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(Company's Full Name)

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

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| Atty. Jayson O'S. Ramos |
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Contact Person

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| 8735-6861 to 71 |
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Company Telephone Number

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Annual Meeting

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Secondary License Type, If Applicable

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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CASHIER

NOTICE OF ANNUAL STOCKHOLDERS MEETING

To the Stockholders of Centro Escolar University:

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

AGENDA

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

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

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

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

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

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

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

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

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

29 August 2025, City of Manila



ATTY. SERGIO F. APOSTOL
Corporate Secretary

Annex A

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

I. Online Attendance and Voting in Absentia

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

II. Online Registration

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

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

III. Online Voting in Absentia

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

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

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

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

PROXY FORM

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

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

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

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

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

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

(Name in print below signature)

SIGNED IN THE PRESENCE OF:

CENTRO ESCOLAR UNIVERSITY
(Company's Full Name)

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

8735-6861 to 71
(Telephone Numbers)

PRELIMINARY INFORMATION STATEMENT
SEC FORM 20-IS

Pursuant to SRC RULE 20

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

1. Check the appropriate box:
 [☒] Preliminary Information Statement
 [] Definitive Information Statement

2. Name of Registrant as specified in its charter CENTRO ESCOLAR UNIVERSITY

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

4. SEC Identification Number 1093

5. BIR Tax Identification Code 000-531-126-000

6. Address of principal office 9 Mendiola Street
 San Miguel, Manila 1005

7. Registrant's telephone number, including area code (02) 8735-6861

8. Date, time and place of the meeting of security holders 24 October 2025, 1:00 P.M
 Online via the link

 <https://us06web.zoom.us/j/87252897707?pwd=lqToipNkgZFK2c9JBA1kyVEuypPLmL.1>

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

9. Approximate date on which the Information Statement is first to be sent or given to stockholders 02 October 2025

10. In case of Proxy Solicitation, Name of Person Filing the Statement/Solicitor Address and Telephone Number

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

| Title of Each Class | Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding |
|---------------------|--|
| Common Stock | 446,897,323 |

12. Are any or all of registrant's securities listed on a Stock Exchange?
 Yes ☒ No ☐
 If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange, Inc.

CENTRO ESCOLAR UNIVERSITY
SEC Form 20-IS

PART I.
INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

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

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

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

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

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| Registrant's Mailing Address | 9 Mendiola St., San Miguel, Manila 1005 |
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|----|--|-----------------|
| b) | Approximate Date when the Information Statement is first to be sent or given to security holders | 02 October 2025 |
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Note: The corresponding notice of Annual Stockholders Meeting will be published via 2 newspapers of general circulation, the Manila Bulletin and Tempo, both on print and online, for 2 consecutive days on October 1 and 2, 2025. The last day of publication, 02 October 2025 is more than 21 days before the date of the meeting.

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

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

Item 2. Dissenters' Right of Appraisal.

The items in the Annual Stockholders Meeting Agenda does not have the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence. There is therefore no cause for a dissenting stockholder to exercise right of appraisal.

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

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

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof.

a) As of 31 August 2025, the University has 446,897,323 issued and outstanding common stock at PHP1.00 per share. All the shares of stock are entitled to vote.

The closing price per share of the University's common shares as of August 31 2025 (last traded August 29, 2025), the latest obtainable data as of the preparation of this report, was PHP15.50.

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

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

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

1. Security Ownership of Certain Record and Beneficial Owners

Owners of record of more than five percent (5%) of the University's shares of stock as of close of 31 August 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 | USAUTOOCO, INC. 1000 United Nations Ave., Ermita, Manila Authorized Representative – Basilio C. Yap Relationship to Issuer - Stockholder | USAUTOOCO, INC. Authorized Representative – Basilio C. Yap Position -President | Filipino | 151,945,069 | 34.00% |
| Common | U.S. Automotive Co., Inc. 1000-1046 United Nations Ave., cor. San Marcelino, Ermita, Manila Authorized Representative – Basilio C. Yap Relationship to Issuer - Stockholder | U.S. Automotive Co., Inc. Authorized Representative – Basilio C. Yap Position - President | Filipino | 102,780,115 | 22.99% |

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

| | | | | | |
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| Common | PCD Nominee Corp. – Filipino | Alejandro C. Dizon Beneficial Owner | Filipino | 75,269,764 | 16.84% |
| Aggregate Number of Shares and Percentage of All Beneficial/Record Owners As a Group | | | | 329,994,948 | 73.83% |

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

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

2. Security Ownership of Management

The following tables show the security ownership of CEU's directors and officers as of 31 August 2025 are as follows:

| Title of Class | Directors | Amount and Nature of Beneficial Ownership | Citizenship | Percent of Class |
|----------------|---|---|-------------|------------------|
| Common | Basilio C. Yap (Chairman) | 1201 (d) | Filipino | 0.0003 |
| Common | Danilo L. Concepcion (Vice Chairman/President) | 100 (d) | Filipino | Nil |
| Common | Lope M. Yuvienco* | 120 (d) | Filipino | Nil |
| Common | Emil Q. Javier * | 1 (d) | Filipino | Nil |
| Common | Benjamin C. Yap | 960 (d) | Filipino | 0.0002 |
| Common | Alejandro C. Dizon** | 62,204 (d) | Filipino | 0.0139 |
| Common | Emilio C. Yap III | 424,600 (d) | Filipino | 0.0950 |
| Common | Corazon M. Tiongco (Assistant Treasurer/AVP Treasury) | 12,139,085 (d) | Filipino | 2.7163 |
| Common | Johnny C. Yap | 1,200 (d) | Filipino | 0.0003 |
| Total | | 12,629,471 (d) | | 2.8260% |

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

* Independent Director.

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

| Title of Class | Officers | Amount and Nature of Beneficial Ownership | Citizenship | Percent of Class |
|--|---------------------------------|---|-------------|------------------|
| Common | Corazon M. Tiongco | 12,139,085 (d) | Filipino | 2.7163 |
| Common | Bernardita T. Traje | 904 (d) | Filipino | 0.0002 |
| - | Ma. Rolina S. Servitillo | 0 (d) | Filipino | 0 |
| - | Carlito B. Olaer | 0 (d) | Filipino | 0 |
| - | Rhoda C. Aguilar | 0 (d) | Filipino | 0 |
| - | Jericho P. Orlina | 0 (d) | Filipino | 0 |
| - | Bella Marie L. Fabian | 0 (d) | Filipino | 0 |
| - | Brig. Gen (Ret) Noel T. Baluyan | 0 (d) | Filipino | 0 |
| Total (excluding shares of 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 | | 12,667,129 (d) ===== | | 2.8344 ===== |

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

Item 5. Directors and Executive Officers.

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

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

DIRECTORS¹

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (1) Dr. Emil Q. Javier, 85 years old, Filipino is the owner of record of one (1) share of common stock (0%). Dr. Javier was recommended as a nominee for Independent Director by Sally Hubag, Lolita Balboa, Adelma Obciana, Raul Caparas, and Felicita Diolanda, all stockholders of record. All of said stockholders have no relationship with Dr. Javier.
- (2) Mr. Lope M. Yuvienco, Filipino, 80 years old, is owner of record of one hundred twenty (120) shares of common stock (0%). Mr. Yuvienco was nominated by Sally Hubag and Sirila Agno, all stockholders of record. All of said stockholders have no relationship with Mr. Yuvienco.

- (3) Dr. Carmencita D. Padilla, Filipino, 69 years old, is a stockholder of record. Dr. Padilla was nominated by Precilla Retardo and Cyrilla Agno all stockholders of record. All of said stockholders have no relationship with Dr. Padilla.

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

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

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

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

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

OFFICERS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. Significant Employees

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

3. Family Relationships

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

4. Pending Legal Proceedings

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

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

CEU has no knowledge of pending legal proceedings against any of its directors or executive officers involving: (a) any bankruptcy petition filed by or against any business of which its directors or

executive officers is subject; or (b) any judgment or decree permanently or temporarily limiting or suspending their involvement in any type of business, securities, commodities or banking activities; or, (c) any violation of a securities or commodities law or regulation and the judgment has not been reversed, suspended or vacated.

5. Certain Relationships and Related Transactions

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

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

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

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

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

Item 6. Compensation of Directors and Officers

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

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

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

***Figures are estimated amounts.

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

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

3. The Directors do not receive compensation for services provided as a director other than reasonable per diems for attendance at meetings of the Board or any of its committees.⁵

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

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

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

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

Item 7. Independent Public Accountants.

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

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

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

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

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

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

Item 8. Compensation Plans

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

C. ISSUANCE AND EXCHANGE OF SECURITIES

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

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

Item 10. Modification or Exchange of Securities

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

Item 11. Financial and Other Information

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

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

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

Item 13. Acquisition or Disposition of Property

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

Item 14. Restatement of Accounts

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

D. OTHER MATTERS

Item 15. Action with Respect to Reports

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

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

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

Brief Summary of the 25 October 2024 Annual Stockholders' Meeting

The following Directors were present:

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

The following corporate officers are present:

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

The following matters were approved with the following votes cast:

| Item | For | Against | Abstain | Decision |
|--|-------------|---------|---------|----------|
| Approval of the Minutes of the 27 October 2023 Annual Stockholders Meeting | 295,739,130 | 0 | 0 | Approved |
| Approval of the Management Report of the Board of Directors | 295,739,130 | 0 | 0 | Approved |
| Ratification of all acts, resolutions, and transactions of the Board of Directors and the Management for the | 295,739,130 | 0 | 0 | Approved |

| | | | | |
|---|-------------|---|---|----------|
| fiscal year 2023-2024 | | | | |
| Continuous engagement and nomination of Dr. Emil Q. Javier as independent director. | 295,739,130 | 0 | 0 | Approved |
| Delegation to the BOD the authority to appoint External Auditor | 295,739,130 | 0 | 0 | Approved |
| Declaration of Stock Dividends | 295,739,130 | 0 | 0 | Approved |
| Amendment of Articles of Incorporation to increase Directors from 9 to 10 | 295,739,130 | 0 | 0 | Approved |
| Amendment of By-laws to increase Independent Directors from 2 to 3 | 295,739,130 | 0 | 0 | Approved |
| Amendment of By-laws to | 295,739,130 | 0 | 0 | Approved |
| Amendment of By-laws to | 295,739,130 | 0 | 0 | Approved |

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

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

Brief Summary of the 07 March 2025 Special Stockholders' Meeting

The following Directors were present:

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

The following corporate officers are present:

Atty. Sergio F. Apostol – Corporate Secretary
Mr. Cesar F. Tan – Treasurer
Dr. Teresa R. Perez – Senior Vice President – Academics
Dr. Erna V. Yabut – Vice President for Research Innovation and

Institutional Development & Corporate Information Officer
Mrs. Rolina S. Servitillo – Vice President for Administration and Accounting

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

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

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

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

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

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

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

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

Item 16. Matters Not Required to be Submitted

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

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

Item 17. Other proposed actions

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

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

2. Election of Directors

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

3. Appointment of External Auditor

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

Other Business:

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

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

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

AGENDA

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

EXPLANATION OF AGENDA ITEMS

1. Call to Order

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

2. Proof of Service of Notice

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

3. Certification of Presence of Quorum

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

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

Item 18. Voting Procedures

a. The vote required for approval

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

b. The method by which votes will be counted

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

c. The manner by which the votes may be made

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

Annex A

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

I. Online Attendance and Voting in Absentia

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

II. Online Registration

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

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

III. Online Voting in Absentia

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

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

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

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

Attachments:

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

PART III
SIGNATURE PAGE

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.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Manila on September 15, 2025.

CENTRO ESCOLAR UNIVERSITY

By:



SERGIO F. APOSTOL
Corporate Secretary

CERTIFICATION OF INDEPENDENT DIRECTOR

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

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

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

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

SEP 12 2025

Done this _____ day of _____, at Manila.

Emil Q. Javier

EMIL Q. JAVIER

Affiant

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

Doc. No. 744 ;

Page No. 69 ;

Book No. xxx

Series of 2025.

[Signature]
ATTY. MARIELLE JENELLE L. LAGUERTA

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

Notarial Commission No. 2024-179

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

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

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

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

CERTIFICATION OF INDEPENDENT DIRECTOR

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

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

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

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

Done this _____ day of _____, at Manila.



LOPE M. YUVIENCO

Affiant

SEP 12 2025

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

Doc. No. 944;
Page No. 69;
Book No. 202;

Series of 2025.


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

CERTIFICATION OF INDEPENDENT DIRECTOR

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

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

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

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

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

Done this 11th day of September, at Manila.

Carmencita D. Padilla

CARMENCITA D. PADILLA
Affiant

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

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

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

CERTIFICATION

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

September 15, 2025, Manila.


ATTY. SERGIO F. APOSTOL

Corporate Secretary

ATTESTED BY:


ATTY. DANILO L. CONCEPCION

President and Vice Chairman


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

Doc No. 372

Page No. 75

Book No. 8071

Series of 2025.


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

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

(For Approval at the 2025 Annual Stockholders' Meeting)

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

Tally of votes

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

Directors Present

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

Call to Order

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

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

Proof of Notice of Meeting

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

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

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

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

Certification of Quorum

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

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

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

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

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

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

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

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

Resolution

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

Other Matters

Adjournment

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

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

(For Approval at the 2025 Annual Stockholders' Meeting)

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

Tally of votes

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

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

Directors Present

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

Call to Order

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

Proof of Notice of Meeting

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

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

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

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

Certification of Quorum

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

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

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

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

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

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

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

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

Resolution

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

Management Report for the Fiscal Year 2023 - 2024.

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

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

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

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

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

Resolution

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

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

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

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

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

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

Resolution

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

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

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

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

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

Resolution

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

Election of Directors for the fiscal year 2024-2025.

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

Dr. Emil Q. Javier

Mr. Lope M. Yuvienco

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

Mr. Basilio C. Yap

Dr. Ma. Cristina D. Padolina

Mr. Benjamin C. Yap

Dr. Alejandro C. Dizon

Dr. Emilio C. Yap III

Ms. Corazon M. Tiongco

Dr. Johnny C. Yap

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

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

Resolution

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

Dr. Emil Q. Javier and

Mr. Lope M. Yuvienco, as the Independent Directors

Mr. Basilio C. Yap

Dr. Ma. Cristina D. Padolina

Mr. Benjamin C. Yap

Dr. Alejandro C. Dizon

Dr. Emilio C. Yap III

Ms. Corazon M. Tiongco and

Dr. Johnny C. Yap.

Delegation to the Board the Authority to Appoint External Auditor.

