

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A, AS AMENDED

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

1. For the fiscal year ended
Jun 30, 2024
2. SEC Identification Number
1746
3. BIR Tax Identification No.
000-126-853-000
4. Exact name of issuer as specified in its charter
STI EDUCATION SYSTEMS HOLDINGS, INC.
5. Province, country or other jurisdiction of incorporation or organization
Metro Manila, Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
7th Floor STI Holdings Center, 6764 Ayala Avenue, Makati City
Postal Code
1226
8. Issuer's telephone number, including area code
(632) 8844-9553
9. Former name or former address, and former fiscal year, if changed since last report
-
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	9,904,806,924

11. Are any or all of registrant's securities listed on a Stock Exchange?
Yes No
If yes, state the name of such stock exchange and the classes of securities listed therein:
Philippine Stock Exchange
12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)

Yes No

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

Yes No

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

3,060,932,687 shares x 1.24 per share = 3,795,556,531.88 as of September 30, 2024

**APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes No

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

(a) Any annual report to security holders

June 30, 2024 Audited Consolidated Financial Statements

(b) Any information statement filed pursuant to SRC Rule 20

N/A

(c) Any prospectus filed pursuant to SRC Rule 8.1

N/A

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



STI Education Systems Holdings, Inc.

STI

PSE Disclosure Form 17-1 - Annual Report
References: SRC Rule 17 and
Section 17.2 and 17.8 of the Revised Disclosure Rules

For the fiscal year ended	Jun 30, 2024
Currency	Philippine Peso

Balance Sheet

	Year Ending	Previous Year Ending
	Jun 30, 2024	Jun 30, 2023
Current Assets	3,679,207,879	3,781,571,176
Total Assets	15,441,821,846	15,083,181,303
Current Liabilities	1,770,507,834	3,451,887,036
Total Liabilities	4,869,445,837	5,873,370,804
Retained Earnings/(Deficit)	6,529,002,580	5,219,942,618
Stockholders' Equity	10,572,376,009	9,209,810,499
Stockholders' Equity - Parent	10,481,070,744	9,127,868,960
Book Value Per Share	1.07	0.93

Income Statement

	Year Ending	Previous Year Ending
	Jun 30, 2024	Jun 30, 2023
Gross Revenue	4,700,323,668	3,405,467,953
Gross Expense	2,919,503,548	2,461,422,449
Non-Operating Income	287,327,179	225,704,239
Non-Operating Expense	294,727,922	311,639,124
Income/(Loss) Before Tax	1,773,419,377	858,110,619
Income Tax Expense	165,068,379	-15,723,664
Net Income/(Loss) After Tax	1,608,350,998	873,834,283
Net Income/(Loss) Attributable to Parent Equity Holder	1,591,191,183	870,268,404
Earnings/(Loss) Per Share (Basic)	0.16	0.09
Earnings/(Loss) Per Share (Diluted)	0.16	0.09

Financial Ratios

	Formula	Fiscal Year Ended	Previous Fiscal Year
		Jun 30, 2024	Jun 30, 2023
Liquidity Analysis Ratios:			
;; Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	2.08	1.1
;; Quick Ratio	(Current Assets - Inventory - Prepayments) / Current Liabilities	1.31	0.7
;; Solvency Ratio	Total Assets / Total Liabilities	3.17	2.57
Financial Leverage Ratios			
;; Debt Ratio	Total Debt/Total Assets	0.32	0.39
;; Debt-to-Equity Ratio	Total Debt/Total Stockholders' Equity	0.44	0.62
;; Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	11.71	7.37
;; Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	1.46	1.64
Profitability Ratios			
;; Gross Profit Margin	Sales - Cost of Goods Sold or Cost of Service / Sales	70	67
;; Net Profit Margin	Net Profit / Sales	34	26
;; Return on Assets	Net Income / Total Assets	11	6
;; Return on Equity	Net Income / Total Stockholders' Equity	16	10
Price/Earnings Ratio	Price Per Share / Earnings Per Common Share	5.6	4.32

Other Relevant Information

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Filed on behalf by:

Name	Cyril Cunanan
Designation	Compliance Officer

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A
ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
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1. For the fiscal year ended June 30, 2024
2. SEC Identification Number 1746
3. BIR Tax Identification Number 000-126-853-000
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5. Province, country or other jurisdiction of incorporation or organization Metro Manila, Philippines
6. Industry Classification Code (SEC Use Only)
7. Address of Principal Office 7th Floor STI Holdings Center
6764 Ayala Avenue
1226 Makati City
8. Registrant's telephone number (including area code) (632) 8844-9553
9. Former name, former address, **former fiscal year**, if changed since last report

10. Securities Registered pursuant to Sections 4 and 8 of the RSA.

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
----- Common Stock	----- 9,904,806,924 shares Issued and Outstanding

11. Are any or all of these securities listed on a Stock Exchange?

Yes [/]

No []

Name of Stock Exchange: Philippine Stock Exchange Class of Securities: Common

12. Check whether the registrant:

- (a) has filed all reports required to be filed by Section 17 of the Securities Regulations Code (SRC) and SRC Rule 17 (a) - 1 there under and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports);

Yes [/]

No []

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

Yes [/]

No []

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

3,060,932,687 shares based on the closing price as of September 30, 2024 of ₱1.24 per share:
₱3,795,556,531.88

Note: As of June 30, 2024, the Company's shares were traded at ₱0.90 each.

14. The Company was not involved in any insolvency/suspension of payments proceedings in the last five (5) years.

DOCUMENTS INCORPORATED BY REFERENCE

15. The June 30, 2024 Audited Consolidated Financial Statements are incorporated by reference in this SEC Form 17-A (Item 7)

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PART 1 - BUSINESS AND GENERAL INFORMATION

Item 1. DESCRIPTION OF BUSINESS

Group History and Structure

STI Education Systems Holdings, Inc.

STI Education Systems Holdings, Inc. (STI Holdings or the Parent Company) was originally established in 1928 as the Philippine branch office of Theo H. Davies & Co., a Hawaiian corporation. It was reincorporated as a Philippine corporation in 1946. After many years of operations as part of the Jardine-Matheson group, STI Holdings was sold to local Philippine investors in 2006. In March 2010, it became part of the Tanco Group of Companies.

STI Holdings is the holding company within the Tanco Group that drives investment in its education business. It is a publicly-listed company in the Philippine Stock Exchange (PSE) and its registered office address and principal place of business is 7th Floor, STI Holdings Center, 6764 Ayala Avenue, Makati City. Unless indicated otherwise or the context otherwise requires, reference to the “Group” are to STI Holdings and its subsidiaries.

In June and August 2012, the Board of Directors and stockholders of the Parent Company, respectively, approved the share-for-share swap transaction (the “Share Swap”) between the shareholders of the Parent Company and the shareholders of STI Education Services Group, Inc. (STI ESG Shareholders) and the corresponding increase in the Company’s authorized capital stock from 1,103,000,000 shares with an aggregate par value of ₱551.5 million to 10,000,000,000 shares with an aggregate par value of ₱5 billion. The Securities and Exchange Commission (SEC) approved both the Share Swap and increase in authorized capital stock in September 2012.

In the latter part of August 2012, the Board of Directors of STI Holdings approved the offering and issuance by way of a follow-on offering of up to a maximum of 3 billion common shares of the Parent Company. The Offer, comprised of Primary Offering, Secondary Offering and the Over Allotment Option were all executed and completed in November 2012 where a total of 2,900,000,000 shares were issued following its listing in the PSE.

As of June 30, 2024 and June 30, 2023, STI Holdings has outstanding shares totaling 9,904,806,924 out of its authorized capital stock of 10 billion shares.

STI Holdings has four (4) subsidiaries as of June 30, 2024, namely: STI Education Services Group, Inc. (STI ESG), STI West Negros University, Inc. (STI WNU), iACADEMY, Inc. (iACADEMY, formerly Information and Communications Technology Academy, Inc.), and Attenborough Holdings Corporation (AHC).

STI Holdings received a Golden Arrow for the year 2023 from the Institute of Corporate Directors (ICD), a non-stock, not-for-profit national association of corporate directors and other stakeholders engaged in corporate governance. The Golden Arrow is awarded to top-performing Philippine publicly-listed companies and insurance companies based on the ASEAN Corporate Governance Scorecard (ACGS) and Corporate Governance Scorecard (CGS) Assessment Results. This is the third straight year STI Holdings has received a Golden Arrow.

Consolidation of STI ESG into STI Holdings

In August 2012, STI Holdings' shareholders approved an increase in share capital from 1,103,000,000 shares with an aggregate par value of ₱551.5 million to 10,000,000,000 shares with an aggregate par value of ₱5 billion and a share swap agreement with the STI ESG Shareholders. The SEC approved the agreement and the increase in the authorized capital of the Parent Company in September 2012. By the end of October 2012, the consolidation of the two companies was completed.

In view of the increase in its authorized capital stock and pursuant to the Share Swap, STI Holdings issued 5,901,806,924 shares to STI ESG Shareholders in exchange for 907,970,294 common shares of STI ESG. As a result, immediately after the Share Swap, the STI ESG Shareholders who joined the Share Swap owned approximately 84% interest in STI Holdings while STI Holdings increased its shareholdings to 96.0% of the total issued and outstanding capital stock of STI ESG.

In November and December 2012, STI Holdings subscribed to 2.1 billion STI ESG shares. In July 2013, the Parent Company acquired an additional 328,125 shares. STI Holdings' ownership of STI ESG is at 98.7% as of June 30, 2024 and 2023.

Acquisition of West Negros University

On October 1, 2013, STI Holdings acquired 99.45% of the issued and outstanding common shares and 99.93% of the issued and outstanding preferred shares of West Negros University Corp., now known as STI West Negros University, a leading university in the City of Bacolod in Negros Occidental.

STI WNU offers a wide variety of programs and complements the courses offered by the Parent Company's other subsidiary, STI ESG.

The acquisition is part of the planned expansion of the Parent Company. It not only widened its course offerings at the tertiary level but also provided STI Holdings another entry into basic education which is the focus of the government's K to 12 program, and into the graduate school level which is vital in uplifting the development of human capital in the country.

In May 2015, the SEC approved the change in the corporate name of West Negros University Corp. to STI West Negros University, Inc.

Acquisition of iACADEMY

On September 27, 2016, STI Holdings purchased One Hundred Million (100,000,000) iACADEMY shares or 100% of iACADEMY's issued and outstanding capital stock from STI ESG. STI Holdings also subscribed to ₱100 million of the ₱400 million increase in the authorized capital stock of iACADEMY. On November 9, 2016, the SEC approved the increase in the authorized capital stock of iACADEMY. As of said date, the authorized capital stock of iACADEMY is at ₱500 Million with ₱200 million subscribed and fully paid by STI Holdings. As a result, iACADEMY is now a 100% subsidiary of STI Holdings.

AHC

The Parent Company became a stockholder owning 40% of AHC in November 2014 following the SEC approval of the increase in the authorized capital stock of AHC. In February 2015, STI Holdings acquired the remaining 60% ownership of AHC from various individuals making it a 100% owned subsidiary.

AHC is a holding company which is a party to the Joint Venture Agreement and Shareholders' Agreement (the "Agreements") among Philippine Women's University (PWU), Unlad Resources

Development Corporation (Unlad) and the Benitez Group. Under the Agreements, AHC is set to own up to 20% of Unlad. AHC is also a party to the Omnibus Agreement it executed with STI Holdings and Unlad.

On March 1, 2016, AHC executed a Deed of Assignment wherein AHC assigned to STI Holdings its loan to Unlad, including capitalized foreclosure expenses, amounting to ₱66.7 million for a cash consideration of ₱73.8 million.

Business Development

STI Education Services Group, Inc. (STI ESG)

Established on August 21, 1983, STI Education Services Group, Inc. (STI ESG) began with a goal of training as many Filipinos as possible in computer programming and address the need for information technology (IT) education in the Philippines. Starting as a training center, STI ESG initially offered short-term computer programming courses that were patterned to satisfy the demand of college graduates and working professionals who wanted to learn more about emerging computer technology.

Shortly after, STI ESG's campuses began to grow as it started granting franchises in other locations within Metro Manila, and soon expanded to other key areas in Luzon, Visayas, and Mindanao, and sites outside the Philippines. In 2003, management decided to focus its attention on the domestic market but continued to study the possibility of going international once again.

Over the years, STI ESG began shifting its focus from short-term courses to college degree programs to adjust to the changing business environment. In 1995, STI ESG was granted a permit by the Commission on Higher Education (CHED) to operate colleges and rolled out four-year college programs starting with Information & Communications Technology and then gradually introduced new programs in the succeeding years. To date, STI ESG also offers four-year college programs in the fields of Business and Management, Engineering, Hospitality Management, Tourism Management, Arts and Sciences, Education, Maritime, and Criminal Justice Education.

STI ESG embarked on strengthening its geographical presence nationwide as it aggressively constructed improved facilities. More STI ESG schools are veering away from rented commercial complexes and have moved to bigger and better stand-alone campuses in strategic locations. The improved campuses house state-of-the-art facilities, spacious classrooms, top-of-the-line simulation laboratories, and recreational facilities conducive to high academic delivery. At present, there are twenty-two (22) wholly-owned schools with renovated or newly built facilities. In addition, STI ESG offered incentives to franchisees to upgrade their facilities wherein nine (9) have responded so far.

STI ESG likewise centralized its efforts into academic quality and started investing in trainings on awareness, documentation, and internal quality audit to achieve the ISO 9001:2008 certification on February 5, 2015 and the ISO 9001:2015 certification on February 5, 2018. Awarded by the ISO certifying body TÜV Rheinland Philippines Inc., both certifications focus on STI ESG's Learning Delivery System covering courseware development and faculty training and certification for the tertiary level. The ISO 9001:2015 certification has also been extended to senior high school and expanded to include student development programs and job placement assistance for graduates.

When the Department of Education (DepEd) announced the K to 12 program in 2013, STI ESG capitalized on its nationwide presence to implement the first-to-market approach of the Senior High School (SHS) program. STI ESG is the largest pioneer to offer Senior High School. The two (2) program tracks covered by the permit are the Academic and Technical-Vocational-Livelihood tracks. Under the

Technical-Vocational-Livelihood track, STI ESG offers three strands with various specializations. STI ESG is likewise offering the Junior High School program in select schools.

STI ESG and other educational institutions experienced another monumental change in the education landscape with the implementation of the Republic Act (RA) 10931 or the “Universal Access to Quality Tertiary Education Act” (UAQTEA) in 2018. The law covers four (4) salient points: (1) free tuition and miscellaneous fees in state universities and colleges (SUCs) and local universities and colleges (LUCs); (2) free technical-vocational education and training in state-run technical-vocational institutes; (3) student loan programs for tertiary students; and (4) Tertiary Education Subsidy (TES) in private higher education institutions (HEIs).

STI ESG fully supports the government’s advocacy to provide equal opportunities to the Filipino youth by making tertiary education more accessible and encouraging them to pursue and complete higher learning. Thus, STI ESG signed a Memorandum of Agreement on December 17, 2018 with CHED and the implementing organization Unified Student Financial Assistance System for Tertiary Education (UniFAST) for the enactment of the tertiary education subsidy and student loan program.

Through the consistent efforts of management, the STI brand stays true to its commitment of providing real-life education to the Filipino youth and nurturing them to become competent and responsible members of the society.

STI ESG Network

As a testament to its growing presence nationwide, the STI ESG network has sixty-three (63) active schools spread across Luzon, Visayas, and Mindanao and is comprised of sixty (60) STI-Branded Colleges and three (3) STI-Branded Education Centers. Likewise, of these sixty-three (63) schools, thirty-six (36) college campuses and one (1) education center are wholly-owned, while twenty-four (24) college campuses and two (2) education centers are operated by franchisees.

Area	Wholly-Owned	Franchised
Metro Manila (12)	Alabang	Marikina
	Caloocan	Muñoz-EDSA
	Cubao	
	Fairview	
	Global City	
	Las Piñas	
	NAMEI	
	Novaliches	
	Pasay-EDSA	
	Sta. Mesa	
Northern Luzon (16)	Baguio	Alaminos
	Dagupan	Angeles
	Laoag	Balagtas
	Meycauayan	Baliuag
	San Jose del Monte	Cauayan
	Sta. Maria	Malolos
		San Fernando
		San Jose
		Tarlac
		Vigan

Area	Wholly-Owned	Franchised
Southern Luzon (19)	Batangas	Bacoor
	Calamba	Balayan
	Carmona	Dasmariñas
	Legazpi	Rosario
	Lipa	Santa Rosa
	Lucena	Tagaytay
	Naga	
	Ortigas-Cainta	
	Puerto Princesa	
	San Pablo	
	Sta. Cruz	
Tanauan		
Tanay		
Visayas (5)	Calbayog	Maasin
	Dumaguete	Ormoc
	Kalibo	
Mindanao (11)	Cagayan De Oro	Cotabato
	Davao	General Santos
	Iligan	Koronadal
	Malaybalay	Surigao
	Valencia	Tacurong
		Tagum

Suspension and Closure of Schools

In 2021, STI College San Fernando City, Inc. (STI La Union), a franchised school, informed CHED, DepEd, and Technical Education and Skills Development Authority (TESDA) of its decision not to accept enrollees for SY 2021-2022. Previous to this, the following owned schools have ceased operations: STI Cebu, STI College Iloilo, Inc. (STI Iloilo), STI College Pagadian, Inc. (STI Pagadian) and STI College Tuguegarao, Inc. (STI Tuguegarao). In addition, the following franchised schools likewise ceased to operate: STI College Bohol, Inc. (STI Bohol), STI College Recto, Inc. (STI Recto), Sungold Technologies, Inc. (STI Zamboanga), STI College Pasay, Inc. (STI Pasay), STI College Dipolog, Inc. (STI Dipolog), STI College San Francisco, Inc. (STI San Francisco) and STI College Parañaque, Inc. (STI Parañaque). These schools closed as a result of the pandemic. The students enrolled in the aforementioned schools were given the option to transfer to other STI schools. In SY 2021-2022, NAMEI Polytechnic Institute of Mandaluyong, Inc. (NPIM) accepted enrollees for Junior High School (JHS) and SHS only. The grade school students were advised to transfer to another school or refunded the fees paid, if any. For SY 2022-2023, the JHS and SHS students of NPIM were given the option to transfer to STI Sta Mesa, a school owned by STI ESG. NPIM ceased operations effective June 30, 2022. Management continues to identify strategic opportunities to improve efficiency within the Group. The cessation of operations of the STI schools mentioned above did not have a material financial impact on the Group.

