

**MINUTES OF THE
ANNUAL STOCKHOLDERS' MEETING
OF
STI EDUCATION SYSTEMS HOLDINGS, INC.**

26 October 2018, 3:00 P.M.

7th Floor, STI Holdings Center, 6764 Ayala Avenue, Makati City

<u>PRESENT:</u>	<u>NO. OF SHARES</u>
Total Number of Shares Represented In Person and By Proxy	7,436,930,116
Total Outstanding Shares:	9,904,806,924
Attendance Percentage to Total Outstanding Shares	75%

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I. CALL TO ORDER

The Chairman, Mr. Eusebio H. Tanco, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Arsenio C. Cabrera, Jr., recorded the minutes of the meeting.

II. CERTIFICATION OF NOTICE AND QUORUM

Based on the certification provided by Mr. Joel S. Cruz and Mr. Antonio B. Madrid, Jr. of RCBC Stock and Transfer Agency, the stock and transfer agent of the Corporation, the Corporate Secretary certified that notices for the meeting were duly sent to all stockholders of record as of 26 September 2018 and that a quorum consisting of 75% of the Corporation's issued and outstanding capital stock existed for the valid transaction of business.

The certification of Mr. Cruz and Mr. Madrid regarding the due sending of notices to stockholders of record as of 26 September 2018 is attached hereto as Annex "A". The attendance tabulation reflecting the abovementioned quorum is attached hereto as Annex "B".

III. APPROVAL OF PREVIOUS MINUTES

Upon motion made and duly seconded, the stockholders approved the Minutes of the Annual Stockholders' Meeting held on 29 September 2017.

IV. PRESENTATION OF MANAGEMENT REPORT

The President, Mr. Monico V. Jacob, rendered the Management Report for fiscal year 2017-2018. A copy of the Management Report is attached hereto as Annex "C".

The Chairman announced the declaration of cash dividends in the amount of Two Centavos (Php 0.02) per share or an aggregate amount of One Hundred Ninety Eight Million Ninety Six Thousand One Hundred Thirty Eight Pesos and 48/100 (Php198,096,138.48) from the unrestricted retained earnings of the Corporation as of 31 March 2018 based on the Audited Financial Statements as of 31 March 2018. The Cash Dividends are payable to stockholders of record as of 13 November 2018 and shall be payable on 10 December 2018 and upon compliance with all necessary regulations.

Upon motion made and duly seconded, the stockholders noted and approved the Management Report rendered by Mr. Jacob.

V. APPROVAL OF AUDITED FINANCIAL STATEMENTS AS OF 31 MARCH 2018

Upon motion made and duly seconded, the Corporation's Consolidated Audited Financial Statements and Parent Company Audited Financial Statements for the period ending 31 March 2018 were noted and approved.

VI. RATIFICATION OF LEGAL ACTS, PROCEEDINGS AND RESOLUTIONS OF THE BOARD OF DIRECTORS AND OF MANAGEMENT

The Chairman stated that the list of acts, proceedings and resolutions of the Board and Management to be ratified by the stockholders are enumerated in the Definitive Information Statement which was circulated to all stockholders.

Upon motion made and duly seconded, all acts, proceedings and resolutions of the Board of Directors and of Management since the 29 September 2017 Annual Stockholders' Meeting up to 26 October 2018 were approved, confirmed and ratified.

VII. ELECTION OF DIRECTORS

The Chairman stated that under the Articles of Incorporation, the Company provides for eleven (11) directors, two (2) of whom must be independent directors.

The Corporate Secretary also stated that under the Corporation's By-Laws and Manual on Corporate Governance, the nomination of the Corporation's directors shall be conducted by the Corporate Governance Committee prior to the annual stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity of the would-be nominees and shall be submitted to the Corporate Governance Committee and the Corporate Secretary at least forty-five (45) days before the date of the actual meeting.

The Corporate Governance Committee shall pre-screen the qualifications and prepare a Final List of all Candidates for directors. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as directors.

Upon motion duly made and seconded, the following individuals were elected as Directors to serve as such for the ensuing year and until the election and qualification of their successors:

1. Eusebio H. Tanco
2. Monico V. Jacob
3. Martin K. Tanco
4. Joseph Augustin L. Tanco
5. Maria Vanessa Rose L. Tanco
6. Rainerio M. Borja
7. Paolo Martin O. Bautista

Independent Directors:

1. Jesli A. Lapus
2. Robert G. Vergara
3. Presbitero J. Velasco, Jr.

VIII. APPOINTMENT OF EXTERNAL AUDITOR

The Chairman stated that the current external auditor of the Corporation is SyCip Gorres Velayo and Co.

Upon motion made and duly seconded, the stockholders approved the appointment of SyCip Gorres Velayo and Co. as the external auditor of the Corporation for the FY2018-2019.

IX. ADJOURNMENT

There being no other business to transact, the meeting was adjourned upon motion duly made and seconded.



ARSENIO C. CABRERA, JR.
Corporate Secretary

ATTEST:



EUSEBIO N. TANCO
Chairman



Trust and Investments Group

CERTIFICATION

As Stock Transfer Agent of STI HOLDINGS, INC., this is to certify that copies of the Notice of the Annual General Meeting of stockholders of STI Holdings Inc. (the "company") to be held on 26 October 2018 were delivered by special messengerial service to all shareholders of record of the company as of 5 October 2018.

Issued this 5th day of October 2018, upon the request of STI HOLDINGS, INC.

RIZAL COMMERCIAL BANKING CORP.
Stock Transfer Department

A handwritten signature in black ink, appearing to be "Antonio Madrid, Jr.", written over a circular stamp.

ANTONIO MADRID, JR.
Operations Manager

A handwritten signature in black ink, appearing to be "Joel S. Cruz", written over a circular stamp.

JOEL S. CRUZ
Junior Assistant Manager

STOCKHOLDER'S MEETING

Print Date: October 26, 2018

Quorum:	75%
Total no of Present:	7,436,930,116
Total no of Shares:	9,904,806,924

Annual Stockholders' Meeting STI EDUCATION SYSTEMS HOLDINGS, INC.