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

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

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

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

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

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

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

Resolution

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

Declaration of Stock Dividends

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

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

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

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

Resolution

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

Other Matters

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

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

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

Resolution

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

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

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

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

Adjournment

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

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

1. August 29, 2025

Date of Report (Date of earliest event reported)

2. SEC Identification Number 1093

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

4. CENTRO ESCOLAR UNIVERSITY

Exact name of issuer as specified in its charter

5. PHILIPPINES

Province, city or other jurisdiction of
incorporation

6.

(SEC Use Only)

Industry Classification Code:

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

Address of principal office

1005

Postal Code

8. (02) 8735-6861 to 71

Issuer's telephone number, including area code

9. N/A

Former name or former address, if changed since last report

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

Title of Each Class

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

Common

446,897,323

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

Item 9. Other Events.

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

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

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

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

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

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

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

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

INDEPENDENT DIRECTORS

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

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

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

SIGNATURES

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

CENTRO ESCOLAR UNIVERSITY

Issuer

By:

Atty. SERGIO F. APOSTOL
Corporate Secretary

29 August 2025

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

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

Item 9. Other Events.

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

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

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

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

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

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

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

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

SIGNATURES

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

CENTRO ESCOLAR UNIVERSITY

Issuer

By:

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

Atty. SERGIO F. APOSTOL
Corporate Secretary

CENTRO ESCOLAR UNIVERSITY
(Company's Full Name)

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

8735-6861 to 71
(Telephone Numbers)

**MANAGEMENT REPORT
TO STOCKHOLDERS**

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

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

Item 1. Financial Statements

In lieu of the University application for extension to file its annual report (Please see attached 17L). CEU is hereby attaching herewith its Unaudited Consolidated Financial Statements.

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

2024-2025

Tuition and Other School Fees decreased by 4.56%, from the previous year's Php2,373,589,778 to Php2,270,059,758 in the current year. This contrasts with the 28.50% increase observed last year, when revenues rose to Php2,373,589,778 from Php1,847,171,734. This account consists of: Tuition Fees Other Fees, which include charges for electricity, registration materials, miscellaneous classroom expenses, laboratory materials, health services, library services, and development fees Income from Other School Services, which includes fees for diplomas and certificates, transcripts of records, entrance examinations, and various collections for specific items or activities.

Miscellaneous Fees increased significantly this year to Php60,428,910 from Php26,631,575 last year. This is in contrast to the 19.66% decrease recorded in the previous year, when fees fell from Php33,146,389 to Php26,631,575. This account includes Registration fees, Health services fees, Library fees, Sports development fees, Guidance and counselling fees, Laboratory fees, Student development fees, Computer fees, Various other related charges

Total revenues for the fiscal year ended 2025 decreased to Php2,330,488,668, compared to Php2,413,449,077 in 2024. This followed a previous increase from Php1,891,271,624 in 2023 to Php2,413,449,077 in 2024.

Costs and expenses declined to Php1,638,071,943 for the fiscal year ended 2025, compared to Php1,762,579,013 in the same period of 2024.

Net income for the fiscal year ended 2025 amounted to Php692,142,436, an increase from Php616,981,545 in 2024 and Php396,019,517 in 2023.

2023-2024

Tuition and Other School Fees increased by 28.50% from the previous year's Php1,847,171,734 to this year's Php2,373,589,778 as compared to last year's increase by

43.32% to Php1,847,171,734 from Php1,288,803,199. 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 Php13,227,724 which is a decrease of 20% from previous year's total of Php10,953,501 as compared to an increase of Php 127.47% in 2023 from Php4,815,310 in 2022. Interest income was reported at Php32,265,250 in 2024, Php14,739,965 in 2023, and Php3,102,887 in 2022. No Other Income was reported as of May 31, 2024, with Php4,000 as of May 31, 2023 which is a decrease from Php322,060 in 2022.

The total revenues from contracts with customers increased to Php2,400,221,353 from Php1,880,318,123 in 2023 and from Php1,301,696,641 in 2022 while Costs and Expenses were reported at Php1,762,579,013 in 2024, Php1,500,235,664 in 2023 and Php1,180,482,250 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 Php616,981,545 from Php396,019,517 in 2023 and from Php119,052,481 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)

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 May 31, 2025 increased to Php1,114,401,002 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 1.18:1 as of May 31, 2025.

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 Php788,628,149 as compared to last year's balance of Php790,973,671 and May 31, 2022 balance of Php480,047,725. Also, in fiscal year 2024 was a Php450,000,000 Investment in Securities and Other Instruments. Tuition and other receivables were at Php308,104,679 this year as compared with Php347,621,304 in 2023 and Php286,584,422 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 Php31,923,660. Other current assets, which consist largely of Advances to Suppliers and Prepayments, stood at Php103,613,684.

The current assets of the University as of fiscal year ended May 31, 2024 were Php1,682,270,172 as compared to Php1,250,860,782 in 2023 and Php957,799,560 for May 31, 2022.

Property and Equipment were reported at Php6,530,816,984 from Php5,739,500.53 in 2023 and Php5,721,282,796 in 2022.

Total non-current assets were at Php6,713,301,408 and Total Assets were at Php8,395,571,580 at the end of the fiscal year.

Accounts payable and other current liabilities increased to Php736,094,461 from Php650,395,722 in 2023 and Php530,611,109 for May 31, 2022. Deferred revenues were reported this year at Php35,755,839. Dividends payable were at Php592,029,196 compared to Php346,614,015 last year and Php116,979,801 on May 31, 2022. Total current liabilities were at Php1,406,735,176 at fiscal year end.

Total noncurrent liabilities as of May 31, 2024 increased to Php820,067,256 from last year's Php790,552,282 and Php809,411,783 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 Php535,706,593.

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 Php116,038,550 and was at Php131,452,782 in 2023 and Php147,451,415 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 Php157,336,740.

The University's stockholder's equity stood at Php6,168,769,148 as of May 31, 2024 compared to Php5,338,126,160 as of May 31, 2023 and Php5,389,626,957 as of May 2022.

Change in Academic Year and Financial Reporting Period

The University implemented a change in the academic year (i.e. from June ending March to August ending May of each year). This started in August 2019 and was reported under the fiscal year ended March 31, 2020. This change in the academic year had an effect on the net income reported for Fiscal Year 2020 due to the non-inclusion of April and May 2020 realized tuition and other fees, as well as related expenses, which were reported under Fiscal Year 2021.

The University also implemented the approved change in its financial reporting period from April ending March to June ending May of each year because of the change in its academic year. Last 19 November 2020, the Securities and Exchange Commission approved the amended By-Laws of the University. The amended By-Laws provided for the following changes:

1. Change in fiscal year from 01 April - 31 March of the following year to 01 June – 31 May of the following year;

2. **Change in the date of the Annual Stockholders' Meeting from every fourth Tuesday** of July to every fourth Friday of October. Because of the change in fiscal year, CEU was audited twice for fiscal year 2020-2021, in order to include the interim period which consist of 01 April 2021 to 31 May 2021.

Key Performance Indicators

| Key | 2025 | 2024 | 2023 | 2022 | Manner of Computation | Significance |
|------------------------|------|--------|--------|--------|---|---|
| Revenue Growth | -5% | 28.50% | 43.32% | 14.13% | Difference between current and last year's tuition and other fees divided by last year's revenues | Measures revenue growth |
| Return on Revenue | 30% | 26% | 21% | 9% | 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 | 90% | 72% | 113% | 125% | Dividends divided by net income | Indicates how earnings support dividend payment |
| Return on Equity | 11% | 11% | 7% | 2% | Net profit divided by average stockholder's equity | Measures extent of profit earned |
| Return on Assets | 8% | 8% | 6% | 2% | Net profit divided by average total assets | Measures use of assets to generate income |

Liquidity

The University's cash and cash equivalents as of May 31, 2025 increased to Php1,114,401,002 from Php 788,628,149 as of May 31, 2024.

The University's current ratio stands at 1.18:1 as of May 31, 2025. 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 Php 370,924,168 for fiscal year ended May 31, 2024 as compared to cash flows provided by operating activities at Php 590,751,938 for fiscal year ended May 31, 2023 and Php 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 Php 122,372,645 during the fiscal year ended May 31, 2023 and Php 17,865,723 during the fiscal year ended March 31, 2022.

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

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

“Only 10% is left for return on investment.

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

“Only 10% is left for return on investment.”

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

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

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

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 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 2024, 2023, 2022 and 2021, the University paid Php 1,610,000, Php1,195,700, Php1,087,000 and Php1,048,100 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 Php366,560, 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, Mr. Lope M. Yuvienco (independent director), Dr. Alejandro C. Dizon and Committee Secretary Atty. Sergio F. Apostol.

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

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

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

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

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

Centro Escolar University, an institution of higher learning established in 1907 by Librada Avelino and Carmen de Luna, is committed to the furtherance of its founders'

philosophy Ciencia y Virtud (knowledge and virtue), and aims to cultivate the mind, the spirit, and the body for service to God, country and the family.

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

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

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

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

School Year 2024-2025

Student Enrolment

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

Foreign Student Enrolment

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

Performance in Board Examination

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

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

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

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

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

Accreditation and Recognition

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

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

Further demonstrating CEU's commitment to regional quality standards, the University was granted certification following its application for the ASEAN University Network–Quality Assurance (AUN-QA) Institutional Assessment, conducted from September 23 to 27, 2024. In addition to this certification, a total of sixteen academic programs across CEU's campuses have been certified by AUN-QA. The AUN-QA program-level assessment evaluates institutions based on eleven key criteria, including

expected learning outcomes, program structure and content, teaching and learning approach, student assessment, academic and support staff quality, student services, facilities and infrastructure, and quality enhancement and outputs. Each criterion is measured using a seven-point scale. In the most recent assessment, all eight programs evaluated fulfilled AUN-QA requirements, with the quality assurance systems implemented for these programs assessed as “Adequate as Expected.”

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

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

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

International Linkages

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

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

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

Society of Wound Care Professionals in Kuala Lumpur to implement a micro-credential program in Wound Care Nursing.

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

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

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

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

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

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

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

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

Quality Assurance

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

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

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

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

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

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

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

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

To recognize the outstanding efforts of its personnel, the University held its annual Quality Awards Day on November 8, 2024. This event honored exemplary members from the three campuses—Manila, Makati, and Malolos—in various categories: Teacher of the Year, Non-Teaching Employee of the Year (Supervisory and Non-Supervisory), Researcher of the Year, Best Internal Quality Audit (IQA) Sub-Team, Best Quality Circle,

CEU STARS, 7S Awards, and the Attendance and Punctuality Award. These recognitions reflect CEU's ongoing commitment to fostering a culture of quality, excellence, and innovation among its academic and administrative community.

Faculty Achievements

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

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

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

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

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

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

CEU Malolos faculty are actively engaged in different professional organizations; The VP for CEU Malolos, Dr. Maria Flordeliza Anastacio, is the President, International Academy of Accountants for Business Research and Education (IAABRE) Vice President, Pi Lambda Theta International Honor Society Treasurer, Philippine Society for Educational Research and Evaluation (PSERE) Director for Basic Education and Literacy, Rotary Club of Malolos Hiyas. Furthermore, she was awarded as the CHED Region III Leadership Award and Outstanding Centennial Paulinian St. Paul School of Aparri, Dr. Maria Dinna Avinante, the Asst. Dean of CEU Malolos is the President, PAMRE CL Chapter Phil Association of Marketing Research Educators 2025-2026, Associate Fellow- Phil Society of Fellows in People Management, Auditor-Philippine Society for Educational Research and Evaluation (PSERE).

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

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

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

The Nursing program head, Dr. Cresencia Santos is the Region 3 PRO of the Association of Deans of Philippine Colleges of Nursing, Inc. while Dr. Josan Tamayo,

program head of the Information Technology (IT) and and the Coordinator of the Information Communications Technology Section is the Auditor of the Association of Computing Education Deans and Program Heads. Mr. John Carlo Gamboa, a teacher of the IT program is a member of the Board of Trustees of Mechatronics and Robotics Society of the Philippines Pampanga Chapter.

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

Student Achievements

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

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

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

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

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

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

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

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

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

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

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

Item 5. Directors and Executive Officers

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

Item 6. Market Price and Dividends

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

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

| Fiscal Year Ended 2025 | | High | Low |
|--------------------------------|---------------|-------------|------------|
| June 1, 2024 – August 31, 2024 | First Quarter | Php 15.80 | Php 11.22 |

| | | | |
|----------------------------------|----------------|-------|-------|
| Sept. 1, 2024 – Nov. 30, 2024 | Second Quarter | 15.40 | 13.20 |
| Dec. 1, 2024 – February 28, 2025 | Third Quarter | 15.48 | 11.67 |
| March 1, 2025 – May 31, 2025 | Fourth Quarter | 14.80 | 13.00 |

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

Holders

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

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

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

Dividends

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

Fiscal Year Ended May 31, 2023

Cash dividend amounting to .60 per share was 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.

Fiscal Year Ended May 31, 2025

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

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.



SECURITIES AND EXCHANGE COMMISSION

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

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



The following document has been received:

Receiving: DONNA ENCARNADO

Receipt Date and Time: September 12, 2025 02:06:54 PM

Company Information

SEC Registration No.: PW00001093

Company Name: CENTRO ESCOLAR UNIVERSITY

Industry Classification: M81490

Company Type: Stock Corporation

Document Information

Document ID: OST10912202583748879

Document Type: Notice of Inability to File AR or QR

Document Code: SEC_Form_17-L

Period Covered: May 31, 2025

Submission Type: As needed

Remarks: None

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

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-L

**NOTIFICATION OF INABILITY TO FILE ALL OR
ANY PORTION OF SEC FORM 17-A OR 17-Q**

GENERAL INSTRUCTIONS

1. This Form may be signed by an executive officer of the issuer or by any other duly authorized representative. The name and title of the person signing the form shall be typed or printed beneath the signature. If the statement is signed on behalf of the issuer by an authorized representative other than an executive officer, evidence of the representative's authority to sign on behalf of the issuer shall be filed with the Form.
2. One signed original and four conformed copies of this Form and attachments thereto must be completed and filed with the Commission and, where any class of the issuer's securities are listed on a Stock Exchange, one with that Stock Exchange, in accordance with SRC Rule 17-1. The information contained in or filed with the Form will be made a matter of the public record in the Commission's and the Exchange's files.
3. A manually signed copy of the Form and amendments thereto shall be filed with the Stock Exchange if any class of securities of the issuer is listed thereon.
4. One signed original and four conformed copies of amendments to the notifications must also be filed on SEC Form 17-L but need not restate information that has been correctly furnished. The Form shall be clearly identified as an amended notification.
5. If the deadline for filing SEC Form 17-A or 17-Q specified in paragraph 2(b)(ii) of SRC Rule 17-1 is not complied with, a fine will be imposed for each day thereafter that the Form is not filed.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-L

**NOTIFICATION OF INABILITY TO FILE ALL OR
ANY PORTION OF SEC FORM 17-A OR 17-Q**

Check One:

Form 17-A ☒ Form 17-Q ☐

Period-Ended Date of required filing: 31 May 2025

Date of this report: 11 September 2025

Nothing in this Form shall be construed to imply that the Commission has verified any information contained herein.

