfits	₱ 38,169,734	₱ 27,936,123
Materials production	2,616,900	2,432,830
Supplies	5,935,470	1,554,707
	₱ 46,722,104	₱ 31,923,660

8. Other Current Assets

This account consists of:

	November 2024 Unaudited	May 31, 2024 Audited
Advances to suppliers	₱ 78,670,869	₱ 92,408,544
Prepaid expense	14,605,983	10,586,186
Cost to fulfill a contract	618,954	618,954
	₱ 93,895,806	₱ 103,613,684

Advances to suppliers are advances paid to suppliers for classroom materials and supplies.

Others include advanced payment for insurance, 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 rollforward analysis of this account follows:

	November 2024	May 2024
Balances at beginning of period	**₱618,954**	₱618,954
Additions	**–**	–
Amortization (Note 15)	**–**	–
Balances at end of period	**₱618,954**	₱618,954

The amortization of the cost to fulfill a contract is charged to “Cost of services - Expenses for co-curricular activities” (see Note 15).

9. Property and Equipment

The composition of and the movements in this account follow:

	May 31, 2024 Audited	Addition (deductions)	**November 2024** Unaudited
Cost:			
Land (Revalued Amount)	₱ 5,094,787,432		₱ 5,094,787,432
Land improvements	32,002,632		32,002,632
Buildings and Leasehold improvements	2,020,391,643	14,435,169	2,034,826,812
Furniture ,Transportation and Auxiliary	702,532,746	37,023,523	739,556,269
Laboratory equipment	445,282,280	33,348,984	478,631,264
Library books	164,355,907	8,941,349	173,297,256
	8,459,352,640	93,749,025	8,553,101,665
Less accumulated depreciation	1,942,058,656	50,504,177	1,992,562,833
	6,517,293,984	43,244,848	6,560,538,832
Construction in progress	13,523,000	929,600	14,452,600
	₱ 6,530,816,984	₱ 44,174,448	₱ 6,574,991,432

Land

As at November 30, 2024 and May 31, 2024, land at revalued amount consists of:

	November 2024	May 2024
Cost		
Balances at beginning and end of year	**₱537,177,782**	**₱537,177,782**
Revaluation increment - gross		
Beginning balance	**3,821,458,220**	**3,821,458,220**
Revaluation during the year	**736,151,430**	**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).

Deferred tax liability related to the revaluation surplus amounted to ₱73.62 million (see Note 17).

Key assumptions used in the VIU calculation

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% to project cash flows beyond the five-year period to calculate the terminal value.

- Discount rates (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 University'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:

	November 2024 Unaudited	May 31, 2024 Audited
Advances to contractors	₱ 12,141,718	₱ 11,741,718
Prepaid taxes	7,108,198	7,108,198
Refundable security deposits	996,035	996,035
Financial assets at FVOCI	106,558	106,558
	₱ 20,352,509	₱ 19,952,509

Advances to contractors pertain to advances paid to contractors for planned construction of various facilities. The effect of discounting the refundable security deposits is immaterial.

The University has fully amortized software still in used as November 30, 2024 amounting to ₱8.47 million. The rollforward analysis of this account follows:

	November 2024	May 2024
Cost		
Balance at beginning and end of year	**₱8,473,000**	₱8,473,000
Accumulated amortization		
Balance at beginning of year	**8,473,000**	7,618,833
Amortization (Note 15)	**–**	854,167
Balance at end of year	**8,473,000**	8,473,000
	₱–	₱–

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, 2024.

Cost of quoted equity investments and dividend income earned during from these investments follow:

	2024
Cost of quoted equity investments	₱411,859
Dividend income	-

Movements in carrying value of financial assets at FVOCI investments for the six months Ended November 30, 2024 and for the years ended May 31, 2024 and 2023 follow:

	November 2024	May 2024
Balances at beginning of period	**₱106,558**	**₱92,880**
Fair value gains (losses)	**-**	**13,678**
Balances at end of period	**₱106,558**	**₱106,558**

Changes in revaluation reserve on financial assets at FVOCI for the six-month ended November 30, 2024 and for years ended May 31, 2024:

	November2024	May 2024
Balances at beginning of year	**(₱305,301)**	**(₱318,979)**
Change in revaluation reserve on financial assets at FVOCI	**-**	**13,678**
	(₱305,301)	**(₱305,301)**

11. Accounts Payable and Other Current Liabilities

This account consists of:

	November 2024 Unaudited	**May 31, 2024** Audited
Accounts payable	₱ 340,885,106	₱ 332,146,329
Accrued expenses	217,504,526	313,120,502
Deposits	13,668,988	14,149,341
Contract liability	26,025,656	26,025,656
Payable to students	38,606,026	38,606,026
Provision for propable losses (Note 26)	9,353,517	9,353,517
Alumni fees payable	1,128,007	2,693,089
	₱ 647,171,825	₱ 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.

Payable to students are refunds of miscellaneous fees to students to be applied in the next school year or semester.

As of November 30, 2024, contract liabilities amounting to ₱26.03 million.

As of November 30, 2024, other non-current liabilities amounting to ₱10.99, pertain to contract liabilities that are estimated to be recognized as revenue within two to five years.

Deposits include refundable deposits for toga rentals and security deposits on leases.

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 of November 30, 2024 presented below.

Shares Authorized	Shares Issued and Outstanding	Par Value	Amount
800,000,000	446,897,280	₱1	₱446,897,280

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 November 30, and May 31, 2024 the total number of shares registered under the SRC are 446,897,280 and 372,414,400 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 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
September 30, 2022	November 11, 2022	December 7, 2022	₱223,448,640	₱0.60
July 30, 2021	August 27, 2021	September 22, 2021	₱148,965,760	₱0.40

As of November 30, 2024 and May 31, 2024, the carrying value of dividends payable amounted to ₱590.14 million and ₱592.02 million, respectively.

Retained Earnings
Appropriations of retained earnings are as follows:

Date of Appropriation and Expiration	Remarks/ Projects	Amount
June 28, 2019 - June 27, 2021	On June 28, 2019, the University's BOD approved the re-appropriation of ₱450.00 million for the development of the Malolos campus. These projects include the construction of a 3-storey building for the setting up of a pre-school, elementary and high school in preparation for the K-12 program and to support the five-year development plan for Malolos campus. In addition, the University's BOD approved the appropriation of ₱80.00 million for the construction of the following: • Eight (8)-storey building in Mendiola Campus; • Construction of swimming pools and renovation of classroom in Malolos campus; and • Extension of the expansion projects of the University. The estimated date of completion of the above projects as set by the University is within 2 years. This was unappropriated on June 27, 2021 upon expiration of the appropriation.	₱530,000,000
June 23, 2017 - June 22, 2022	On June 23, 2017, the University's BOD approved the expansion projects of the University. These projects include the items enumerated below: • 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. The estimated date of completion of the above projects as set by the University is within 5 years.	₱210,000,000
August 28, 2020 - August 27, 2025	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: • 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;	₱336,000,000

Date of Appropriation and Expiration	Remarks/ Projects	Amount
	• 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. The estimated date of completion of the above projects as set by the University is within five years.	
April 29, 2022 - April 28, 2027	On April 29, 2022, the University's BOD approved the expansion projects of the University. These projects include the items enumerated below: • 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 The estimated date of completion of the above projects as set by the University is within 5 years.	₱450,000,000
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.*

During the Special Meeting of the Board of Directors of CEU held 03 October 2024, the Board of Directors approved the proposal to release past appropriation of retained earnings amounting to PHP786,000,000.00 detailed as follows:
• PHP336,000,000.00 approved last August 2020 for CEU Malolos;
• PHP450,000,000.00 approved last April 2022 for various projects at the Manila and Makati Campuses.

During the Annual Stockholders Meeting held 25 October 2024, the stock Dividend was approved.