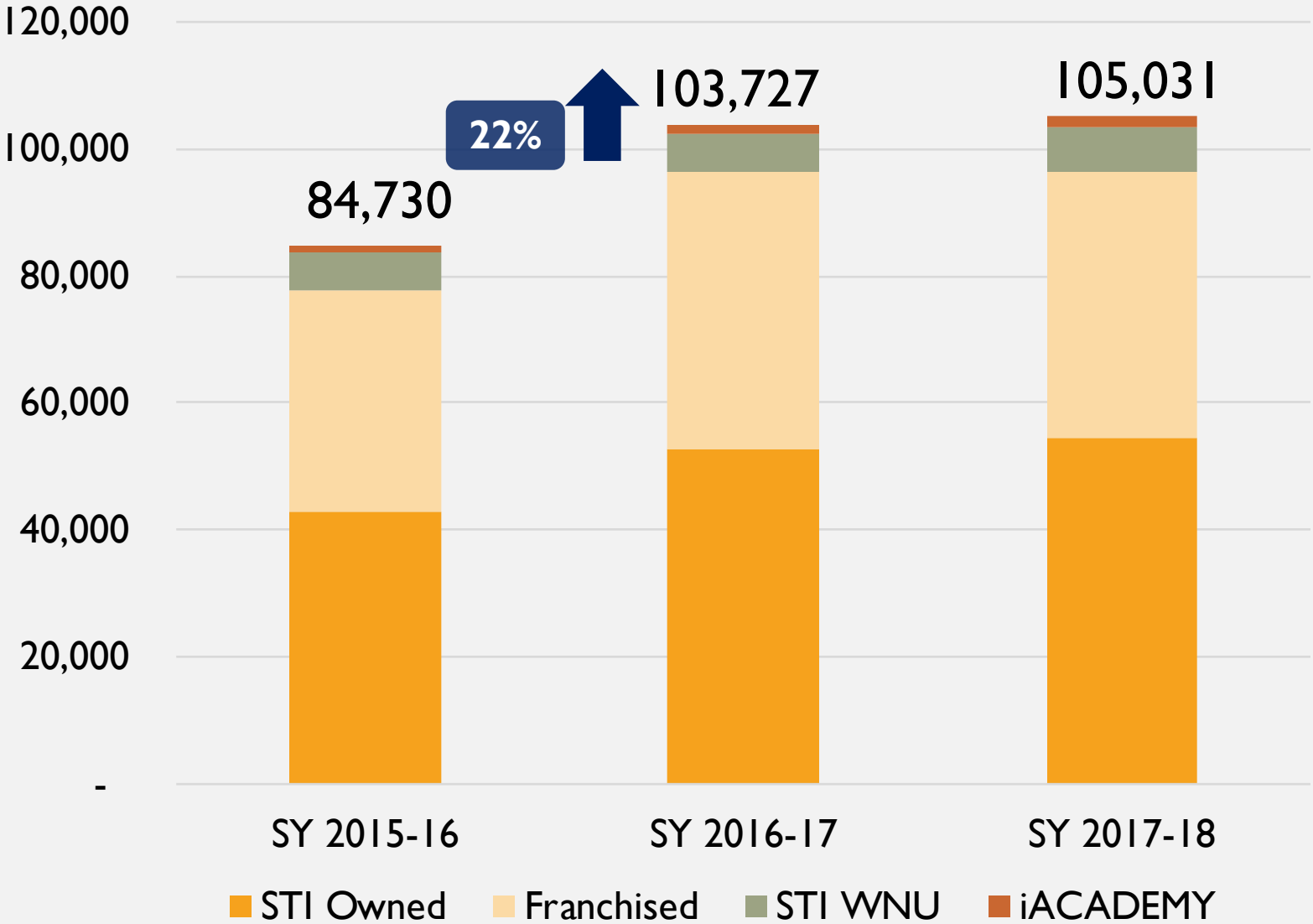
26 October 2018

Makati City

ENROLLMENT HIGHLIGHTS

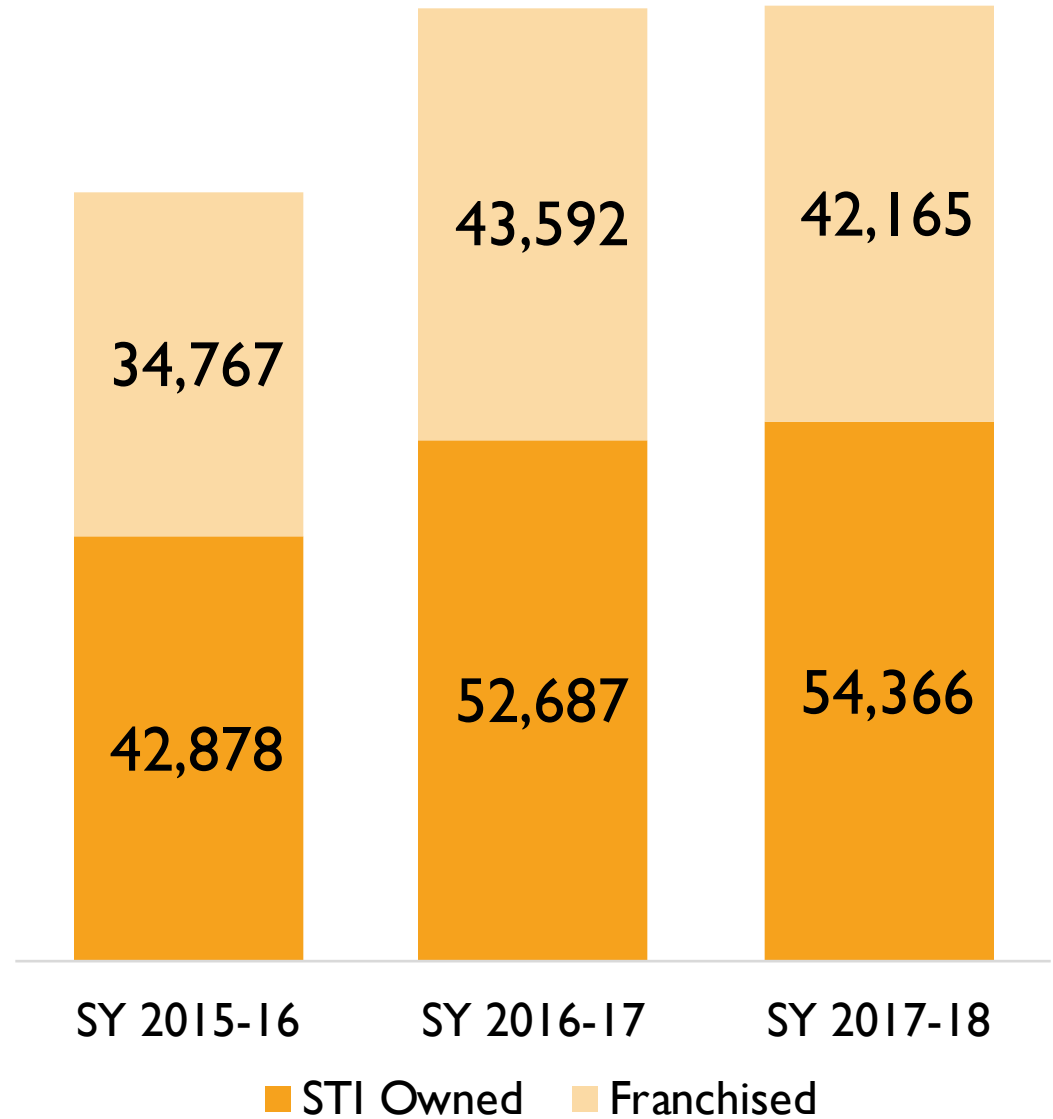
Full years 2016 to 2018

COMBINED STUDENT ENROLLMENT



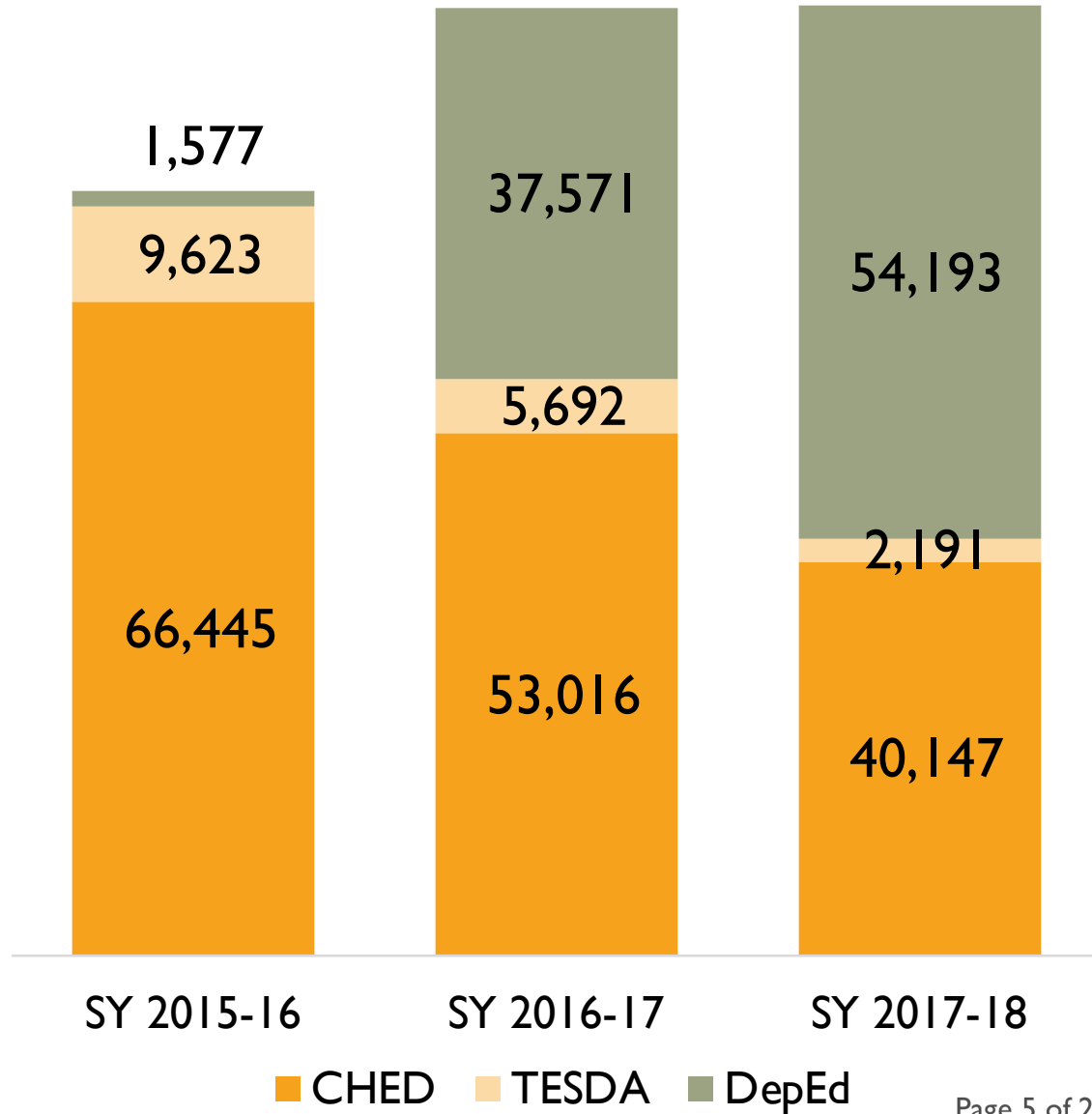


ENROLLMENT
DISTRIBUTION