Capital Market Infrastructure

STI ESG listed its ₱3 Billion Series 7-year Bonds due 2024 and Series 10-year Bonds due 2027 on the Philippine Dealing and Exchange Corp. (PDEX) secondary market on March 23, 2017.

STI ESG's ₱3.0 billion bond issue has been assigned by Philippine Rating Services Corporation (PhilRatings) an Issue Credit Rating of PRS Aa, in its report to the Securities and Exchange Commission

(SEC) dated January 23, 2017, which meant that STI ESG's proposed debt issue as of the date of the report is of "high quality and is subject to very low credit risk." According to PhilRatings, "Obligations rated PRS Aa are of high quality and are subject to very low credit risk. The obligor's capacity to meet its financial commitment on the obligation is extremely strong. PRS Aa is the second-highest rating category on PhilRatings' existing credit rating scale." In January 2021, PhilRatings changed the Issue Credit Rating for STI ESG's outstanding bond issuance to PRS A plus, with a Negative Outlook, from PRS Aa, with a Stable Outlook. Obligations rated PRS A have favorable investment attributes and are considered as upper-medium grade obligations. Although these obligations are somewhat more susceptible to the adverse effects of changes in economic conditions, STI ESG's capacity to meet its financial commitments on the obligation is still strong. A 'plus' or 'minus' sign may be added to further qualify ratings. On the other hand, a Negative Outlook indicates that there is a potential for the present credit rating to be downgraded in the next 12 months.

STI ESG's ₱3.0 billion bond issue is the first tranche of its ₱5 billion fixed-rate bonds program under its 3-year shelf registration with the SEC, while the 3-year shelf registration ended on March 9, 2020. The Bonds carry 5.8085% and 6.3756% coupon rates for the 7-year and 10-year tenors, respectively. Interests are payable quarterly in arrears on June 23, September 23, December 23, and March 23 or the next business day if such dates fall on a non-banking day, of each year commencing on June 23, 2017 until and including the relevant maturity dates. The proceeds of the bonds have been fully utilized as at March 31, 2019.

On March 23, 2024, the 7-year fixed rate bonds with a principal amount of ₱2,180.0 million matured and were fully redeemed by STI ESG in accordance with terms of the Trust Agreement and the Supplemental Trust Agreement.

STI West Negros University, Inc. (STI WNU)

West Negros University was founded on February 14, 1948 by three Baptist women leaders. The school, then West Negros College (WNC), first operated as a sectarian educational institution in an old rented Valentine Memorial Hall in Bacolod, offering six undergraduate programs that attracted 710 students handled by 33 faculty members.

In 1951, the school was re-established as a non-sectarian school in its present location along Burgos Street, utilizing a three-storey wooden building that housed classrooms and administrative offices. A separate building was also built for elementary and high school pupils.

With the continued increase in enrollment, then President Leodegario N. Agustin initiated the construction of a ₱2.2 million concrete five-storey building. The building accommodated all academic departments and administrative offices, laboratories, clinic, library, and classrooms.

To enrich the college life of students, a gymnasium was constructed in 1968 for the school's extra-curricular and sports activities. It also hosted convocations, cultural presentations and graduation activities, and extended its services to the community by accommodating, among others, basketball games, boxing tournaments, social gatherings, and concerts.

The following year, the school's enrollment rose to 6,843 students, with a pool of 200 faculty members. The increase brought about further expansion, hence in 1972 the construction of a concrete three-storey building for the high school and elementary department was initiated.

In 1980, responding to the changing times with the advent of computers, the college put up its own Computer Center and expanded its curricular offerings by opening computer courses and short-term or technical programs. It was then considered among the biggest and was recognized among the pioneers of computer schools in Western Visayas.

On October 1, 2007, as initiated by then President Dr. Suzette Lilian A. Agustin, an application for University status was submitted to the CHED Central Office, Manila. CHED Central Office sent a Special Team from November 22 to 23, 2007 to evaluate and verify compliance of WNC with the university standards. The school's readiness for a final CHED visit to inspect and evaluate WNC's level of compliance was conveyed on January 25, 2008 to the Commission *en banc* and to the Office of Programs and Standards of the Commission on Higher Education, which resulted to the conduct of the detailed and rigorous process of verification by the CHED Commissioners on February 5, 2008.

On February 11, 2008, the Commission on Higher Education found WNC in full compliance of CHED requirements, and granted WNC the University Status, per Resolution No. 78, s. 2008. The WNC Board of Trustees then unanimously approved the change of the school's name from West Negros College to West Negros University on February 26, 2008. On June 10, 2008, West Negros University received the official confirmation through a Certificate of University Status from CHED, by virtue of Resolution No. 290, s. 2008, dated June 2, 2008.

On October 1, 2013, STI Holdings acquired 99.45% of the issued and outstanding common shares and 99.93% of the preferred shares of STI WNU, thus making it a subsidiary of the Parent Company.

On May 13, 2014, STI WNU purchased the net assets of Bacolod Educational Service and Technology Center, Inc. (STI College Bacolod) from an STI ESG franchisee, thus taking over the operation of its schools, a college and TESDA registered education center in Bacolod City, on the same date. The students of both the college and the education center were fully integrated into STI WNU in the second semester of School Year (SY) 2014-2015.

On May 15, 2015, the SEC approved the change of the University's name to STI West Negros University. It is now branded as an STI school.

On October 5, 2015, DepEd granted STI WNU the Permit to Operate SHS Program for all tracks. On May 11, 2016, DepEd also granted the University the permit to offer ICT Strand and certain specializations. On December 5, 2017, permit to offer Maritime Specialization strand effective SY 2018-2019 was likewise granted to the University.

On December 9, 2015, the SEC approved the amendment of STI WNU's Articles of Incorporation allowing STI WNU to provide maritime training services that will offer and conduct training required by the Maritime Industry Authority (MARINA) for officers and crew on board Philippine and/or foreign registered ships operating in the Philippine and/or international waters.

Beginning SY 2016-2017, STI WNU had set new directions through its new vision of becoming a leading university in the Negros Island by 2025, driven by passion for academic excellence through innovation. The school has also committed to produce excellent quality graduates who are able to meet and uphold the standards of the industry in pursuit of a better Filipino family and nation.

On November 21, 2017, TESDA Region VI granted STI WNU a Certificate of Technical-Vocational Training and Education (TVET) Program Registration for Housekeeping NC II with a duration of 436 hours per training. The program covers units of competencies in order to provide housekeeping services and perform workplace and safety practices. The first batch started on March 25, 2018 to May 18, 2018 with a total of 25 trainees. There were 25 trainees as well for the second batch which started on June 30, 2021 and ended on September 8, 2021.

On September 21, 2018, the SEC approved the amendment of STI WNU's Articles of Incorporation allowing the latter to provide technical-vocational education training services under TESDA and/or operate a Training Center as well as an Assessment Center, in relation to the said services.

iACADEMY, Inc. (iACADEMY, formerly Information and Communications Technology Academy, Inc.)

iACADEMY is a cutting-edge institution dedicated to providing high-quality education in the fields of Computing, Business, and Design. Since its establishment in 2002, the school has continuously evolved to meet the demands of the modern educational landscape. Located in Makati, the Central Business District of Metro Manila, iACADEMY offers a dynamic learning environment where students can pursue specialized courses such as software engineering, game development, real estate management, accountancy, animation, multimedia arts and design, film and visual effects, and music production and sound design. The faculty at iACADEMY is composed of both seasoned academicians and industry practitioners, ensuring that students receive a well-rounded education that bridges theoretical knowledge and practical application.

iACADEMY is renowned for its pioneering achievements and strong industry connections. It is the first Wacom Authorized training partner in the Philippines, the first college in the ASEAN region to be appointed as an IBM Center of Excellence, and the first Toon Boom Center of Excellence in Asia. Additionally, iACADEMY is a certified Unity certification partner and collaborates with Amazon Web Services for Cloud Computing Certification courses. The school's robust internship program stands out as one of the most intensive in the country, requiring students to work full-time in partner companies for at least 960 hours. This hands-on experience significantly contributes to the school's impressive 96% job placement rate within the first six months after graduation, underscoring iACADEMY's commitment to producing industry-ready graduates.

On February 7, 2023 the Board of Governors (BOG) and stockholders of iACADEMY, at separate meetings, approved the change in the corporate name from Information and Communications Technology Academy, Inc. to iACADEMY, Inc. iACADEMY applied for the amendment of its AOI and By-Laws with the SEC on February 23, 2023. The SEC approved the change in corporate name on April 3, 2024.

iACADEMY's success in its Makati Campus has triggered expansion plans and a major growth path is to bring the type of education that iACADEMY offers closer to people in other regions of the country. In 2022, iACADEMY started setting up its first regional campus in Cebu City. The campus is located in Cebu I.T. Park, the I.T. Capital of Cebu. Its initial academic offerings are Bachelor of Science in Computer Science with major in Software Engineering (BSCS-SE), Bachelor of Science in Entertainment and Multimedia Computing with specialization in Game Development (BSEMC-GD), Bachelor of Science in Real Estate Management (BSREM), Bachelor of Arts in Animation (ABANI), and Bachelor of Arts in Multimedia Arts and Design (ABMAD). The applications for the permit to operate said programs were submitted on June 28, 2022 to CHED Region 7 Office (CHEDRO7).

The fit-out construction of the campus started in October 2022. On November 22, 2022, CHEDRO7 conducted an institutional ocular visit to check the readiness of iACADEMY Cebu for the formal visit of the CHED Regional Quality Assessment Team (RQAT) as part of the permit application process. The fit-out construction was finished on December 10, 2022 and the RQAT visit was conducted on December 15, 2022 for the initial permit application of the BSCS-SE, BSEMC-GD, ABMAD, and BSREM programs. Since ABANI is a non-CHED standard program, the inspection had to be conducted by the Office of Programs and Standards Development (OPSD) of the CHED Central Office.

On January 21, 2023, iACADEMY Cebu held its unveiling and blessing ceremony.

iACADEMY Cebu received the Initial Government Permit to Offer the First and Second Year Levels for the BSEMC-GD, ABMAD, and BSREM programs in February 2023 and for the BSCS-SE program in March 2023. The CHED OPSD validation visit for the Animation program was conducted on April 20, 2023. On July 5, 2023, CHED approved the first and second year levels for the Animation program.

The permits and approval were obtained by iACADEMY Cebu in time for the program offerings starting SY 2023-2024.

Enrollment and Graduates

STI ESG

In SY 2021-2022, STI ESG and its subsidiaries registered an enrollment of 72,750 at the start of the school year. The total enrollment further increased in the subsequent school years, 81,697 registered students at the beginning of SY 2022-2023 and an impressive 103,982 students at the start of SY 2023-2024.

The average retention rate for students in a semester remained at 99% from SY 2021-2022 through SY 2023-2024. Meanwhile, the average percentage of students who migrated to the succeeding semester in SY 2021-2022 was 96%. Migration slightly dipped to 93% in SY 2022-2023 and bounced back to 94% in SY 2023-2024.

The enrollees in associate and baccalaureate degree programs, technical-vocational programs, and senior high school level for SY 2021-2022 accounted for 67%, 2%, and 31% of the total enrollment, respectively. The enrollment mix posted in SY 2022-2023 was 70% for associate and baccalaureate degree programs, 1% for technical-vocational programs, and 29% for senior high school tracks and specializations. Meanwhile, the enrollment mix in SY 2023-2024 was at 68%, 2%, and 30% for associate and baccalaureate degree programs, technical-vocational programs, and senior and junior high school, respectively.

There were 8,192 tertiary graduates for the first and second semesters, while 10,481 students graduated from senior high school in SY 2021-2022. For SY 2022-2023, there were 9,666 students who graduated from tertiary for the first and second semesters and 9,996 senior high school graduates. Meanwhile in SY 2023-2024, there were 8,799 tertiary graduates for the first and second semesters and 11,554 senior high school graduates.

STI WNU

In SY 2021-2022, 7,580 students enrolled, including 1,367 SHS enrollees. In the following year, SY 2022-2023, 10,218 students enrolled in STIWNU, including 2,057 SHS students. For SY 2023-2024, 13,328 students enrolled in STIWNU, including 2,490 SHS students.

During SY 2021-2022, a total of 1,455 students graduated from the University, including 623 from SHS. The following year, SY 2022-2023, 2,007 students graduated from the University. This included 754 SHS students. For SY 2023-2024, 2,316 students graduated from the University, including 1,271 Senior High School students.

iACADEMY

College

The average combined enrollment for the three terms of SY 2021-2022 was recorded at 1,593. A total of 506 freshmen students enrolled during the first trimester which posted a 1% increase from the previous school year. The School of Design had the highest enrollment with 61% of the total population, followed by the School of Computing at 26% and lastly by the School of Business and Liberal Arts at 13%. A total of 291 students graduated from the different programs at the end of the school year.

In SY 2022-2023, an increase of 13% in the total number of freshmen enrollees during the first trimester was posted. An average combined enrollment of 1,698 for the three terms was recorded. Majority of the

students enrolled were from the School of Design which recorded an average of 62.17%, followed by School of Computing with an average of 24.53% and finally with 13.30% from the School of Business and the Liberal Arts. A total of 405 students from the different programs graduated at the end of the school year.

In SY 2023-2024, the average number of students enrolled across both campuses reached 1,685. This figure includes students from the newly opened Cebu campus, which began operating during that academic year.

The total number of freshman students enrolled for both campuses was recorded at 532 during the first term of SY 2023-2024, posting a decrease of 7% from the previous school year. The School of Design still held the highest student population at 63%, followed by the School of Computing at 23% and finally by the School of Business and Liberal Arts at 14 %. The average combined enrollment for the three terms was recorded at 1,592. A total of 402 students from the different programs graduated at the end of the school year.

Senior High School

The prevailing mode of learning for the SY 2021-2022 for the Senior High School Program is still via on-line. With this mode, the program had an average combined enrollment of 561 for the two semesters. There was a decrease in the total number of students enrolled compared to the previous school year. During the first semester, there were 238 students enrolled in Grade 11, while there were 330 students enrolled in Grade 12. Arts and Design track showed consistency in having the highest percentage of population at 27%, Tech-Voc Track – ICT Strand with specialization in Animation at 23% was second and on the third rank was Tech-Voc Track – ICT Strand with specialization in Graphic Illustration at 16%. A total of 295 Senior High School students graduated at the end of the school year.

In SY 2022-2023, HYBRID mode of learning was implemented for the Senior High School program. An average combined enrollment of 482 for the two semesters was recorded. As compared to the previous school year, the total number of students enrolled again dwindled. The top three areas with the most number of students enrolled were Arts and Design at 31%, followed by Tech-Voc Track –with specialization in Animation at 22% and on the third rank was Tech-Voc Track with specialization in Graphic Illustration at 15%. Two hundred twenty two (222) students graduated from Grade 12 at the end of the school year.

The average combined enrollment for the two semesters of SY 2023-2024 was recorded at 400. Compared to the previous school year, there was a decrease in the total number of students enrolled. Arts and Design track remained to garner the highest percentage of population at 32%, followed by Tech-Voc Track Strand in Animation at 19% and on the third rank with 17% was the Tech-Voc-ICT in Computer programming. The HYBRID mode of learning was continuously implemented for the SHS students. At the end of the school year there were two hundred nineteen (219) students who completed the Senior High School program.

Tuition Fee Increases

STI ESG

No increases in tuition fees and other school fees were implemented in SY 2021-2022 for both college and senior high school. In SY 2022-2023, a 5% increase in tuition and other school fees was implemented for new college students while an average of 5% increase in tuition and other school fees was applied to all college students for SY 2023-2024. On the other hand, tuition and other school fees for senior high school students remain unchanged for both school years.

STI WNU

During SY 2021-2022, the University did not impose any increase in tuition. In SY 2022-2023, the University implemented a 5% tuition fee increase and a 5% increase in other fees for new students only.

For SY 2023-2024, the University implemented an 8% increase for the new students in programs with Level IV accreditation, a 6% increase for new students in programs with accreditation below Level IV and a 5% increase for old students.

iACADEMY

The COVID-19 pandemic which hit the country in early 2020, brought many sorts of difficulties among students. Despite the fact that iACADEMY was heavily affected like many other schools, iACADEMY made no increase in tuition and other school fees in SY 2020-2021 and SY 2021-2022. With its initiative to alleviate the cumbersome effects of the pandemic on the students and their families, iACADEMY gave discounts of up to as much as 31% and 6% on its regular Other School Fees and Tuition Fees respectively, to Senior High School students resulting to considerable reduction on their total fees in that school year. For the same reason, the institution also gave discounts of as much as 50% and 33% on its regular Laboratory Fees and Other School Fees respectively, to College students.

For SY 2022-2023 for the College level, tuition fees increased by 5% for incoming freshmen. For Senior High School, tuition fees increased by 5% for Grade 11 only.

For SY 2023-2024 for the College level, tuition fees increased by 10% for all year levels. For Senior High School, tuition fees increased by 10% for both Grade 11 and Grade 12.

Financial Aid Programs

As part of STI ESG's continuing efforts to support more Filipino youth to have access to quality education especially during the unprecedented situation brought about by the economic impact of the COVID-19 pandemic, STI ESG partnered with banks and other institutions and provided rebates and discounts to students as follows:

DBP RISE

STI ESG executed a memorandum of agreement with the Development Bank of the Philippines (DBP) on March 17, 2021 for the implementation of the DBP Resources for Inclusive and Sustainable Education Program (DBP RISE). The program grants financial assistance to deserving students from the ranks of underprivileged Filipino families who aspire to pursue studies in DBP-accredited public and private tertiary schools. DBP RISE covers: (1) the total cost of tuition fees for all year levels of the entire course or program based on the partner school's tuition fee structure which is determined at the beginning of the first term of the course or program for SY 2020-2021, and (2) student support fund which covers other school fees, miscellaneous fees, and living allowance that will be determined and set by DBP. STI ESG and DBP executed similar MOAs in November 2021 and in May 2023 covering the implementation of DBP RISE for deserving students enrolled beginning SY 2021-2022, SY 2022-2023, and SY 2023-2024.

Pag-IBIG-STI Educational Assistance Program

STI ESG strengthened its partnership with Pag-IBIG Fund to ensure that students from all walks of life will have the opportunity to receive quality education. Through the Pag-IBIG - STI Educational Assistance Program, Pag-IBIG Loyalty and Loyalty Plus cardholders and their qualified dependents within the second degree of consanguinity and/or affinity availed of a 20% partial scholarship grant on tuition fees (excluding miscellaneous and other school fees) in any STI campus nationwide.