If this notification relates to a portion or portions of the filing checked above, identify the item(s) to which the notification relates:

1. SEC Identification Number: 1093 2. BIR Tax Identification No: 240-000-531-126

3. Centro Escolar University
Exact name of issuer as specified in its charter

4. Philippines
Province, country or other jurisdiction of incorporation

5. Industry Classification Code: (SEC Use Only)

6. No. 9 Mendiola Street, San Miguel Manila 1005
Address of principal office Postal Code

7. (632)8-7352513
Issuer's telephone number, including area code

8. N/A
Former name, former address, and former fiscal year, if changed since last report.

9. Are any of the issuer'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:

Phillipine Stock Exchange

Part I - Representations

If the subject report could not be filed without unreasonable effort or expense and the issuer seeks relief pursuant to SRC Rule 17-1, the following should be completed. (Check box if appropriate)

(a) The reasons described in reasonable detail in Part II of this Form could not be estimated without unreasonable effort or expense. ☒ [x]

(b) The subject annual report on SEC Form 17-A, or portion thereof, will be filed on or before the fifteenth calendar day following the prescribed due date; or the subject quarterly report on SEC Form 17-Q, or portion thereof, will be filed on or before the fifth day following the prescribed due date. ☒ [x]

(c) The accountant's statement or other exhibit required by paragraph 3 of SRC Rule 17-1 has been attached if applicable. ☒ [x]

Part II - Narrative

State below in reasonable detail the reasons why SEC Form 17-A or SEC Form 17-Q, or portion thereof, could not be filed within the prescribed period.

Due to the numerous incidents of inclement weather and flooding caused by typhoons and monsoon rains in July and August affecting key personnel, the company foresees challenges in the completion of its Audited Financial Statements, a consequence of which is the completion of its Annual Report. The company therefore seeks an extension of 15 days from 13 September 2025 within which to file the Annual Report with the AFS as attachment.

Part III - Other Information

(a) Name, address and telephone number, including area code, and position/title of person to contact in regard to this notification

Atty. Jayson O'S. Ramos - Compliance Officer
470 Boni Avenue Bgy. New Zaniga Mandaluyong City 1550
CEU, 9 Mendiola Street, San Miguel, City of Manila
(0968)3957809 josramos@ceu.edu.ph

(b) Have all other periodic reports required under Section 17 of the Code and under Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months, or for such shorter period that the issuer was required to file such report(s), been filed? If the answer is no, identify the report(s).

Yes ☒ [x] No ☐ []

Reports:

(c) Is it anticipated that any significant change in results of operations from the corresponding period for the last fiscal year will be reflected by the earnings statements to be included in the subject report or portion thereof?

Yes ☐ No ☒

If so, attach an explanation of the anticipated change, both narratively and quantitatively, and, if appropriate, state the reasons why a reasonable estimate of the results cannot be made.

SIGNATURE

Pursuant to the requirements of the SRC Rule 17-1, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Centro Escolar University
Registrant's full name as contained in charter


.....
Ma. Rolina S. Servitillo – Vice President for Administration and Accounting

Date 11 September 2025

Centro Escolar University and Subsidiaries

Unaudited Consolidated Financial Statements May 31, 2025

(With comparative Audited Consolidated Statements of Financial Position as
at May 31, 2024)

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | | May 31 | |
|--|--------------------|----------------------|-----------------------|
| | | 2025 | 2025 |
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents (Notes 5 and 21) | | 1,114,401,002 | P788,628,149 |
| Short-term investment (Note 5) | | 470,724,983 | 450,000,000 |
| Tuition and other receivables (Notes 6 and 21) | | 272,218,435 | 308,104,679 |
| Inventories (Note 7) | | 35,178,494 | 31,923,660 |
| Other current assets (Note 8) | | 104,991,800 | 103,613,684 |
| Total Current Assets | | 1,997,514,714 | 1,682,270,172 |
| Non-current Assets | | | |
| Property and equipment (Note 9) | | | |
| | At revalued amount | 5,184,213,428 | 5,094,787,432 |
| | At cost | 1,380,614,051 | 1,436,029,552 |
| Right-of-use asset (Note 18) | | 97,469,073 | 114,926,220 |
| Goodwill (Note 4) | | 47,605,695 | 47,605,695 |
| Other non-current assets (Note 10) | | 11,137,282 | 19,952,509 |
| Total Non-current Assets | | 6,721,039,529 | 6,713,301,408 |
| TOTAL ASSETS | | 8,718,554,243 | P8,395,571,580 |
| LIABILITIES AND EQUITY | | | |
| Current Liabilities | | | |
| Accounts payable and other current liabilities (Note 11) | | 788,006,938 | P736,094,460 |
| Deferred revenue (Notes 13 and 14) | | 105,969,852 | 35,755,839 |
| Dividends payable (Note 12) | | 793,636,305 | 592,029,196 |
| Current portion of lease liability (Note 18) | | 16,935,999 | 15,414,233 |
| Income tax payable | | (13,234,310) | 27,441,448 |
| Total Current Liabilities | | 1,691,324,784 | 1,406,735,176 |
| Non-current Liabilities | | | |
| Deferred tax liabilities - net (Note 17) | | 535,706,593 | 535,706,593 |
| Lease liability - net of current portion (Note 18) | | 97,580,784 | 116,038,550 |
| Retirement liability (Note 16) | | 151,905,231 | 157,336,740 |
| Other non-current liability (Note 11) | | - | 10,985,373 |
| Total Non-current Liabilities | | 785,210,345 | 820,067,256 |
| Total Liabilities | | 2,476,535,129 | 2,226,802,432 |
| Equity | | | |
| Equity Attributable to Equity Holders of the University | | | |
| Capital stock (Note 12) | | 446,897,323 | 372,414,400 |
| Additional paid-in capital | | 916,803,480 | 664,056 |
| Retained earnings (Note 12) | | | |
| | Appropriated | - | 786,000,000 |
| | Unappropriated | 829,365,707 | 949,366,405 |
| Revaluation increment on land - net (Notes 9 and 24) | | 4,101,848,685 | 4,101,848,685 |
| Remeasurement loss on retirement obligation (Note 16) | | (50,352,333) | (49,918,465) |
| Revaluation reserve on financial assets at FVOCI (Note 10) | | (324,308) | (305,301) |
| Effect of transactions with non-controlling interest (Note 12) | | 3,392,310 | 3,613,144 |
| | | 6,247,630,864 | 6,163,682,924 |
| Equity Attributable to Non-controlling Interests in Consolidated Subsidiaries | | (5,611,750) | 5,086,224 |
| Total Equity | | 6,242,019,114 | 6,168,769,148 |
| TOTAL LIABILITIES AND EQUITY | | 8,718,554,243 | P8,395,571,580 |

See accompanying Notes to Consolidated Financial Statements

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

| | Years Ended May 31 | | |
|---|--------------------|----------------|----------------|
| | 2025 | 2024 | 2023 |
| REVENUES FROM CONTRACTS WITH CUSTOMERS | | | |
| Tuition and other school fees (Note 13) | 2,270,059,758 | P2,373,589,778 | P1,847,171,734 |
| Miscellaneous fees (Notes 13 and 14) | 60,428,910 | 26,631,575 | 33,146,389 |
| | 2,330,488,668 | 2,400,221,353 | 1,880,318,123 |
| OTHER REVENUES | | | |
| Rental income (Notes 18 and 21) | - | 13,227,724 | 10,953,501 |
| | 2,330,488,668 | 2,413,449,077 | 1,891,271,624 |
| COSTS AND EXPENSES (Note 15) | | | |
| Costs of services | 1,409,725,365 | 1,524,307,396 | 1,301,993,030 |
| General and administrative expenses | 225,346,578 | 238,271,617 | 198,242,634 |
| | 1,635,071,943 | 1,762,579,013 | 1,500,235,664 |
| INCOME BEFORE OTHER INCOME AND INCOME TAX | 695,416,725 | 650,870,064 | 391,035,960 |
| OTHER INCOME (EXPENSES) | | | |
| Interest income (Note 5) | 43,134,895 | 32,265,250 | 14,739,965 |
| Interest expense (Notes 17 and 18) | (7,064,001) | (8,001,368) | (8,886,852) |
| Loss on retirement of assets (Note 9) | 598,302 | (661,740) | (84,717) |
| Foreign currency exchange gains (losses) - net | (889) | 84,299 | 4,004,234 |
| Other income - net (Note 6) | (5) | - | 4,000 |
| | 36,668,302 | 23,686,441 | 9,776,630 |
| INCOME BEFORE INCOME TAX | 732,085,027 | 674,556,505 | 400,812,590 |
| PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 17) | 39,942,591 | 57,574,960 | 4,793,073 |
| NET INCOME | 692,142,436 | P616,981,545 | P396,019,517 |
| Attributable to: | | | |
| Equity holders of the University | 686,530,686 | P613,858,616 | P392,645,438 |
| Non-controlling interests | 5,611,750 | 3,122,929 | 3,374,079 |
| | 692,142,436 | P616,981,545 | P396,019,517 |
| Basic/Diluted Earnings Per Share (Note 23) | P1.55 | P1.65 | P1.06 |

See accompanying Notes to Consolidated Financial Statements

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Years Ended May 31

Equity Attributable to Equity Holders of the University

| | Capital Stock (Note 12) | Additional Paid-in Capital | Retained Earnings (Note 12) | | Revaluation Increment on Land - net (Notes 9 and 24) | Remeasurement Gain (Loss) on Retirement Obligation (Note 16) | Revaluation Reserve on Financial Assets at FVOCI (Note 10) | Effect of Transactions with Non-controlling Interest (Note 12) | Total | Equity Attributable to Non-controlling Interests in Consolidated Subsidiaries | Total Equity |
|--|----------------------------|----------------------------------|-----------------------------|---------------------|---|--|---|--|-----------------------|--|-----------------------|
| | | | Appropriated | Unappropriated | | | | | | | |
| Balances at June 1, 2022 | P372,414,400 | P664,056 | P996,000,000 | P626,656,911 | P3,439,312,398 | (P51,794,744) | (P275,059) | P2,042,246 | P5,385,020,208 | P4,606,749 | P5,389,626,957 |
| Net income | — | — | — | 392,645,438 | — | — | — | — | 392,645,438 | 3,374,079 | 396,019,517 |
| Other comprehensive income (loss) | — | — | — | — | — | 1,402,126 | (43,920) | — | 1,358,206 | 1,260 | 1,359,466 |
| Acquisition of non-controlling interest | — | — | — | — | — | — | — | 1,570,898 | 1,570,898 | (1,820,898) | (250,000) |
| Cash dividends | — | — | — | (446,897,280) | — | — | — | — | (446,897,280) | (1,732,500) | (448,629,780) |
| Reversal of appropriation | — | — | (210,000,000) | 210,000,000 | — | — | — | — | — | — | — |
| Balances at May 31, 2023 | P372,414,400 | P664,056 | P786,000,000 | P782,405,069 | P3,439,312,398 | (P50,392,618) | (P318,979) | P3,613,144 | P5,333,697,470 | P4,428,690 | P5,338,126,160 |
| Balances at June 1, 2023 | P372,414,400 | P664,056 | P786,000,000 | P782,405,069 | P3,439,312,398 | (P50,392,618) | (P318,979) | P3,613,144 | P5,333,697,470 | P4,428,690 | P5,338,126,160 |
| Net income | — | — | — | 613,858,616 | — | — | — | — | 613,858,616 | 3,122,929 | 616,981,545 |
| Other comprehensive income | — | — | — | — | 662,536,287 | 474,153 | 13,678 | — | 663,024,118 | 2,105 | 663,026,223 |
| Cash dividends | — | — | — | (446,897,280) | — | — | — | — | (446,897,280) | (2,467,500) | (449,364,780) |
| Reversal of appropriation (Note 12) | — | — | (125,000,000) | 125,000,000 | — | — | — | — | — | — | — |
| Appropriation for business expansion (Note 12) | — | — | 125,000,000 | (125,000,000) | — | — | — | — | — | — | — |
| Balances at May 31, 2024 | P372,414,400 | P664,056 | P786,000,000 | P949,366,405 | P4,101,848,685 | (P49,918,465) | (P305,301) | P3,613,144 | P6,163,682,924 | P5,086,224 | P6,168,769,148 |

| | <i>Capital Stock (Note 12)</i> | <i>Additional Paid-in Capital</i> | <i>Retained Earnings (Note 12) Unappropriated</i> | <i>Revaluation Increment on Land - net (Notes 9 and 24)</i> | <i>Remeasurement Gain (Loss) on Retirement Obligation (Note 16)</i> | <i>Revaluation Reserve on Financial Assets at FVOCI (Note 10)</i> | <i>Effect of Transactions with Non- controlling Interest (Note 12)</i> | <i>Total</i> | <i>Equity Attributable to Non- controlling Interests in Consolidated Subsidiaries</i> | <i>Total Equity</i> | |
|-------------------------------------|--|---|---|---|---|---|--|--------------|---|---------------------|---------------|
| Balances at June 1, 2024 | 372,414,400 | 664,056 | 786,000,000 | 949,366,405 | 4,101,848,685 | (49,918,465) | (305,301) | 3,613,144 | 6,163,682,924 | 5,086,224 | 6,168,769,148 |
| Net income | | - | - | 692,148,168 | - | - | - | - | 692,148,168 | | 692,148,168 |
| Other comprehensive income | | - | - | 18,552,533 | - | (433,868) | (19,007) | (220,834) | 17,878,824 | (10,697,974) | 7,180,850 |
| Cash dividends | | | | (626,079,052) | — | | - | - | (626,079,052) | | (626,079,052) |
| Stock Dividends | 74,482,923 | 916,139,424 | | (990,622,347) | | | | | | | |
| Reversal of appropriation (Note 12) | | | (786,000,000) | 786,000,000 | | | | | | | |
| Balances at May 31, 2025 | 446,897,323 | 916,803,480 | 0 | 829,365,707 | 4,101,848,685 | (50,352,333) | (324,308) | 3,392,310 | 6,247,630,864 | (5,611,750) | 6,242,019,114 |