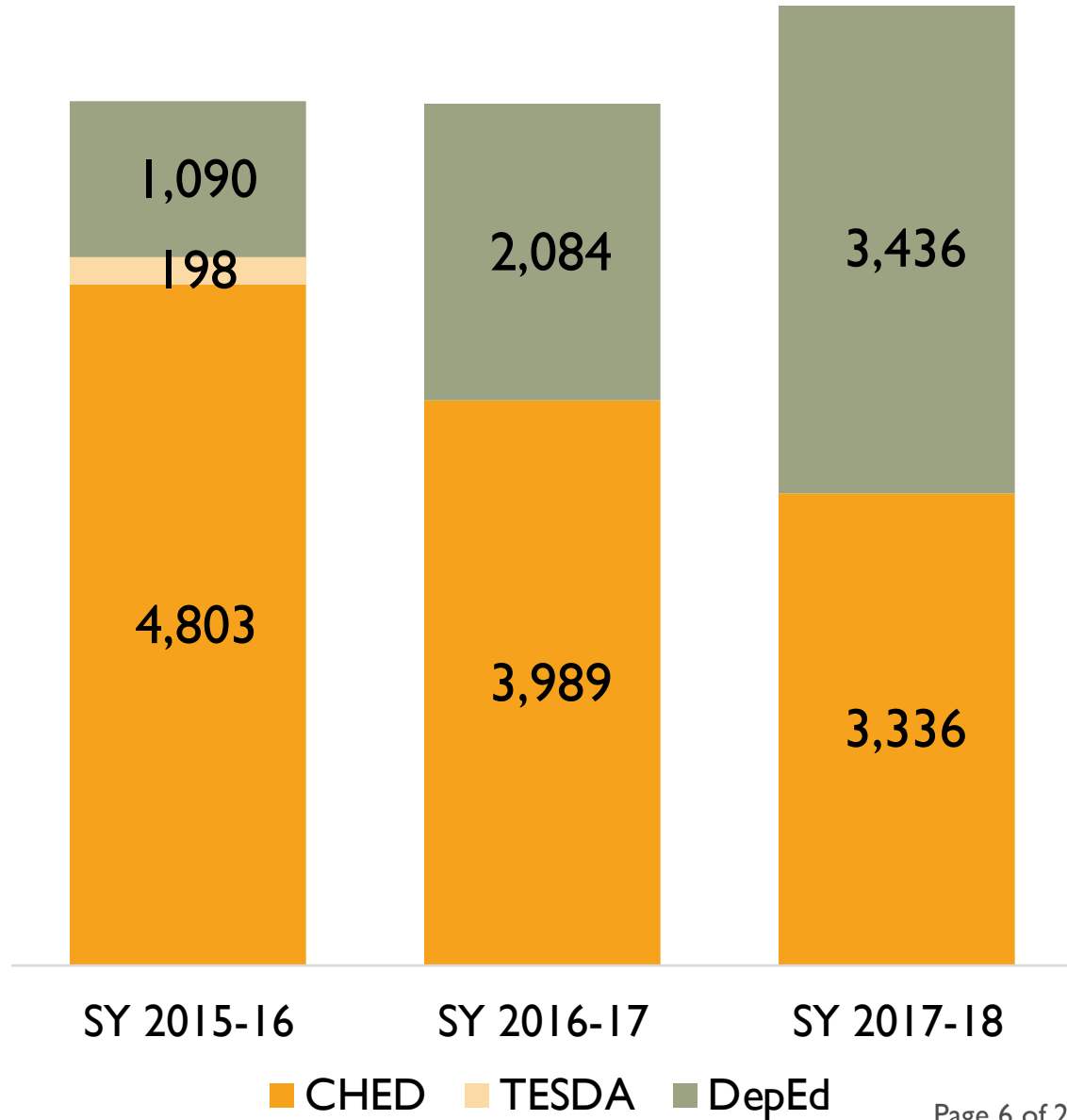
ENROLLMENT
DISTRIBUTION





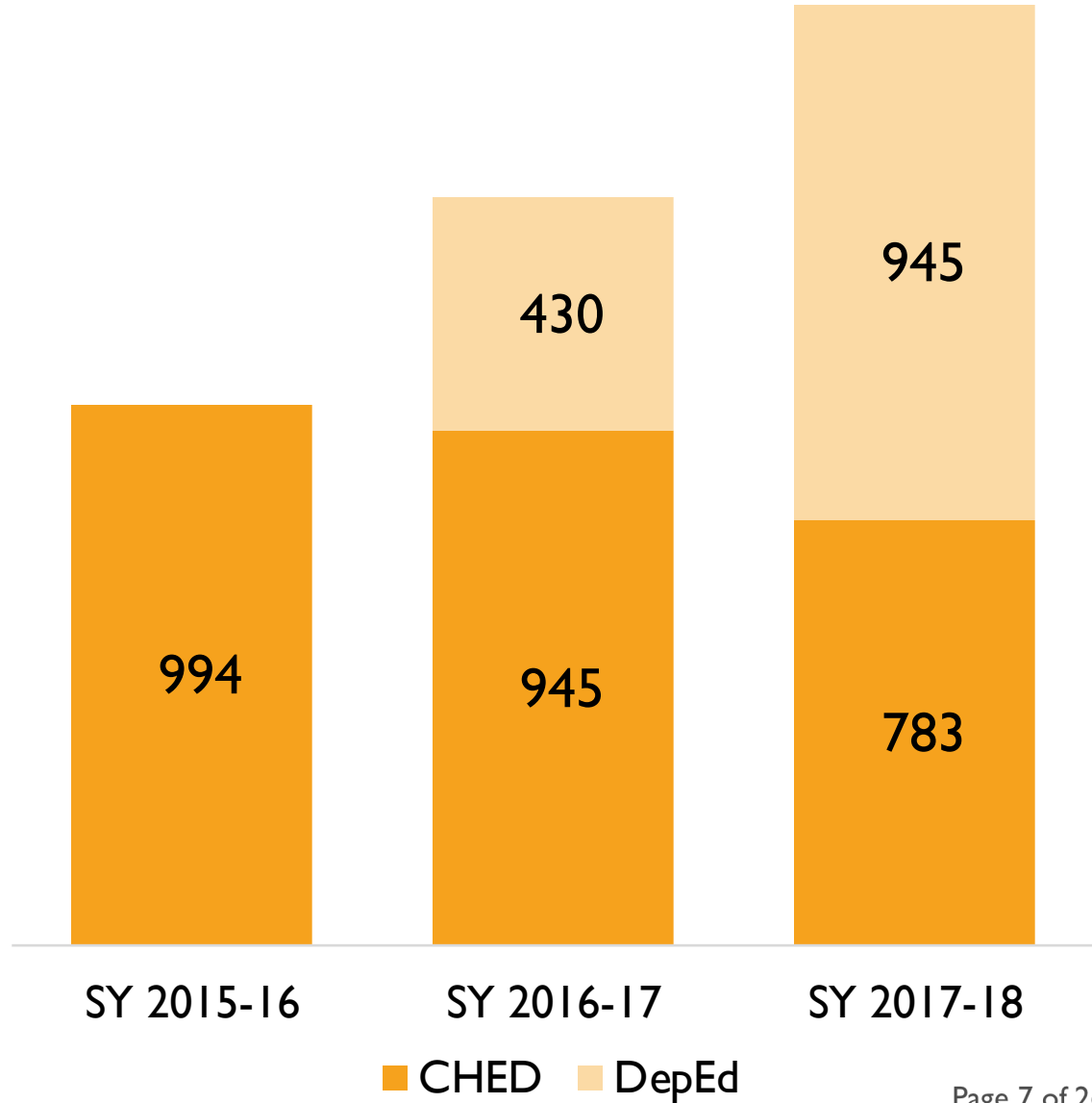
STI West Negros University

ENROLLMENT DISTRIBUTION





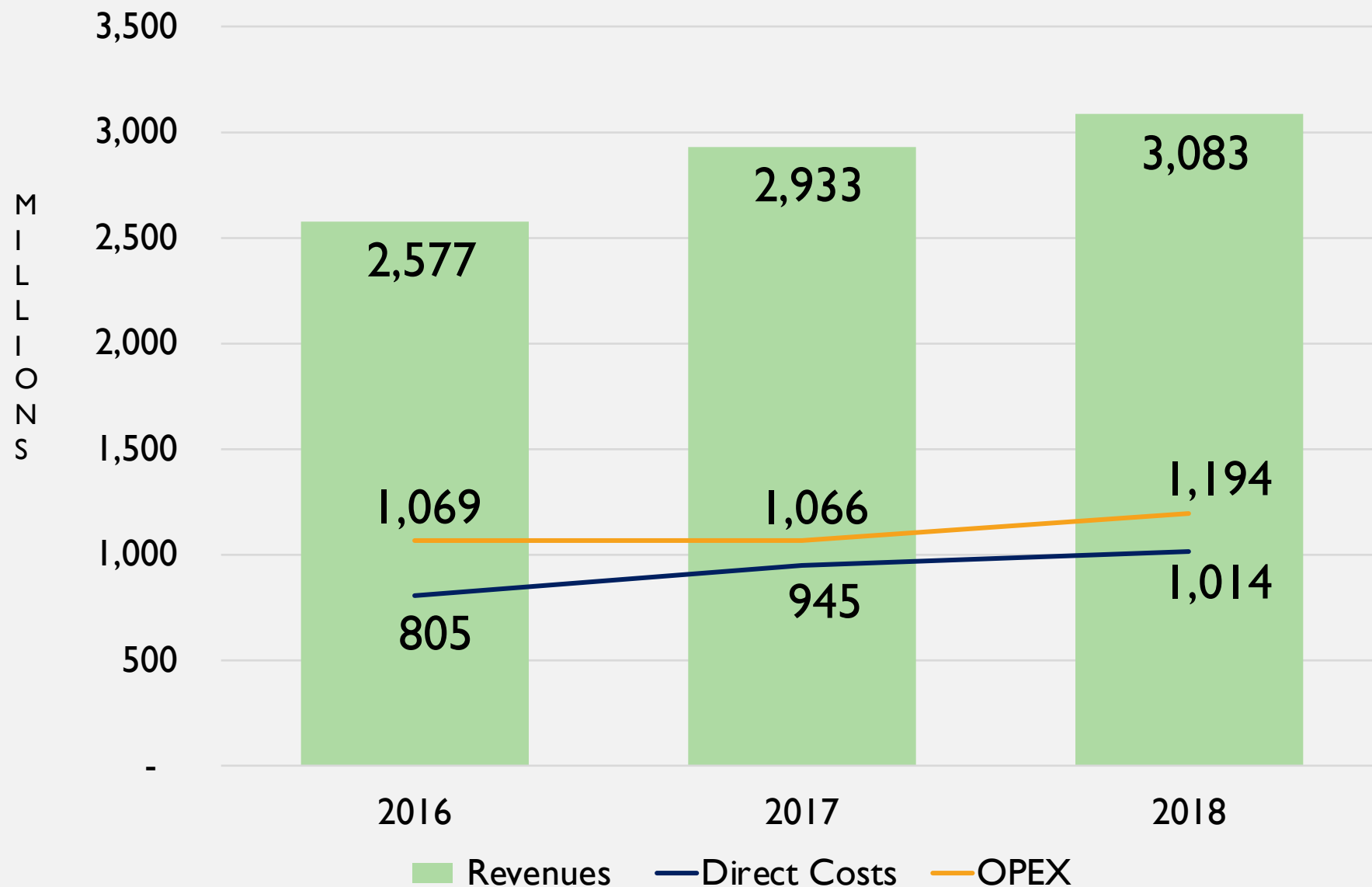
ENROLLMENT DISTRIBUTION



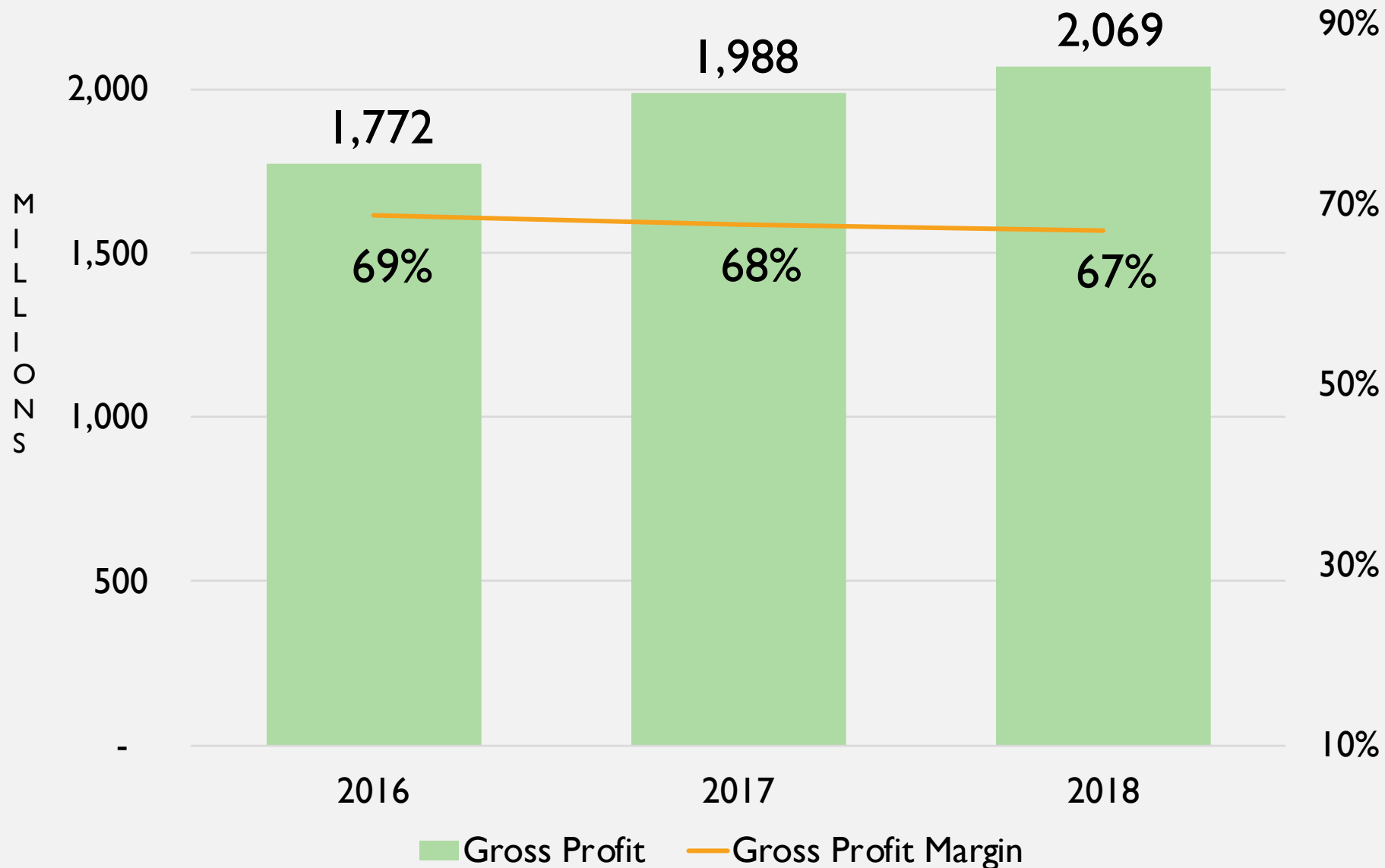