In accordance with Revised SRC Rule 68, Annex 68-D, the University's retained earnings available for dividend declaration as at May 31, 2024 amounted to ₱777.24 million. The University plans to declare dividends in fiscal year 2025.

The consolidated unrestricted retained earnings as of November 30, 2024 amounted to ₱ 1.01 billion.

<u>Effect of Transactions with Non-controlling Interest</u>
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 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 ₱2.47 for the years ended May 31, 2024.

13. Tuition and Other Fees

This account consists of:

	Six Months Period Ended November 30	
	2024	2023
Tuition fees	₱ 458,242,031	₱ 491,215,870
Other fees	356,064,945	332,294,252
Income from other school services	181,172,722	185,072,700
	₱ 995,479,698	₱1,008,582,822

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.

Receivables and contract liabilities are disclosed in Notes 6 and 11, respectively.

Deferred tuition fees amounting to ₱343.80 million and ₱35.75 million as of November 30, 2024 and May 31, 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

Miscellaneous fees amounting to ₱25.62 million and ₱28.53 million for the six months ended November 30, 2024 and November 30, 2023, respectively. Comprise of dental material, swimming fees, locker fees, service commissions, dental pre-board, photograph fees, laboratory fees, professional and continuing education, insurance, handling fee and others.

Others include income from sale of promotional items, sale of scrap and penalty from students.

15. Costs and Expenses

Cost of Services

This account consist of:

	Six Months Period Ended November 30	
	2024	2023
Salaries, SSS contributions and other employee benefits	₱ 389,504,849	₱ 407,746,208
Light and water	59,997,857	47,873,423
Depreciation and amortization	50,504,177	45,038,489
Development	20,421,657	13,528,470
Library	9,137,622	17,930,179
Rental	10,349,025	12,000,000
Retirement expense	11,762,924	11,762,924
Stationery and office supplies	9,576,050	7,981,994
Management information	8,111,426	8,350,235
Laboratory	26,902,897	14,655,118
Directors' and administrative committee	2,828,989	3,680,494
Professional fees	9,976,410	7,218,790
Affiliation	6,548,728	7,102,651
	₱ 615,622,611	₱ 604,868,975

General and Administrative Expenses

This account consists of:

	Six Months Period Ended November 30	
	2024	2023
Janitorial and security services	34,862,374	23,995,259
Transportation and communications	15,312,696	13,730,919
Recruitment and placement	6,012,407	5,639,654
Publications	46,626	351,943
Repairs and maintenance	25,762,041	23,214,030
Guidance and counseling	4,459,981	4,837,766
Instructional and academic expenses	4,755,664	5,653,240
Entertainment, amusement and recreation	6,433,640	3,249,874
Insurance	944,851	1,278,193
Membership fees and dues	517,187	278,395
Comprehensive and oral examinations	908,413	985,044
Miscellaneous	81,473,914	95,438,750
	₱ 181,507,170	₱ 178,665,776
	₱ 797,129,780	₱ 783,534,750

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, 2024 while the latest actuarial valuation study of CELPI was made as at March 31, 2024.

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 interim consolidated statements of income for the six-month ended November 30, 2024 and November 30, 2023 are ₱11.76 million respectively.

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 ₱33.44 million to the defined benefit retirement plan in fiscal year 2024-2025.

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 components of the Group's net deferred tax liabilities follow:

	November 2024	May 2024
Deferred tax liabilities on:		
Revaluation gain on land	**₱455,760,965**	**₱455,760,965**
Undepreciated cost of property and equipment	**150,454,876**	**150,454,876**
Advance collection on tuition fee not yet recognized as income during the FY	**2,159,371**	**2,159,371**
Unrealized foreign currency exchange gain	**370,392**	**370,392**
Cost to fulfill a contract	**57,253**	**57,253**
	608,802,857	**608,802,857**
Deferred tax assets on:		
Retirement liability*	**18,714,352**	**18,714,352**
Accrued expenses	**28,557,122**	**28,557,122**
Allowance for ECL	**10,703,317**	**10,703,317**
Unamortized excess of contribution over the normal cost	**6,468,672**	**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	**2,943,195**	**2,943,195**
Difference between the actual lease payments and PFRS 16 related accounts	**1,486,150**	**1,486,150**
NOLCO	**149,490**	**149,490**
Others		
	73,096,264	**73,096,264**
Net deferred tax liabilities	**₱535,706,593**	**₱535,706,593**

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, 2022	Addition	Application	Expiration	May 31, 2023	Expiry Year
2023	₱–	₱557,401	₱–	₱–	₱557,401	2026
2022	515,704	–	–	–	515,704	2025
March 31, 2021	1,364,338	–	–	–	1,364,338	2026
	₱1,880,042	₱557,401	₱–	₱–	₱1,880,042	

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 2016, in pursuant to the Bayanihan to Recover as One Act.

The details of MCIT which can be claimed in the future by the Hospital used as credit against income tax due are shown below.

Inception Year	May 31, 2022	Addition	Application	Expiration	May 31, 2023	Expiry Year
2022	₱6,857	₱–	₱–	₱–	₱6,857	2025
March 31, 2021	19,735	–	–	–	19,735	2024
2020	9,415	–	–	9,415	–	2023
	₱36,007	₱–	₱–	₱9,415	₱26,592	

As at May 31, 2022 and 2021, the Group did not recognize deferred tax assets on the following temporary differences deemed to be not recoverable:

	2024	2023
NOLCO	**₱1,880,042**	₱1,880,042
MCIT	**26,592**	26,592
	₱1,906,634	₱1,906,634

<u>Issuances of Relevant BIR Regulations:</u>

Revenue Regulations 14-2021

To ease the burden of taxation among propriety educational institutions and taking into account the pending Bills in Congress seeking to amend Section 27 (B) of the National Internal Revenue Code (NIRC) of 1997, as amended, the BIR issued Revenue Regulation (RR) 14-2021 on July 28, 2021 to finally clarify the income taxation of schools, the implementation of the provisions regarding propriety educational institution's tax treatment of RR No. 5-2021 dated April 8, 2021 on the definition of proprietary educational institutions, insofar as it includes therein the phrase "which are non-profit", are hereby suspended pending passage of such appropriate legislation.

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.

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:

	November 2024	May 2024
Cost		
Balances at beginning and end of period	**₱205,121,481**	**₱205,121,481**
Accumulated Amortization		
Balances at beginning of period	**72,738,114**	**72,738,114**
Amortization (Note 15)	**17,457,147**	**17,457,147**
Balances at end of period	**90,195,261**	**90,195,261**
Net Book Value	**₱114,926,220**	**₱114,926,220**

The rollforward analysis of lease liability follows:

	November 2024	May 2024
Balances at beginning of period	**₱147,451,415**	**₱147,451,415**
Interest expense (Note 19)	**8,001,368**	**8,001,368**
Payments	**(24,000,000)**	**(24,000,000)**
Balances at end of period	**131,452,783**	**131,452,783**
Lease liability - current	**₱15,414,233**	**₱15,414,233**
Lease liability - non-current	**116,038,550**	**116,038,550**
	₱131,452,783	**₱131,452,783**

19. Interest Expense

There is no interest expense for the six months ended November 30, 2024 and November 30, 2023.