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Years Ended May 31 | | |
|---|--------------------|---------------|---------------|
| | 2025 | 2024 | 2023 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Income before income tax | 732,085,027 | P674,556,505 | P400,812,590 |
| Adjustments for: | | | |
| Depreciation and amortization (Notes 9, 10, 15 and 18) | 130,061,142 | 102,780,017 | 122,132,765 |
| Provision for credit losses (Note 6) | 28,667,733 | 40,818,500 | 17,934,199 |
| Interest income (Note 5) | (43,134,895) | (32,265,250) | (14,739,965) |
| Retirement expense (Note 16) | 23,834,105 | 24,390,317 | 25,593,191 |
| Interest expense (Notes 18 and 19) | 7,064,001 | 8,001,368 | 8,886,852 |
| Loss on retirement of assets (Note 9) | (598,302) | 661,740 | 84,717 |
| Unrealized foreign exchange losses (gains) - net | 889 | (84,299) | (4,004,234) |
| Operating income before changes in operating assets and liabilities | 877,979,700 | 818,858,898 | 556,700,114 |
| Changes in operating assets and liabilities: | | | |
| Decrease (increase) in: | | | |
| Tuition and other receivables | 35,886,244 | (2,108,727) | (78,224,074) |
| Inventories | (3,254,834) | (8,659,825) | (4,690,030) |
| Other current assets | (1,378,116) | (20,692,623) | 676,938 |
| Increase (decrease) in: | | | |
| Accounts payable and other | | | |
| current liabilities and contract | 51,912,478 | 82,948,198 | 122,890,385 |
| liabilities | | | |
| Deferred revenue | 70,214,013 | (8,591,798) | 11,245,966 |
| Net cash generated from operations | 1,031,359,485 | 861,754,123 | 608,599,300 |
| Income taxes paid | (39,940,797) | (43,921,223) | (859,710) |
| Interest received | 39,857,502 | 33,072,102 | 13,742,958 |
| Contribution to the plan asset (Note 16) | (30,000,000) | (30,000,000) | (30,730,610) |
| Interest on deficiency taxes paid | — | — | — |
| Net cash generated from operating activities | 1,001,276,190 | 820,905,002 | 590,751,938 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Availment of short-term investments | (20,724,983) | (450,000,000) | — |
| Acquisitions of property and equipment (Note 9) | (146,160,905) | (141,380,945) | (121,873,424) |
| Increase (decrease) in other non-current assets | 8,815,227 | (4,004,279) | (499,221) |
| Net cash used in investing activities | (158,070,661) | (595,385,224) | (122,372,645) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Payments of cash dividends (Note 27) | (493,516,975) | (203,949,599) | (218,995,566) |
| Payments of leases (Notes 18 and 27) | (24,000,000) | (24,000,000) | (24,000,000) |
| Cash used in financing activities | (517,516,975) | (227,949,599) | (242,995,566) |
| EFFECT OF FOREIGN CURRENCY RATE CHANGES ON CASH AND CASH EQUIVALENTS | 84,299 | 84,299 | 4,004,234 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 325,772,853 | (2,345,522) | 229,387,961 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | 788,628,149 | 790,973,671 | 561,585,710 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (Note 5) | 1,114,401,002 | P788,628,149 | P790,973,671 |

See accompanying Notes to Consolidated Financial Statements.

CENTRO ESCOLAR UNIVERSITY AND SUBSIDIARIES

NOTES TO 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 | 2025 | 2024 |
|--|----------------|---------|
| Centro Escolar University Hospital, Inc. (the “Hospital” or CEUHI) | 100.00% | 100.00% |
| Centro Escolar Las Piñas, Inc. (CELPI) (formerly Las Piñas College [LPC]) | 99.90% | 99.90% |
| Centro Escolar Integrated School, Inc. (CE-IS) | 95.98% | 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 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%.

The consolidated financial statements were approved and authorized for issuance by the University's Board of Directors (BOD) on September 29, 2025.

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, 2025 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 2025 and 2024, respectively. Foreign exchange differences between rate at transaction date and rate at settlement date or reporting date of foreign currency-denominated monetary assets or liabilities are credited to or charged against profit or loss in the period in which the rates changed. Non-monetary items that are measured at historical cost in a foreign currency are

translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Fair Value Measurement

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

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

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

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

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

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

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

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

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

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks and the level within the fair value hierarchy.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term deposits which are highly liquid investments readily convertible to known amounts of cash with original maturities of three months or less from dates of placements and are subject to insignificant risks of changes in value. Cash and cash equivalents are carried at face value in the consolidated statement of financial position.

Short-term Investment

Short-term investment represents investment with original maturity of more than three months but less than one year from date of placement.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, at FVOCI and at fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or which the Group has applied the practical expedient are measured at transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

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

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

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

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets at FVOCI without recycling (equity instruments)
- Financial assets at FVTPL (debt and equity instruments)

Financial assets at amortized cost (debt instruments)

This category is most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are closely payments of principal and interest on the principal amount outstanding.

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

The Group's financial assets at amortized cost includes cash in banks and short-term deposits short-term investment, tuition fee and other receivables and refundable security deposits.

Financial assets at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation*, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to consolidated statement of income. Dividends are recognized as income in the consolidated statements of income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group elected to classify irrevocably its investments in quoted equity instruments under this category.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when, and only when:

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

Modification of financial assets

The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

The Group considers both qualitative and quantitative factors in assessing whether a modification of financial asset is substantial or not. When assessing whether a modification is substantial, the Group considers the following factors below, among others:

- Change in currency
- Introduction of an equity feature
- Change in counterparty

- If the modification results in the asset no longer considered “solely payment for principal and interest”

The Group also performs a quantitative assessment similar to that being performed for modification of financial liabilities. In performing the quantitative assessment, the Group considers the new terms of a financial asset to be substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10.00% different from the present value of the remaining cash flows of the original financial asset.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the statement of income.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of a new financial asset, the modified asset is considered a ‘new’ financial asset. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The newly recognized financial asset is classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be originated as credit impaired (POCI).

Impairment of financial assets

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

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

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

For tuition fee receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to debtors and the economic environment.

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

The Group considers a financial asset in default when contractual payments are past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual cash flows in full before considering any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, other financial liabilities carried at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Other financial liabilities carried at amortized cost

These are issued financial instruments or their components, which are not designated as at FVTPL and where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, financial liabilities not qualified and not designated as at FVTPL are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issuance and fees that are an integral part of the effective interest rate.

This accounting policy applies primarily to the Group's accounts payable and other current liabilities (excluding contract liabilities and statutory payables), dividends payable and lease liability.

Derecognition

A financial liability (or a part of a financial liability) is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability or a part of it are substantially modified, such an exchange or modification is treated as a derecognition of the original financial liability and the recognition of a new financial liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of income.

Exchange or modification of financial liabilities

The Group considers both qualitative and quantitative factors in assessing whether a modification of financial liabilities is substantial or not. The terms are considered substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10.00% different from the present value of the remaining cash flows of the original financial liability. However, under certain circumstances,

modification or exchange of a financial liability may still be considered substantial, even where the present value of the cash flows under the new terms is less than 10.00% different from the present value of the remaining cash flows of the original financial liability. There may be situations where the modification of the financial liability is so fundamental that immediate derecognition of the original financial liability is appropriate (e.g., restructuring a financial liability to include an embedded equity component).

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the fair value of the new liability is recognized in profit or loss.

When the exchange or modification of the existing financial liability is not considered as substantial, the Group recalculates the gross carrying amount of the financial liability as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR and recognizes a modification gain or loss in profit or loss.

If modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the financial instrument and are amortized over the remaining term of the modified financial instrument.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Inventories

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

Property and Equipment

Property and equipment, except for land, is carried at cost, less accumulated depreciation and amortization and accumulated allowance for impairment losses. The initial cost of property and equipment comprises its purchase price, including import duties, taxes and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

Land is carried at revalued amount. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus, net of tax effect, is presented in OCI, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the consolidated statement of income, in which case, the increase is recognized in the consolidated statement of income. A revaluation decrease is recognized in the consolidated statement of income, except to the extent that it offsets an existing surplus on the same asset presented in OCI. Upon disposal, any revaluation surplus, net of tax effect, relating to the land being sold is transferred to retained earnings.

Construction in progress, included in property and equipment, is stated at cost.

Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged against the consolidated statement of income in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

The useful life and depreciation and amortization method are reviewed at least every reporting date and adjusted prospectively, if appropriate.

Depreciation of property and equipment is computed on a straight-line basis over the following estimated useful lives of the assets:

| | Number of Years |
|--------------------------------------|---------------------------------------|
| Land improvements | 10 |
| Building | 25 to 50 |
| Furniture, transportation, auxiliary | 5 |
| Laboratory equipment | 10 |
| Library books | 10 |
| Leasehold improvements | 10 or lease term whichever is shorter |

Construction in progress is not depreciated until such time that the relevant assets are completed and become available for intended use.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition of the asset by sale (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) and by write off, is recognized under "Miscellaneous fees" and "Loss on retirement/disposal of assets," respectively, in the consolidated statement of income in the year the asset is derecognized.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share in the recognized amounts of the acquiree's identifiable net assets. Acquisition-related costs incurred are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in the consolidated statement of income.

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

When the seller agrees to contractually indemnify the acquirer for the outcome of a contingency or uncertainty related to a specific asset or liability, the acquirer recognizes an indemnification asset with an equivalent amount deducted from the consideration transferred for the business combination. Indemnification asset recognized at the acquisition date continues to be measured on the same basis as the related indemnified item subject to collectability and contractual terms until the asset is collected, sold, cancelled or expires in the post-combination period. The Group measures the indemnification asset on the same basis as the related item, subject to any restrictions in the contractual terms.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of income.

After initial recognition, goodwill is measured at cost, less any accumulated impairment losses. For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating unit (CGU), or group of CGU's, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is allocated should:

- Represent the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- Not be larger than an operating segment determined in accordance with PFRS 8.

When goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill allocated with disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation.

Impairment of Non-financial Assets

An assessment is made at each reporting date whether there is any indication of impairment of non-financial assets, or whether there is any indication that an impairment loss previously recognized for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated at the higher of the asset's or CGU's value-in-use or its fair value less cost to sell. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is assessed as part of the CGU to which it belongs.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or CGU). In determining fair value less cost to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

An impairment loss is recognized only if the carrying amount of an asset (or CGU) exceeds its recoverable amount. An impairment loss is charged against the consolidated statement of income in the period in which it arises, unless the asset (or CGU) is carried at a revalued amount, in which case, the impairment loss is charged against the revaluation increment of the said asset (or CGU).

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset (or CGU), but not to an amount higher than the carrying amount that would have been determined (net of any depreciation and amortization) had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is credited to current consolidated statement of income, unless the asset (or CGU) is carried at revalued amount, in which case, the reversal of the impairment loss is credited to the revaluation increment of the said asset (or CGU).

The following criteria are also applied in assessing impairment of specific assets:

Property and equipment and right-of-use asset

The carrying values of property and equipment and right-of-use asset are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists and when the carrying values exceed the estimated recoverable amounts, the assets or CGUs are written down to their recoverable amounts.

Goodwill

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or group of CGUs) to which goodwill has been allocated, an impairment loss is recognized immediately in the consolidated statement of income. Impairment losses relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods.

Other Assets

Advances to suppliers

Advances to suppliers, included under “Other current assets”, represent amounts paid to suppliers for purchases not yet received as at the reporting date. This is subsequently reversed to an expense account when the goods or services are received.

Prepaid taxes

Prepaid taxes, included under “Other current assets” and “Other non-current assets”, pertains to the tax withheld at source by the Group’s lessees and excess quarterly income tax payments. These are creditable against its income tax liability.

Advances to contractors

Advances to contractors, included under “Other non-current assets”, represent amounts paid to contractors for purchases not yet received as at the reporting date. This is subsequently reversed to an asset account when the goods or services are received.

Software cost

Software cost acquired separately is measured on initial recognition at cost. Following initial recognition, software cost is carried at cost less any accumulated amortization and any accumulated impairment loss. The estimated useful life of software cost is assessed at the individual asset level. Software cost is amortized over its estimated useful life of three years. Periods and method of amortization for software cost are reviewed annually or earlier when an indicator of impairment exists.

Gain or loss arising from derecognition of software cost is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss when the asset is derecognized.

Cost to fulfill the contract

Cost to fulfill the contract, included under “Other current assets”, are initially measured at amounts paid and subsequently recognized as expense upon performance of the related services to the students. The Group amortizes capitalized cost to fulfill a contract to “Expenses for co-curricular activities” under “Cost of services”.

Equity

Capital stock is measured at par value for all shares issued. When the University issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

When the shares are sold at a premium, the difference between the proceeds and the par value is credited to “Additional paid-in capital.” When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received.

Retained earnings represent accumulated earnings of the Group less dividends declared.

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods, excluding the related taxes. The Group assesses its revenue arrangement against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as principal in its all of its revenue arrangements, except for the sale of books.

Tuition and other school fees, including income from other school services

Tuition and other school fees, including income from other school services except for the sale of books and uniforms, are recognized over time as revenue over the corresponding school term using output method (i.e., time lapsed over the service period such as semester or school year, depending on the curriculum registered). Upon enrollment, students have the option to pay the tuition and other school fees in full or in installment. Tuition and other fees, including income from other school services except for the sale of books and uniforms, to be recognized in the remaining months after statement of financial position date or next school term which are not yet due for collection are

deferred and is shown under “Deferred revenue” account in the consolidated statement of financial position.

Sale of books

Income from sale of books are recognized equal to the amount of discount granted to the School by the consignor. The income is recognized upon sale of the books to the students.

Sale of uniforms

Income from sale of uniforms are recognized at a point in time upon delivery of uniforms to the students.

Contract Balances

Receivables

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

Contract liability

A contract liability is the obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs the obligations under the contract. The Group’s contract liabilities represent advance collections for culminating and yearbook fees and for revenues expected to be earned on next academic year presented under “Accounts payable and other current liabilities” and will be recognized as revenue when the related services are rendered.

Other Revenues

Interest income

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

Rental income

Rental income arising from leased properties is accounted for on a straight-line basis over the lease terms.

Expense Recognition

Expenses are recognized in the consolidated statement of income when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Expenses are recognized in the consolidated statement of income:

- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- Immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the consolidated statement of financial position as an asset.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Retirement Benefits

The Group operates a defined benefit retirement plan which requires contribution to be made to a separately administered fund.

The cost of providing benefits under the defined benefit retirement plan is actuarially determined using the projected unit credit method.

Retirement expense comprises the following:

- Service cost; and
- Net interest on the retirement liability.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the consolidated statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by the independent qualified actuary.