FINANCIAL RESULTS

For the year ended 31 March 2018

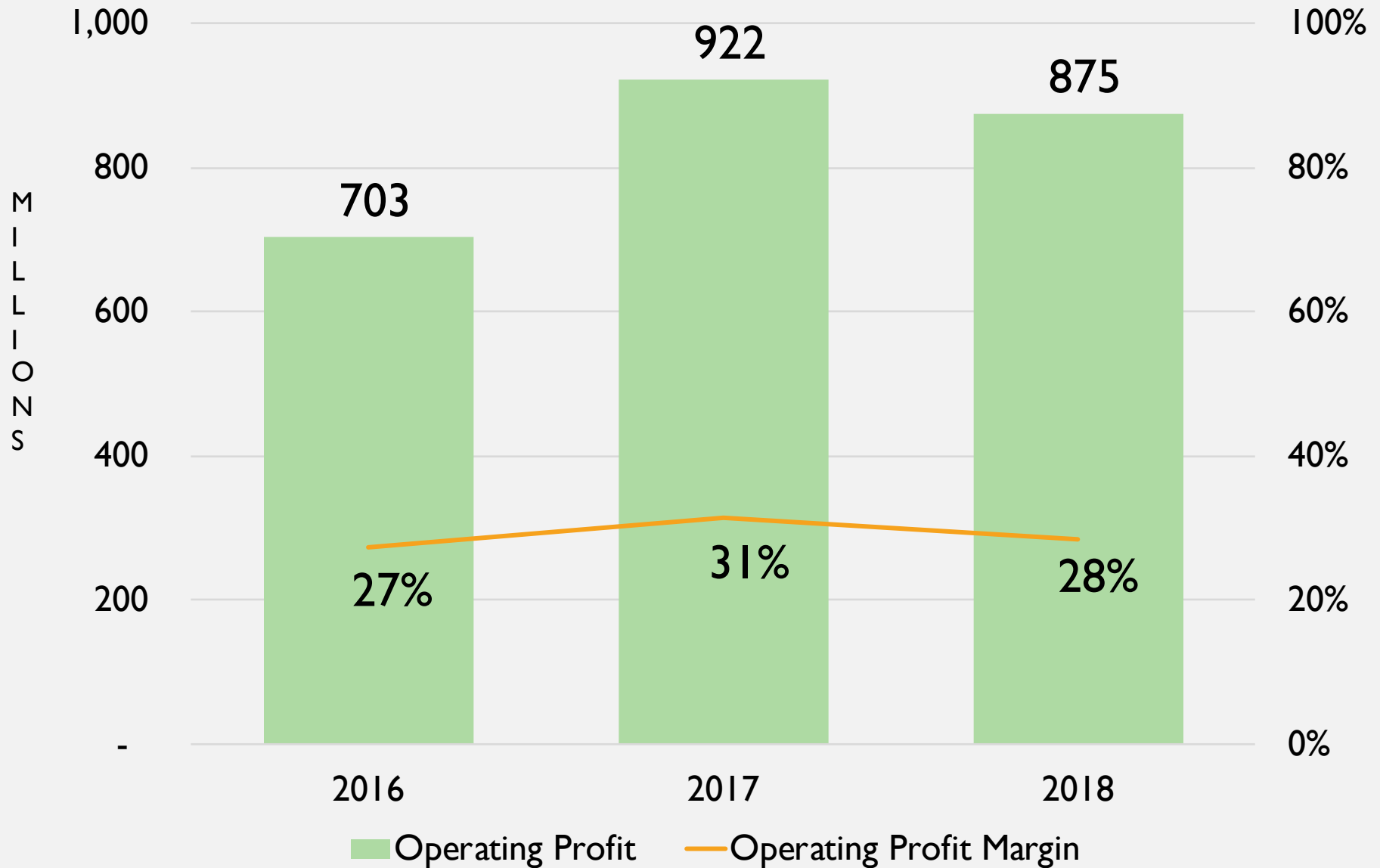
GROSS REVENUES / DIRECT COSTS / OPEX



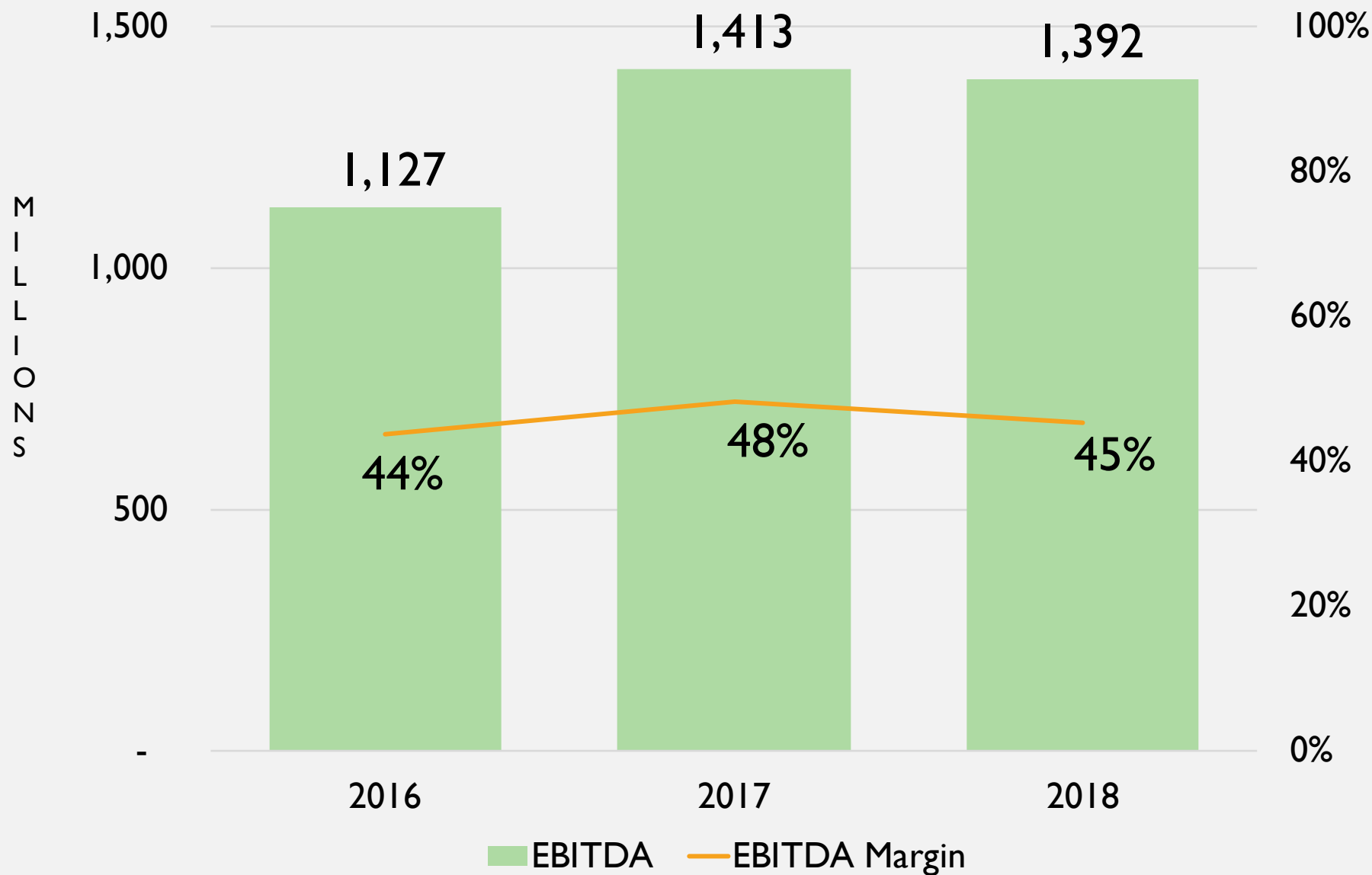
GROSS PROFIT / GROSS PROFIT MARGIN



OPERATING PROFIT / OPERATING PROFIT MARGIN



EBITDA / EBITDA MARGIN



NETWORK EXPANSION AND FACILITIES

CAPEX DISTRIBUTION



Location	Project Cost (Millions)		Student Capacity		
	Land	Building	Existing	New	Increment
Lipa	P 99	P 548	740	6,000	5,260
San Jose Del Monte	-	P 558		6,000	6,000
EDSA	P 602	P 863	2,820	9,000	6,180
Sta. Mesa	-	P 727	980	9,000	8,020
Total	P 701	P 2,696	4,540	30,000	25,460

STI ACADEMIC CENTER LIPA



- 10,587 square meters of usable space
- 8-Storey with Deck
- Est. Capacity of 6,000 students
- Opened in Aug 2018

STI ACADEMIC CENTER SAN JOSE DEL MONTE



- 10,675 square meters of usable space
- 9-Storey with Deck
- Est. Capacity of 6,000 students
- Operational within SY 2018-2019

STI ACADEMIC CENTER EDSA



- 18,099 square meters of usable space
- 9-Storey with Deck
- Est. Capacity of 9,000 students
- Operational within SY 2018-2019