New Programs/Majors and Revised Curricula

STI ESG

STI ESG regularly conducts market studies to determine what degree and technical-vocational programs are needed by the industry and the market. Moreover, revisions to existing programs are implemented to meet changes in the identified needs, as well as changes in government regulatory requirements.

STI ESG reviews the existing course offerings as needed. The streamlining of program curricula in response to the market needs and industry developments drives the rationalization of STI course offerings. As such, four new programs were developed and 16 programs were updated in SY 2021-2022 and one program was developed in SY 2022-2023, while another program was developed and eight curricula were updated in SY 2023-2024. Select STI campuses were given government permits for Junior High School, and BS Psychology and BS Criminology programs in SY 2022-2023.

STI WNU

On April 11, 2022, STI West Negros University was granted permission to operate two curricula for the Bachelor of Early Childhood Education program through Government Permits No. 11 and 12, Series of 2022, respectively. These permits were issued in accordance with the provisions of Republic Act No. 7722. The program is designed to equip students with the necessary competencies to become effective early childhood educators.

On February 23, 2024, STI WNU reached a key milestone when the Commission on Higher Education (CHED) granted it Government Recognition to offer the Doctor of Business Administration (DBA) program effective Academic Year 2023-2024. This development, in compliance with the relevant provisions of Republic Act No. 7722, demonstrates the institution's commitment to academic excellence and the production of highly skilled business executives. The DBA program at STI WNU is intended to provide students with advanced knowledge and abilities in strategic management, organizational leadership, and the global business environment. Through rigorous coursework and research, graduates of this program will be well-prepared to address complex challenges and contribute meaningfully to the business world.

iACADEMY

The government permit to offer AB Psychology effective SY 2022-2023 was received by iACADEMY from CHED on April 5, 2023.

iACADEMY commenced the year 2023 by establishing a new campus in the vibrant Cebu Technology Park, solidifying its presence and commitment to GAME CHANGING education. With the initial permits granted by CHED, iACADEMY Cebu offers degree programs in BS Computer Science with major in Software Engineering, BS Entertainment and Multimedia Computing with Specialization in Game Development, BS Real Estate Management, AB Animation, and AB Multimedia Arts and Design.

STI ESG's Standardized Courseware

STI ESG develops courseware to ensure the standard delivery of courses across all campuses in the STI ESG network. These are sets of teaching materials used by the instructors, including the course syllabus with the course outline that sets the general objectives of the course, presentation slides, the class hand-outs, and other materials for use throughout the course duration, with accompanying instructors' guides. The instructors' guides identify the specific objectives of each class session, the appropriate teaching methodologies to be used, and how the provided materials are to be used to achieve the set objectives. The courseware materials are suited for both online learning and face-to-face classes.

As of this writing, STI ESG has developed courseware for over 500 courses and new courseware materials are being developed as new courses and programs are offered. Moreover, existing courseware materials are regularly revised and updated to keep pace with recent developments in the target industries.

In SY 2023-2024, three courseware materials were developed and 21 materials were revised for Business and Management, Arts and Sciences, IT and Engineering, Tourism Management, Hospitality Management, and Criminology. Meanwhile, three courseware materials were updated and 10 new courseware materials were developed for Senior High School and Junior High School, respectively. These courseware materials were embedded with activities leading toward the attainment of the STI 4Cs - Character, being Change-adept, being a good Communicator, and being a Critical Thinker - the required skills and attitude of top industries worldwide. Moreover, STI ESG updated the courseware materials that will suit the online modality and, at the same time, ensured that the materials are also Outcome-Based Education (OBE)-aligned with assessment tools, rubric, and performance tasks.

ONline and ONsite Education at STI (ONE STI) Learning Model

The ONE STI Learning Model is an innovative approach to student development that uses digital tools and online technology combined with invaluable hands-on practice and onsite engagements to achieve the students' academic objectives through a responsive learning experience. This model, introduced in SY 2020-2021, continued through SY 2021-2022. STI ESG implemented a flexible learning delivery modality in the first semester of SY 2022-2023. For tertiary courses, all professional and identified general education courses were delivered onsite while other general education courses are delivered using blended modality, with a distribution of 50% onsite/face-to-face to 50% asynchronous. With the passage of CHED Memorandum Order No. 16 dated November 11, 2022 providing clarity and support to higher education institutions (HEIs) towards progressive transitioning to full onsite learning, STI ESG opted to conduct full face-to-face classes for tertiary enrollees starting on its second semester of SY 2022-2023. As for SHS and JHS, classes were all conducted face-to-face since the opening of SY 2022-2023. Classes for SHS and JHS students for SY 2022-2023 started on August 30, 2022, while classes of tertiary students started on September 5, 2022. Face-to-face classes across all levels for SY 2023-2024 started on August 29, 2023.

STI ESG utilizes the electronic Learning Management System (eLMS), a cloud-based software application, to manage the delivery of educational courses and/or training programs for its students. eLMS supports collaboration through integrated tools such as wikis, forums, and discussion groups. It also includes an internal messaging system with bidirectional support for emails and text messaging, as well as portfolio system that enables students to compile work that supports their learning and achievements. eLMS is a world-class and award-winning learning management system that schools and universities across the globe are using. This platform facilitates two-way interaction between teachers and students where they can collaborate, assign, and submit homework, take assessments, and track learning progress, among other things. STI ESG has extensive experience with online learning, having utilized eLMS since 2016. This platform was crucial during the pandemic when online learning became the predominant modality. As STI ESG has transitioned back to full in-person

instruction, it continues to leverage eLMS to enhance students' learning experiences through courseware content, performance tasks, and digital resources, among others, thereby ensuring continuity of education even amidst potential physical classroom disruptions.

Learning Innovation

In SY 2023-2024, STI ESG introduced various tools and online resources to facilitate better learning delivery to the students. First was ZipGrade, a tool aimed at checking exam papers faster and allowing prompt submission of grades. It can be accessed through its website and mobile application where students are given immediate feedback of their exam results. The STI community also gained access to the EBSCO (Elton B. Stephens Company) Academic Library, a comprehensive resource platform offering a vast collection of eBooks covering various academic subjects. This subscription benefits both students and faculty by providing essential materials for their studies and research.

Standardized Periodical Examination

STI ESG's Academic Research Group (ARG) develops the Standardized Periodical Examinations and introduced the STI Test Bank System in 2018. For SY 2021-2022 and 2022-2023, in view of the ONE STI Learning Model, the Group administered practical Standardized Periodical Examinations in the form of task performances and iLearn and Share (iLS) activities in place of the written Standardized Periodical Examinations. In SY 2023-2024, the Group developed 834 and 828 exams for the first and second semesters, respectively.

Milestones

STI ESG

STI ESG remains steadfast in its commitment to strive for academic excellence that is directed towards the development of the institution and the improvement of the quality of its students and graduates.

Huawei Educators' Summit 2023

STI College has been a beacon of innovation and success for being awarded as "Huawei's Best Academy 2023" on September 3, 2023. This is the 2nd year in a row that STI won best academy.

One of the main factors that helped STI College secure the title is the impressive number of its student certifications. With more than 900 students receiving Huawei certifications, they demonstrated a commitment to producing highly skilled and certified graduates. STI College also achieved the highest number of active Huawei learning portal users, surpassing 9,000, while leaders from STI College actively participate in Huawei activities, fostering a strong partnership between academe and industry.

27th World Education Summit

The ELETS World Education Awards was staged during the 27th World Education Summit held in Malaysia on October 2-3, 2023. During the summit, STI was recognized with the "Excellence in Industry-Academia" award.

This award is given to institutions with collaborative efforts and achievements resulting from the close partnership between industry and academia. This highlights the mutual benefits and synergies that can be realized when businesses and educational institutions work together effectively.

Department of Tourism

STI College has been honored with the Filipino Brand of Service Excellence (FBSE) recognition from the country's Department of Tourism (DOT) for its significant contribution to their 2023 goal of training over 100,000 tourism stakeholders on December 12, 2023 at the Makati Diamond Hotel in Makati City.

The FBSE Program, dedicated to strengthening Filipino brands in the tourism industry, emphasizes the promotion of culture and identity to enhance the quality of tourism and hospitality services across the nation. Through this partnership, STI College students in BS Tourism Management, BS Hospitality Management, and BS Culinary Management were able to learn key skills from esteemed industry professionals in championing the Filipino way in their careers.

59th Anvil Awards

STI ESG brought home the Silver Anvil during the 59th Anvil Awards Gabi ng Parangal on January 31, 2024 at the Marriott Grand Ballroom in Pasay City.

Presented annually by the Public Relations Society of the Philippines (PRSP), the country's premier organization for public relations professionals, STI College brought home the Silver Anvil award for the STI Destination Career Guide Magazine under the Public Relations (PR) Tool category. The magazine serves as a career guide for incoming senior high school and college students toward a successful career.

20th Philippine Quill Awards

The International Association of Business Communicators (IABC) awarded STI ESG with a pair of Quill awards for the Student's Career Opportunity and Personality Evaluator (SCOPE) and the STI Official Facebook Page during the award ceremony held on January 23, 2024 at the Marriott Grand Ballroom in Pasay City

The STI SCOPE, an online personality assessment test created to aid students who are at the crossroads in choosing the ideal program and career path, bagged the Award of Excellence plum under the Communication Management category, as a Corporate Social Responsibility platform.

Meanwhile, the STI Official Facebook page won the Award of Merit under the Communication Skills category – Social Media for its campaign to cultivate an engaging and enriching online community through insightful and informative content.

Department of Education

Each year, the Department of Education (DepEd) through the External Partnerships Service (EPS) organizes the Partners Appreciation and Recognition event to commend and celebrate the invaluable contributions of its partners in support of the MATATAG Agenda. Among the distinguished awardees this year is STI Education Services Group, Inc. The event was held on February 20, 2024 at the GSIS Theater, located within the GSIS Complex in Roxas Boulevard, Pasay City.

STI ESG's collaboration with DepEd for 2023 encompasses various initiatives, including implementing a learning recovery program through STI Career Camp to support DepEd's National Learning Camp (NLC), hosting venues for In-Service Training for Public Teachers (INSET), supporting Brigada Eskwela drives, and participating in engagement initiatives like DepEd's Youth Convergence and Labor Day Wellness Fair, among others.

School Recognition

STI College Lipa was recognized as one of the distinguished partners of the Schools Division Office (SDO) of Lipa City during the 6th GAWAD KABALIKAT cum Stakeholders Convergence, organized by the Department of Education (DepEd) Lipa. The event took place at the Lipa City Sports Academy on November 24, 2023. The recognition symbolizes the collaborative support and shared dedication between SDO Lipa City and its school partners.

STI WNU

The University reached a remarkable milestone when it achieved the highest level of accreditation – Level IV – for the following programs in January 2022: Bachelor in Elementary Education, Bachelor in Secondary Education, Liberal Arts and Bachelor of Science in Business Administration.

In 2022, BS Information Technology and BS Hospitality Management were also awarded with Level I and Candidate Accreditation status, respectively.

During the 49th founding Year of the Philippine Association of Colleges and Universities Commission on Accreditation (PACUCOA) and 33rd Annual General Assembly on December 2, 2022, the University was awarded as the Institution with the highest number of accredited programs in Region VI (with 11 accredited programs) and four special awards as the First Liberal Arts program to have been granted Level IV Accredited Status in Region VI, First Business Administration program to have been granted Level IV Accredited Status in Region VI, First Bachelor of Secondary Education program to have been granted Level IV Accredited Status in Region VI, and First Bachelor of Elementary Education program to have been granted Level IV Accredited Status in Region VI.

In January 2023, Master of Public Administration, Master of Arts in Education and Doctor of Philosophy in Educational Management were granted by PACUCOA Level IV, Level IV and Level III accreditation, respectively. In April 2023, BS Hospitality Management was awarded with Level I accreditation status.

Dr. Ryan Mark S. Molina, STI WNU Executive Vice President, has been a significant figure in private school sports in the region. He launched the Negros Island Region – Private Schools Athletic Association (NIR-PRISAA) in February 2023. This is a testament to his leadership and dedication to promoting youth athletics and culture. PRISAA, a cornerstone in developing young student-athletes, provides a platform for sharpening athletic abilities, building camaraderie, and establishing discipline.

As part of the Institution’s commitment to continuous improvement, STI WNU attained ISO 9001:2015 (Quality Management System) certification from DNV GL Philippines on March 2 to 3, 2023, and moreover proved its ongoing dedication to excellence by obtaining ISO 21001:2018 (Educational Organizations Management System) certification on May 16, 2023, just nearly 2 weeks after receiving its first certification.

During the 50th Founding Year Anniversary of PACUCOA and 34th Annual General Assembly, held at Radisson Blu Hotel, Cebu City on December 1, 2023, the University was awarded as the Institution with the highest number of accredited programs in Region VI (with 11 accredited programs) and two special awards as the First Doctor of Philosophy in Educational Management program to have been granted Level III Reaccredited Status in Region VI and the Institution which was certified under ISO 21001:2018 -Educational Organization Management System (EOMS).

In February 2024, PACUCOA granted the Bachelor of Sciences in Criminology as Level III, and the nine (9) programs as Candidate Status namely: BS Accountancy, BS Management Accounting, BS Tourism

Management, BS Computer Science, BS Mathematics, BS Mechanical Engineering, BS Electrical Engineering, Doctor in Public Administration, and Master in Business Administration.

Program accreditation and international certifications contribute towards the attainment of CHED Autonomous status. Autonomous schools have the freedom to open new programs without securing prior approval from CHED, priority in the grant of subsidies and other financial incentives from CHED, and exemption from regular CHED monitoring and evaluation and issuance of Special Order for their graduates, among other benefits.

On September 16, 2024, CHED granted Autonomous status to the University by virtue of CHED Memo No. 7 Series of 2024.

STI WNU secured the second spot among the universities in Bacolod City, as revealed in the latest release by Edu Rank on February 29, 2024. In the national rankings, STI WNU has climbed from the 204th position to the 193rd spot. Edu Rank assesses universities based on research outputs, non-academic prominence, and alumni influence.

STI West Negros University took a pioneering role in regional sports by hosting the inaugural NIR-PRISAA Regional Games from April 25 to 30, 2024. This significant event was preceded by a Sports Summit that brought together key figures from the Philippine Sports Commission, National PRISAA, and sports enthusiasts across the region.

With the promise to enhance the learning experience of SBE students and solidify the University's commitment to academic excellence, STI WNU inaugurated its new School of Basic Education (SBE) building along Hilado Street on May 15, 2024.

iACADEMY

In July 2021, two UAE-based award-giving body recognized iACADEMY: Global Business Review, a UAE-based magazine focusing on the updates and information about emerging markets, Finance, Banking and Technology awarded iACADEMY as Best School for Music Production, Design and Technology and Most Innovative Education Provider (Ph); International Business Magazine awarded iACADEMY as Best New School for Music Production and Technology Philippines 2021, Most Innovative Design School Philippines 2021 and Most Innovative Education Provider Philippines 2021.

Global leaders in audio and sound technology Dolby Atmos and Avid partnered with iACADEMY in 2021 to teach world-class AB Music Production and Sound Design Program and offered in AY 2021-2022. In this program, students will be using industry-standard tools and training courtesy Dolby Atmos and Avid.

The school is working on expanding its linkages to integrate other types of tools, skills, and techniques that enhance students' professional competitiveness. Included here are Alibaba Cloud Academy for the Data Science specialization of the BSCS degree program launched in 2020, and the global body for professional accountants - ACCA (the Association of Chartered Certified Accountants) in year 2021 for BS Accountancy among many others.

In July 2021, UAE-based Global Business Review Magazine recognized iACADEMY as Most Innovative Education Provider (PH) and Best School for Music Production, Design, and Technology (PH). The school was internationally commended for its scholarly initiatives and strong partnerships with industry leaders such as Dolby and Atmos for Music Production and Sound Design Program, CG-Arts Japan for Animation, and the Association of Chartered Certified Accountants (ACCA), to name a few.

The Computer Science program was granted Level 1 formal accredited status from July 2021-2024 by the PACUCOA.

In August 2021, iACADEMY received three prestigious awards from the International Business Magazine based from UAE namely Most Innovative Design School (PH), Most Innovative Education Provider (PH), and Best New School for Music Production and Technology (PH). iACADEMY was lauded for its innovative home school program DRIVE or the Design for Remote, Individualized, and Versatile Education that ensured educational continuity and catered to students with various learning preferences during the pandemic.

In September 2021, US-based World Economic Magazine Inc. Awards announced iACADEMY Most Progressive Education Provider (PH), recognized for being a thought leader and an industry disruptor among many schools in the Philippines and Asia.

In October 2021, iACADEMY won as the Learning and Development Organization of the Year (Academe) at the Gawad Maestro organized by the Philippine Society for Talent Development. Cited for being a spearhead of innovative, technology-focused, and industry-relevant programs, iACADEMY is lauded for aligning its curriculum and projects with the thrust of the country's educational reform.

In December 2021, World Business Outlook awarded iACADEMY as the Most Innovative Education Provider in the Philippines and Leading Computing, Business and Liberal Arts, and Design Education Provider in the Philippines. The school is recognized for its efforts to hone globally competitive students through the inception of Vision Creative Unit, a prestigious elite group comprising of the best iACADEMY students who are to take on exclusive projects and mentorship sessions with the country's most sought-after creative professionals.

In February 2022, iACADEMY music professor Gerard Paul Elviña from the Music Production and Sound Design program headlined the industry news as the first Filipino and second Asian to join the Audio Engineering Society (AES) Standards Committee, the prestigious organization responsible for conducting the AES Standards Program. The group develops and publishes a number of technical standards, information documents, and technical reports within the field of professional audio technology.

In March 2022, iACADEMY was awarded Best Design School, Best School for Music Production, Design, and Technology, Best Education Provider, and Most Innovative Education Provider by the international publication Global Business Review Magazine 2022 in UAE.

In April 2022, iACADEMY landed among the top 10 schools with the highest number of passers in the Real Estate Licensure Exam conducted by the Professional Regulation Commission (PRC), producing 30 licensed real estate brokers.

In June 2022, iACADEMY was officially renewed as a Toon Boom Center of Excellence (COE). Toon Boom Animation is the leading supplier of animation software and storyboard software for animation studios and media publishers.