Net interest on the retirement liability is the change during the period in the retirement liability that arises from the passage of time which is determined by applying the discount rate based on government bonds to the retirement liability. Net interest on the retirement liability is recognized as an expense or income in the consolidated statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on the retirement liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to the consolidated statement of income in subsequent periods.

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

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

Income Taxes

Income tax on income or loss for the year comprises current and deferred tax. Income tax is determined in accordance with Philippine tax laws. Income tax is recognized in the consolidated statement of income, except to the extent that it relates to items recognized directly in equity, in which case, the tax effect is recognized in the consolidated statement of comprehensive income.

Current tax

Current tax assets and current tax liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the statement of financial position date.

Deferred tax

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

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

- a. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- b. In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

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

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- a. When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- b. In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

recovered. Subsidiaries operating in the Philippines file income tax returns on an individual basis. Thus, the deferred tax assets and deferred tax liabilities are offset on a per entity basis.

Leases

Group as lessor

Leases where the Group does not transfer all the risks and benefits of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and are recognized over the lease term on the same basis as the rental income. Rental income are recognized in the consolidated statement of income on a straight-line basis over the lease term. Contingent rentals are recognized as revenue in the period in which they are earned.

Group as a lessee

The Group assesses at contract inception whether a contract is, or contains, a lease (i.e., if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration).

The Group applies a single recognition and measurement approach for all leases, except for its leases of low-value asset and short-term leases. The Group recognizes lease liability to make lease payments and right-of-use asset representing the right to use the underlying asset.

Right-of-use asset

The Group recognizes right-of-use asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use asset is measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability. The cost of right-of-use asset includes the amount of lease liability recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Right-of-use asset is subject to impairment. Refer to the accounting policies in section *Impairment of Non-financial Assets*.

Lease liability

At the commencement date of the lease, the Group recognizes lease liability measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

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

Segment Reporting

The Group's operating businesses are organized and managed separately according to the geographic locations, designated as the Group's campuses, with each segment representing a strategic business unit that offers varying courses depending on demands of the market. Financial information on business segments is presented in Note 20.

Basic and Diluted Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing net income attributable to common shareholders of the University by the weighted average number of ordinary shares outstanding during the year.

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 May 31, 2025 and 2024 are disclosed in Note 6.

Impairment of property and equipment and right-of-use asset

The Group assesses at each reporting date whether there is any indication that its property and equipment and right-of-use asset are impaired. Determining the fair value of these non-current non-financial assets, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect the consolidated financial statements. Future events could cause management to conclude that these assets are impaired. Any resulting impairment loss could have a material adverse impact on the Group's financial position and financial performance. The preparation of the estimated future cash flows involves significant judgment and estimations. While management believes that the assumptions made are appropriate and reasonable, significant changes in management assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRSs.

As of May 31, 2025 and 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 at May 31, 2025 and 2024. Hence, the Group performed impairment analysis as at May 31, 2025 and 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, 2025 and 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, 2025 and 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 2025.

The carrying values of property and equipment and right-of-use asset as at May 31, 2025 and 2024 are disclosed in Notes 9 and 18, respectively.

Impairment of 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, 2025, using market approach. Key assumptions used by the independent appraiser are disclosed in Note 24.

The revalued amount of land included under "Property and equipment" in the consolidated statement of financial position is disclosed in Note 9.

Retirement liability

The cost of the defined benefit retirement plan and the present value of defined benefit obligation are determined using an actuarial valuation. The actuarial valuation involves making assumptions about employee turnover rates, discount rates, prospective salary increases and mortality rate. Due to the complexity of the actuarial valuation, the underlying assumptions and long-term nature of this plan, such estimates are subject to significant uncertainty. All significant assumptions are reviewed at each reporting date.

The assumed discount rates were determined using the market yields on Philippine government bonds with terms consistent with the expected employee benefit payout as at the reporting date. Future salary increases are assumed for all future years within the duration of the plan and take into account the inflation, seniority, promotion, merit, productivity and other market factors. Employee turnover rates are based on the probability of voluntary separation of service from the University prior to their retirement date. Mortality rate are based on the probability of being deceased prior to retirement.

The present value of defined benefit obligation and details about the significant assumptions used are disclosed in Note 16.

Recognition of deferred income taxes

Deferred tax assets are recognized for all deductible temporary differences and unused NOLCO to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences and unused NOLCO can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The estimates of future taxable income indicate that all temporary differences will be realized in the future.

The Group's recognized and unrecognized deferred tax assets as at May 31, 2025 and 2024 are disclosed in Note 17.

Evaluation of provisions

The Group provides for present obligations (legal or constructive) where it is probable that there will be an outflow of resources embodying economic benefits that will be required to settle said obligations. An estimate of the provision is based on known information at the end of reporting period, net of any estimated amount that may be reimbursed to the Group. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. The amount of provision is being re-assessed at least on an annual basis to consider new relevant information.

The Group is involved in various claims and tax assessments that are normal to its business. Based on the legal grounds of certain claims and assessments, the Group's outstanding provision for probable losses is disclosed in Note 26.

4. Business Combination

On August 24, 2015, the University entered into an agreement with the previous owners of CELPI (the “Sellers”) to purchase their interest in CELPI shares, and real and other properties consisting of parcels of land and buildings and improvements which are owned directly by the Sellers but are used by CELPI.

Accordingly, the University obtained control of CELPI through the execution of the agreements on September 1, 2015 as outlined below.

| | Amount |
|--|---------------------|
| Deed of Absolute Sale for the purchase of parcels of land, buildings and improvements | ₱270,200,000 |
| Deeds of Assignment for the purchase of CELPI shares representing 90.00% equity interest | 3,600,000 |
| | <u>₱273,800,000</u> |

It was also agreed that the University would pay the Sellers the amount of ₱7.34 million to liquidate all liabilities of CELPI, including but not limited to, retirement/separation of all CELPI employees. The acquisition provided the University the opportunity to expand its operations in the southern part of Metro Manila.

The fair values of the identifiable assets and liabilities of CELPI as at the date of acquisition is shown below:

| | Fair value recognized on acquisition |
|---------------------------------------|--------------------------------------|
| Assets | |
| Cash | ₱108,234 |
| Receivables | 10,000 |
| Property and equipment | 836,314 |
| Other assets | 6,650 |
| | <u>961,198</u> |
| Liabilities | |
| Accounts payable and accrued expenses | 197,496 |
| Advances from officers | 2,870,473 |
| | <u>3,067,969</u> |
| Net liabilities | <u>(₱2,106,771)</u> |

In addition to the above identifiable assets and liabilities, the Group recognized the fair value of real and other properties acquired as a result of the business combination amounting to ₱229.46 million and the related deferred tax asset of ₱4.07 million (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) |
| <u>Goodwill</u> | <u>₱47,605,695</u> |

The goodwill arising from the acquisition can be attributed mainly to expected synergies and increase in geographical presence and customer base.

The Sellers have contractually agreed to indemnify the University for all known liabilities until March 31, 2016, and consequently, the University recognized indemnification asset of ₱2.11 million at acquisition date.

Impairment Testing of Goodwill

As at May 31, 2025 and 2024, the carrying amount of goodwill amounted to ₱47.61 million. Management assessed that no impairment losses need to be recognized.

Key assumptions used in the value-in-use (VIU) calculation

As at May 31, 2025 and 2024, the recoverable amount of the CGU has been determined based on a VIU calculation using cash flow projections from the five-year strategic plan for CELPI. Tuition fee rates and number of students assumed to project revenues were based on externally available industry data and the Group's historical data and performance. The discount rate used for the computation of the net present value is the cost of equity and was determined by reference to comparable entities. For the year ended May 31, 2025 and 2024, the pre-tax discount rate applied to cash flow projections is 12.78% 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:

| | 2025 | 2024 |
|-------------------------------------|----------------------|--------------|
| Cash on hand and in banks (Note 21) | 356,801,131 | P212,593,497 |
| Cash equivalents (Note 21) | 757,599,871 | 576,034,652 |
| | 1,114,401,002 | P788,628,149 |

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, 2025 and 2024, 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 years ended May 31, 2025 and 2024, respectively.

Interest income from cash in banks and short-term deposits amounted to 43.13 million, 32.27 million and 14.74 million for the years ended May 31, 2025, 2024 and 2023, respectively.

Short-term Investment

Short-term investment represents special savings deposit with maturity of more than three months but not more than one year from dates of placement. As of May 31, 2025, short-term investments amounted to 470.72 million and earned interest at annual rate of 6.25% in 2025.

6. Tuition and Other Receivables

This account consists of:

| | 2025 | 2024 |
|---|-----------------------|--------------|
| Tuition fee receivables | 398,052,506.00 | P391,397,697 |
| Advances to employees | 19,924,234.00 | 26,393,413 |
| Nontrade receivables | 5,531,858.00 | 10,122,287 |
| Accrued rent receivable (Notes 18 and 21) | 7,153,295 | 7,357,103 |
| Accrued interest receivable (Note 21) | 3,130,936 | 238,105 |
| Other receivables | 869,293 | 3,611,995 |
| | 434,662,122 | 439,120,600 |
| Less allowance for ECL | 162,443,687 | 131,015,921 |
| | 272,218,435 | P308,104,679 |

Tuition fee receivables are non-interest-bearing and are generally on a 120-day term for the University and CELPI and 300-day term for CE-IS.

Advances to employees comprise of non-interest-bearing advances which are collectible through salary deduction and are generally on a 6 to 12-month term.

Recoveries from previously written-off tuition fee receivables amounting to 1.21 million for the year ended May 31, 2025 and 3.72 and nil for the years ended May 31, 2024 and 2023 are recorded as part of tuition and other school fees.

The allowance for ECL pertains to the Group's tuition fee receivables and advances to employees, which were impaired through specific identification and collective assessment. The rollforward analysis of allowance for ECL follows:

| | 2025 | 2024 |
|-------------------------------|-------------|--------------|
| Balances at beginning of year | | |
| Tuition fee receivables | 125,833,525 | ₱90,197,421 |
| Advances to employees | 5,182,396 | — |
| | 131,015,921 | 90,197,421 |
| Movements during the year: | | |
| Provision (Note 15) | | |
| Tuition fee receivables | 36,610,162 | 35,636,104 |
| Advances to employees | — | 5,182,396 |
| Write-off | | |
| Tuition fee receivables | — | — |
| Advances to employees | — | — |
| Reversal of provision | | |
| Tuition fee receivables | — | — |
| Advances to employees | — | — |
| | 36,610,162 | 40,818,500 |
| Balances at end of the year | | |
| Tuition fee receivables | 162,443,687 | 125,833,525 |
| Advances to employees | 5,182,396 | 5,182,396 |
| | 167,626,083 | ₱131,015,921 |

7. Inventories

This account consists of:

| | 2025 | 2024 |
|----------------------|-------------------|-------------|
| Uniforms and outfits | 29,497,034 | ₱27,936,123 |
| Supplies | 1,024,543 | 2,432,830 |
| Materials | 4,656,917 | 1,554,707 |
| | 35,178,494 | ₱31,923,660 |

The cost of uniforms and outfits charged to “Cost of services - Uniforms and outfits” amounted to ₱24.16 million, 47.61 million and 35.99 million for the years ended May 31, 2025 2024, and 2023 respectively (see Note 15).

The cost of materials and supplies charged to “Cost of services - Others” amounted to ₱1.59 million, ₱0.28 million and 0.22 million for the years ended May 31, 2025 2024, and 2023 respectively (see Note 15).

8. Other Current Assets

This account consists of:

| | 2025 | 2024 |
|----------------------------|--------------------|---------------------|
| Advances to suppliers | 85,590,176 | ₱92,408,544 |
| Cost to fulfill a contract | 18,782,670 | 618,954 |
| Others | 618,954 | 10,586,186 |
| | 104,991,800 | ₱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:

| | 2025 | 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:

| | 2025 | | | | | | | | |
|---|---------------------------------|----------------------|--|--|-------------------------|------------------|-----------------------------|---------------|---------------|
| | | At Cost | | | | | | | |
| | Land (At Revalued Amount) | Land Improvements | Buildings and Leasehold Improvements | Furniture, Transportation and Auxiliary Equipment | Laboratory Equipment | Library Books | Construction in Progress | Subtotal | Total |
| Cost | | | | | | | | | |
| Balances at beginning of year | 5,094,787,432 | 32,002,632 | 2,020,391,643 | 702,532,746 | 445,282,280 | 164,355,907 | 13,523,000 | 3,378,088,208 | 8,472,875,640 |
| Revaluation of Land | - | — | | | | | | 0 | 0 |
| Additions | — | — | 14,563,733 | 72,065,273 | 42,513,665 | 17,018,231 | | 146,160,902 | 146,160,902 |
| Retirement/disposals | — | — | | -18,344,258 | -6,037,087 | | | -24,381,345 | -24,381,345 |
| Adjustment | — | — | | -1,176,051 | | | | -1,176,051 | -1,176,051 |
| Balances at end of year | 5,094,787,432 | 32,002,632 | 2,034,955,376 | 755,077,710 | 481,758,858 | 181,374,138 | 13,523,000 | 3,498,691,714 | 8,593,479,146 |
| Accumulated depreciation and amortization | | | | | | | | | |
| Balances at beginning of year | — | 31,215,072 | 899,963,226 | 528,695,795 | 353,367,833 | 128,816,730 | 0 | 1,942,058,656 | 1,942,058,656 |
| Depreciation and amortization (Note 15) | — | 287,379 | 59,510,564 | 33,447,247 | 23,693,606 | 7,515,992 | | 124,454,788 | 124,454,788 |
| Retirements | — | | | -18,343,565 | -6,036,891 | | | -24,380,456 | -24,380,456 |
| | — | | | | | | | | |
| Reclassification | | | (12,305,270) | -1,176,051 | 0 | | | -13,481,321 | -13,481,321 |
| Balances at end of year | — | 31,502,451 | 947,168,520 | 542,623,426 | 371,024,548 | 136,332,722 | - | 2,028,651,667 | 2,028,651,667 |

| | | | | | | | | | |
|------------------------|---------------|---------|---------------|-------------|-------------|------------|------------|---------------|---------------|
| Net book values | 5,094,787,432 | 500,181 | 1,087,786,856 | 212,454,284 | 110,734,310 | 45,041,416 | 13,523,000 | 1,470,040,047 | 6,564,827,479 |
|------------------------|---------------|---------|---------------|-------------|-------------|------------|------------|---------------|---------------|