20. Segment Reporting

The University operates in geographical segments. Financial information on the operations of these segments is summarized as follows:

November 2024

	Mendiola	Malolos	Makati- Gil Puyat	Makati-Legaspi	Malolos Intergrated School	Makati-Legaspi Hospital (Pre-operating)	Las Piñas College	Total
Segment assets	₱ 6,142,701,301	₱1,524,963,707	₱ 138,005,680	₱ 671,151,186	₱ 279,137,551	₱ 35,955,089	₱ 105,442,905	₱ 8,897,357,419
Segment property and equipment - net	4,375,995,064	1,490,341,028	50,142,293	612,501,305	17,753,511	0	28,258,230	6,574,991,432
Segment liabilities	1,849,294,371	152,818,385	290,769,661	20,771,279	108,222,913	3,991,636	29,936,347	2,455,804,593
Segment revenues	681,340,119	124,700,226	95,657,777	78,966,503	51,144,496	1,712,843	36,391,493	1,069,913,458
Operating expenses	507,464,395	103,718,314	83,922,041	44,168,247	24,740,410	420,661	32,695,711	797,129,780
Depreciation expense	28,406,723	5,608,045	4,366,132	8,477,909	1,219,526	0	2,425,843	50,504,178
Net income (loss)	₱ 173,875,724	₱ 20,981,912	₱ 11,735,736	₱ 34,798,257	₱ 26,404,086	₱ 1,292,182	₱ 3,695,782	₱ 272,783,678

November 2023

	Mendiola	Malolos	Makati- Gil Puyat	Makati-Legaspi	Malolos Intergrated School	Makati-Legaspi Hospital (Pre-operating)	Las Piñas College	Total
Segment assets	₱ 4,965,082,360	₱1,392,520,197	₱ 304,502,206	₱ 676,202,521	₱ 266,667,146	₱ 44,986,693	₱ 103,377,666	₱ 7,753,338,790
Segment property and equipment - net	3,642,471,980	1,434,764,394	40,604,036	612,505,751	14,100,498		17,163,439	5,761,610,098
Segment liabilities	1,612,388,437	98,081,527	214,626,744	16,260,924	149,167,477	14,483,239	26,885,992	2,131,894,340
Segment revenues	652,401,342	130,012,265	142,413,780	59,174,918	58,158,451	1,358,428	23,333,856	1,066,853,039
Operating expenses	543,959,812	75,868,337	79,228,542	37,993,333	28,467,502	1,225,648	16,791,575	783,534,750
Depreciation expense	24,225,643	5,608,045	4,366,132	6,847,658	1,470,328		2,520,683	45,038,489
Net income (loss)	₱ 108,441,529	₱ 54,143,928	₱ 63,185,238	₱ 21,181,585	₱ 29,690,949	₱ 132,780	₱ 6,542,281	₱ 283,318,289

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.

Transaction with related parties is made at terms similar to those offered to third parties.

In the ordinary course of business, the Group has transactions with Philtrust Bank, an affiliate under common control, as follows:

a. Lease of a building in Makati as lessee
b. Savings account and short-term investments.

The Group avails of advertising services of Manila Bulletin Publishing Corporation, an affiliate under common control.

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.

Transactions with Retirement Plans

Under PFRSs, 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.

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 six months ended November 30, 2024 and for the years ended May 31, 2024.

Remuneration of Key Management Personnel

The Group's key management personnel include all management committee officers.

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

b. Additional investment in CE-IS

23. Basic/Diluted EPS

The income and share data used in the basic/diluted EPS computations are as follows:

	Six Months Period Ended November 30			
		2024		2023
Net income(loss)(a)	₱	272,783,678	₱	283,318,289
Weighted average number of outstanding common shares(b)		446,897,280		372,414,400
Basic/diluted earnings (loss) per share (a/b)	₱	0.61	₱	0.76

There were no potential dilutive financial instruments for the six months ended November 30, 2024.

24. Fair Value Measurement

The Group uses a hierarchy for determining and disclosing the fair value of its assets and liabilities.

The carrying amounts and the fair values of the Group's financial and non-financial assets and liabilities as at November 30, 2024.

	2024			
		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	**₱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.

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	*Internal factors:*	
		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	*Comparable analysis: External factor (net price)*	
		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.
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.

<u>Quoted Equity Securities Classified as Investments at FVOCI</u>
Fair value is based on quoted prices.

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.

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 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.

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, 2024 and quarter ended November 30, 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 of November 30, 2024 and May 31, 2024.

	November 2024 Unaudited	**May 31, 2024** Audited
Accounts payable and accrued expenses (a)	647,171,825	736,094,461
Lease Liability	131,452,782	131,452,782
Total debt	778,624,607	867,547,243
Total Stockholders' Equity (d)	6,441,552,826	6,168,769,148
Debt-to-Equity ratio (c/d)	0.12:1	0.14:1

As of November 30, 2024 and May 31, 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.

27. Changes in Liabilities Arising from Financing Activities

Changes in the Group's liabilities arising from financing activities are presented below:

	2024		2023	
	Dividends payable (Note 12)	**Lease liability (Note 19)**	Dividends payable (Note 12)	Lease liability (Note 19)
Balances at beginning of year	**₱346,614,015**	**₱147,451,415**	₱116,979,801	₱162,564,563
Interest expense (Notes 18 and 19)	**–**	**8,001,368**	–	8,886,852
Dividend declaration including dividends to NCI (Note 12)	**446,897,280**	**–**	448,629,780	–
Cash payments including dividends to NCI (Note 12)	**(203,949,599)**	**(24,000,000)**	(218,995,566)	(24,000,000)
	₱589,561,696	**₱131,452,783**	₱346,614,015	₱147,451,415

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
INDEX TO THE SUPPLEMENTARY SCHEDULES

Annex A

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

November 30, 2024

CENTRO ESCOLAR UNIVERSITY

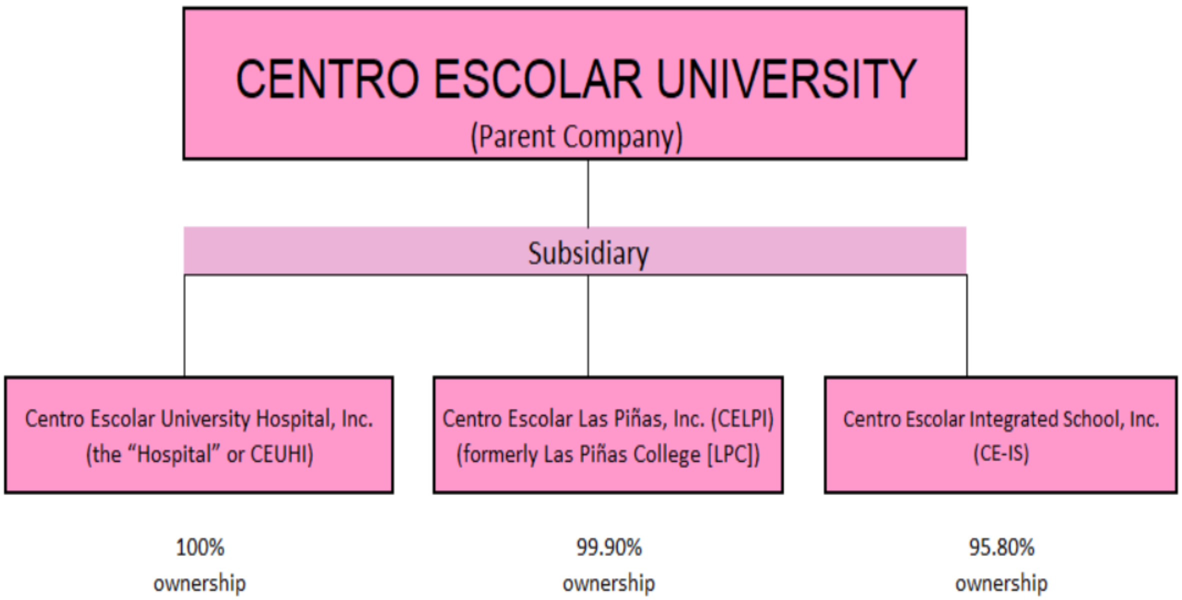
9 Mendiola Street, San Miguel, Manila

Unappropriated Retained Earnings, beginning of reporting period - May 31, 2024		₱ 600,383,361
Add:	Category A: Items that are directly credited to Unappropriated Retained Earnings	
	Release of past appropriation	786,000,000
Less:	Category B: Items that are directly debited to Unappropriated Retained Earnings	
	Stock Dividend declaration during the reporting period	-990,622,304
Unappropriated Retained Earnings after stock divideds and Release of past appropriation		395,761,057
Add:	Net income for the six months ended November 30. 2024	241,391,628
Less:	Category C.1: Unrealized income recognized in the profit or loss during the reporting (net of tax)	
	Sub-total	
Add:	Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting (net of tax)	
	Sub-total	
Add:	Category C.3: Unrealized income recognized in the profit or loss in prior reporting periods but reversed in the current reporting (net of tax)	
	Sub-total	
Unadjusted Net Income		241,391,628
Add:	Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	
	Sub-total	
Add/Less:	Category E: Adjustments related to relief granted by the SEC and BSP	
	Sub-total	
Add/Less:	Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
	Net movement of deferred tax asset not considered in the reconciling items under the previous categories	
	Sub-total	
Total Retained Earnings, end of the reporting period		₱ 637,152,685