In July 2022, iACADEMY was announced Leading Arts and Design Education Provider in the Philippines, and Most Innovative Education Provider in the Philippines for 2022 by World Business Outlook Magazine in Singapore, having participated in various international competitions such as the Negative Space Comic Book Writing Competition in New York, USA, and the Python Coding Competition hosted by Raffles University in India.

Also in July 2022, iACADEMY was again recognized by the Global Business Review Magazine based in UAE as the Best New School for Music Production and Technology for its innovative approach to

education and curriculum integration of industry practices in music production and sound design in partnership with Dolby and Avid.

In school year 2021-22, iACADEMY launched its SHS Homeschool Program - Design for Remote, Individualized, and Versatile Education (DRIVE). Programs offered include animation, multi-media arts, software development and accounting, business and management. DRIVE caters to students with unique learning styles and preferences and provides an elevated online and self-paced learning experience. It is the offspring of learnings and insights gained from the shift to online learning.

In replenishing the need to step up for quality education, SHS, with the consistent supervision of the principal, Mr. Rheel Dayrit, pulled the rope up for The Leaders' Accompaniment and Development Sessions (LEADS), the succession program being implemented in iACADEMY's Senior High School. It has three (3) major objectives: (1) To nourish the leadership aspirations, potential, and skills of the incumbents with the aim of keeping them inspired and equipped to handle the demands of their office. (2) To provide theoretical and hands-on training to understudies that will enable them to take on leadership roles when the situation calls for it; and (3) To ensure continuity of the school's operations which redounds to the welfare of the students, faculty, and staff.

In July 2022, PricewaterhouseCoopers (PwC) Philippines strengthened its relationship with iACADEMY by offering scholarships in addition to an internship program. This partnership supports students in key fields like Accountancy, Software Engineering, Web Development, and Data Science providing financial aid and emphasizing talent development in technology and business.

In September 2022, iACADEMY achieved 93.75% passing rate in the Real Estate Appraiser Licensure Examination conducted by the PRC, ranking number one among schools with at least 80% passing percentage.

In November 2022, iACADEMY formed a partnership with the Gokongwei Brothers Foundation (GBF) to support aspiring STEM students. The GBF-Gokongwei Group STEM Scholarship for Excellence offers financial support to outstanding college students pursuing key STEM courses. Beyond financial aid, the scholarship program includes leadership training, upskilling activities, and potential job opportunities within the Gokongwei Group. This initiative focuses on developing both academic excellence and future leaders who will impact their communities and industries.

In December 2022, the BingoPlus Foundation initiated a 3-year FutureSmart Scholarship Program worth six million pesos in collaboration with iACADEMY. The program is set to grant scholarships to ten outstanding and deserving students pursuing degrees in BCSC Software Engineering, BS in Entertainment and Multimedia Computing Game Development, and BS in Information Technology with specialization in Web Development.

In February 2023, iACADEMY and NETFLIX teamed up for a film lab, The Indiegenius program, which aims to support voices in the Philippines that have strong regional perspectives by providing young filmmakers with development opportunities to strengthen concepts and to produce short narratives, animation and documentary projects. The program is designed to give young Filipino filmmakers access to resources and encourage those with regional roots and indigenous backgrounds to ensure creative inclusion and diversity.

In April 2023, iACADEMY is one of the top-performing schools at the Real Estate Brokers Licensure Examination with graduates landing third and fifth places. iACADEMY obtained an overall passing rate of 70%, with a remarkable 66.76% passing rate for first-timers and a perfect 100% passing rate for repeaters.

The Bachelor of Science in Business Administration program underwent the preliminary visit for candidacy level accreditation on July 4-5, 2023 with the Philippine Association of Colleges and Universities Commission on Accreditation, Inc. (PACUCOA).

In the School Year 2023-2024, iACADEMY made strategic partnerships to enhance its educational offerings and provide its students and teachers with industry-recognized certifications and cutting-edge training. Its partners include Amazon Web Services (AWS) for comprehensive cloud computing courses and certifications; Huawei I.C.T. Academy for training and certifications in networking, AI, big data, and 5G; Linux Professional Institute (LPI) for globally recognized Linux system administration certifications; OpenEDG Python Institute for structured Python programming courses and certifications; and OpenEDG Testing Service Partner for convenient on-campus Python certification exams. Additionally, Outcert offers access to a wide range of certification opportunities, Sophos provides specialized training and certifications in cybersecurity, and The B.L.O.K.C. offers blockchain education and certification programs. These partnerships bring numerous benefits, such as industry-recognized certifications highly regarded by employers, access to cutting-edge curriculum, increased employability and new career pathways, and the convenience of on-campus certification exams. These collaborations underscore iACADEMY's commitment to providing top-notch education and professional development, preparing its community for success in the ever-evolving tech landscape.

On October 6, 2023, through Project BRIDGE (Building Relationships with Industry Donors and Givers for Education) and the Adopt-a-School Program by the Department of Education, iACADEMY's OIC Dean of the School of Computing, Dr. Francisco Napalit, conducted a workshop titled "Securely Unraveling the A.I. Enigma: A Mind-Bending Workshop of Chatbots, Encryption, and Interactive Slides." Held at Angeles City Senior High School (ACSHS), the workshop aimed to provide instructors from ACSHS with opportunities for continuous professional improvement in the industry-relevant topic of artificial intelligence. The event, attended by 30 teachers, concluded with Certificates of Appreciation for both iACADEMY's School of Computing and Dr. Francisco Napalit.

The SHS of iACADEMY in collaboration with Asosasyon ng mga Pribadong Paaralan ng Makati, Inc. (APPMI) spearheaded the first interschool private competition in Makati with the theme '*Ink, Inspire, Ignite: Creativity and Critical Thinking Unites*' on April 2, 2024.

In April 2024, iACADEMY was one of the top-performing schools at the Real Estate Brokers Licensure Examination with graduates landing in 3rd, 4th, 8th and 9th places. iACADEMY obtained an overall passing rate of 94.83%.

In collaboration with Barangay Bangkal, Makati L.G.U.'s 'E-Learn Project,' and iACADEMY through the Social Orientation and Community Involvement unit and the School of Computing, iACADEMY conducted a Basic MS Office Workshop for the students from Barangay Bangkal. This workshop aimed to teach the students how to navigate and utilize MS Word, Excel, and PowerPoint applications. The workshop for the first batch was held on May 4, 2024 iACADEMY, with 29 participants from Grades 10-12 and from the Alternative Learning System (ALS). The session was led by Mr. Jayson Viernes, with the assistance of two Compile Org members. The workshop for the second batch was held on June 29, 2024, with eight Grade 10 students participating. Again, Mr. Jayson Viernes led the session, which five Compile Org members supported. These workshops provided essential skills in MS Office applications, empowering students with practical knowledge that will aid them in their academic and professional pursuits.

On June 18, 2024, iACADEMY's School of Business and Liberal Arts successfully presented to the CHED RQAT all the requirements for the initial permit of its newest program offering in 2025, Bachelor of Science in Digital Media Management.

On June 22, 2024, iACADEMY received its Certificate of Recognition as First Place or Top Performing School in the April 2024 Real Estate Brokers Licensure Examination from the Professional Regulation

Commission and Professional Regulatory Board of Real Estate Service during the Real Estate Brokers oath-taking ceremonies.

In 2024, the BingoPlus Foundation significantly expanded its FutureSmart Scholarship Program, increasing its funding from the initial ₱6 million in 2022 to an additional ₱17.5 million. This increase will support 40 new students during the AY 2024-2025 and includes expanded support for students in Multimedia Arts and Design.

Faculty Achievements

STI ESG

International Conferences

STI College General Santos' Ronald Ferman was one of the featured chefs in the First UN Tourism Regional Forum on Gastronomy Tourism for Asia and the Pacific. The event was held in Cebu on June 26-28, 2024 and attended by UN Tourism Member States, UN Tourism Affiliate Members, and international and regional organizations. Ferman represented the Department of Tourism – Soccsksargen. The participants exchanged knowledge and best practices in gastronomy tourism.

Ann Gilyn Premarion, also from STI College General Santos, participated in the 4th NOTED International Conference 2023 held on September 8-9, 2023 at the Institute of Biology Auditorium, National Science Complex, University of the Philippines Diliman, Quezon. She presented her research titled "Evaluation of Research and Creative Work (RCW) Program Implementation and Teachers' Research Capability of State Universities in Region XII" and was recognized as the Best Oral Research Presenter.

Academic Research

Mark Edward F. Fabrero, General Education Program Head of STI College Ortigas-Cainta, presented his study "English Language Skills Assessment for Grade 12 Learners" at a thesis colloquium on July 12, 2023 as part of his requirements for the degree, Master of Arts in Teaching major in English, at the University of Rizal System-Morong. The study was conducted among Grade 12 learners enrolled at STI College Ortigas-Cainta in SY 2022-2023. It was intended to assess the English language skills of students under four macro skills of language: listening, reading, writing, and speaking.

STI College Tagum's Allimar Nuevo presented his papers during the 2nd Regional Student Research Congress and 2nd Regional Research Conference on Recent Issues and Trends in Business, Accounting, Management, and Economics held via Zoom on July 21, 2023. His papers are titled "Motivation and Post-pandemic Travel Intention on Spiritual Destinations in Tagum City" and "Working Environment and Employees Performance among fast-food chains in Tagum City."

Jona Claudio and Ann Gilyn Premarion from STI College General Santos jointly presented their research entitled, "Faculty Performance in Flexible Learning Delivery of Tourism and Hospitality Courses: Basis for Faculty Development Plan" at the 6th Philippine Research Conference on Tourism and Hospitality. The event took place at the Asian Institute of Tourism in University of the Philippines Diliman on October 23-24, 2023.

Additionally, Claudio published a paper titled, "The Relationship Between Sleep and Mood" on the *Akademika: Educational Learning Anthology* Volume 11, Publication Date: November 11, 2023.

STI College Dumaguete's part-time faculty member, Jeckson B. Repollo, LPT, MAEd-Fil, authored several papers that passed peer review and were published on the *Ignatian International Journal* for

Multidisciplinary Research: (1) "Lawak ng Paggamit ng mga Guro ng MELC sa Paglinang ng Tatlong Domeyn ng Pagkatuto" that was published in Volume 2 Number 4 April, 2024 issue; (2) "Perceived Impact of Diploma Programs on Students' Skill Development" that was published in Volume 2 Number 5 May, 2024 issue; and (3) "Factors Affecting Teaching-Learning Effectiveness of Teachers and Students of Metro Dumaguete College" that was published in Volume 2 Number 5 May, 2024 issue.

STI College Global City's Carlo Cortez published an article on the International Journal of Educational Research. His article titled "Cooperative-flipped Classroom under Online Modality: Enhancing Students' Mathematics Achievement and Critical Thinking Attitude" discussed the implementation of flipped classroom in an online modality, structured by cooperative learning strategies. This intervention was conducted during the pandemic where students were on pure online modality.

Cortez also co-authored another article titled "Switching to Virtual Classes: Exploring Teacher Readiness under the New Normal." The article was published on the journal Technology, Pedagogy, and Education.

STI College Cotabato's Harold Fernandez presented his manuscript titled "Green Marketing Orientations Toward Sustainability of Manufacturing Firms in Region XII: A Sequential Explanatory Design" during the 1st Multidisciplinary Paper Presentation at Notre Dame University on April 27, 2024, and was awarded as the Most Outstanding Presenter.

Certifications

STI College General Santos' faculty members passed the rigid requirements of TESDA Region 12 for National Assessment Certifications to qualify as Lead Assessors: Glenna Arias passed the Tour Packaging (Domestic Ad Hoc) Services NC II and Regional Lead Assessor for Region 12, Travel Services NC II passer and Regional Lead Assessor for Region 12, and Tour Guiding Services NC III; Prietzel Tagupa passed the Teacher Methodology TM1 Passer and qualified as a trainer and Front Office Services NC II; Mary Jim Reynoso, Yllan John Armentia, and Kathleen Catilo passed the Front Office Services NC II; Jona Claudio passed the Housekeeping NC III and NC IV; Celeste Mae Andang passed the Front Office Services NC II and Cookery NC II; and Mary Lou Emen passed the Visual Graphics Design NC III.

Jeano Frederick Ermitaño, from STI College Las Piñas, passed the certification exam of the Certified in Cybersecurity (CC) Program of International Information System Security Certification Consortium (ISC2). ISC2 is a nonprofit organization that provides security training and certificates, and aims to create a vendor-neutral, standardized certification program to validate the competency of security professionals. After passing the exam, Ermitaño earned his CC credentials and is now an active member of ISC2.

STI College Tagum's Allimar Nuevo passed the TESDA National Assessment and is now an Accredited Competency Assessor for Cookery NC II, Front Office Services NC II, and Food and Beverage Services NC II; a certified National TVET Trainer Level 1 in Cookery NC II and Food and Beverage Services NC II; and now, a Lead Trainer in the 345-hour Cookery NC II and Cookery NC III Training, and for the Special Training for Employment Program in Cookery NC II.

STI WNU

Select faculty members of the STI WNU School of Graduate Studies presented the following research studies during the 9th International Conference of Huachiew Chalermprakiet University in Bangphli District, Samutprakarn Thailand on July 1, 2022 (via e-conference on Zoom), with the theme "Research to Serve Society" under the Liberal Arts, Humanities and Social Sciences: Lauren S. Mercado presented "School-based Management: School Heads' Commitment, Compliance, and Challenges;" Monijean F.

Espeleta, Luisito P. Servinas discussed “The Effects of Group Chat on Learners’ English Proficiency;” Cherry Mae B. Praico presented “Teachers’ Organizational Commitment and Job Satisfaction in the New Normal;” Yasmin Pascual-Dormido, MPA, discussed “Preference and Utilization of Media Channels as Communication Instruments of Local Public Administrators in Bacolod City, Negros Occidental.”

The following research outputs of STI WNU faculty were also published:

- “Influencing Variables and Implications in the Teacher-Student Relationships.” This research by Dr. Randolph Asistido, LPT and Dr. Mary Jonie Villanueva (SY 2020-2021) was published in the European Journal of Educational Research (page 1317) in July 2021.
- “Foreign Language Anxiety Among Korean Students at Keimyung College University in Daegu, South Korea.” This research by faculty members Ms. Zherry Antoinette P. Jacela, MAEd, Dr. Rey T. Eslabon and Dr. Randolph Asistido, LPT of the College of Education and School of Graduate Studies (SY 2020-2021) was published in Kalamboan Journal 2021 (volume 1, October 2021, page 72).
- “Research Exposure and Competence of Senior High School Teachers in Relation to Learners’ Performance.” This work by Dr. Dioscoro Marañon, of the College of Engineering (SY 2020-2021) was published in Kalamboan Journal 2021 (volume 1, October 2021, page 115).
- “Solar-Powered Automatic Watering System.” This research by Dr. Erlyn Mae Getino-Desamparado, ECE, Dean of the College of Engineering (SY 2020-2021) was published in Kalamboan Journal 2021 (volume 1, October 2021, page 133).
- “Imperatives evident in the EVP’s special message during the General Assembly and Alumni Homecoming of 2018.” This research by Dr. Randolph L. Asistido, LPT and Dr. Wilfredo O. Hermosura (SY 2020-2021) was published in Kalamboan (page 58) in October 2021.
- “Academic and on the job training performance of Business Administration students of STI West Negros University.” This work by Dr. Mima M. Villanueva, Ms. Edna Maricon Arca, MBA and Dr. Salvador S. Sigaya Jr. of the College of Business Management and Accountancy (S.Y. 2020-2021) was published in Kalamboan (page 103) in October 2021.
- “Rice Hulling Ceiling Board.” This work by Dr. Lalaine G. Rufin of the College of Engineering (S.Y. 2020-2021) was published in Kalamboan (page 22) in October 2021.
- “Job Resiliency, Work-Life Balance, and Work Values of the Employees in a Catholic College.” This research by Mr. Geff B. Sagala of the College of Liberal Arts and Sciences (SY 2021-2022) was published in the Philippine Social Science Journal (volume 5, no. 2, page 19) in June 2022.
- “Perceived Self-Efficacy, Workplace, Well-being, and Workforce Engagement of School Department Heads.” This research by Ms. May Bautista and Mr. Reyhan Balleso, of the School of Graduate Studies (SY 2021-2022) was published in Global Scientific Journals (Volume 10, Issue 6, page 811) in June 2022.
- “Academic Expectancy Stress and Mental Toughness of Senior High School Students in a Catholic School.” This research work by Carmelo Renault B. Matutino, of the College

of Liberal Arts and Sciences (SY 2021-2022) was published in the Philippine Social Science Journal (page 141) in June 2022.

- “Teacher’s Leadership, Decision Making, and Innovative Skills amidst Modernizing Technology.” This work was by Dr. Rammy A. Lastierre of the College of Liberal Arts and Sciences, together with Dr. Gualberto Dajao, DPA and Dr. Ma. Christine F. Bangcaya, (S.Y. 2022-2023) was published in Busilak Journal 2023 (page 5).
- “Grade 7 Learner’s Difficulties with Integers.” This work by Dr. Rammy A. Lastierre of the College of Liberal Arts and Sciences, together with Mr. Julius B. Vlog, MAEd and Dr. Luisito P. Serviñas, (S.Y. 2022-2023) was published in Busilak Journal 2023 (page 20).
- “High School Teachers Technological Difficulties Basis for an Intervention Plan.” This work by Dr. Renith S. Guanzon of the College of Liberal Arts and Sciences, together with Mr. Andre Brian D. Azarcon, MAEd and Dr. Ma. Kristina Bagundol, (S.Y. 2022-2023) was published in Busilak Journal 2023 (page 36).
- “Well-being of employees in the New Normal.” This work by Dr. Rey T. Eslabon of the College of Liberal Arts and Sciences, and Dr. Lilybeth P. Eslabon of the College of Education, together with Ms. Sharyn Joy E. Octavio, MBA and Dr. Daisy Mae E. Octavio, (S.Y. 2022-2023) was published in Busilak Journal 2023 (page 76).
- “Parental Challenges brought by Online Modalities.” This work was by Dr. Rey T. Eslabon, and Dr. Rammy T. Lastierre of the College of Liberal Arts and Sciences, together with Dr. Lilybeth P. Eslabon, and Dr. Ma. Leni C. Francisco of the College of Education (S.Y. 2022-2023) was published in Busilak Journal 2023 (page 147).
- “Effects of Social Media on the Performance in Statistics of Grade 11 Senior High School Students.” This work by Dr. Rey T. Eslabon of the College of Liberal Arts and Sciences, Dr. Jake Lauren S. Mercado of College of Education together with Dr. Cherry Mae B. Praico (S.Y. 2022-2023) was published in Busilak Journal 2023 (page 161).
- “Security Culture in Bacolod City before and after Pandemic.” This work by Dr. Nicholas S. Caballero, Dr. Liza Joy B. Barican, and Ms. Jonalyn M. Suarnaba of the College of Criminal Justice Education, (S.Y. 2022-2023) was published in Federation of Author in Criminology and Criminal Justice Inc. Research Journal, Volume 5, Issue 2 (page 20).
- “The Aftermath of a Gunfire: Lived Experiences of Police Officers involved in Shooting Incidents.” This work by Dr. Nicholas S. Caballero of the College of Criminal Justice Education, (S.Y. 2022-2023) was published in Federation of Author in Criminology and Criminal Justice Inc. Research Journal, Volume 5, Issue 2 (page 65).
- “Issues and Challenges Encountered by Police Officers in Automated Fingerprints Identification System Operation (AFIS).” This research work by faculty members Mr. Jarold Kinsman B. Alagos, Dr. Liza Joy B. Barican and Dr. Nicholas S. Caballero of the College of Criminal Justice Education (SY 2023-2024).
- “Bullet Accuracy of Canik TP9SF Elite Pistol and Taurus G3 Pistol: A Comparative Analysis”. This study was conducted by Dr. Nicholas S. Caballero, Dr. Liza Joy B. Barican, and Wilfredo O. De La Cruz Jr. of the College of Criminal Justice Education (S.Y. 2023-2024). Mr. Wilfredo O. De La Cruz was awarded “Best Paper Presentation.”