| | 2024 | | | | | | | | |
|--|---------------------------------|----------------------|--|--|-------------------------|---------------------|-----------------------------|-----------------------|-----------------------|
| | At Cost | | | | | | | | |
| | Land (At Revalued Amount) | Land Improvements | Buildings and Leasehold Improvements | Furniture, Transportation and Auxiliary Equipment | Laboratory Equipment | Library Books | Construction in Progress | Subtotal | Total |
| Cost | | | | | | | | | |
| Balances at beginning of year | P4,358,636,002 | P32,002,632 | P1,966,255,235 | P620,894,911 | P420,988,839 | P152,771,292 | P66,892,016 | P3,259,804,925 | P7,618,440,927 |
| Revaluation of Land | 736,151,430 | — | — | — | — | — | — | — | 736,151,430 |
| Additions | — | — | 1,952,577 | 90,644,806 | 37,251,222 | 11,532,340 | — | 141,380,945 | 141,380,945 |
| Retirement/disposals | — | — | — | (10,139,881) | (12,957,781) | — | — | (23,097,662) | (23,097,662) |
| Adjustment | — | — | 52,183,831 | 1,132,910 | — | 52,275 | (53,369,016) | — | — |
| Balances at end of year | 5,094,787,432 | 32,002,632 | 2,020,391,643 | 702,532,746 | 445,282,280 | 164,355,907 | 13,523,000 | 3,378,088,208 | 8,472,875,640 |
| Accumulated depreciation and amortization | | | | | | | | | |
| Balances at beginning of year | — | 30,927,692 | 854,084,339 | 516,053,518 | 356,001,730 | 122,123,595 | — | 1,879,190,874 | 1,879,190,874 |
| Depreciation and amortization (Note 15) | — | 287,380 | 45,878,887 | 22,780,690 | 10,323,528 | 6,693,135 | — | 85,963,620 | 85,963,620 |
| Retirements | — | — | — | (10,138,413) | (12,957,425) | — | — | (23,095,838) | (23,095,838) |
| Reclassification | — | — | — | — | — | — | — | — | — |
| Balances at end of year | — | 31,215,072 | 899,963,226 | 528,695,795 | 353,367,833 | 128,816,730 | — | 1,942,058,656 | 1,942,058,656 |
| Net book values | P5,094,787,432 | P787,560 | P1,120,428,417 | P173,836,951 | P91,914,447 | P35,539,177 | P13,523,000 | P1,436,029,552 | P6,530,816,984 |

| | 2023 | | | | | | | | |
|--|---------------------------------|----------------------|--|--|-------------------------|------------------|-----------------------------|----------------|----------------|
| | At Cost | | | | | | | | |
| | Land (At Revalued Amount) | Land Improvements | Buildings and Leasehold Improvements | Furniture, Transportation and Auxiliary Equipment | Laboratory Equipment | Library Books | Construction in Progress | Subtotal | Total |
| Cost | | | | | | | | | |
| Balances at beginning of year | ₱4,358,636,002 | ₱32,002,632 | ₱1,904,471,893 | ₱586,252,287 | ₱414,105,422 | ₱147,356,913 | ₱66,892,016 | ₱3,151,081,163 | ₱7,509,717,165 |
| Additions | — | — | 61,783,342 | 40,576,872 | 14,098,831 | 5,414,379 | — | 121,873,424 | 121,873,424 |
| Revaluation | — | — | — | — | — | — | — | — | — |
| Retirements | — | — | — | (5,934,248) | (7,215,414) | — | — | (13,149,662) | (13,149,662) |
| Transfers | — | — | — | — | — | — | — | — | — |
| Balances at end of year | 4,358,636,002 | 32,002,632 | 1,966,255,235 | 620,894,911 | 420,988,839 | 152,771,292 | 66,892,016 | 3,259,804,925 | 7,618,440,927 |
| Accumulated depreciation and amortization | | | | | | | | | |
| Balances at beginning of year | — | 30,640,314 | 801,906,867 | 498,048,314 | 341,938,229 | 115,900,645 | — | 1,788,434,369 | 1,788,434,369 |
| Depreciation and amortization (Note 15) | — | 287,378 | 52,177,472 | 23,854,925 | 21,278,725 | 6,222,950 | — | 103,821,450 | 103,821,450 |
| Retirements | — | — | — | (5,849,721) | (7,215,224) | - | — | (13,064,945) | (13,064,945) |
| Balances at end of year | — | 30,927,692 | 854,084,339 | 516,053,518 | 356,001,730 | 122,123,595 | — | 1,879,190,874 | 1,879,190,874 |
| Net book values | ₱4,358,636,002 | ₱1,074,940 | ₱1,112,170,896 | ₱104,841,393 | ₱64,987,109 | ₱30,647,697 | ₱66,892,016 | ₱1,380,614,051 | ₱5,739,250,053 |

Major developments accounted under construction in progress as at May 31, 2023 pertain to construction and renovation of 5-storey building for CE-IS amounting to ₱53.69 million. This was reclassified to other accounts within “Property and equipment” in 2024.

As of May 31, 2025 and 2024, there were no contractual commitments for the acquisition of property, plant and equipment.

For the years ended May 31, 2025 and 2024, the Group retired certain properties with aggregate cost amounting to ₱24.3 23.09 million and .15 million, respectively. Loss on retirement of these properties amounted to ₱598,302, 661,740 and 84,717 for the years ended May 31, 2025, 2024 and 2023, respectively.

Land

As at May 31, 2025 and 2024, land at revalued amount consists of:

| | 2025 | 2024 |
|---------------------------------------|-----------------------|-----------------------|
| Cost | | |
| Balances at beginning and end of year | ₱537,177,782 | ₱537,177,782 |
| Revaluation increment - gross | | |
| Beginning balance | 4,557,609,650 | 3,821,458,220 |
| Revaluation during the year | - | 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, nil and ₱87.10 million for the years ended May 31, 2025, 2024 and 2023, respectively (see Note 17).

Key assumptions used in the VIU calculation

As at May 31, 2025 and 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, 2025 and 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:

| | 2025 | 2024 |
|------------------------------|-------------------|--------------------|
| Advances to contractors | 10,141,716 | ₱11,741,718 |
| Prepaid taxes | - | 7,108,198 |
| Refundable security deposits | 908,013 | 996,035 |
| Financial assets at FVOCI | 11,137,281 | 106,558 |
| | 11,137,281 | ₱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 at May 31, 2025 and 2024 amounting to ₱8.47 million. The rollforward analysis of this account follows:

| | 2025 | 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 | 8,473,000 |
| Amortization (Note 15) | — | — |
| 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, 2025 and 2024.

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

| | 2025 | 2024 | 2023 |
|-----------------------------------|-----------------|-----------------|-----------------|
| Cost of quoted equity investments | ₱411,859 | ₱411,859 | ₱411,859 |
| Dividend income | 5,238 | — | 9,396 |

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

| | 2025 | 2024 |
|---------------------------------|-----------------|-----------------|
| Balances at beginning of period | 106,558 | ₱92,880 |
| Fair value gains (losses) | (19,008) | 13,678 |
| Balances at end of period | 87,552 | ₱106,558 |

Changes in revaluation reserve on financial assets at FVOCI for the years ended May 31, 2024 and 2023:

| | 2025 | 2024 |
|--|------------------|-------------------|
| Balances at beginning of year | (305,301) | (₱318,979) |
| Change in revaluation reserve on financial assets at FVOCI | (19,008) | 13,678 |
| | (324,309) | (₱305,301) |

11. Accounts Payable and Other Current Liabilities

This account consists of:

| | 2025 | 2024 |
|---|--------------------|---------------------|
| Accounts payable | 417,412,158 | P332,146,329 |
| Accrued expenses: | | |
| Employee benefits | 202,603,217 | 162,652,975 |
| Others | 55,904,236 | 150,467,527 |
| Payable to students | 40,527,470 | 38,606,026 |
| Contract liabilities | 20,922,941 | 26,025,656 |
| Deposits | 43,218,653 | 14,149,341 |
| Provision for probable losses (Note 26) | - | 9,353,517 |
| Alumni fees payable | 7,418,263 | 2,693,089 |
| | 788,006,938 | P736,094,460 |

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 at May 31, 2025, contract liabilities amounting to P26.03 million will be recognized as revenue in the following year. Contract liabilities amounting to P142.16 million as at May 31, 2024 were recognized as revenue for the year ended May 31, 2025.

As at May 31, 2025 and 2024, other non-current liabilities amounting to P10.99 million and P14.01 million, respectively, 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 at May 31, 2025 and 2024 are presented below.

| Shares Authorized | Shares Issued and Outstanding | Par Value | Amount |
|-------------------|----------------------------------|-----------|-------------|
| 800,000,000 | 446,897,323 | ₱1 | 446,897,323 |

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 |
| October 3, 2025 | 744,829 | 100 |

As at May 31, 2025 and 2024, the total number of shares registered under the SRC are 446,897,323 shares being held by 1,011 and 1,009 stockholders, respectively.

Cash Dividends

The University's BOD approved the declaration of the following cash dividends:

| Date of Declaration | Date of Record | Date of Payment | Amount | Dividend per Share |
|------------------------|----------------------|-----------------------|--------------------|-----------------------|
| May 30, 2025 | July 10, 2025 | August 5, 2025 | 625,656,252 | ₱1.40 |
| May 31, 2024 | July 11, 2024 | August 5, 2024 | ₱446,897,280 | ₱1.20 |
| May 26, 2023 | June 30, 2023 | July 25, 2023 | 223,448,640 | 0.60 |
| 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 at May 31, 2025 and 2024, the carrying value of dividends payable amounted to 793.63 million and 592.03 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; | ₱530,000,000 |

| Date of Appropriation and Expiration | Remarks/ Projects | Amount |
|--------------------------------------|--|--------------|
| | <ul style="list-style-type: none"> • Construction of swimming pools and renovation of classroom in Malolos campus; and • Extension of the expansion projects of the University. <p>The estimated date of completion of the above projects as set by the University is within 2 years.</p> <p>This was unappropriated on June 27, 2021 upon expiration of the appropriation.</p> | |
| June 23, 2017 - June 22, 2022 | <p>On June 23, 2017, the University's BOD approved the expansion projects of the University. These projects include the items enumerated below:</p> <ul style="list-style-type: none"> • Planned construction of a 3-storey building for Science-related courses in CEU Malolos; • Additional investments in CE-IS for construction of building in anticipation of increased number of students in S.Y. 2020-2021; • Additional investment in CELPI for construction of building in anticipation of increased number of students in S.Y. 2020-2021; and • Modernization of CEU Manila campus. <p>The estimated date of completion of the above projects as set by the University is within 5 years.</p> | P210,000,000 |
| August 28, 2020 - August 27, 2025 | <p>On August 28, 2020, the University's BOD approved the detailed expansion program and projects of the University. These projects include the budget for capital expenditures and the following in the Malolos Campus:</p> <ul style="list-style-type: none"> • Planned construction of a 5-storey dormitory for the students, faculty and employees of the University; • Planned construction of a 2-storey building for the School of Dentistry; • Planned construction of a 2-storey building to house a food court with students' area in the ground floor and commercial spaces in the second floor; • Renovation of the Centrodome; • Planned construction of a multi-purpose activity center and swimming pool for use of students; and • Renovation and extension of buildings and various laboratories. <p>The estimated date of completion of the above projects as set by the University is within five years.</p> | P336,000,000 |
| April 29, 2022 - April 28, 2027 | <p>On April 29, 2022, the University's BOD approved the expansion projects of the University. These projects include the items enumerated below:</p> <ul style="list-style-type: none"> • Continuous upgrading of laboratory equipment of all campuses in preparation for full setup of face to face modality of learning. • Construction of 8 storey building in the Manila campus • Construction of road, drainages, and primary metering in the Malolos campus | P450,000,000 |

| Date of Appropriation and Expiration | Remarks/ Projects | Amount |
|---|--|---------------|
| | <ul style="list-style-type: none"> Construction of multipurpose activity center on the Malugay property for the Makati campus <p>The estimated date of completion of the above projects as set by the University is within 5 years.</p> | |
| 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.*

In accordance with Revised SRC Rule 68, Annex 68-D, the University's retained earnings available for dividend declaration as at May 31, 2025 amounted to 829.36 million. The University plans to declare dividends in fiscal year 2026.

The consolidated retained earnings include the deficit of the CEUHI amounting to 28.66 million and 31.70 million as at May 31, 2025 and 2024, respectively.

Effect of Transactions with Non-controlling Interest

In April 2019, the University purchased an additional 4.00% ownership in CE-IS using the advances to CE-IS stockholders amounting to ₱0.50 million. This resulted in a transfer of non-controlling interest to equity reserve amounting to ₱2.04 million.

In September 2022, the University purchased an additional 1.80% ownership 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 million, 2.47 million and 1.73 million for the years ended May 31, 2025, 2024 and 2023, respectively.

13. Tuition and Other Fees

This account consists of:

| | 2025 | 2024 | 2023 |
|-----------------------------------|----------------------|-----------------------|-----------------------|
| Tuition fees | 917,096,530 | ₱1,074,477,021 | ₱855,941,560 |
| Other fees | 910,069,732 | 847,870,282 | 673,031,789 |
| Income from other school services | 442,893,496 | 451,242,475 | 318,198,385 |
| | 2,270,059,758 | ₱2,373,589,778 | ₱1,847,171,734 |

Other fees include registration fees, health services fees, library fees, laboratory fees, development fees, practicum fees, internship fees and review fees.

Income from other school services comprise of fees for diploma and certificates, transcript of records, student handbooks, identification cards, entrance, qualifying and special examinations, laboratory

materials, application fees for foreign students, uniforms and outfits, and various collections for specific items or activities.

Revenue from contracts with customers for tuition and other fees and miscellaneous fees are as follows:

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

Deferred tuition fees amounting to ₱105.96 million and 35.76 million as at May 31, 2025 and 2024, respectively, pertain to tuition and income from other school services to be recognized as revenue in the remaining months after the statement of financial position date or next school term.