STI ACADEMIC CENTER STA. MESA



- 15,660 square meters of usable space
- 11-Storey with Deck
- Est. Capacity of 9,000 students
- Operational within SY 2018-2019

iACADEMY NEXUS



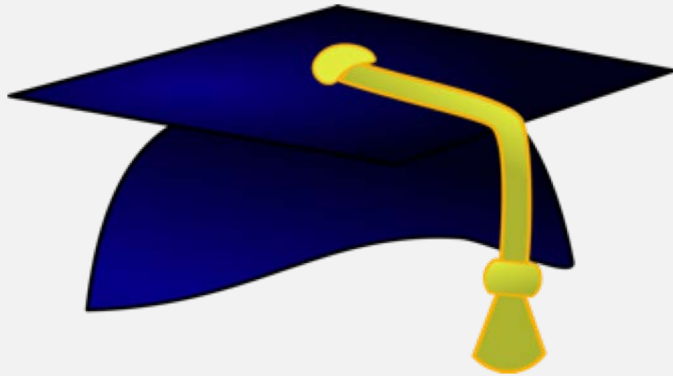
- 28,247 square meters of usable space inclusive of parking
- 12-Storey with Penthouse
- Est. Capacity of 2,500 students
- Opened in February 2018



COMPANY UPDATE

Post 31 March 2018 Annual Report

SCHOOL YEAR 2018-2019, A YEAR OF FIRSTS

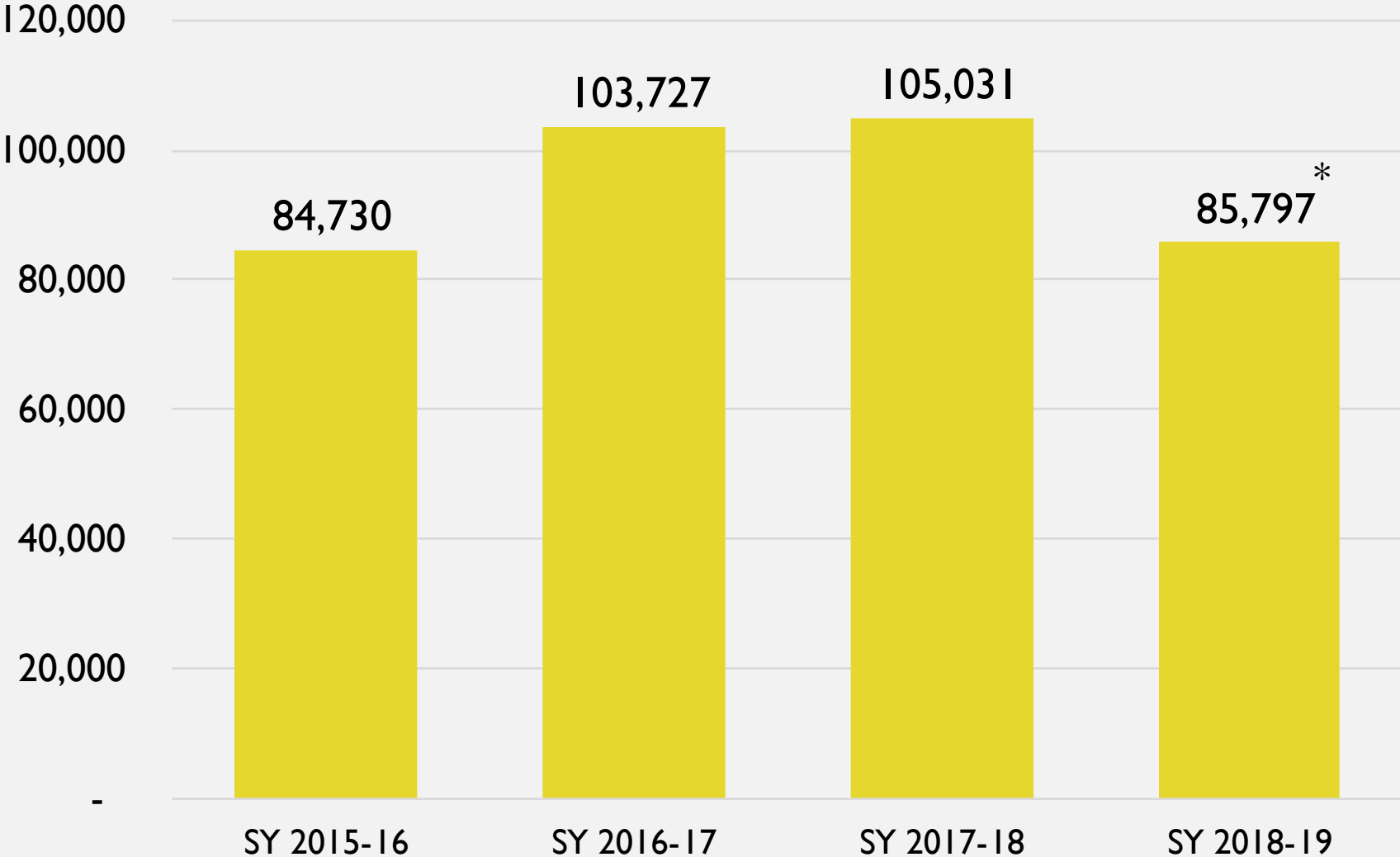


RA 10931

More than 1.2 million students from public and private senior high schools graduated in April 2018

Universal Access to Quality Tertiary Education Act is implemented in 112 state universities and colleges, 78 local universities and colleges, and technical-vocation education and training programs under TESDA

COMBINED STUDENT ENROLLMENT



* Updated student enrollment inclusive of June and August batches of STI ESG tertiary and late enrollment for all schools

YOUR COMPANY REMAINS OPTIMISTIC



Continue prudent management approach



Conduct focused group discussions



Trace Senior High School graduates

DIVIDEND DECLARATION

In a meeting of the Board of Directors of STI Education Systems Holdings, Inc. held on 26 October 2018, the Board approved the declaration of cash dividends in the amount of Php 0.02 per share from the unrestricted retained earnings of the Company as of 31 March 2018 based on the Audited Financial Statements as of 31 March 2018.

The cash dividends are payable to stockholders of record as of 13 November 2018 and shall be payable on 10 December 2018.