- “Perceived Stress and Resilience of Criminology Teachers and Students during Pandemic.” This work by Dr. Liza Joy B. Barican of the College of Criminal Justice Education, (S.Y. 2023-2024) was awarded as Best Paper.
- “Digitalization of Document Management and Monitoring in the Department of the Interior and Local Government Negros Occidental.” This study was by Mr. El Jireh P. Bibangco, and Rhyan C. De Loyola of the College of Information and Communication Technology (S.Y. 2023-2024).
- “Silver Technology in the Post-Pandemic Era: A Senior Citizen Information Management System” by Mr. Edreian Escototo, and Dr. Mae B. Lodana of the College of Information and Communication Technology (S.Y. 2023-2024).
- “Comparative Analysis of Supervised Learning Algorithm in Predicting Students at Risk of Failure in Introductory Programming Courses” by Ms. Mary Gift Dionson of the College of Information and Communication Technology (S.Y. 2023 – 2024) was presented at the Asian University Digital Resource Network International Research Conference on Local Knowledge 2024 University of Batangas, Lipa City, Philippines Hybrid on February 1-2, 2024
- “Specialized Crime Scene Investigation Simulator: A Gamified Learning Tool for Criminal Justice Education” by Ms. Ellen Mae S. Guanzon of the ITSSMO (S.Y. 2023 – 2024) was presented at the Asian University Digital Resource Network International Research Conference on Local Knowledge 2024 University of Batangas, Lipa City, Philippines Hybrid on February 1-2, 2024.
- “Predictors of College Students' Academic Performance in Introductory Programming Courses” by Ms. Danica Duazo of the College of Information and Communication Technology (S.Y. 2023 – 2024) was presented at the Asian University Digital Resource Network International Research Conference on Local Knowledge 2024 University of Batangas, Lipa City, Philippines Hybrid on February 1-2, 2024.
- “Revolutionizing Temperament Assessment: An investigation into Inception-V3 Architect Applied to Dermatoglyphics.” This work by Ms. Mary Gift D. Dionson of the College of Information and Communication Technology (S.Y. 2023 – 2024) was presented at the 23rd INFOTECH-JAHORINA 2024 International Symposium (March 20-22, 2024) and published by the Institute of Electrical and Electronics Engineers (IEEE) (April 22, 2024).
- “Exploring Authentic Leadership Practices: An In-Depth Analysis of Chiefs of Police in Negros Occidental, Philippines” by Ms. Richie Rose B. Ginete of the College of Criminal Justice Education (S.Y. 2023 – 2024) was presented at the 1st International Multidisciplinary Research Conference, Silay Institute on May 2024. Ms. Ginete was awarded as Best Presenter.
- “Marketability of Computer Shop and Printing Services” by Ms. Winnie Joy C. Mananap and Ms. Christy Marie B. Rioja of the College of Business, Management and Accountancy (S.Y. 2023 – 2024) was presented at the 11th HCU (Huachiew Chalermprakiet University) International Academic Conference on July 24 – 28, 2024.
- “Influencing Factors Affecting CBMA Students’ Career Choice.” This work by Ms. Anamor B. Jerez, Ms. Maricon Edna A. Arca, and Dr. Mima M. Villanueva of the College of Business, Management and Accountancy (S.Y. 2023 – 2024) was presented at the 11th

HCU (Huachiew Chalermprakiet University) International Academic Conference on July 24 – 28, 2024.

- “Solid Waste Management Practices of Public Market Vendors: Basis for an Action Plan.” This work by Dr. Mima M. Villanueva of the College of Business, Management and Accountancy and Dr. Yasmin P. Dormido of the College of Arts and Science (S.Y. 2023 – 2024) was presented at the 11th HCU (Huachiew Chalermprakiet University) International Academic Conference on July 24 – 28, 2024.
- “NowWhatsOnYourMind: A Pragmatic Analysis of Facebook Posts.” This work by Dr. Annie Christy Jones and Dr. Yasmin P. Dormido of the College of Arts and Science (S.Y. 2023 – 2024) was presented at the 11th HCU (Huachiew Chalermprakiet University) International Academic Conference on July 24 – 28, 2024.
- “Influence of Senior High School Strand on the Academic Performance in College.” This work by Kimberly L. Perez of the College of Business, Management and Accountancy (S.Y. 2023 – 2024) was published in the Geo Academic Journal 2024.
- “Cash Handlers Knowledge and Practices in Identifying Counterfeit Currency.” This work by Mr. Jimmy G. Artus Jr of the College of Criminal Justice Education (S.Y. 2023 – 2024) was presented at the 4th International Research Conference in the Academe and Industry.

Dr. Dioscoro P. Marañon, the Mechanical Engineering Program Head, received the honor of being recognized as the Most Outstanding Mechanical Engineer in the Consultancy category by the Philippine Society of Mechanical Engineers, Inc. (PSME) on October 13, 2023.

Dr. Felicidad N. Altalaguire, Dean of the College of Engineering, was elected as President of the Council of Engineering and Architecture Schools in Western Visayas (CEAS-WV) in February 2024.

Dr. James Andrew D. Oyo was elected as Board of Director of the Council of Hotel and Restaurant Educators of the Philippines Negros Island and Siquijor Chapter on April 26, 2024.

Ms. Richie Rose Ginete, CCJE Faculty won the Best Research Paper in the professional level during the 1st SIRDO International Multi-Disciplinary Research Conference held at Silay Institute, Silay City on May 23-24, 2024.

Dr. Madeline P. Sotomil, Head of the Guidance Services Center, elected as President of the Philippine Guidance Counselors Association-Negros Occidental Guidance and Counseling Association (PGCA-NOGCA) for a three-year term 2024-2027 on June 9, 2024.

iACADEMY

Carl Louie So, Chair of the Game Development Program, completed his Master’s degree in Game Design from Asia Pacific College in July 2021. Another part-time faculty member from iACADEMY School of Computing Game Development Program, Arisa Alcantara, also finished the same degree.

Also in July 2021, School of Design and Arts (SODA) faculty member Gerard Elvina was recognized as the first Avid Certified Instructor in the Academe Category in the Philippines. Avid creates tools, software, and platforms used by content creators the world over - from film, television and music.

Former SHS Coordinator for Multimedia Arts, Ralph Anthony Cacal, was the art director of Bebang Siy's ebook entitled COVIDagli, published by the Isang Balangay Media Productions on August 1, 2021.

The ebook is a collection of illustrated short stories where the proceeds of the book will go to a writer-teacher based in Cavite who fell ill of COVID-19 and needed support for his medical bills.

Mitch Andaya, dean of the School of Computing, and Bennett Tanyag, Program Chairperson of Computer Science and Web Development Programs, together with iACADEMY Research and Development Director Jay R San Pedro, presented a research paper entitled “Employability of Software Engineering Graduates from 2016 to 2020: A Tracer Study” at the 1st DALTA Research Conference 2021 organized by the University of Perpetual Help Delta System - Las Piñas City on August 7-8, 2021. The same research was also presented in the 4th International Conference on Open and Distance Learning of the University of the Philippines - Los Baños, on October 13 - 15, 2021. The study investigated the employability of software engineering graduates during the pandemic COVID-19. It also established the graduates’ profile, employment characteristics, transition to employment, and perspective toward the institution’s curriculum, processes, and services.

“Mutya”, a short film by SODA Dean Jon Cuyson is one of the Philippines' finalists in the SeaShorts Film Festival that ran from August 25 to September 2, 2021. SeaShorts showcases Southeast Asia’s stories and emerging filmmaking talents by bringing together the arts and cultural community from the region. It has received more than 1,450 film submissions and seen more than 3,700 festival admissions since it started in 2017.

Lean Ordinario, a SHS Multimedia Arts and Design faculty member, was featured in Inquirer Lifestyle about his new track “New To Me” on October 25, 2021. It taps into one’s vulnerable side and acknowledges the confidantes who are ready to back one up. The track was co-written by Steffie Ziebert with breaks from Marty Carsi-Cruz.

iACADEMY’s President, Maria Vanessa Rose Tanco, was among the recipients of Asia Leaders Awards 2021 awarded at the Embassy of Singapore on November 11, 2021 in recognition of the achievements in the field of business, entrepreneurship, leadership and corporate social responsibility.

On January 15, 2022, the DevComm with the leadership of Mitch Andaya along with Jay R San Pedro, Danica Cabo, Rheel Dayrit, Hamil Buyco, Shaina Sucaldito, Weena Espardinez, John Bryan Ferraro, Benjamin Tan, Margey Oriol, and Jean Duenas completed the study entitled, “Examining the Culture of Excellence (CoE) in a Philippine Private Higher Education Institution amidst of the Pandemic COVID-19”

On February 20, 2022, Jay R San Pedro completed the research study entitled, “Challenges in a Remote Virtual Accreditation of a Philippine Private Higher Educational Institution: Perspectives from Delegative Leaders”.

Paolo Antonio Noceda, SHS Assistant Principal, received praiseworthy recognition from International Journal for Science and Research Publication (IJSRP) for his research paper titled “Progressive Anticipation: A Forecast Methodology in Decision-Making among School Administrators”. His paper was published online in Volume 12, Issue 4 of April 2022 Edition. IJSRP is a high-quality, peer-reviewed, and refereed international journal that focuses on new research, development, and applications in a variety of topics in science, engineering, and technology. This research delved into the decision-making and problem-solving processes of school administrators through the lens of progressivism and forecast methodology termed progressive anticipation. The researcher has identified some of the key problems faced in educational management and has proposed the use of computer software that is capable of analyzing fragments to show the best options to solve the encountered school problems.

Jon Cuyson held a solo exhibition of abstract works entitled "SOS" at Galleria Duemila on May 7 - 31, 2022. The exhibition featured paintings and collage works that explore horizontality, materiality and abstraction.

On May 25, 2022, Abraham Andrew Lumbang and Jay R San Pedro completed the research study entitled, "Harmonizing General Education Courses through a Guided Online Autonomous Learning (GOAL) Integrated Output in a Philippine Private Higher Education Institution."

On May 27, 2022, Gian Carlo Alcantara was recognized by the De La Salle University - Manila OVPRI with his publication under the category Scopus, Web of Science, and ASEAN Citation Index-Listed Journal from January 2021 to December 2021. His publication titled "All About the Filipino?: A Preliminary Characterization of Pinoybaiting in YouTube" was published in *Plaridel: A Philippine Journal of Communication, Media and Society* in December 2021. *Plaridel* Journal is indexed in Scopus, EBSCO Information Services, and ASEAN Citation Index (ACI). Scopus is the largest abstract and citation database of peer-reviewed literature: scientific journals, books, and conference proceedings. This research was also presented in the *Pambansang Seminar Workshop* with the theme *Pagtuturo, Pananaliksik at Wikang Filipino sa Panahon ng New Normal* in June 2021.

Gian Carlo Alcantara was also a reviewer of *Sinaya: Philippine Journal for Senior High School Teachers and Students*, for volume 1 issues 1-3 for 2021-2022.

The short film *KEREL (Sea of Love)*, written and directed by Jon Cuyson, Dean of the School of Design and the Arts, was invited to premiere in Italy at the *SICILIA QUEER FILM FESTIVAL*. The screening was held in Sicily, Italy from May 30 to June 5, 2022.

Peter Hans Tejada, ABM Coordinator, earned his Google Certified Educator Level 1 on June 6, 2022.

Weena Espardinez, chairperson of the Animation program, was reelected as board director in the Animation Council of the Philippines on June 22, 2022. The Animation Council of The Philippines is a non-stock, non-profit organization duly recognized and supported by the Philippine government, and whose member companies specialize mainly in traditional and digital 2D and 3D animation. The Board of Directors are duly elected representatives from both the animation industry sector and the non-industry or the academe with the main purpose of coming up with projects and events that would promote Philippine animation, as well as identify areas of needs to narrow the gap between the animation schools and the animation studios. Ms. Espardinez was a board member in 2016 until 2020, and was reelected in 2022 to serve until 2024.

Kim Rio, ANI/GI Coordinator, and Mich Cervantes, SHS Animation faculty member, attended the Center for Excellence Toon Boom Training Sessions on June 29, 2022.

School of Design and Arts faculty members actively cemented their marks in the animation, fine arts and music production fields. Animation faculty members AJ Siytangco and Hamill Buyco were both featured in *BusinessMirror* in July 2022 recalling their roles in Lucasfilm Animation as FX artist and *Big Hero 6* TV series as 3-D artist respectively.

"*Dikit*", a short film production designed by Mario Serrano, iACADEMY Multimedia Arts Program Chairperson, and directed by his daughter, Gabriela Serrano, was recently selected as one of the twelve finalists in the Cinemalaya Philippine Independent Film Festival 2022, out of 199 entries from all over the country. "*Dikit*" was shown during the 2022 Cinemalaya Festival on August 5 to 14, 2022 at various CCP venues and select partner cinemas. It competed in the Short Film Category during the Cinemalaya Awards Night on August 14, 2022, at the CCP Tanghalang Nicanor Abelardo (CCP Main Theater).

Animator and professor Tito Romero shared his valuable insights and experiences in the 2022 Philippine Animation Festival dubbed 'Animahenasyon 16' in August 2022. Tito Romero has been in the animation industry since 1984. He has been involved with a number of TV shows since that time from *The Flintstones*, *Jetsons*, *Jhonny Quest*, *The X-Men* Animated series to name a few. He has worn many hats over the years in the industry, from being an animator, animation director, character

designer and other job description that focuses on the pre-production and production side of doing 2D animation work.

Music Production and Sound Design Coordinator Gerard Elviña was appointed as a member of the Executive Council Member for the National Committee on Cinema in October 2022 and assumed office on January 1, 2023. National Committee on Cinema is one of 19 national committees under the National Center for Culture and Arts (NCCA) tasked with enriching, preserving, and cultivating Philippine Cinema. Through this engagement, Elviña was part of the Senate Hearing on the four proposed senate bills regarding the Movie Television Review and Classification Board (MTRCB) in March 2023. He also represented the NCCA in April 2023 as a resource speaker in Baguio for the Cinemarehion 15 for the 15th Regional Film Festival. In December 2022, he joined the George Massenburg Educational Advisory Group for the Beta Testing of George Massenburg’s digital EQ plug-ins. In April 2023, Mr. Elviña was also one of the resource speakers for the SoundID Reference: Create, Mix, and Deliver with Confidence. He also participated in the beta testing of Sonarworks in the Philippines, and his insights about this program will provide valuable knowledge for the attendees. For the same month, Elviña also was the trainer for the upskilling of ABS CBN’s Big Dipper Division on Audio Description Technology. Audio Description is the auditory narration of visual representations such as television programs, live performances and movies and other art forms for people who are blind, have low vision, or who are otherwise visually impaired. The same team that was trained bagged the “Innovation for Audio Description” at the First Asia Pacific Broadcasting Awards in Singapore in June 2023.

Abram Andrew Lumbang and Jay R San Pedro virtually presented the paper entitled, “Harmonizing General Education Courses Through a Guided Online Autonomous Learning (GOAL) Integrated Output in a Philippine Private Higher Education Institution” in several international and local conferences, specifically the 1st International Conference of the Society for Strategic Education Studies from August 24 to 25, 2022; 2022 National Conference on Educational Measurement and Evaluation (NCEME 2022) from August 25 to 27, 2022; 7th National Conference on Open and Distance Learning (NCODEL) from November 23 to 25, 2022; and APCORE 2022 Virtual International Conference from December 12 to 14, 2022. In addition, this was considered to be the Best Paper Presentation during the NCEME 2022.

In November 2022, Abram Andrew Lumbang also represented iACADEMY in the International Conference for Research of Civil Society in Moscow, Russia with his paper entitled “Globalization - A Tool for Volunteerism in a Post-Pandemic Society.”

Bernard Ese presented his paper entitled, “A Dramaturgical Analysis of Analysis of Humor in Organizational Culture in Philippine Organizations, with Effects on Work Engagement and Work Productivity” during the 2022 International Conference of the Philippine Sociological Society from November 11 to 15, 2022 in partnership with Wesleyan University Philippines.

Jarek Cabanatuan presented his paper entitled “A Cross-Channel Autoencoder Image Recoloration Experiment Analysis” during the International Conference on Information and Technology Education from November 17 to 19, 2022 at the Mapua Malayan Colleges Mindanao, Davao City, Philippines. In addition, he also acted as a Session Chair during the said conference.

Mitch Andaya, Apolinario Cuyson, Marita Laborte, Jay R San Pedro and Cecilia Sy virtually presented the paper entitled “Philippine Private Higher Education Institution Guided Online Autonomous Learning: A Response to the Educational Transition in the New Norm” during the 7th National Conference on Open and Distance Learning (NCODEL) from November 23 to 25, 2022.