14. **Miscellaneous Fees**

Miscellaneous fees amounting to ₱60.42 million, ₱26.63 million and ₱33.14 million for fiscal year ended 2025, 2024 and 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 consists of:

| | 2025 | 2024 | 2023 |
|--|----------------------|----------------------|-----------------------|
| Salaries and wages | 547,177,700 | 539,873,742 | ₱478,599,148 |
| SSS contributions and other employee benefits | 314,233,460 | 389,221,391 | 379,069,994 |
| Depreciation and amortization (Notes 9, 10 and 18) | 130,061,142 | 103,420,767 | 122,132,765 |
| Light and water | 117,790,385 | 97,073,631 | 85,314,313 |
| Rental (Note 18) | 29,146,717 | 91,034,065 | 6,699,344 |
| Library | 57,523,087 | 86,641,393 | 36,467,249 |
| Uniforms and outfits (Note 7) | 24,164,460 | 47,606,418 | 35,991,224 |
| Sports and academic development | 46,468,504 | 39,464,169 | 32,695,415 |
| Expenses for co-curricular activities (Notes 8 and 21) | 33,098,321 | 32,243,240 | 24,264,542 |
| Retirement expense (Note 16) | 24,058,223 | 24,390,317 | 25,593,191 |
| Stationery and office supplies | 20,978,945 | 22,064,797 | 17,096,021 |
| Management information | 27,129,226 | 21,062,863 | 20,004,364 |
| Professional fees | 17,225,233 | 18,505,579 | 11,031,330 |
| Affiliation | 12,827,600 | 8,829,606 | 7,157,425 |
| Laboratory | 1,185,227 | 5,420,238 | 7,477,661 |
| Directors' and administrative committee | 4,416,182 | 5,060,407 | 6,643,832 |
| Others | 2,240,953 | 2,393,773 | 5,755,212 |
| | 1,409,725,365 | 1,524,307,396 | ₱1,301,993,030 |

General and Administrative Expenses

This account consists of:

| | 2024 | 2023 | 2022 |
|---|--------------------|--------------------|--------------------|
| Repairs and maintenance | 58,165,806 | 33,950,105 | 17,520,062 |
| Janitorial and security services | 57,913,645 | 43,626,185 | 23,200,073 |
| Provision for credit losses (Note 6) | 29,984,874 | 17,934,199 | 11,863,666 |
| Taxes and licenses | 20,304,618 | 31,694,075 | 22,554,616 |
| Transportation and communication | 13,766,674 | 35,195,235 | 26,759,765 |
| Insurance | 4,749,976 | 3,281,415 | 3,376,109 |
| Clinical expenses | 153,343,799 | — | — |
| Advertisement | 8,452,493 | 4,424,547 | 3,855,702 |
| Entertainment, amusement and recreation | 1,506,737 | 18,915,279 | 14,629,399 |
| Membership fees and dues | 1,333,026 | 1,565,610 | 2,421,905 |
| Miscellaneous | 13,828,618 | 7,655,984 | 1,718,689 |
| | 225,340,846 | 198,242,634 | 127,899,986 |

Others mainly consist of expenses incurred for other school expense and donations made by the University for funeral and calamity assistance, among others.

16. Retirement Plan

The University has a funded, non-contributory defined benefit retirement plan which provides for death, disability and retirement benefits for all of its permanent employees. The annual contributions to the retirement plan consist of a payment covering the current service cost for the year plus payments toward funding the unfunded actuarial liabilities. Benefits are based on the employees' years of service and final plan salary.

The fund is administered by two trustee banks under the supervision of the Board of Trustees (BOT) of the plan. The BOT is responsible for the investment strategy of the plan.

In 2015, the University approved a new collective bargaining agreement with its employees with changes in the increments on employee retirement benefits.

CE-IS and CELPI have unfunded defined benefits plans based on the requirements of the Republic Act 7641, Retirement Pay Law, covering all of their eligible officers and employees.

The latest actuarial valuation study of the University and CE-IS were made as at May 31, 2025 while the latest actuarial valuation study of CELPI was made as at March 31, 2025.

The tables below summarize the components of retirement benefit expense recognized in the consolidated statements of income and the funded status and amounts recognized in the consolidated statements of financial position for the retirement plan.

- a. Retirement benefit expense recognized in the consolidated statements of income follows:

| | 2025 | 2024 |
|----------------------------|-------------------|--------------------|
| Current service cost | 16,483,121 | ₱14,978,589 |
| Net interest cost (income) | 9,364,631 | 9,411,728 |
| Retirement benefit expense | 25,847,752 | ₱24,390,317 |

- b. Movements in net retirement liability (asset) recognized in the consolidated statements of financial position follows:

| | 2025 | 2024 |
|---|---------------------|--------------|
| Balance at beginning of year | 155,043,549 | 163,204,269 |
| Retirement benefit expense (Note 15) | 25,847,752 | 24,390,317 |
| Actual contributions | (30,000,000) | (30,000,000) |
| Remeasurement losses (gains) recognized in OCI (gross of deferred income tax impact) | 376,187 | (257,846) |
| Benefits paid from the Company's operating funds | — | — |
| Balance at end of year | 125,419,736 | 157,336,740 |

- c. Retirement benefits liability (asset) recognized in the consolidated statements of financial position follows:

| | 2025 | 2024 |
|---|----------------------|---------------------|
| Present value of defined benefit obligation | 392,291,865 | ₱366,290,335 |
| Fair value of net plan assets | (266,872,129) | (208,953,595) |
| Retirement benefits liability (asset) | 135,419,736 | ₱157,336,740 |

d. Changes in the present value of defined benefit obligation follows:

| | 2025 | 2024 |
|---|---------------------|---------------------|
| Balance at beginning of year | 363,997,144 | ₱338,971,591 |
| Current service cost | 16,483,121 | 14,978,589 |
| Interest cost | 22,394,343 | 20,594,716 |
| Benefits paid | (40,106,333) | (30,277,664) |
| Benefits paid from the Company's operating funds | — | — |
| Remeasurements on actuarial losses (gains) from changes in: | | |
| financial assumptions | 8,852,447 | (4,788,948) |
| demographic assumptions | — | — |
| experience adjustments | 21,272,143 | 26,812,051 |
| Balance at end of year | 392,291,865 | ₱366,290,335 |

e. Changes in the fair value of plan assets follows:

| | 2025 | 2024 |
|---|---------------------|---------------------|
| Balance at beginning of year | 208,953,595 | ₱175,767,322 |
| Actual contributions | 30,000,000 | 30,000,000 |
| Interest income | 13,029,712 | 11,182,988 |
| Actuarial gains on returns excluding amount recognized in net interest cost | 54,995,155 | 22,280,949 |
| Benefits paid | (40,106,333) | (30,277,664) |
| Balance at end of year | 266,872,129 | ₱208,953,595 |

The number of plan members for the University, CE-IS and CELPI are 655, 68, and 42, respectively, as at May 31, 2025 and 644, 68, and 42, respectively, as at May 31, 2024.

Actual return on plan assets as at May 31, 2024 and 2023 amounted to ₱33.46 million and ₱16.29 million, respectively.

The fair value of plan assets as at May 31, 2025 and 2024 follows:

| | 2025 | 2024 |
|---------------------------|--------------------|---------------------|
| Long-term investments: | | |
| Debt securities | 93,772,477 | ₱83,015,101 |
| Equity securities | 146,248,815 | 93,880,499 |
| Cash and cash equivalents | 20,910,423 | 31,204,986 |
| Loans and receivable | 1,281,247 | 955,867 |
| Other assets | 60,317 | 47,695 |
| | 262,273,279 | 209,104,148 |
| Liabilities | (401,150) | (150,553) |
| | 261,872,129 | ₱208,953,595 |

All components of the plan assets do not have quoted prices in an active market, except for equity and debt securities. Cash and cash equivalents are with reputable financial institutions and are deemed to be standard grade.

The plan assets pertain to diversified investments and are not exposed to concentration risk. The overall investment policy and strategy of the University's defined benefit plan is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay retirement benefits as they fall due while also mitigating the various risks of the retirement plan.

The Group expects to contribute ₱33.49 million to the defined benefit retirement plan in fiscal year 2025-2026.

The cost of defined retirement plan, as well as the present value of defined benefit obligation, is determined using actuarial valuation. The actuarial valuation involves making various assumptions. The principal assumptions used in determining the pension for the defined benefit retirement plan are shown below:

| | 2025 | 2024 | 2023 |
|--|---|--|--|
| Discount rates | 6.26% to 6.90% | 6.54% to 6.70% | 6.55% to 6.70% |
| Future salary increases | 2.00% to 3.00% | 2.00% to 3.00% | 2.00% to 3.00% |
| Mortality rate | 2017 Philippine Intercompany Mortality | 2017 Philippine Intercompany Mortality | 2017 Philippine Intercompany Mortality |
| Average expected future years of service | 10 to 11 | 10 to 11 | 10 to 11 |
| Turnover rate | A scale ranging from 12% at age 18 to 0% at age 60 to 65 | A scale ranging from 12% at age 18 to 0% at age 60 to 65 | A scale ranging from 12% at age 18 to 0% at age 60 to 65 |

The sensitivity analysis on the next page has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the reporting date, assuming all other assumptions were held constant:

| | Increase (Decrease) in Defined Benefit Obligation | |
|-------------------------|--|--------------|
| | 2025 | 2024 |
| Discount rates | | |
| +1.00% | (21,794,347) | (19,902,569) |
| -1.00% | 24,349,491 | 22,337,761 |
| Future salary increases | | |
| +1.00% | 26,987,794 | 24,243,178 |
| -1.00% | (24,479,484) | (22,264,434) |

The methods and types of assumptions used in preparing the sensitivity analysis did not change as at May 31, 2025 and 2024.

Shown below is the maturity analysis of the undiscounted benefit payments:

| | 2025 | 2024 |
|--------------------------------|--------------------|--------------------|
| Less than 1 year | 58,961,359 | ₱52,994,548 |
| More than 1 year to 5 years | 172,954,605 | 163,934,011 |
| More than 5 years to 10 years | 258,660,526 | 236,424,227 |
| More than 10 years to 15 years | 169,104,221 | 165,572,258 |
| More than 15 years to 20 years | 93,162,651 | 87,574,904 |
| More than 20 years | 241,155,846 | 237,292,317 |

17. Income Taxes

All domestic subsidiaries qualifying as private educational institutions are subject to tax under Republic Act No. 8424 (RA 8424), *An Act Amending the National Internal Revenue Code, as amended, and For Other Purposes*, which was passed into law effective January 1, 1998. Title II Chapter IV - Tax on Corporation - Sec 27(B) of the said Act defines and provides that: a “Proprietary Educational Institution” is any private school maintained and administered by private individuals or groups with an issued permit to operate from Department of Education, or CHED, or Technical Education and Skills Development Authority, as the case may be, in accordance with the existing laws and regulations and shall pay a tax of 10.00% on its taxable income. Regular corporations, which include the Hospital, is subject to regular corporate income tax of 30.00%.

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

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

- Minimum corporate income tax (MCIT) rate is reverted to 2.00% of gross income which was previously reduced from 2.00% to 1.00% effective July 1, 2020 to June 30, 2023.
- Preferential income tax rate for proprietary educational institutions and hospitals, which are nonprofit, is reduced from 10.00% to 1.00% effective July 1, 2020 to June 30, 2023. This is applicable to the University, CELPI and CE-IS. However starting July 1, 2023, the rate also reverted back to the original 10.00% preferential rate.

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

| | 2025 | 2024 |
|---|---------------------|--------------|
| Deferred tax liabilities on: | | |
| Revaluation gain on land | P455,760,965 | P455,760,965 |
| 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 | P535,706,593 | P535,706,593 |

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 | P- | P557,401 | P- | P- | P557,401 | 2026 |
| 2022 | 515,704 | - | - | - | 515,704 | 2025 |
| March 31, 2021 | 1,364,338 | - | - | - | 1,364,338 | 2026 |
| | P1,880,042 | P557,401 | P- | P- | P1,880,042 | |

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 | P6,857 | P- | P- | P- | P6,857 | 2025 |
| March 31, 2021 | 19,735 | - | - | - | 19,735 | 2024 |
| 2020 | 9,415 | - | - | 9,415 | - | 2023 |
| | P36,007 | P- | P- | P9,415 | P26,592 | |

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 | P1,880,042 | P1,880,042 |
| MCIT | 26,592 | 26,592 |
| | P1,906,634 | P1,906,634 |

Issuances of Relevant BIR Regulations:

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. Total rent income recognized amounted to P13.23 million for the year ended 2024, P10.95 million for the year ended May 31, 2024, P4.82 million for the year ended May 31, 2022 (see Note 21).

As lessor, future minimum rentals under operating leases are shown below.

| | 2025 | 2024 | 2023 |
|--|--------------------|--------------------|--------------------|
| Within 1 year | P11,145,422 | P11,145,422 | P11,145,422 |
| After 1 year but not more than 5 years | 16,990,934 | 16,990,934 | 16,990,934 |
| More than 5 years | 1,085,027 | 1,085,027 | 1,085,027 |
| | P29,221,383 | P29,221,383 | P29,221,383 |

Accrued rental payments not yet billed as at May 31, 2025 and 2024 amounted to 7.36 million and 7.52 million, respectively (see Note 6).

Group as Lessee

On July 29, 2004, the Group entered into a 25-year operating lease, which commenced on January 1, 2005, with Philtrust Bank for the lease of its land in Makati. The contract requires for P24.00 million fixed annual rentals plus 40.00% of the annual net income before tax of the Group's Makati-Buendia campus.