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
November 30, 2024

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)
Investments at FVOCI				
Casino Español de Manila	₱1	₱–	₱–	₱–
PLDT- Common	72	106,558	106,558	13,678
Polymedic General Hospital	80	–	–	–
PLDT- Preferred	9,500	–	–	–
PLDT Comm & Energy Ventures, Inc. (Formerly Pilipino Telephone Corp.)	300	–	–	–
Total	₱9,953	₱106,558	₱106,558	₱106,558

Annex C

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J

*Schedule B - Amounts Receivable from Directors, Officers, Employees and Principal Stockholders (Other than Affiliates) **

November 30, 2024

Name and Designation of debtor	Balance at beginning of period	Additions	Deductions		Ending Balance		Balance at end of period
			Amounts collected	Amounts written off	Current	Not current	
Housing Loan							
Apostol, Maria Hidelisa B.	45,000	-	15,000	-	30,000	-	30,000
Travel Loan							
Suto, Vivian - Faculty	38,480	12,713.6	-	-	-	51,193.54	51,193.54
So, Rosemarie - Faculty	79,526	-	-	-	-	79,526	79,526
Declaro, Lynn	76,959.84	-	-	-	-	76,959.84	76,959.84
Albano, Heidi Rosario - Faculty	68,297.72	-	-	-	-	68,297.72	68,297.72
De Leon, Julius - Faculty	242,613	-	-	-	-	242,613	242,613
Galang, Sharon - Faculty	242,613	-	-	-	-	242,613	242,613
Ramirez, Eufrecina - Faculty	363,918.78	-	-	-	-	363,918.78	363,918.78
Villanueva, Angelina - Faculty	242,613	-	-	-	-	242,613	242,613
Cortado, Christopher Jay - Faculty	41,985	-	-	-	-	41,985	41,985
Andoy, Maria Corazon - Faculty	242,613	-	-	-	-	242,613	242,613
Dizon, Maria Carmen - Faculty	242,613	-	-	-	-	242,613	242,613
Orlina, Jericho AVP - Business Affairs	242,613	-	-	-	-	242,613	242,613
Grino, Nicanor Jerry Head - Security Dept.	36,617	-	-	-	-	36,617	36,617
Garcia, Nancy - Faculty	12,206	-	-	-	-	12,206	12,206
Andres, Maricar Joy	242,613	-	-	-	-	242,613	242,613
Trias, Aleriza Marya	242,613	-	-	-	-	242,613	242,613
Diasanta, Socorro Vivian	242,613	-	-	-	-	242,613	242,613
Robles, Geraldine	242,613	12,713.6	-	-	-	255,326.12	255,326.12
Duad, Nadine	242,613	12,713.6	-	-	-	255,326.12	255,326.12
Baloso, Maria Cecilia	242,613	-	-	-	-	242,613	242,613
Sanchez, Carmen	242,613	-	-	-	-	242,613	242,613
Quieng-Flores, Marjorie	242,613	-	-	-	-	242,613	242,613
Gornez, Gemma Rosemarie	242,613	-	-	-	-	242,613	242,613
Solidum, Marie Elizabeth	242,613	-	-	-	-	242,613	242,613
Ebreo, Fresnida	242,613	-		-	-	242,613	242,613

Annex C

Name and Designation of debtor	Balance at beginning of period	Additions	Deductions	Ending Balance			Balance at end of period
			Amounts collected	Amounts written off	Current	Not current	
Cabanban, Irynne	242,613	-	-	-	-	242,613	242,613
Sagun, Ceryl	242,613	-	-	-	-	242,613	242,613
Patron, Aileen	242,613	-	-	-	-	242,613	242,613
Javellana, Valeriano D'Ariel	242,613	-	-	-	-	242,613	242,613
Nuguid, Virginia	242,613	12,713.6	-	-	-	255,326.12	255,326.12
Casilang, Aubreyrose	242,613	-	-	-	-	242,613	242,613
Rillo, Richard	242,613	-	-	-	-	242,613	242,613
Castillo, Raquel	242,613	-	-	-	-	242,613	242,613
Oanes, Maria Belynda	242,613	-	-	-	-	242,613	242,613
Azul, Alnee Joy	242,613	-	-	-	-	242,613	242,613
Opina, Arlene	121,306	-	-	-	-	121,306	121,306
Ramirez, Jean	121,306	-	-	-	-	121,306	121,306
Robles, Sofia Magdalena	152,005.32	12,713.6	-	-	-	164,718.92	164,718.92
Jacosalem, Maria Jessica	152,005.32	-	-	-	-	152,005.32	152,005.32
Portuguez, Marjorie	152,005.32	-	-	-	-	152,005.32	152,005.32
Florentino, Emerenciana	152,005.32	-	-	-	-	152,005.32	152,005.32
Lazarra, Ronnel	152,005.32	-	-	-	-	152,005.32	152,005.32
Caudal, Rosario	152,005.32	-	-	-	-	152,005.32	152,005.32
Bernales. Irene	152,005.32	-	-	-	-	152,005.32	152,005.32
Retamar, Rosita	152,005.32	-	-	-	-	152,005.32	152,005.32
Flores. Merlynn	152,005.32	-	-	-	-	152,005.32	152,005.32
Rivera, Emelda	152,005.32	-	-	-	-	152,005.32	152,005.32
Salao, Carmelita	152,005.32	-	-	-	-	152,005.32	152,005.32
Aguilar, Marissa	152,005.32	-	-	-	-	152,005.32	152,005.32

(Forward)

Annex C

			Deductions		Ending Balance		
Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not current	Balance at end of period
CE-IS Stockholders							
Ma. Cristina D. Padolina - President	₱ 250,000	₱ -	₱ -	₱ -	₱ -	₱ -	₱ 250,000
Corazon M. Tiongco	250,000	-	-	-	-	-	250,000
Ricardo F. De Leon	250,000	-	-	-	-	-	250,000
	₱ 9,880,217	₱ 63,568	₱ 15,000	₱ -	₱30,000	₱ 9,428,783.68	₱ 9,928,783.68

Note: *This schedule pertains to advances originally made amounting to ₱100,000 and above only.

Annex C
CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J

Schedule C - Amounts Receivable from Related Parties which are eliminated during the Consolidation of financial assets

November 30, 2024

			Deductions		Ending balance	
Name of Related Companies	Balance at beginning of period	Additions	Amounts collected	Amounts written off/Offset	Current	Not current
Centro Escolar Las Piñas, Inc.		₱92.842.157			₱92.842.157	
Centro Escolar Integrated School, Inc.					-	
Centro Escolar University Hospital, Inc.		215.713			215.713	
TOTAL		₱93.057.869			₱93.057.869	

Annex C

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J

Schedule D - Intangible Assets - Other Assets
November 30, 2024

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
Software	–	–	–	–	–	–
TOTAL	₱47,605,695	₱–	₱–	₱–	₱–	₱47,605,595

Annex C

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J

Schedule E - Long-term Debt
November 30, 2024

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 November 30, 2024, the University does not have long-term debt.