Paola Katherina Gonzales, Anton Miguel Perez, Hans Furgan Go, Mary Andrea Dayao, Ma. Carmela Erica Bugarin, and Carlos Jacob De Guzman, virtually presented the paper entitled, “Taga-Bayad-Utang: A Phenomenological Study, Its Roles, and Implications” during the Ika-46 Pambansang

Kumperensiya sa Sikolohiyang Pilipino from November 24 to 26, 2022 organized by the National Association for Sikolohiyang Pilipino, Inc in partnership with Pamantasan Ateneo de Davao.

iACADEMY became a co-organizer and major partner during the Asia-Pacific Consortium of Researchers and Educators (APCORE) 2022 International Virtual Conference last December 12 - 14, 2022. A delegate comprised of Mitch Andaya, Cecilia Sy, Paul Ocampo, Bennett Tanyag, Carl Louie So, John Mark Vincent Gianan, Paola Gonzales, John Padua, Leizandra Pugong, Gilly Tribiana, Bernard Temporosa, Gerard Paul Elvina, Christine Marie Aguilar, Vincent Barcelona, Jhovyn Malasig, Andrew Abram Lumbang, Bernard Eseo, Carlo Romion, Gienha Batucan, Jay R San Pedro, Danica Cabo, Marian Leonido, Ruth Mary Cas, and Meryl Silva participated during the said conference. In addition, the following were able to present their respective papers:

- Cecilia Sy for Philippine Private Higher Education Institution Guided Online Autonomous Learning: A Response to the Educational Transition in the New Norm;
- Jay R San Pedro for Challenges in a Remote Virtual Accreditation of a Philippine Private Higher Educational Institution: Perspectives from Delegative Leaders;
- Mitch Andaya for Examining the Culture of Excellence (CoE) within a Private Philippine Higher Education Institution amidst of the Global Health Crisis; and
- Abram Andrew Lumbang for Harmonizing General Education Courses through a Guided Online Autonomous Learning (GOAL) Integrated Output in a Philippine Private Higher Education Institution.

In addition, the paper of Jay R San Pedro was recognized to be a Finalist/Winner of the Best Research Paper during this conference.

In line with research publication, the following were able to publish their research and creative papers:

- Mitch Andaya, Hamil Buyco, Danica Chrizzy Ann Cabo, Rheal Dayrit, Jean Duenas, Weena Jennifer Espardinez, John Bryan Ferraro, Margery Oriel, Jay R San Pedro, Shania Jane Sualdito, Benjamin Tan, and Dennis Caballes for Examining the Culture of Excellence (CoE) within a Private Philippine Higher Education Institution amidst of the Global Health Crisis at the International Journal of Multidisciplinary: Applied Business and Education Research 2022, Vol. 3, No. 8, 1415 – 1421 <http://dx.doi.org/10.11594/ijmaber.03.08.04> August 12, 2022
- Jay R San Pedro for Organizational Effectiveness Related to Disaster Risk Reduction Management in Taytay, Rizal, Philippines: Perspective from the Academic Leaders at the International Journal of Multidisciplinary: Applied Business and Education Research 2022, Vol. 3, No. 8, 1415 – 1421 <http://dx.doi.org/10.11594/ijmaber.03.08.03> on August 12, 2022
- Abram Andrew Lumbang for Heart of Education: The Relationship of Corporate Social Responsibility on the Organizational Commitment of Senior High School Teachers in Caloocan City, Philippines at the International Journal of Multidisciplinary: Applied Business and Education Research 2022, 2022, Vol. 3, No. 10, 1943 – 1962 <http://dx.doi.org/10.11594/ijmaber.03.10.11> on October 13, 2022
- Gian Carlo Alcantara published three papers at Plaridel Journal of Communication, Media, and Society. The following papers were entitled, “Katutubong vlog: Isang pagsusuri sa oryentalismo sa mga vlog tungkol sa iba’t bang Indigenous Cultural Communities/Indigenous People (ICCs/IPs) sa Pilipinas” at <https://doi.org/10.52518/2023-02alcntdmtr>; “Pinoy thirst trappers: Panimulang pagsipat at paglalarawan ng thirst trapping ng mga piling Filipinong YouTuber” at <https://doi.org/10.52518/2022-07alcdem>; and “Bida ang Pinoy?: Isang panimulang pagsasalarawan ng Pinoybaiting sa YouTube” <https://doi.org/10.52518/2021-19alcdem>

Jon Cuyson, the Dean of the School of Design and the Arts, has been recognized for his innovative work in experimental film. In January 2023, his short film 'Mutya' was featured in the group exhibition Heavy Rotations at Esplanade Visual Arts in Singapore, curated by Alfonse Chiu.

Tritzie Umali-Mamaoag, the Multimedia Arts and Design Program Coordinator was elected Treasurer on January 2, 2023 by the Multimedia Arts Association of the Philippines.

Faculty members of iACADEMY are active in graduate studies, research, industry work and consultation. In February 2023, Carl So, Chairperson for Game Development, has been appointed as a member of the Technical Panel for Game Development and Animation, under CHED. This appointment by Mr. So will aid in the advancement of Game Development and Animation curricula in the Philippines.

In March 2023, General Education chairperson Gian Carlo Alcantara earned his Doctor of Philosophy degree in Philippine Studies. His new degree will enable him to bring valuable insights and expertise to his role. He can use his knowledge and skills to improve the quality of education provided to students.

In May and June 2023, Dean Jon Cuyson participated in two exhibits to showcase his work. In "Line of Sight", Dean Cuyson presented acrylic painted on canvas on plywood, which hung on top of each other in perfect lines, referencing marine issues and structures of power. The exhibit ran at Galleria Duemila from May 6 to June 20, 2023 and was featured by the Inquirer. This was followed by his works being featured at Elusive Endge: Philippine Abstract Forms at the Metropolitan Museum of Manila on June 13 to August 31, 2023. The exhibit focused on expressions of abstraction in Philippine modern art. It is organized around five sections that identifies precursors of geometric abstraction; dwells on the idiom of hard edge and color field; explores the calibration of abstraction within figuration; speculates on the currency of abstraction in contemporary art; and initiates discussion of abstraction in the field of design and architecture.

On May 6, 2023, the group exhibition curated by Jon Cuyson, the Dean of the School and the Arts at iACADEMY, opened at the Galleria Duemila in Pasay City, Manila. The show entitled 'Line of Sight' featured the artworks of Nice Buenaventura, Karl Castro, Jon Cuyson and Eric Ramos Guerrero.

iACADEMY Senior High School Principal Paolo Antonio Noceda was invited by the International Association for Statistical Education (IASE) to be one of the speakers in the webinar entitled: STATISTICAL EDUTAINMENT on May 23, 2023. His presentation was entitled "Gamifying Statistics Through Elevated Learning eXperience (ELX)".

SHS Assistant Principal Peter Hans Tejada successfully renewed his Google Certification on June 7, 2023. A Google Certified Educator is someone who has demonstrated a level of mastery using a wide variety of Google edtech tools in teaching and learning environments. Becoming a Google Certified Educator provides a pathway to edtech integration in ways that maximize the use of Google platforms to elevate the learning experiences of students.

On June 1, 2023, SHS faculty members Ma. Concepcion Luarte, Chad Kevin Rosel, and Christine Aguilar attended the National Seminar Workshop on Designing Technology-Enhanced Learning Experiences in Ateneo de Manila University.

On July 3, 2023, iACADEMY, under the leadership of Jon Cuyson, Chair of the Film and Visual effects program at the School of Design and the Arts, was honored by the Film Development Council of the Philippines and the Academic Film Society, acknowledging its membership in the Film Development Council.

In July 2023, Kiko Napalit, Dean of the School of Computing, delivered a keynote address at Gulf University in Bahrain via an online platform. Speaking on "ChatGPT and the Future of Learning: Exploring the Opportunities and Challenges in Higher Education," Dean Napalit shared invaluable insights on the transformative potential of artificial intelligence in education. His expertise and visionary outlook continue to inspire the academic community, highlighting iACADEMY's dedication

to leading the charge in educational innovation. His keynote address reinforces iACADEMY's commitment to embracing cutting-edge technologies and pedagogical advancements.

Multimedia Arts and Design Program Chair, Gilly Tribiana has played pivotal roles in several key events. On August 18, 2023, she served as a judge for the CHED NCR ASEAN Matters: Epicentrum of Growth Competition, lending her expertise to evaluate and select the best entries.

Jocelyn Baniago, Jay R San Pedro, and Cecilia Sy presented their paper titled "Assessment of Private Schools Operation during the Community Quarantine: Basis for a Learning Recovery Plan" during the 2023 International Conference on Educational Measurement and Evaluation organized by the Philippine Educational Measurement and Evaluation Association, Inc. from August 24 to 26, 2023 at Diamond Hotel, Roxas Blvd, Manila, NCR, Philippines and also through MS Teams.

Joshua Erdy A. Tan, Jay R San Pedro, and Dionnies Bendicio presented their paper titled "Best Practices of Impact Assessment of Corporate Social Responsibility (CSR) on Advocacy of Indigenous Communities in the Philippines: A Systematic Literature Review Towards UN SDG 17" during the 1st Science and Technology Impact Assessment Conference co-organized by the Department of Science and Technology, through DOST-PCIEERD, DOST-PCAARRD, University of the Philippines Los Baños–School of Environmental Science and Management, and Elsevier from August 24 to 26, 2023 via Zoom. This was also published in the institutional research journal, iCONNECT Multidisciplinary Research Journal Volume 1 Number 1 in January 2024.

Gerard Elviña, Program Coordinator of the Music Production and Sound Design program at the School of Design and the Arts, was invited as one of the resource persons for the Balay Balay Sa Margaha event held from August 25-29, 2023. His role was pivotal in enhancing the filmmaking skills of local filmmakers in Sagay. Mr. Elviña conducted instructional sessions on audio engineering, dubbing, sound effects spotting, and Foley arts.

The experimental short film 'Kerel (Sea of Love)' of the Dean of the School of Design and the Arts was an official selection at the Queer Lisboa International Film Festival in September 2023 in Lisbon, Portugal.

The DTI Philippine Trade Training Center - Global MSME Academy during the Philippine Creative Industries Month (PCIM), invited Jean Dee, Fashion Design and Technology Program Chair at the School of Design and the Arts, to be a resource speaker under the topic 'FAB for FAD: Digital Fabrication and The Fashion Industry' held at DTI-PTTC Building, Pasay City on September 22, 2023.

Ms. Dee was also invited to be an online resource speaker for the Department of Science & Technology - Philippine Textile Research Institute (DOST-PTRI) Stitch-Off Textile Bootcamp to discuss "Tela Hacks to Level Up Your Designs" on September 23, 2023.

Jay R San Pedro, Jocelyn Baniago, and Cecilia Sy presented their paper titled "Understanding the Learner's Course Completion in the New Norm: A Graduation Cohort Analysis" during the 2nd Philippine Conference on Data Analytics co-organized by Development Academy of the Philippines, Project SPARTA, and Far Eastern University - Manila on September 28, 2023. Furthermore, this paper was also presented during the 2023 International Conference on Educational Measurement and Evaluation organized by the Philippine Educational Measurement and Evaluation Association, Inc. from August 24 to 26, 2023 at the Diamond Hotel, Roxas Blvd, Manila, NCR, Philippines and through MS Teams. More importantly, this paper was published in the International Journal of Multidisciplinary: Applied Business and Education Volume 4 Number 11 in November 2023.

In October 2023, Kiko Napalit, Dean of the School of Computing, served as a Resource Speaker at the 2nd Annual Poland-Philippines IT Business Summit. The event took place at the Brittany Hotel in Taguig, Metro Manila, and featured prominent leaders and experts in the I.T. industry. Dean Napalit's

significant event participation showcases his leadership and expertise, inspiring our students and faculty to engage with the global I.T. community.

On October 24, 2023, the group exhibition curated by School of Design and the Arts dean Jon Cuyson, opened at the Underground Gallery in Makati. The show entitled “Protect Me From What I Want” featured the artworks of Bunny Cadag, Lena Cobangbang, Jon Cuyson and Mark Salvatus.

On November 14, 2023, the Department of Science & Technology - Philippine Textile Research Institute (DOST-PTRI) invited Jean Dee, Fashion Design and Technology Program Chair at the School of Design and the Arts to be an online resource speaker and moderator of Fashioning the Future: Transforming Apparel Design through Project Innovations & Rapid Prototyping during the Philippine Textile Congress - Session 5 Textile Apparel and Garment Design. Ms. Dee also participated in the PHx Fashion Conference 2023 held at the Ayala Museum on November 18 to 19, 2023

In November 2023, the research paper "Examining Student Experiences: Challenges and Perception in Computer Programming" was published in the esteemed Consortia Academia- I.J.R.S.E. - International Journal of Research Studies in Education (Volume 12, Issue Number 8). Authored by iACADEMY's distinguished faculty members Francisco Napalit, Jay R. San Pedro, Cecilia Sy, Bennett Tanyag, and Carl Louie So, this study provides critical insights into students' obstacles and perceptions in computer programming. Their work highlights iACADEMY's commitment to advancing educational research and instills confidence in the quality of education we provide. This publication underscores iACADEMY's faculty's dedication to academic excellence and innovation.

Dr. Francisco Napalit, Jay R San Pedro, Carl Louie So, Cecilia Sy, and Bennett Tanyag presented their paper titled “Examining Student Experiences: Challenges and Perception in Computer Programming” during the 2023 iSEARCH Employee Hybrid Research Congress organized by iACADEMY Office of Research and Development on November 24, 2023. In the same month, this paper was published in the International Journal of Research Studies in Education Volume 12 Number 8.

Abram Andrew Lumbang presented his paper titled “The Efficacy of Anime Pedagogy on Improving Student Engagement in Philosophical Concepts for College Students” during the 2023 iSEARCH Employee Hybrid Research Congress on November 24, 2023 organized by iACADEMY Office of Research and Development.

Mitch Andaya, Jay R San Pedro, Carl Louie So, and Bennett Tanyag published the study “Employability of Computing Students in the Age of Disruption A Graduate Tracer Study” in January 2024 in the European Journal of Education and Pedagogy Volume 5 Issue 1.

Allain Vincent Gaspar, Christian Gaspar, Jean Michel Gabrielle Gomez, Mel Ivan Magsino, and Christian Raymond Zalameda published their paper titled “Reducing Plastic Wastes And CO₂ By Balancing The Ph Levels In The Ocean Using Ocdron” in the institutional research journal, iCONNECT Multidisciplinary Research Journal Volume 1 Number 1 in January 2024.

The experimental short film 'Kerel (Sea of Love)' of the Dean of the School of Design and the Arts at iACADEMY, was an official selection at the Queer East Festival in March 2024 held in London, England.

On April 12, 2024, Carl Louie So inspired and engaged participants as a resource speaker at the Consultative Forum on Game Development and Animation. His expertise and insights played a pivotal role in advancing knowledge and practices in these dynamic fields. His contribution highlighted the innovative spirit at iACADEMY and motivated attendees to push the boundaries of creativity and excellence in game development and animation.

On April 16, 2024, Jean Dee, Chair of Fashion Design and Technology, participated online in the Strategic Industry Roadmap Validation Session entitled "Weaving the Future of Philippine Fashion & Textile" hosted by the Department of Trade and Industry (DTI), through its Bureau of Industry Planning and Innovation (BIPI). She also participated on April 17, 2024 in "Weaving the Future of Philippine Fashion & Textile" and the "Philippine Creative Industries Development Plan Validation Session" organized by the DTI.

On April 25, 2024, SHS Principal Paolo Antonio C. Noceda was elected as the President of the Asosasyon ng mga Pribadong Paaralan ng Makati, Inc (APPMI). APPMI is a partner organization of the Department of Education that promotes excellence and teamwork among private school administrators and stakeholders in Makati.

In May 2024, Weena Espardinez, Chairperson of the Animation Program, was reappointed to the Animation Council of the Philippines Board of Trustees for another year.

Jhovy Malasig, a faculty member of the Humanities and Social Sciences, made his directorial debut with the stage production of Allan Lopez's "*Anatomya ng Pag-ibig*" on May 15-18, 2024 at the FEU Manila Center for Art. Meanwhile, Paolo Domingo, the coordinator of Arts and Design Track, designed and directed the theater lights team in the said event.

Jean Dee, Chair of Fashion and Design Technology, has actively engaged in numerous industry and educational events. She served as a resource speaker for Project PEARLS on May 24, 2024, contributing to the organization's "Beyond Boundaries: College & Career Prep Talk Series."

Gerard Elviña, Program Coordinator of the Music Production and Sound Design at the School of Design and the Arts, was tapped by FPJ Productions to be their consultant on the sound aspect of their film restoration. The upskilling of audio restoration, preservation and rescue for film series was done in May and June of 2024.

Jean Dee, Fashion Design Coordinator, received the second prize for the Fabsiklaban 2024 under the People Category with her "FlexZip- Fashion Zipper Assistive Device for people with hand osteoarthritis." She was also part of the Top 10 in "*The Tennun Pakaradjaan Fashion Designers' Competition*" held in Okada Manila.

Ruth Mary Cas, Marita Laborte, Jay R San Pedro, and Cecilia Sy published their paper titled "Converging Perspectives On Predetermined Asynchronous Sessions In A Learning Environment" in the institutional research journal, iCONNECT Multidisciplinary Research Journal Volume 1 Number 2 in May 2024. This converging inquiry aims to analyze the perceptions of students and instructors toward the predetermined asynchronous sessions from a Philippine Private Higher Education Institution. Predetermined asynchronous sessions were implemented to provide a certain autonomy and address a certain level of difficulties experienced by the students in the previous academic years. A validated research instrument was floated among the students and educators of the institution for an ample period of time. It revealed that the perception toward the predetermined asynchronous classes varies among students and educators at the institution.

Marian Leonido, Anna Frizelle Melchor, Jay R San Pedro, and Cynthia Vasquez published their paper titled "Assessment Of Library Resources, Services, And Facilities In The Digital Age: Basis For A Development Plan" in the institutional research journal, iCONNECT Multidisciplinary Research Journal Volume 1 Number 2 in May 2024.

Jonalyn Irish Bernardino, Anna Fernandez, Wendelyn Molera, Ma. Michelle Mensenares, and Ma. Czarina Simbulan published their paper titled "Understanding Students' Attrition Behavior In A Philippine Private Higher Education Institution: Basis For An Intervention Plan" in the institutional research journal, iCONNECT Multidisciplinary Research Journal Volume 1 Number 2 in May 2024.

Apolinario Cuyson III, Weena Jennifer Espardinez, Newton Nano, Bernard Temporosa, Raidel Dimal, John Carlo Jumawan, and Lerma Pantrollina published their paper titled “Tracing Employability Characteristics of Animation Graduates from 2018-2022” in the institutional research journal, iCONNECT Multidisciplinary Research Journal Volume 1 Number 2 in May 2024.