The Group recognized right-of-use asset and lease liability. The rollforward analysis of right-of-use asset follows:

| | 2025 | 2024 |
|---|---------------------|---------------------|
| Cost | | |
| Balances at beginning and end of period | P205,121,481 | P205,121,481 |
| Accumulated Amortization | | |
| Balances at beginning of period | 114,926,220 | 72,738,114 |
| Amortization (Note 15) | 17,457,147 | 17,457,147 |
| Balances at end of period | 107,652,408 | 90,195,261 |
| Net Book Value | 97,469,072 | P114,926,220 |

The rollforward analysis of lease liability follows:

| | 2025 | 2024 |
|---------------------------------|---------------------|---------------------|
| Balances at beginning of period | 131,452,783 | ₱147,451,415 |
| Interest expense (Note 19) | 7,061,001 | 8,001,368 |
| Payments | (24,000,000) | (24,000,000) |
| Balances at end of period | 114,516,783 | 131,452,783 |
| Lease liability - current | 17,928,286 | ₱15,414,233 |
| Lease liability - non-current | 96,558,498 | 116,038,550 |
| | 114,516,783 | ₱131,452,783 |

The following are the amounts recognized in the consolidated statements of income:

| | 2025 | 2024 | 2023 |
|--|--------------------|--------------------|--------------------|
| Amortization expense of right-of-use asset (Note 5) | ₱17,457,147 | ₱17,457,147 | ₱17,457,148 |
| Interest expense on lease liability (Note 19) | 7,064,011 | 8,001,368 | 8,886,853 |
| Expenses relating to variable rent (included in cost and expenses) | 30,696,727 | 9,843,354 | 6,699,344 |
| Total amount recognized in consolidated statements of income | 55,214,885 | ₱35,301,869 | ₱33,043,345 |

Shown below is the maturity analysis of the undiscounted lease payments:

| | 2025 | 2024 |
|--|---------------------|---------------------|
| Within one year | ₱24,000,000 | ₱24,000,000 |
| After 1 year but not more than 5 years | 96,000,000 | 96,000,000 |
| More than 5 years | 14,000,000 | 38,000,000 |
| | ₱158,000,000 | ₱158,000,000 |

19. Interest Expense

The account consists of the following:

| | 2025 | 2024 | 2023 |
|---|------------------|-------------------|-------------------|
| Interest from lease liability (Note 18) | 7,064,011 | ₱8,001,368 | ₱8,886,852 |
| Interest from deficiency taxes | | | — |
| | 7,064,011 | ₱8,001,368 | ₱8,886,852 |

20. Segment Reporting

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

| As at and for the year ended May 31, 2025 | | | | | | | | | |
|---|-----------------------|-----------------------|---------------------|---------------------|---|---------------------|--------------------|---------------------|-----------------------|
| | Mendiola | Malolos | Makati-Buendia | Makati-Legaspi | Makati-Legaspi Hospital (Pre-operating) | CE-IS | CELPI | Adjustments | Total |
| Segment assets | 6,062,179,953 | 1,590,105,802 | 173,211,492 | 725,448,729 | 38,280,946 | 201,848,672 | 80,403,588 | (152,924,938.00) | 8,718,554,243 |
| Segment liabilities | 2,089,903,716 | 140,105,278 | 160,832,055 | 24,509,720 | 4,094,036 | 61,359,401 | 50,375,000 | (54,644,077.00) | 2,476,535,129 |
| Capital | 98,446,757 | 30,146,806 | 15,633,214 | 1,934,129 | 0 | 0 | 0 | 0 | 146,160,905 |
| Segment revenues | 1,691,476,827 | 280,154,566 | 231,046,943 | 170,444,974 | 575,379 | 55,302,818 | 13,219,806 | (68,000,352.00) | 2,374,220,960 |
| Expenses | 1,096,895,812 | 219,960,987 | 236,507,226 | 104,902,157 | 226,090 | 22,871,771 | 12,326,579 | (51,554,679.00) | 1,642,135,944 |
| Depreciation and amortization expense | 83,996,900 | 8,743,875 | 25,209,986 | 10,172,684 | 0 | 0 | 0 | 0 | 128,123,445 |
| Net income (loss) | 594,581,014 | 60,193,579 | -5,460,284 | 65,542,817 | 349,289 | 32,431,047 | 893,227 | (56,382,521.00) | 692,148,168 |
| As at and for the year ended May 31, 2024 | | | | | | | | | |
| | Mendiola | Malolos | Makati-Buendia | Makati-Legaspi | Makati-Legaspi Hospital (Pre-operating) | CE-IS | CELPI | Adjustments | Total |
| | P5,132,477,900 | | | | P34,523,384 | P175,420,275 | P61,612,524 | P720,103,929 | P8,395,571,580 |
| Segment assets | | P1,501,839,116 | P119,578,213 | P650,016,239 | | | | | |
| Segment liabilities | 749,821,060 | 92,243,967 | 59,347,954 | 5,306,501 | 405,424 | 31,567,653 | 8,343,845 | 1,285,072,529 | 2,226,802,432 |
| Capital | 71,246,675 | 39,758,383 | 11,593,270 | — | — | 8,957,064 | 13,188,317 | — | 144,743,709 |
| Segment revenues | 1,645,817,710 | 268,443,267 | 253,592,572 | 253,592,572 | 2,410,998 | 128,420,834 | 72,485,005 | — | 2,445,798,626 |
| Expenses | 904,623,640 | 261,336,576 | 174,020,434 | 311,770,664 | 2,045,298 | 56,216,081 | 60,199,428 | — | 1,771,242,121 |
| Depreciation and amortization expense | 35,735,714 | 18,830,549 | 24,692,620 | 17,192,716 | — | 2,231,902 | 4,096,516 | — | 102,780,017 |
| Net income (loss) | 711,412,520 | 55,714,186 | 54,842,078 | 132,247,637 | 355,606 | 69,972,851 | 18,189,061 | (57,574,960) | 616,981,545 |

As at and for the year ended May 31, 2023

| | Mendiola | Malolos | Makati-Buendia | Makati-Legaspi | Makati-Legaspi Hospital (Pre-operating) | CE-IS | CELPI | Adjustments | Total |
|---------------------------------------|----------------|----------------|----------------|----------------|---|--------------|-------------|-------------|----------------|
| Segment assets | ₱4,527,254,887 | ₱1,442,900,513 | ₱250,520,964 | ₱658,571,180 | ₱33,479,345 | ₱164,885,343 | ₱60,816,522 | ₱47,605,695 | ₱7,186,034,449 |
| Segment liabilities | 551,987,423 | 36,884,194 | 215,103,216 | 13,236,000 | 373,797 | 29,068,526 | 9,548,627 | 991,706,506 | 1,847,908,289 |
| Capital | 63,901,817 | 869,444 | 466,471 | 50,706,055 | — | 4,447,882 | 1,481,755 | — | 121,873,424 |
| Segment revenues | 1,207,457,900 | 195,724,839 | 245,677,866 | 81,888,383 | 1,889,596 | 123,814,617 | 53,566,622 | — | 1,910,019,823 |
| Expenses | 947,523,251 | 175,813,782 | 228,557,556 | 55,242,368 | 1,847,900 | 52,526,924 | 47,695,452 | — | 1,509,207,233 |
| Depreciation and amortization expense | 75,461,679 | 14,592,473 | 21,524,096 | 5,546,236 | — | 1,518,834 | 3,489,447 | — | 122,132,765 |
| Net income (loss) | 259,220,649 | 19,911,057 | 17,120,310 | 26,646,015 | 41,696 | 71,287,693 | 5,871,170 | (4,079,073) | 396,019,517 |

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 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.

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

In September 2023, the University purchased an additional 0.18% to CE-IS using the advances to CE-IS stockholders amounting to ₱0.25 million.

23. Basic/Diluted EPS

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

| | 2025 | 2024 | 2023 |
|---|-------------|--------------|--------------|
| Net income (a) | 692,142,436 | ₱613,858,616 | ₱392,645,438 |
| Weighted average number of outstanding common shares (b) | 446,897,323 | 372,414,400 | 372,414,400 |
| Basic/diluted earnings per share (a/b) | ₱1.55 | ₱1.65 | ₱1.06 |

There were no potential dilutive financial instruments for each of the three years in the period ended May 31, 2025.

24. Fair Value Measurement

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

The tables on the next page summarize the carrying amounts and the fair values of the Group's financial and non-financial assets and liabilities as at May 31, 2022, 2023 and 2024.

| | 2025 | | | |
|--|------------------------------|---|--|---------------------|
| | Fair Value Measurement Using | | | Total Fair Value |
| | Carrying Value | Quoted Prices in Active Markets (Level 1) | Significant Unobservable Inputs (Level 3) | |
| Assets measured at fair value: | | | | |
| Financial assets: | | | | |
| Financial assets at FVOCI | ₱106,500 | 87,552 | ₱— | 87,552 |
| Non-financial assets: | | | | |
| Land classified as Property and equipment under revaluation model | 5,094,787,432 | — | 5,094,787,432 | 5,094,787,432 |
| | ₱ | 87,552 | ₱ | ₱ |
| | 5,094,874,984 | | 5,094,787,432 | 5,094,874,984 |

| | 2024 | | | |
|--|------------------------------|---------------------------------------|-----------------------------|---------------------|
| | Fair Value Measurement Using | | | Total Fair Value |
| | Carrying Value | Quoted Prices in Active Markets | Significant Unobservable | |

| | | (Level 1) | Inputs (Level 3) | |
|---|----------------|-----------|---------------------|----------------|
| Assets measured at fair value: | | | | |
| Financial assets: | | | | |
| Financial assets at FVOCI | ₱106,500 | ₱106,500 | ₱– | ₱106,500 |
| Non-financial assets: | | | | |
| Land classified as Property and equipment under revaluation model | 5,094,787,432 | – | 5,094,787,432 | 5,094,787,432 |
| | ₱5,094,893,932 | ₱106,500 | ₱5,094,787,432 | ₱5,094,893,932 |

| 2023 | | | | |
|---|--|--|---------------------|----------------|
| Fair Value Measurement Using | | | | |
| | Quoted Prices in Active Markets (Level 1) | Significant Unobservable Inputs (Level 3) | Total Fair Value | |
| Carrying Value | | | | |
| Assets measured at fair value: | | | | |
| Financial assets: | | | | |
| Financial assets at FVOCI | ₱92,880 | ₱92,880 | ₱– | ₱92,880 |
| Non-financial assets: | | | | |
| Land classified as Property and equipment under revaluation model | 4,358,636,002 | – | 4,358,636,002 | 4,358,636,002 |
| | ₱4,358,728,882 | ₱92,880 | ₱4,358,636,002 | ₱4,358,728,882 |

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 | <i>Internal factors:</i> | |
| | | Location | +10.00% to -20.00% |
| | | Improvements | +0.00% to -20.00% |
| | | Elevation | +0.00% to +20.00% |
| | | Corner Influence | +0.00% to +5.00% |
| | | Use | -20.00% to +20.00% |
| | | Development | +10.00% to +20.00% |
| | | Size | -20.00% to +20.00% |
| | | Time Element | +0.00% |

The range of the prices per square meter used in the valuation is shown below.

| | Valuation techniques | Location | Range (Weighted Average) |
|------|---|------------------------------------|------------------------------|
| Land | Sales Comparison Approach/Market Approach | <i>Comparable analysis:</i> | |
| | | <i>External factor (net price)</i> | |
| | | Manila - Site 1 and 2 | ₱110,465 to ₱142,500 per sqm |
| | | Makati - Malugay | ₱409,500 to ₱440,426 per sqm |
| | | Makati - Legaspi | ₱380,000 to ₱464,894 per sqm |
| | | Malolos, Bulacan | ₱13,500 to ₱18,000 per sqm |
| | | Las Piñas | ₱35,100 to ₱45,000 per sqm |

The description of the valuation technique and inputs used in valuation of the University's land follows:

| | |
|-------------------------------|--|
| Market Data Approach | A comparable method where the value of the property is based on sales and listings of comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as basis of comparison are situated within the immediate vicinity of the subject property. Comparison would be premised on the factors of location, size and shape of the lot, and time element. |
| Location | For a tract of land designated for a purpose or site occupied or available for occupancy, one of the key factors in land valuation is the location or area of preference. |
| Improvements and developments | Renovations in the land including the construction of building and installation of machineries and equipment should not be included in the valuation. |
| 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.

Quoted Equity Securities Classified as Investments at FVOCI

Fair value is based on quoted prices.

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 2023. The Group monitors capital using a debt-to-equity ratio which is debt divided by total equity. Debt includes accounts payable and other current liabilities and lease liability.

The table below shows how the Group computes for its debt-to-equity ratio as at May 31, 2025 and 2024.

| | 2025 | 2024 |
|---|-----------------------|-----------------------|
| Accounts payable and other current liabilities (Note 12) | P788,006,938 | P736,094,461 |
| Lease liability (Note 19) | 114,516,783 | 131,452,782 |
| Total debt (a) | P902,523,721 | P867,547,243 |
| Total equity (b) | P6,242,019,114 | P6,168,769,148 |
| Debt-to-equity ratio (a/b) | P0.14:1 | P0.14:1 |

As of May 31, 2025 and 2024, the Group was able to meet its capital management objectives and was successful in achieving its capital management policies.

CENTRO ESCOLAR UNIVERSITY

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

| Ratio | Formula | 2025 | 2024 | 2023 | 2025 | 2024 | 2023 |
|------------------------------|---|---------------|---------------|---------------|-------------|-------------|-------------|
| Current ratio | | 2025 | 2024 | 2023 | 1.18:1.00 | 1.20:1.00 | 1.18:1.00 |
| | Total Current Assets | 1,997,514,714 | 1,682,270,172 | 1,250,860,782 | | | |
| | Divided by: Total Current Liabilities | 1,691,324,784 | 1,406,735,176 | 1,057,356,007 | | | |
| | | 1.18 | 1.2 | 1.18 | | | |
| Acid-test ratio | | 2025 | 2024 | 2023 | 1.10:1.00 | 1.10:1.00 | 1.08:1.00 |
| | Total Quick Assets (current assets less inventories and other current assets) | 1,857,344,420 | 1,546,732,828 | 1,138,594,975 | | | |
| | Divided by: Total Current Liabilities | 1,691,324,784 | 1,406,735,176 | 1,057,356,007 | | | |
| | | 1.10 | 1.1 | 1.08 | | | |
| Solvency ratio | | 2025 | 2024 | 2023 | 3.52:1.00 | 3.77:1.00 | 3.89:1.00 |
| | Total Assets | 8,718,554,243 | 8,395,571,580 | 7,186,034,449 | | | |
| | Divided by: Total Liabilities | 2,476,535,129 | 2,226,802,432 | 1,847,908,289 | | | |
| | | 3.52 | 3.77 | 3.89 | | | |
| Debt-to-equity ratio | | 2025 | 2024 | 2023 | 0.40:1.00 | 0.36:1.00 | 0.35:1.00 |
| | Total Liabilities | 2,476,535,129 | 2,226,802,432 | 1,847,908,289 | | | |
| | Divided by: Total Equity | 6,242,019,114 | 6,168,769,148 | 5,338,126,160 | | | |
| | | 0.40 | 0.36 | 0.35 | | | |
| Asset-to-equity ratio | | 2025 | 2024 | 2023 | 1.36:1.00 | 1.36:1.00 | 1.35:1.00 |
| | Total Asset | 8,718,554,243 | 8,395,571,580 | 7,186,034,449 | | | |
| | Divided by: Total Equity | 6,242,019,114 | 6,168,769,148 | 5,338,126,160 | | | |
| | | 1.36 | 1.36 | 1.35 | | | |
| Interest rate coverage ratio | | 2025 | 2024 | 2023 | 98.45 times | 85.31 times | 46.10 times |
| | Income Before Interest and Tax | 695,416,725 | 682,557,873 | 409,699,442 | | | |
| | Divided by: Interest Expense | 7,064,001 | 8,001,368 | 8,886,852 | | | |
| | | 98.45 | 85.31 | 46.1 | | | |
| Return on equity | | 2025 | 2024 | 2023 | 11.09% | 10.00% | 7.42% |
| | Net Income | 692,142,436 | 616,981,545 | 396,019,517 | | | |
| | Divided by: Total Equity | 6,242,019,114 | 6,168,769,148 | 5,338,126,160 | | | |
| | | 11.09% | 10.00% | 7.42% | | | |

[illegible]