Annex C

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J

Schedule F - Indebtedness to Related Parties (Long-Term Loans from Related Companies)
November 30, 2024

			Deductions		Ending balance	
Name of Related Companies	Balance at beginning of period	Additions	Amounts paid	Amounts written off	Current	Not current

As of November 30, 2024, 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 G - Guarantees of Securities of Other Issuers
November 30, 2024

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 of November 30, 2024, 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
November 30, 2024

				Number of shares held by		
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	Related parties	Directors, officers and employees	Others
Common stock	800,000,000	446,897,280	–	254,725,184	72,690,899	108,681,197

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

		Second Quarter November 2024	Second Quarter November 2023
Current ratio	Current assets / Current Liabilities	1.32:1	1.35:1
Debt to equity ratio	Accounts Payable+Accrued Expenses+Interest bearing loans / Total Equity (capital)	0.10:1	0.12:1
Interest rate coverage	Net income before income tax / Interest expense	-	-
Revenue growth	(Current period tuition+other school fees)-(Present period tuition+other school fees) / Present period tuition + other school fees	-1.30%	9.21%
Return on Revenue	Net income / Tuition + other school fees	27.40%	28.07%
Return on Equity	Net Income / Average Stockholders' Equity	4.33%	10.34%
Return on assets	Net Income / Average total assets	3.15%	3.79%

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 Special Stockholders Meeting To be held on 07 March 2025
in accordance with SRC Rule 20.4

MANAGEMENT REPORT TO STOCKHOLDERS UNDER SRC RULE 20.4

Item 1. Financial Statements

The annual report (SEC17A) and audited consolidated financial statements were distributed together with the Definitive Information Statement last October 2024 in relation to the Annual Stockholders Meeting held 25 October 2024. Since this report is in connection with a Special Stockholders Meeting, in lieu of the annual report and audited financial statements, the latest SEC 17Q Quarterly Report (second quarter ended 30 November 2024) and interim unaudited financial statements will be included. The University nonetheless will furnish any Stockholder a copy of the Annual Report upon written request send to the following: Office of the Corporate Secretary Centro Escolar University 9 Mendiola Street San Miguel City of Manila.

Item 2. 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 3. Management's Discussion and Analysis (MD&A) or Plan of Operation

Management ‘s Discussion and Analysis or Plan of Operation as of Q2 2024-2025
For the six months ended November 30, 2024, the University had a gross revenue of P1,069,913,458 and a net income of P272,783,678.

Three months ended November 31, 2024 (Second Quarter This Year) versus Three months ended November 31, 2023 (Second Quarter Last Year).

For the three months ended November 30, 2024, the revenues amounted to P727,049,133 as compared to P 565,941,731 for the same period in 2023. Net income of P 257,639,245 was registered for the three months ended November 30, 2024 as compared to P135,907,752 net income for the same period in 2023. Operating expenses increased to P 469,409,887 for the three months' period ended November 30, 2024 from P 430,033,979 for the same period in 2023.

2023-2024
Tuition and Other School Fees increased by 28.50% from the previous year's ₱1,847,171,734 to this year's ₱2,373,589,778 as compared to last year's increase by 43.32% to ₱1,847,171,734 from ₱1,288,803,199. 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 Revenues pertaining to rental income amounted to ₱13,227,724 which is a decrease of 20% from previous year's total of ₱10,953,501 as compared to an increase of 127.47% in 2023 from ₱4,815,310 in 2022. Interest income was reported at ₱32,265,250 in 2024, ₱14,739,965 in 2023, and ₱3,102,887 in 2022. No Other Income was reported as of May 31, 2024, with ₱4,000 as of May 31, 2023 which is a decrease from ₱322,060 in 2022.

The total revenues from contracts with customers increased to ₱2,400,221,353 from ₱1,880,318,123 in 2023 and from ₱1,301,696,641 in 2022 while Costs and Expenses were reported at ₱1,762,579,013 in 2024, ₱1,500,235,664 in 2023 and ₱1,180,482,250 in 2022.

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, 2024 increased to ₱616,981,545 from ₱396,019,517 in 2023 and from ₱119,052,481 in 2022. For the fiscal year 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.
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 (Q2 2024-2025; 2023-2024; 2022-2023; 2021-2022)
Q2 2024-2025

The principal sources of liquidity of the University are cash generated from operations. The principal uses of liquidity are for payment of liabilities, operating expenditures, capital expenditures and cash dividends.
The University' s cash balance on November 30, 2024 increased to P 1,002,255,556 from P788,628,149 as of May 31, 2024. The University has always relied on internally generated cash to fund its working capital needs and capital expenditures. The University’ s current ratio stands at 1.32:1 as of November 30, 2024.

The University does not anticipate any liquidity problems in the next 12 months as it consistently maintains a strong cash position. There is no trend/ event or uncertainty that will have a material impact on the University' s liquidity, net sales, revenues, and income from continuing operations. The internal sources of liquidity are tuition and miscellaneous fees, the registrant being a university. There is no event that will trigger direct or contingent financial obligation that is material to the University, including any default or acceleration of an obligation.

FY 2023-2024
The University reported a healthy cash position as of May 31, 2024. Cash and cash equivalents were at ₱788,628,149 as compared to last year’s balance of ₱790,973,671 and May 31, 2022 balance of ₱480,047,725. Also, in fiscal year 2024 was a ₱450,000,000 Investment in Securities and Other Instruments. Tuition and other receivables were at ₱308,104,679 this year as compared with ₱347,621,304 in 2023 and ₱286,584,422 in 2022. 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 ₱31,923,660. Other current assets, which consist largely of Advances to Suppliers and Prepayments, stood at ₱103,613,684.
The current assets of the University as of fiscal year ended May 31,2024 were ₱1,682,270,172 as compared to ₱1,250,860,782 in 2023 and ₱957,799,560 for May 31, 2022.

Property and Equipment were reported at ₱6,530,816,984 from ₱5,739,500.53 in 2023 and ₱5,721,282,796 in 2022.
Total non-current assets were at ₱6,713,301,408 and Total Assets were at ₱8,395,571,580 at the end of the fiscal year.

Accounts payable and other current liabilities increased to ₱736,094,461 from ₱650,395,722 in 2023 and ₱530,611,109 for May 31, 2022. Deferred revenues were reported this year at ₱35,755,839. Dividends payable was at ₱592,029,196 compared to ₱346,614,015 last year and ₱116,979,801 on May 31, 2022. Total current liabilities were at ₱1,406,735,176 at fiscal year-end.

Total noncurrent liabilities as of May 31, 2024 increased to ₱820,067,256 from last year’s

₱790,552,282 and ₱809,411,783 in 2022. 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 ₱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 2024 was at ₱116,038,550 and was at ₱131,452,782 in 2023 and ₱147,451,415 in 2022. 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, 2024, retirement liability was at ₱157,336,740. The University's stockholder's equity stood at ₱6,168,769,148 as of May 31, 2024 compared to ₱5,338,126,160 as of May 31, 2023 and ₱5,389,626,957 as of May 2022.

Key Performance Indicators (as of Q2 ending 30 November 2024)

Basic performance indicators are employed and comparisons are then made against internal targets and the previous periods performance.