Mitch Andaya, Apolinario Cuyson III, Marita Laborte, Jay R San Pedro, and Cecilia Sy published their paper titled “Philippine Private Higher Education Institution Guided Online Autonomous Learning a Response to the Educational Transition in the New Norm” in the institutional research journal, iCONNECT Multidisciplinary Research Journal Volume 1 Number 2 in May 2024.

Isang Pagsipat sa Kasalukuyan at Kinabukasan ng Artificial Intelligence sa School of Computing ng iAcademy by Michael Anthony Albano, Angel Jovelle Caballero, Joshua, Klein Garcia, Chrystal Jane Lirios, Ryan Peighton Maniquiz, and Don Gerardo Molina presented this study during the 7th International Conference on Asian and Philippine Studies (ICAPS) organized by Dalubhasaan ng mga Umuusbong na Mag-aaral sa Araling Filipino (DANUM) dated from May 30 to June 01, 2024, at 456 Hotel le Grande in Baguio City, Philippines.

Hector Calma, Film and Visual Effects Program Coordinator, was invited to conduct a Directing Broadcast Production Workshop from June 6–9, 2024, at Burapha University Graduate School in Chon Buri, Thailand. His expertise in film and visual effects was shared with participants, enhancing their skills in broadcast production and providing valuable insights into the industry.

Weena Espardinez, Animation Program Chairperson, contributed significantly to the animation industry by speaking at the Animation Industry Roadshow on June 10, 2024. Organized by the DICT in partnership with the GenSan ICT Council, the event took place at Veranza Mall in General Santos City, Philippines. Weena's presentation on "Exploring Opportunities for Philippine Animation" provided valuable insights and inspired local talent to explore new avenues in animation.

On June 26, 2024, Jon Cuyson, Dean of the School of Design and the Arts and Gilly Tribiana and Tritzie Umali-Mamaoag, Program Chair and Program Coordinator, respectively, of the Multimedia Arts and Design program at the School of Design and the Arts represented iACADEMY at the “Innovate Learning: An Executive Round Table on Exploring Adobe's New Frontiers,” organized by GetCre8ive and held at the SEDA Hotel in Bonifacio Global City in Taguig.

Student Achievements

STI ESG

Global Competition

Three students from STI College Tagaytay bagged the 2nd runner-up place in the Huawei Developer Competition 2023 Asia-Pacific region in Shenzhen, China on November 22, 2023.

Team IC composed of BS Information Technology (BSIT) students Dan Torrecampo, Carlo Ledesma, and Jet Maquiling secured a podium finish, marking a historic achievement as the first Filipinos to reach the final stage in the global competition.

Presenting their innovation Intercommunication, a website application they developed to aid users in communicating effectively, the trio went against all odds as the country's sole representative in the event organized by one of the world's leading technology companies.

Local Competitions

A group of talented senior high school students from the Accountancy, Business, and Management (ABM) strand at STI College Batangas, namely Mary Angeline Balmes, Nerie Balmes, Nadine Caringal, Irish Rein Del Mundo, and Irish Shayne Sumalabe, achieved remarkable success by securing the 3rd runner-up spot in the RCBC DiskarTechPreneur contest held on July 4, 2023.

The competition, spearheaded by Rizal Commercial Banking Corporation's (RCBC) popular mobile financial application DiskarTech and in coordination with the Department of Education (DepEd), aimed to showcase the students' entrepreneurial skills and talents. Among all the participants from NCR and CALABARZON, STI College Batangas was chosen as one of the top 20 finalists, demonstrating the students' exceptional business skills and innovative thinking.

Under the guidance of their coach, Ms. Ivy Berana, these bright young minds successfully conceptualized, produced, and sold a unique product called Fried-sushi Plant, which garnered significant attention. The fried-sushi plant is a creative twist on the traditional sushi roll, with an eggplant-based wrapper.

Meanwhile, Business Administration students Nicole Cajayon, Mai-Mai Cilomen, Hannah Frances Gerona, and Paula Angela Finulia, together with their coach, Mr. Jay-pee Padilla have earned their place among the top 5 finalists in the Food category of the annual Best Business Idea Development Awards (BIDA). The competition was spearheaded by the Philippine Chamber of Commerce and Industry (PCCI) Education Committee and was held at PCCI office Mckinley, Taguig City on September 21, 2023.

In a culinary spectacle held on November 17-18, 2023 at De La Salle Lipa Sentrum, STI College Tanauan made an impressive debut at the 14th National Food Showdown, etching a memorable presence into the vibrant canvas of culinary excellence. The event, working alongside the 11th Batangas Food and Beverage Expo, drew attendees from the CALABARZON and nearby regions, highlighting the resonant theme of "Lasap Tagalog."

Team STI clinched two prestigious diploma awards in Klasika Moderna Kulinarya and Plated Kakanin – Regional Bibingka Galapong categories; and three bronze titles in Mocktail Mixing, Best Traditional/Modern Recipe – Paksiw Batangas, and Best Regional Ingredient – Vinegar categories.

STI College Cubao student Jenievive Adame also showed a remarkable display of talent and perseverance as she emerged victorious at the first Puregold CinePanalo Film Festival on March 17, 2024. The talented 4th year Bachelor of Multimedia Arts (BMMA) student clinched numerous awards for her short film "Smokey Journey" amidst stiff competition from 24 other entries.

Adame's film secured 1st place in the MTRCB Responsableng Paglikha Award, Puregold's Choice 'Always Panalo' Award, Best Cast Ensemble, and Best Musical Scoring (by Bernie Del Carmen). Additionally, she received a prestigious Mowelfund Film Institute's Scholarship Award.

Two students from STI College Pasay-EDSA, on the other hand, proudly participated and claimed 3rd place in the JML Flavor Festival, a prestigious competition held at the SM Megamall Event Center on May 6, 2024. The event celebrated the vibrant theme of Filipino culinary heritage and offered a stage for students to demonstrate their culinary prowess using JML Philippines cookware.

After a luminating performance, STI College Ormoc's Pundok sa Nagkahiusang Ormocanon brought home the Grand Champion Ritual Showdown award from the Piña Festival Grand Showdown for the 5th consecutive year. The school was also recognized as Best in Street Dancing, Best Choreographer, and Best in Graphics Design.

Four students from STI College Muñoz-EDSA won the bronze award at the StartUp QC Student Competition held at the Matrix Creation Events Venue in Quezon City on May 16, 2024. The StartUp QC Student Competition fosters innovative business ideas among the youth by supporting startup ventures with incubation, financial grants, and mentorship sessions. It further aims to help students understand business intricacies through seminars and hands-on experiences.

Representing STI College Muñoz-EDSA were 4th year BS in Computer Engineering (BSCpE) students – Marianne Jane Acebo, Arman James Andres, Elaine Carillo, and Rojammah Casas. These students were guided by their coaches, Academic for External Affairs Engr. Devie Patricio and Business Management professor Mrs. Ellen Cabrera.

In an exemplary display of programming skills, Nathaniel Rase, a freshman from STI College Sta. Mesa, bagged 5th place in the National IT Skills Competition held in April 2024.

The Bachelor of Science in Computer Science (BSCS) student showcased his talents in the Programming C++ category, organized by the Integrated Society of Information Technology Enthusiasts (iSITE).

The Junior Chamber International (JCI) Philippines, dedicated to developing young leaders who drive positive community change, hosted the 2024 Youth Leadership Excellence Award (YLEA) on June 30, 2024. The event recognized students for their exceptional leadership and contributions to both their schools and communities.

Among the 28 distinguished awardees were eight students from STI College Ortigas-Cainta and a student from STI College Muñoz-EDSA, who stood out for their outstanding contributions and unwavering commitment to positive change.

For the list of achievements in previous years, please visit www.sti.edu for prior years' 17A reports.

STI WNU

From SY 2021-2022 to SY 2023-2024, STI WNU has proven its supremacy in academics, sports, and culture and arts through different regional and national competitions.

In Academics:

- Rey Joshua Dela Peña of the College of Education, former President of the Supreme Student Government was one of the invited panelists in the RMN Bacolod Debate Series for Congressman in the lone district of Bacolod City on March 9, 2022.
- Jaylloyd Garche – Grade 12 HUMSS student – 1st place, We Care Organization's Nationwide Online Essay Writing contest, Theme: “Your Mental Health Matters, Speak Up for the Voiceless” (April 27, 2021)
- The Negros Occidental ICT Scholars from the College of Information and Communications Technology (CICT) presented the five (5) ICT applications. These were “Emergency Rescue and Response Operation System”, “Depot Procurement and Inventory System”, “Fire Alert Notification with Map Locator”, Monitoring System of the Scholarship Program Division”, and “Document Tracking System of Negros Occidental”. The presentation was held at the Negros Residences on May 7, 2021.
- Several students from the STI WNU School of Graduate Studies likewise presented their research at the 9th International Conference of Huachiew Chalermprakiet University in Bangphli District, Samutprakarn Thailand on July 1, 2022 (via e-conference on Zoom). Bryan

Fidel C. Tirol, PhD1 presented “The Effects of Inquiry-based Approach on Pupils’ Performance and Motivation in Science;” Danilo V. Sumbi Jr. discussed his work entitled, “Teachers’ Awareness and Effectiveness in Values Integration Program in a High School in Silay City, Negros Occidental;” Dr. Lyka Kymm Garcia of the School of Graduate Studies presented “Implementation of the Infection Control Program in CoViD-19 Management in a District Hospital in Negros Occidental.”

- Jesrein Bil Billones of the College of Information and Communications Technology secured 8th place in Photography at the 56th Shell National Students Art Competition (NSAC). Positioned as the longest-running art competition in the Philippines, the 56th NSAC was held on October 6, 2023, at the Ayala Museum in Makati, showcasing Filipino artistry with the theme "Galing Pinoy, Galing Pinoy."
- ROTC Unit (Conquerors), 2nd Runner Up, Fancy Drill Competition during the 12th Bago City Invitational Fancy Drill competition on November 5, 2023.
- Gerick R. Artieda, RCrim, of Class Tagapagsangalang, Magna Cum Laude, ranked first among the exam takers in Western Visayas in the recent Criminology Licensure Examination, held on February 2-4, 2024. The Professional Criminologists Association of the Philippines (PCAP) Region 6 disclosed the top 10 rankings, with Artieda of STI West Negros University Positioning Rank 1 with a rating of 88.8%.
- Argentum Team secured a spot in the semi-finals after winning an argument against Carlos Hilado Memorial State University in the elimination round of the Inter-University Debate Competition on March 9, 2024. John Philip Oberio led as the team captain, alongside Theo Talorete, James Moya, and Christine Paula Tafalla.
- Michael R. Alian, a 3rd year BSIT student from the College of Information and Communications Technology clinched 2nd place in the 2024 DILG Region 6 DigitALL Poster Making Contest. The event, held on March 15, 2024, was part of the National Women's Month celebration, focusing on the theme "Lipunang Patas sa Bagong Pilipinas: Kakayahan ng Kababaihan, Patutunayan!".
- Bobby Rodriguez III, fourth-year Bachelor of Science in Information Technology (BSIT) student, emerged as one of the top 10 finalists during the 34th Jose Rizal Model Students of the Philippines. Held at the Knights of Rizal (KOR) Headquarters in Manila from December 28 to 30, 2023, this event aimed to recognize and celebrate the passionate and dedicated youth leaders who embody the ideals reflected in the life and works of Jose Rizal. Rodriguez was also celebrated for his exemplary contributions to the tech community during the inaugural Tech Awards held at Festive Walk, Iloilo City on May 18, 2024. Rodriguez took home two prestigious accolades: The Community Impact Award and the Leadership Award. Additionally, TRAC Philippines Inc. announced that Mr. Rodriguez is also among the 25 finalists for the 2024 Outstanding Student Leaders of the Philippines.
- Kyzel Gonzaludo, 4th Year BS Criminology Student, bags the BEST ABSTRACT award in the College category in the professional level during the 1st SIRDO International Multi-Disciplinary Research Conference held at Silay Institute, Silay City, May 23-24, 2024.
- Jeremiah T. Los Baños, fourth year BS Psychology student, was honored as one of the four 2024 Outstanding Psychology Students of Negros Occidental.
- Kyrie Meliz Ferrer, a third year Bachelor of Science in Tourism Management student, distinguished herself by representing STI WNU at the Ayala Young Leaders Congress (AYLC) held at Seda Nuvali, Santa Rosa, Laguna on July 1-5, 2024.

In Sports:

- STI West Negros University Mustang Esports won the National Campus Open Season 2 of Mobile Legends: Bangbang Visayas-Mindanao Championship on July 11, 2021, streamed live on AcadArena’s official Facebook page.
- Top 3 Finalist – National Competition “AIA Philippines Hackathon”, sponsored by AIA Philippines, Joshua Grijaldo, June Mhurk Asetre, Josh Alden Albito, Marvin Arreglado, November 9 to December 3, 2021.
- STI WNU Baby Mustangs emerged as champions in the Bacolod Basketball League Christmas Pocket Tournament on December 29, 2023.
- Champion – Elementary Basketball (Junior Mustangs) NOPSSCEA Season 43 – the first-ever elementary basketball titleholders – were held at the University of Negros Occidental-Recoletos (UNO-R) on November 18, 2023. Together with their coaches, these young yet fiery Baby Mustangs, the undisputed champions, claimed victory at Bacolod City’s 2024 Division Meet on February 13, 2024, at the Villamonte Gym, and on April 4, 2024, as they clinched victory against Silay City in the Provincial Athletic Meet 2024 Championship.
- STI WNU Baby Mustangs secured silver medal at the Elementary Basketball Regional Meet 2024 on May 6, 2024, held at the Bacolod Tay Tung High School Gymnasium.
- Summer Ellaine Abanco, Aliyah Venice Aguilar, Colene Maxilum, Daisy Evelyn Ponje, Paula Libica Garcia, and Michelle Grace Zafra claimed the coveted gold medals with strategic finesse and checkmate mastery at the NOPSSCEA 2023 High School Girls Chess Tournament, held on November 20, 2023, at Robinsons Place, Bacolod City.
- Mharcky Montes, Einre Mar Abanco, Patrick Launo, Joshua Lechuza, Kian Pedrosa, and Prince Bryan Baloya of STI WNU’s High School Boys Chess Team clinched silver medals at the NOPSSCEA Chess Tournament on November 20, 2023, at Robinsons Mall, Bacolod City.
- STI WNU’s Lim Jamelin Ruth emerged victorious as the Board 1 gold medalist, while her teammates Cabrales Ma. Christina, De Asis Alexis Marie, and Dela Cruz Mila Chloe each earned bronze medals for their exceptional performances during the Negros Island Private Schools Athletic Association (NIR PRISAA) 2024 Chess Tournament held at the university’s School of Basic Education library on April 28, 2024.
- STI WNU Athletics Men earned gold medals during the NOPSSCEA 2024, held on April 27-28, 2024, at the University of St. La Salle, Bacolod City.
- The STI WNU Football Team, composed of Abela, Adonis Abramm; Ayunan, Jun Enrico; Bancala, Kher; Bandojo, Ryan Dax; Catoto, Johnsent Raul; Diamante, Reignheart; Espina, Gino; Gargar, Dominic; Guardiano, Zean Kyle; Gubatayao, Mark Christian; Gumban, Peterson; Hablo, Jason Kirby; Jagonob, Melvin Jr.; Loja, Reynie; Magbanua, Syreal Xander; Opeña, Eliezer; Padilla, Adrian Martin; and Sedufira, Cris Mark, showcased their exceptional skills and teamwork, earning a well-deserved silver finish at the NIR PRISAA Games 2024, held at the University of Negros Occidental-Recoletos (UNO-R) on April 30, 2024.
- Andrew Thomas Pacilan – Megaminx Champion at the West Visayas Cube Masters 2024, held at SM City Iloilo – achieved an average score of 5:42.44, setting a new Visayas record.

In the field of Culture and the Arts:

- “Aangat”, Third Place - CHED Region 6 Songwriting and Interpretation Competition in celebration of the 54th Founding Anniversary of ASEAN - Trisha Grace Pontino and Maycie Parreño Pellejo of the College of Engineering, August 14, 2021.
- Emmanuel Pescador secured his spot in the Semi-Finals of ABS CBN Showtime’s Tawag ng Tanghalan Competition on November 27, 2023, with an average score of 93.6%.
- Shayla Winter G. Abanco and Athena M. Ronquillo clinched 3rd place in the Elementary Vocal Duet finals, December 1, 2023, at the NOPSSCEA Literary and Musical Competition, under the guidance of their coach Alley Tumabine.
- Junior Street Dance Club emerged as Champions during the 2024 NOPSSCEA Pop Dance Competition on January 18, 2024, at the VMA Global College. The dance crew, consisting of SBE students namely: Kyla Sophia V. Araneta, Elton Jay Blancaflor, Jamielle Raine G. Ybañez, Hailey Anne B. Dime, Alster John D. Gual, Taicie Joy B. Shi, Marken M. Gabuya, coached by TJ A. Garinga also represented the Negros Island Region during the National PRISAA at Legazpi, Albay on July 19-27, 2024.
- Analyn P. Pialan, a BS Psychology graduating student of STI WNU, secured multiple silver medals across various categories at the World Championships of Performing Arts (WCOPA) held in Long Beach, California on June 28-July 7, 2024. Pialan also won the Singing Idol competition during Kasadyahan Season 10 and proudly represented STI WNU on the national stage.

STI WNU students likewise successfully passed several licensure and accreditation examinations, to wit:

Engineers Licensure Examinations

In the Registered Master Electrician Licensure Examination conducted in September 2021, STI WNU’s passing rate for new exam takers was 66.67% while the national passing rate was 67.44%. The following year, in the September 2022 licensure examination, STI WNU got a 25% overall passing rate, while the national passing rate was 63.08%. During the licensure examination held in April 2023, STI WNU got a 100% passing rate for new exam takers while the national passing rate was 42.21%.

In the May 2022 Civil Engineers Licensure Examination, the national passing rate was 42.35% and STI WNU’s passing rate was 14.29%. For the licensure examinations conducted in October 2022, the University got a 66.6% for new takers while the national passing rate was 51.25%. In the latest licensure examination held in April 2023, STI WNU got a 17.65% passing rate for new takers while the national passing rate was 34.76%. For the licensure examination conducted in November 2023, the University got a 25.0% passing rate for new takers while the national passing rate was 33.26%. In the licensure examination held in April 2024, STI WNU got a 60.0% passing rate for new takers while the national passing rate was 39.27%.