Performance	Second Quarter	Second Quarter	Manner of computation	Significance
	November 2024	November 2023		
Revenue Growth	-1.30%	9.21%	Difference between current and last year's tuition and other fees divided by last year's revenues	Measures revenue growth
Return on Revenue	27.40%	28.07%	Net income divided by tuition and other school fees	Shows how much profit is derived from every peso of tuition and other school fees
Dividend Pay-out Ratio	0	0	Dividends divided by net income	Indicates how earnings support dividend payment
Return on Equity	4.33%	10.34%	Net income divided by average total stockholder's equity	Measures extent of profit earned
Return on Assets	3.15%	3.79%	Net income divided by average total assets	Measures use of assets to generate income

Liquidity

The University' s cash balance on November 30, 2024 increased to ₽1,002,255,556 from 788,628,149 as of May 31, 2024. The University' s current ratio stands at 1.32:1 as of November 30, 2024. The University does not anticipate any liquidity problems in the next 12 months as it consistently maintains a strong cash position.

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 ₱370,924,168 for fiscal year ended May 31, 2024 as compared to cash flows provided by operating activities at ₱590,751,938 for fiscal year ended May 31,2023 and ₱267,078,425 for fiscal year ended March 31, 2022.
Cash used in investing activities was at ₱145,404,390 during the fiscal year ended May 31, 2024 as compared to cash used in investing activities of ₱122,372,645 during the fiscal year ended May 31, 2023 and ₱17,865,723 during the fiscal year ended March 31, 2022.

Cash used in financing activities was at ₱227,949,599 during the fiscal year. This was primarily used for the payment of dividends. Cash used for financing activities was ₱242,995,566 during the fiscal year ended May 31, 2023 and ₱168,354,116 for the fiscal year ended May 31, 2022.

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:

Modernization of buildings
Equipment
Libraries
Laboratories
Gymnasium and similar facilities and
Payment of other costs of operations. "Only 10% is left for return on investment.
Modernization of buildings
Equipment
Libraries
Laboratories
Gymnasium and similar facilities and
Payment of other costs of operations. "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, and 2023-2024 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.

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.

The current assets of the University as of the second quarter ended November 30, 2024 were ₱2, 139, 481, 563 as compared with ₱1, 682,270,172 on May 31, 2024. The increase in current assets of ₱ 457,211,391 over May 31, 2024 balance was mainly due to increase in tuition and other receivables.

Receivables from tuition and other fees increased by ₱237,685,440.

This account consists of:		
	November 2024	May 31, 2024
Students	636,770,106	391,397,697
Accrued interest receivable	238,105	238,105
Nontrade receivables	10,122,287	10,122,287
Others:		
Advances to employees	18,706,444	26,393,413
Accrued rent receivable	7,357,103	7,357,103
Other receivable	3,611,995	3,611,995
	676,806,040	439,120,600
Less allowance for ECL	131,015,921	131,015,921
	545,790,119	308,104,679

The total current liabilities of the University as of November 30, 2024 were ₱1,623, 974,413 higher by ₱217,239,237 from the balance as of May 31, 2024.

Deferred revenue as of the second quarter ending November 30, 2024 were ₱343,801, 246.

Unappropriated Retained Earnings increased by ₱68,161,374 due to net income, stock dividends and release past appropriation for second quarter ending November 30, 2024.

The nature and amount of items affecting assets, liabilities, equity, net income and cash flow are ordinary and occur in the usual course of university operations. There is no significant element of income or loss arising from continuing operations.

There are no material changes in the estimates of amounts reported in prior interim periods of the current financial year. Thus, there is no effect on the amounts reflected in the current interim period.
There have been no material events subsequent to the end of the interim period, nor any other changes in the composition of the issuer. Also, there are no changes in contingent liabilities or contingent assets since the last annual balance sheet date. Neither does any material contingencies or events that are

material to the understanding of the current interim period exist.

CEU operations are generally affected by seasonality. There is usually a 10% to 12% drop in the number of students in the second semester, as compared to the first semester. There are generally fewer students enrolled during summer months.

There are no issuances, repurchases or repayments of debt and equity securities.
Drop in enrollment, a seasonal aspect, had a material effect on the financial condition or results of operations of the university.

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 that the Group has adopted the following new accounting pronouncements effective in 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 financial statements of the Group.

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

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

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

Amendments to PAS 8, *Definition of Accounting Estimates*
Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to PAS 12, *International Tax Reform-Pillar Two Model Rules*

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Group’s consolidated financial statements.

Effective beginning on or after January 1, 2024

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

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

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

Effective beginning on or after January 1, 2025

PFRS 17, *Insurance Contracts*

Amendments to PAS 21, *Lack of exchangeability Deferred effectivity*
Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to May 31, 2024 on the Group'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.

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
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 2023-2024, the partner in -charge is Mr. Bryan Chrisnel M. Baes.
In 2023, 2022 and 2021, the University paid ₱1,195,700, ₱1,087,000 and ₱1,048,100 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 May 2021, the University paid ₱366,560, VAT exclusive, to Sycip, Gorres, Velayo and Co. (SGV) for the audit of the University's two-month period ended May 31, 2021 interim financial statements, as well as assistance in the preparation of the annual income tax returns.
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 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, Dr. Angel C. Alcala (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:

- to develop wholesome values and attitudes;
- to be proficient in their chosen vocations; and
- 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.
School Year 2023-2024 Student Enrolment

The University had an enrolment of 18,811 for the first semester and 17,889 for the second semester of school year 2023-2024. The total enrolment for the three campuses increased by 6.03% and 5.93% for the first and second semesters respectively compared to that of SY 2022-2023. The school year 2023-2024 has the enrollment for all each year levels.

Foreign Student Enrollment

Foreign student enrolment for SY 2023-2024 was 159 and 154 for the first and second semesters, respectively. An increase of 17.78% and 6.21% for the first and second semesters, respectively, was noted compared to that of the previous school year. Dentistry is the program where most of the foreign students enrolled. Chinese comprise the highest foreign students in CEU this SY.

Performance in Board Examination

Making excellence as its culture, CEU has proven once again its commitment to provide world-class quality education as its graduates garnered top spots in different licensure examinations conducted by the Professional Regulation Commission (PRC). CEU-Manila Pharmacy graduates took the top 4 spots in the licensure examination (1st, 3rd, 8th, and 10th), CEU-Manila Medical Technology graduate snatched the 6th while CEU – Makati Medical Technology graduate placed 8th of Medical Technology Licensure

Examination for March 2024.

The passing percentage of CEU graduates who took the licensure examination the first time was higher than the national passing percentage in almost all licensure examinations.

Accreditation and Recognition

The sustainability of higher education institutions (HEIs) depends on their ability to compete locally and globally through quality programs and to be efficient and effective through quality systems.

CEU's adherence to its quality objectives and principles, as well as its compliance to statutory and regulatory requirements, urges the academic community to seek for opportunities for continuous improvement.

A total of eight (8) programs on the CEU campuses underwent AUN-QA Programme Assessment in SY 2023-2024. Four (4) programs that includes BS Nursing, Doctor of Optometry, BS Nutrition and Dietetics and BS Psychology (Online/Remote Site Visit) were assessed on May 9-11, 2023 while the other four (4) programs for Bachelor of Music, BS Social Work, BS Cosmetic Science, and

BS Information Technology had onsite assessment on September 12-14, 2023. All the eight (8) programs fulfilled the AUN-QA requirements and that the quality assurance implemented for the programs is "Adequate as Expected". The certifications from AUN indicates validity from June 11, 2023 to June 10, 2028 and October 14, 2023 to October 13, 2028 respectively for each group.

The AUN-QA assessment at programme level covers 11 criteria: expected learning outcomes, programme specification, programme structure and content, teaching and learning approach, student assessment, academic staff quality, support staff quality, student quality and support, facilities and infrastructure, quality enhancement and output. Each criterion is assessed based on a 7-point scale. Based on the overall assessment results, all the eight (8) programs fulfilled the AUN-QA requirements and that overall, the quality assurance implemented for the programs is "Adequate as Expected".

The Société Générale de Surveillance (SGS) conducted the three-day combined audit of ISO 9001:2015 (Quality Management System) and ISO 21001:2018 (Educational Organization Management System) on April 15-17, 2024. The SGS auditors verified CEU's compliance with ISO standards, regulatory requirements, and customer expectations. They also assessed the institution's risk management processes and effectiveness.

The University is granted recertification for its ISO 9001:2015 and a new certification for ISO 21001:2018 with effectivity date of June 20, 2024 to July 17, 2026.

Centro Escolar University, has been ranked among the 2024 Global Top 300 Innovative Universities by The World University Rankings for Innovation (WURI). The World University Rankings for Innovation (WURI) assesses higher education institutions' real contributions to industry and society, highlighting innovative education, research, and engagement to society.

Overall, CEU was ranked 271 among the 1072 universities worldwide that participated. Most significant is that CEU ranked in the TOP 100 in three categories:

Industrial Application: Rank 23
Support for Global Resilience: Rank 27
Leadership: Rank 36

This ranking is a result of the collective effort of everyone in the CEU community. Each of us contributes in our unique and special way. Each one of us should feel the pride and the pleasure at having contributed to this achievement.

International Linkages

The School of Nursing have a research collaboration with Stikes Buleleng Bali Indonesia and Stikes Baiturrahim for the research “Effectiveness of Mobile Diabetes Self-Management Education (M-DSME for Patients with Type 2 Diabetes Mellitus in Indonesia and Philippines”. They co-organized the 13th Hong Kong International Nursing Forum held in March 5, 2024 and the 9th Allied Health Sciences Symposium held on May 8-9, 2024 with Daegu Health College, Kumamoto Health Science University, and Khon Kaen University. They have an Internship/Student Exchange Program Outbound with Budi Luhur Institute of Health Sciences and a faculty Exchange Program with Polytechnic Health Ministry of Pontianak.

The School of Optometry have student exchange linkages with the Asia University in Taiwan, Academy Leprindo and Academy Aktriyo Yogyakarta Indonesia, and Management Science University (MSU), Malaysia where they sent 19, 16, and 25 student interns for international visit and clinical immersion on April 18-25, 2024, May 13-23, 2024, and May 15-25, 2024 respectively.

Quality Assurance

Centro Escolar University earned anew an International Organization for Standardization Certification on ISO 21001:2018 which is Educational Organizations Management System (EOMS). This system guides institution that supports the development of knowledge through teaching learning or research. The standard aims to enhance the satisfaction of learners, other beneficiaries and staff through effective application of the EOMS. The University also passed the surveillance I of ISO 9001:2015 (Quality Management System). The ISO visit was conducted in April 15-17, 2024. The certification and surveillance apply to all academic and support services functions in CEU Manila, CEU Makati, and CEU Malolos campuses.

In preparation for the ISO external visit, a mock audit was conducted on March 19-22, 2024. On the other hand, Internal Quality Audit (IQA) was held on January to February 2024.

To leverage the future of the University as the “University of first choice” and to strengthen its pursuit of its vision and mission, the CEU Management Council conducts a yearly review and strategic planning. The activity also serves as a venue for strengthening the working relationship among the different work units of the University.

The Year End Management Review and Strategic Planning for the SY 2022-2023 was held on July 3, 5, 6, 18, & 19, 2023 with the following objectives: evaluate CEU’s performance on the four pillars of excellence and on the QMS and establish CEU’s three-year strategic plan (SY 2024-2025 to Sy 2026-2027). Aside from reporting the year end performances of the four pillars including the University programs and projects accomplishments, a comprehensive environment assessment that includes the finalization of the SWOT, Risk and Opportunities and Action Plans from SWOT was conducted. A strategic planning workshop was also part of the year end management review. A periodic monitoring of the annual operation plan of the different units was conducted online by the Planning and Monitoring Office.

The Midyear Management Review and Strategic Planning was held on February 27-29, 2024. It aimed to determine the CEU’s midyear performance on the four pillars of excellence, finalize the strategic plan for SY 2024-2025, and disseminate the improvement on the University Integrated QMS related programs.

An Internal Quality Audit (IQA) orientation and re-orientation was conducted on January 12, 2024. The activity aimed at enhancing CEU’s Quality Management System through an effective internal quality audit process delivered by competent and committed auditors. Orientation on the Educational Organizations Management System (EOMS – ISO 2018:2018) was also conducted. The same activity was also conducted for the Data and Document Custodian on October 4, 11, 12, 13 for Makati, and Manila. The orientation for the 7S evaluators was conducted on November 29, 2023.

To further improve service to various clientele, Customer Feedback Form (CFF) was incorporated in the visitor's form to obtain feedback from external clients. Collection and submission of the CFF to the Institutional Development Department is done periodically. On the other hand, the CEU Internal Customer Survey Instrument and Student Personnel Services (SPS) Evaluation from internal clients/students are done annually.

To recognize the quality service and exemplary efforts of both teaching and non-teaching personnel, Centro Escolar University held its annual Quality Awards Day last November 8, 2023. The event gives recognition to the deserving members of the University from the three campuses; Manila, Makati, and Malolos as The Teacher of the Year, Non-Teaching of the Year (Non-Supervisory and Supervisory Category), Research of the Year, Best Internal Quality Audit (IQA) Sub-Team, Best Quality Circle, and CEU STARS.

Faculty Achievements

Dr. Erna V. Yabut, Vice-President for Research and Evaluation, is the current president of the Philippine Society for Educational Research and Evaluation, Inc. (PSERE), the chair of the University Belt Consortium Research and Extension Linkages, and the secretary of the National Research Council of the Philippines Research Foundation, Inc.

Dr. Carlito B. Olaer, Vice President for Student Affairs, was elected President of Philippine Association of Practitioners of Student Affairs and Services (PAPSAS). Dr. Maria Corazon L. Andoy, head of the Student Affairs of CEU Makati is the elected President of PAPSAS-NCR Chapter while Mr. Dante Gabano, Asst. to the VP for Student Affairs (Campus Organization) is the Business Manager.

Dr. Julieta Z. Dungca, Dean of the School of Science and Technology, is the elected secretary of the Philippines Society of Research (PSERE), Inc. and the treasurer of the Philippine Society of Parasitology (PSP), Inc. Dr. Carmencita Salonga, head of the Guidance and Counseling Department is a board of director of Psychological Association of the Philippines. Dr. Maria Dolores Delacruz, head of the Planning and Monitoring Department is the treasurer of the Philippine Society for Quality Assurance (PSQ). Dr. Maricar Ching, the Asst. Dean of the Graduate School, is the secretary of both the Biology Teachers Association (BIOTA) of the Philippines and the National Research Council of the Philippines (NRCP) Division 3. Dr. Ching is also a board member of the Department of Science and Technology Philippine Council for Health Research and Development (DOST-PCHRD) Scholars Society. Ms. Aleli Lozano, head of the Physical Sciences and Math Department is the Asst. Treasurer of the Philippine Association of Chemistry Teachers. Dr. Agnes Magnaye, a faculty from the Biological Sciences Dept. is a board member of BIOTA Philippines.

The Dean of the School of Accountancy and Management, Dr. Rosemarie Soo, was elected Asst. Treasurer of the Philippine Association of Collegiate Schools of Business (PACSB) in SY 2023-2024 and Vice President for NCR. Prof. Roy Raian Joson, Program Head of Accountancy and Management, is presently the Director of the Philippine Federation of Credit Cooperatives, NCR and the Treasurer of the Regional Cluster Officer-Cooperative Development Authority while Mr. Dennis Sandoval, a lecturer, if the National President of the Council of Management Educators and Professionals in the Philippines (COMEPP) and the Vice President for External Affairs, Asian Council of Leaders, Administrators, Deans, and Educators in Business (ACLADEB)

The Dean of the School of Nursing, Dr. Elvira Urgel, is the P.R.O. of the Association of Deans of Philippine Colleges of Nursing while the Assistant to the Dean Mrs. Joylyn Mejilla is the Treasurer of Philippine Association of Diabetes Educators (PADE). Dr. Pearl Ed Cuevas is the Global Society for Philippines Nurses Researchers, Inc. (GSPNRI) Treasurer while Mr. Benedicto Reyes is the Treasurer. Mrs. Anjanette De Leon is the PADCENS Secretary, Mr. Rhyan Hitalla is the ETNAP President and a specialized trainer of European Wound Management Association, Mr. Erljohn Gomez is the Director Finance of the Sigma Phi Gamma Chapter and Dr. Sofia Magdalena Robles is a member of the COMELC of the Philippine Nurses Association.

From Dentistry Makati, Dr. Ryan Tiongco is a Board of Trustee for Luzon of the Philippine Dental Association (PDA). The Program Head of CEU Nursing, Mae Angeline M. Lontoc, is the Treasurer of the Philippine Association of Diabetes Care and Education Nurse Specialists, Inc. Mr. Marc Eugene Cera III, Program Head of the Makati Pharmacy is the Public Relations Officer of the Philippine Association of Colleges of Pharmacy while Mr. Cyrene Keith Villanueva and Mr. John Christian Lara is the Vice President and Coordinator respectively for the Young Pharmacists Group - South Metro Chapter. The Program Head of the Hospitality Management, Mrs. Luzette Mijares is the Treasurer of the Hospitality and Tourism Deans and Program Head CHED NCR (HOSTCODE CHED NCR). Mrs. Aurea Manzon- Prado won 3rd Place in the Outstanding Oral Presentation for her research entitled "*Musa acuminata and Ipomea batatas L.* as WBC Diluting Fluid and Its Effect on Erythrocytes" during the 8th Allied Health International Symposium held in Khon Kaen University, Thailand in December 1, 2023.

The Vice President of CEU Malolos, Dr. Maria Flordeliza Anastacio, is the President- International Academy of Accounting for Business, research and Education (IABBRE), Vice President -Pi Lambda Theta International Honor (Philippines Area), Expert/Mentor of the German Academic Exchange Service for Innovation Education Strategies (DAAD-DIES), and a Visiting Professor of the Royal Institution of Singapore, Dr. Maria Dinna Avinante, Program Head of Business Administration is a Marketing Professional of the Marketing Institute of the Philippines (PMAP), Mr. Pilipino Ramos, Head of the Accountancy Program is the Vice President- Planning and Development of the Bulacan Chamber and Commerce Industry. Dr. Josan Tamayo, Program Head of Information Technology, is the VP for External Affairs of Bulacan IT Educators Society and the Director for Curriculum and Instruction- Association of Computing Education Deans and Program Heads.

Dr. Shirley Wong, Head of the Dentistry, is the Treasure of the Academy of Dentistry International and Assistant Treasurer of the Academy of Dentistry International- Phil Section. She was also awarded as Fellow of the International College of Dentistry and Pierre Fauchard Academy.

Dr. Maria Concepcion Anda, Program Head of Optometry received the PFPA Excellence Awardee for the Optometry Profession (Academe/Research and Development Category) during the 11th PFPA Distinction Award 2024 held at U.P. Bahay ng Alumni in February 25, 2024.

Mrs. Regina Jazul, Program Head of Pharmacy, is the Auditor of the Philippine Association of Colleges of Pharmacy (PACOP), Mrs. Mylene June Perez is one of the assessors/coaches of Immunizing Pharmacist Certification Program (PPhA) and is the Treasurer of the Young Pharmacist Guild Philippines – Bulacan Chapter.

Student Achievements

Centro Escolar University (CEU) Scorpions soar high in the field of sports as the Women's Volleyball varsity Team and the Women's Basketball Team were both declared Champion in the WNCAA 54th Season while the Men's Basketball Varsity Team was the Champion in the Breakdown Basketball Invitational (25 under)
Pharmacy students once again raised the banner of CEU as they won in the research competitions conducted during the 7th International Symposium & 14th Annual Scientific Conference of the Metro Manila Health Research and Development Consortium (MMHRDC) in November 23-24, 2023 at the park Inn by Radison North Edsa, Quezon City. Research on "Characterization and Antibacterial Assessment of Optimized Ceftazidime Niosomal Gel Formulation" won 2nd place in the Oral Research Presentation while the "Antibacterial Property of The Ethanolic Crude Leaves Extract of Calabur Tree (Muntingia Calabura Linn.)" won 3rd place in the Research Poster Presentation. Both competitions are in the undergraduate categories.

A 4th year BSA student was the 2nd runner up in the Search for the Regional Brightest Buwis Master Competition organized by the Bureau of Internal Revenue and participated in by 46 schools across the region. The CEU of Junior Philippine Institute of Accountants (JPIA) was recognized as the Most

Compliant Local Chapter during the 2nd Dangal Kanluran: Honoring the Best held on June 29, 2023.

CEU Makati Dentistry brought home awards as a group of students won 2nd place in the Dental Student Research Competition organized by the Universitas Gadjah Mada, Yogyakarta, Indonesia in August 16, 2023. Several students presented a research poster during the 115th PDA Annual Convention & Scientific Sessions held on May 14, 2024 at SMX, MOA.

A group of Nursing students were declared Champion in the Makati Med.
Battle of the Nightingales, an intern nursing School Quiz Bowl held at Makati Medical Center in September 8, 2023.

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, as well as the high and low prices for Q1 (June 01 2024 to August 31 2024) and Q2 (September 01 2024 to November 30 2024) of the current fiscal year.

Fiscal Year 2024-2025		High	Low
June 1, 2024 – August 31, 2024	First Quarter	15.80	11.22
Sept. 1, 2024 – Nov. 30, 2024	Second Quarter	15.40	13.20

Fiscal Year Ended 2023		High	Low
June 1, 2022 – August 31, 2022	First Quarter	₱ 6.95	₱ 6.50
Sept. 1, 2022 – Nov. 30, 2022	Second Quarter	7.99	6.01
Dec. 1, 2022 – February 28, 2023	Third Quarter	₱8.00	₱6.12
March 1, 2023 – March 31, 2023	Fourth Quarter	8.70	6.53

Fiscal Year Ended 2024		High	Low
June 1, 2023 – August 31, 2023	First Quarter	₱ 8.70	₱ 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 – May 31, 2024	Fourth Quarter	8.99	8.00

The closing price per share of the University's common shares as of 28 January 2025, the latest obtainable data as of the preparation of this report, was ₱13.30.

Holders

As of 31 January 2025, the latest obtainable data as of the filing of this report, there are 1,015 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 Corp. – Filipino/Others	74,375,125	16.6426
4. Jose M. Tiongco	16,127,537	3.6088
5. Corazon M. Tiongco	12,139,085	2.7163
6. Natalia De Vera	11,023,366	2.4666
7. Security Bank Corporation TA# 1090	9,686,759	2.1676
8. Galeon, Andrew Victor T.	5,551,789	1.2423
9. Tabuso, Audrey Cecile G.	5,551,789	1.2423
10. Castro, Genevieve Rose C.	3,676,091	0.8226
11. Cabrera, Georgina Rose T.	3,676,090	0.8226
12. Nable, Gwendolyn Rose C.	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 J. 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 last 2 quarters of 2024-2025, as well as the two most recent fiscal years, i.e., Fiscal Year ended May 31, 2023 and Fiscal Year ended May 31, 2024, are as follows:

Current fiscal year 2024-2025

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 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.

Fiscal Year Ended May 31, 2023

Cash dividend amounting to .60 per share was paid on 25 July 2023 to all Stockholders of Record as of 30 June 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. 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
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.