In the Electrical Engineers Licensure Examination conducted in September 2021, the national passing rate was 64.40% while STI WNU’s overall passing rate was 66.67%. In April 2022, the national passing rate was 54.41% and STI WNU’s exam takers passing rate was 27.27%. In April 2023, STI WNU got a 29.17% passing rate.

For the Mechanical Engineers Licensure Examination conducted in August 2022, STI WNU got a 60% passing rate for new takers while the national passing rate was 54.15%. For the licensure examination conducted in February 2023, the University got 17.65% for new takers while the national passing rate

was 62.17%, while in August 2023, the University got 25.0% for new takers and 50.34% for the national passing rate. In the licensure examination held in February 2024, STI WNU got a 14.29% passing rate for new takers while the national passing rate was 65.85%.

Criminologists Licensure Examinations

With the outset of the COVID-19 pandemic in 2020, Criminologists Licensure Examination had not been conducted until June 2022 where STI WNU's new exam takers got a passing rate of 36.36% against the national passing rate of 30.39%. In April 2023, STI WNU had a 66.67% passing rate for new takers while the national passing rate was 62.07%, making the University as the Top Performing School of Criminology in Negros Occidental Province and in Region 6.

In August 2023, the national passing rate was 32.68% and STI WNU's exam takers passing rate was 21.43%.

iACADEMY

In July 2021, experimental short film "Let Our Response Be" by Multimedia Arts and Design student Ruka Azuma was listed as a finalist in the Gawad CCP Para Sa Alternatibong Pelikula at Video.

In August 2021, iACADEMY students Irma De Jesus and Hannah Felix represented iACADEMY as one of the eight delegates from the Philippines at the Asia Student Leadership Conference 2021 hosted by Smile Asia Organization in Singapore.

In November 2021, BS Marketing Management students Geoffrey Allen T. Tan, Kurt Symoun E. Boquiren, Nina Jean S. Comanda, Jullian Denise H. Febrar, Nicolas Gabriel C. Villapando, and Sean Ethan Sebastian D.G. Valdez landed 2nd place in the competition for the Best Marketing Students of the Year having presented comprehensive and well-thought case studies on marketing during the Agora Marketing Competition - Brilliance Still Shines at the 41st AGORA Youth Awards.

In November 2021, Sofia Santillan, one of the students of DRIVE under the Software Development strand, competed in the ASEAN-Australia Strategic Youth Leadership as a young leader to collaborate and develop new ideas that promote equitable economic growth through education.

In December 2021, Grade 12 Software Development student Danielle B. Meer, was ranked 1st in Stack League Philippines, the largest online programming competition in the Philippines.

In February 2022, the film by iACADEMY graduates Max Lubansky and Adelaide Go "Until I Forget" was shortlisted as part of the official selection at Cinema Rehiyon 14, the flagship project of the National Committee on Cinema, National Commission for Culture and the Arts.

In March 2022, Jethro Ian Lacson, an iACADEMY alumnus under the Multimedia Arts program was listed as one of the 25 most promising individuals in the local art scene under the Arts and Design category in Preview PH's Creative 25 list.

Also in March 2022, BS Animation and Vision Creative Unit member Jeriah Emel Capil's "Bahala na si Darna" belonged to the 20 shortlisted projects from more than 200 entries in the Sine Kabataan 5 Short Film Lab and Festival.

On April 26, 2022, SHS Software Development student Arla Jan Patrick Sagun bagged the gold award in the Hongkong International Computing Olympiad (HKICO) Heat Round 2022 - Philippines.

In May 2022, Lance Ocampo (BS Information Technology with Specialization in Web Development) was selected as part of the Philippine National Football Team (Azkals) to represent the Philippines in the Southeast Asian Games (SEA Games).

Also in May 2022, Software Engineering students from the School of Computing were recognized by local newspapers and news TV programs DZRMM (ABS-CBN), State of the Nation (GMA), and GMA Regional TV for their low-cost multifunctional waste pickup drone that impressed technology experts.

Pioneering members of Vision Creative Unit Alma Ramos, Faith Ann Moreno, and Zoe Samantha Panganiban headlined the news in May 2022 as the only students from Asia and the Philippines to qualify as finalists in the Negative Space Comic Book Writing Competition along with top design schools like SCAD and Northern Michigan University, USA.

iACADEMY's Office of Research and Development spearheaded the launch of the annual iSEARCH, an avenue for iACADEMY's students to share their research outputs with the community on May 18, 2022. With the theme "Paving the Pathways to Sustainability, Innovation, and Excellence" the event aimed for the current students taking their research writing courses to be inspired and gain new insights in refining or completing their research papers. Among the student research presentations are:

- Allain Vincent Gaspar, Christian Gaspar, Jean Michel Gomez, and Mel Ivan Magsino for Reducing Plastic Wastes and CO2 by balancing the pH levels in the Ocean using OCDRON
- Dino Paulo Gomez, Owen Clamor, John Leonard Rada, and Francis Parreñas for Specialized TRacker for Pets (STRAP)
- Miguel Andrei Arosa, Kenneth Ian Endaya, Luis Gagelonia, Juwan Melad, Matthew Aaron Ramizo, and Sean Paolo Ramos for Vicious Mockery: A Typing Game
- Ruka Azuma, and Melissa Perez for Gising Sining: How Fascism, Foolishness, and Foresight of Leadership Affect the Filipino Political Art Landscape
- Christopher Sante, Christopher and Ian Tristan Valerio for kALAMIDAD: An Interactive Survival Manual About Disaster Risk Preparedness and Awareness for Filipino Children to Increase their Adaptive Capacity Towards Natural Hazards
- Joshua Mari Cueto, Sophia Jean Durias, and Mackie Soneja for The Negative Effects of the Lack of Sexual Education Towards Gay Filipino Youth and their Vulnerability to Abuse on Social Media
- Brian Jucaban and Cheska Romero for Kaya: A Teletherapy Transition Kit Addressing the Challenges of Teletherapy for Primary Caregivers of Children Receiving Occupational and/or Speech Therapy
- Eliza Geraldine Ogami, Alyssa Erika Pioquinto, Angelica Perez, Izaak Macaisa, Patricia Arganoza, Juren Ursal, and Sean Valdez for The Effects of GCash as a Mobile Wallet on Consumer Behavior Amidst the COVID-19 Pandemic in NCR Plus Bubble
- Timothy Dy for Coping Strategies and Well-being of iACADEMY College Students amidst the COVID-19 Pandemic
- Fiona Gutierrez for Resilience As A Protective Factory in Caring for Victims of Covid-19

In June 2022, FSi Student Org (Filmmakers Society of iACADEMY) representatives Brijette Ann San Jose, Ernesto De Guzman, and Steffi Andre Allen's entry "Malamig Ang Apoy" was chosen as finalist for the recently concluded #riseASEAN short video contest on countering the infodemic.

From the School of Design and Arts (SODA), talented animation student Danica Sy continues to shine with her remarkable achievements. In July 2022, her collaboration with fellow student Andrea Castillo resulted in the film "Bahay Bound" receiving acclaim at the MBC Short Film Festival. Additionally, Sy received the Special Jury Prize at the Ground Glass Festival 2022 for her film "Wishes." Notably, "Wishes" was a finalist in Animation Council of the Philippines' Anikompetisyon, screened in multiple cities, including Manila, Davao, Iloilo, and Negros, and featured at the annual Baguio City's Montañosa Film Festival from March to April 2023. Furthermore, her extraordinary talent earned her a place in the

prestigious CCP Gawad Alternatibo under the Animation category. In the past, she also received the Directors' Guild of the Philippines, Inc. (DGPI) Filmmaker award for her captivating use of Animation in "Wishes."

In July 2022, a film by animation students Danica Sy and Andrea Castillo's titled "Bahay Bound" was named finalist for the MBC Short Film Festival under the animation category.

Also in July 2022, Senior High School student under the Software Development Track Arla Jan Patrick Ragun emerged as one of the Top 20 finalists at the International Python Coding School Challenge 2022 hosted by Raffles University in India.

Arla Jan Patrick Ragun and Earon Joshua Duque represented iACADEMY and the Philippines in an international Python coding competition (Hong Kong International Computational Olympiad) in August 2022.

SHS student Arla Jan Patrick Ragun participated in the August 2022 Hong Kong International Computational Olympiad and finished in the Senior Secondary Group. He also bagged a full scholarship from the Duke University, a top-ranking school in the United States for Computer Science in May 2023. Ragun will be pursuing a major in Computer Science with a focus on Artificial Intelligence and Machine Learning.

A student short film, "Ilusyunada", by Andre Punzalan has made it to the official selection at the Student World Impact Film Festival 2022 (SWIFF). SWIFF has been a catalyst in empowering more than 3,000 storytellers from marginalized communities in 120 countries in September 2022.

Works of iACADEMY SHS, College and Alumni Game Changers amazed many at the Manila International Fashion Week x Farah Models Camp Manila Struttin' Denim at The Cover at Okada Manila in October 2022.

The design proposal of work apparel using Philippine Tropical Fabrics of Danielle Anne Javier, a third-year Fashion Design and Technology, was developed by Philippine Textile Research Institute (PTRI) and exhibited at the Philippine Textile Congress 2022 alongside other fashion and textile schools in the Philippines in November 2022.

Several Fashion Design and Technology students and alumni were also featured in various publications in 2022. Emanuel Riñoza collaborated with content creator Sef Loseo on a reworked vintage fabric resulting in a romantic splash of colors styled with silver platforms and a beret featured in Nylon Manila. Eugene Malabad, another iACADEMY student designer was also featured in CNN Philippines featuring his works on PH x Maarte Fair showcased at the Manila Peninsula Hotel last August 2022. Inquirer also featured actress singer Maris Racal who wore the creation of Ish Barrozo for Halloween 2022. Barrozo's creation was a stunning "nuno sa punso," a dwarf-like nature spirit in Philippine mythology. In December 2022, Ish Barrozo's work was once again featured in Nylon Manila as worn by Miel Pangilinan.

An alumna from SODA, Ciara Baello was named Campaign Southeast Asia's Young Achiever of the Year, announced at the Ritz Carlton of Singapore in December 2022. Ms. Baello ranked 24th in Campaign Brief Asia's list of the Philippines' Hottest Creatives of 2021.

Fashion Design and Technology student Andrei Plaus has bagged the 2nd Prize for Storytelling Category at the 2nd SEAMEO Youth Action Contest on VUCA World. His entry entitled "THE DESK a stop motion animation about the VUCA World" bested other Southeast Asian student entries in December 2022.

"Dreams (A Working Title)," an animated short film by second-year animation student Danna De Ocampo, earned recognition as an official entry at the 17th Spring Film Festival. Held in January 2023 at the Shangri-la Plaza, the Spring Film Festival is among the most celebrated Chinese-Filipino festivals.

In January 2023, SODA Animation student Danica Sy's film *Wishes* was awarded Honorable Mention Animation Category, Animation Finalist at the CCP's Gawad Alternatibo. The film was also screened at the Montanosa Film Festival in March 2023 as part of Anikompetisyon16 lineup.

Animation alumnus Joshua Villena launched his first art exhibition in New York City in February 2023. Villena's collection titled "Apollo Street" incorporates fashion, NFTs, and digital media. Villena adds this to his belt of numerous wins in national art competitions in the Philippines, United States, and around Europe. His work has been featured in New York, Canada, and Paris, among others.

Jolo Arante and Christopher Sante, both iACADEMY alumni from the Multimedia Arts and Design program, were featured in Graphika Manila 2023 in February 2023. Now in its 19th year, Graphika Manila, regarded as Asia's most influential multimedia design conference, is a two-day creative conference. Jolo Arante has recently made headlines when his collaboration with BIC Lighters Philippines was launched, featuring collector's edition lighters of his design.

Christopher Sante, along with his thesis mate, Ian Valerio, has recently participated as guest speakers in KABALAKA. KABALAKA is an Ilonggo term which stands for KAhublagan sa Barangay para sa LApnagon nga KAhandaan, or Movement for Community-Based Disaster Preparedness, and is being used by the local government of Iloilo City to teach communities about climate change, disasters, and hazards in the community in February 2023.

In the field of pop music, Multimedia Arts and Design student Vinci Malizon in February 2023 has made it as one of the top winners of reality show *Dream Maker*, the Search for the Next Global Pop Group. The show features a pool of talented young males called "Dream Chasers" who undergo rigorous talent training to find the 7 standouts who will become the next generation's Male Global Pop group. The program also marks ABS-CBN's partnership with Korean entertainment companies, MLD Entertainment and KAMP Korea.

iACADEMY became a partner school with the ASEAN Organization and SAP in the enablement session for the ASEAN Data Science Explorers 2023 on February 28, 2023. With this, students and employees, namely Yetvoie Hanz Christian Fabellon, Kyle Fabila, Jedd Alean Fernando, Gabrielson Urich Lupac, Felise Jann Sanchez, Bennett Tanyag, and Jay R San Pedro, were certified as facilitators of the enablement session.

During the School of Business and Liberal Arts Research Colloquium on March 9, 2023, the following students presented their studies:

- Anton Miguel Perez, Hans Furgan Go, Mary Andrea Dayao, Ma. Carmela Erica Bugarin, and Carlos Jacob De Guzman for *Taga-Bayad-Utang: A Phenomenological Study, Its Roles, and Implications*;
- Jesse Con Reillo for *Effects of Valorant on the Sleep Quality and Aggression Levels of Young Adults*;
- Patricia Erica Arganoza, Izaak Mikel Macaisa, Angelica Perez, Juren Duran Ursal, and Sean Ethan Sebastian Valdez for *The Effectiveness of Using Meme Marketing on Generation Z in the Philippines*;
- Frenz Yu for *On Being Hard Stuck: The experiences and coping of skill-based matchmaking gamers*;
- Ma. Dominique Magnaye for *Self-efficacy: Stories of Women in the IT Industry*; and
- Aldreen Flores for a phenomenological study on first-person shooter gamers and their experiences on toxic disinhibition.

In the realm of sports, Lenard Rigel Lancero II, an alumnus of BS Business Administration in Marketing Management from Batch 2017, attained a significant feat. He secured a place in the national ice hockey team of the Philippines, which competed and emerged victorious against the dominant host country in the 2023 International Ice Hockey Federation Ice Hockey World Championship Division 4 held in Mongolia in March 2023. This remarkable achievement propelled the Philippines from Division 4 to Division 3, marking a noteworthy milestone for Philippine ice hockey.

Also featured in March to April 2023 Baguio City's Montañosa Film Festival is Animation Alumna Alissa Sherburne's animated short film entitled "Bloom."

iACADEMY became a partner school of the University of the Philippines Statistical Society during the LIMITLESS 2023: National Youth Summit on Statistics held on May 27, 2023. Yetvoie Hanz Christian Fabellon, Kyle Fabila, Jedd Alean Fernando, Gabrielson Urich Lupac, Felise Jann Sanchez, and Jay R San Pedro joined as participants during the said event.

From the School of Computing, Robin James "Chasm" Javate, a student pursuing BS Entertainment and Multimedia Computing with a specialization in Game Development, achieved an exceptional feat by securing the 1st Place in the AcadArena Top Teamfight Tactics Player in May 2023.

In June 2023, SHS Dance Troupe CTRL participated in Dance Surge 6: Inter-high school Dance Choreography Competition.

COMPILE, one of iACADEMY's college student organizations from the School of Computing, showcased the students' talents as exhibitors at the CONQuest Festival in June 2023. It highlighted an impressive array of computer games, each developed by iACADEMY students.

In June to September of 2023, SODA Film and Visual Effects alumna Sophia Therese Velonza, was awarded a Creative Fellow by the 2023 Heroes Hub Youth Fellowship Program - Creative Track by DAKILA, Active Vista, and the Friedrich Naumann Foundation.

In September 2023, the Grade 12 SHS Multimedia Art students received the 'Special Jury' award from the Ground Glass Film Festival 2023 for their short film entitled "Do You Have a Pen?". This was directed by Athena Gwen Gaspar with the production crew being: Jamela Jane Tria, Ethan Alexander Vila, Ken Ichi Ono, Charlize Latayan, and Tristan Zachary Aguilar.

SHS Fashion Design alumna Beatriz Logco was a finalist for the *FMC Struttin' Denim Design Competition* held in October 2023.

On October 24, 2023, 1st year BSEMC-GD student Christina Anne Jao participated in the On-the-Spot Digital Painting Contest initiated by CHED Region 7 as part of their celebration of the 56th Association of Southeast Asian Nations Founding Anniversary. Ms. Jao won 2nd place, besting the upperclassmen of other universities and colleges in the region.

Heinz Calaguio, Deo Rondino, Deandre Paras, Jean Antonio, Justin Jose and Alex Arroyo, who are members of the college sports organization iSO, competed in Zero Crowd's 3x3 basketball in November 2023. It was organized by Zero Crowd SportS MNL, a basketball and volleyball camp for sports enthusiasts.

BSCS-Software Engineering students Ryan Caesar Itang, Nicholas Barilea, and Justine Benedict Umali were named National Champions and Grand Prize winners in the Huawei ICT Competition held online in December 2023. This prestigious competition included participants from top universities across the Philippines. Their victory qualified them to advance and compete in the regional level, representing

the Philippines internationally. This remarkable achievement reflects their hard work and dedication, setting a high standard for their peers.

In December 2023, the animation film “Wishes” by SODA student Danica Sy was declared Open Category Winner at Brunei Film Blitz.

In February 2024, SHS Fashion Design alumna, Eugene Malabad, received recognition from Preview’s Creative 25. In March 2024, she received recognition from MEGA’s 32 Best Emerging Designer.

Also in February 2024, Kyle Patrick Aguas, a fourth-year BSCS Software Engineering student and the captain of iACADEMY’s dance organization, Rhythm, performed with his dance group, BAWZ, in Vietnam during the SummerJam Camp. This camp has been the biggest dance event in the Asia Pacific region since 2015, attracting dancers from around the world to experience world-class training from an array of all-star dance coaches. BAWZ ranked first in the competition, triumphing over various dance groups from Australia, Singapore, Taiwan, Thailand, Malaysia, and Vietnam.

On March 9, 2024, two groups from SHS Grade 11 Software Developments strand successfully reached the semi-finals of “2024 Breaking Barriers, Building Bridges Hackathon” which was conducted by Accenture in collaboration with The Purposeful Mochi and Women in AI. The members of each group are: (Team A) Bea Athena B. Salazar, Alexia J’Nae L. Poblado, Sophia Alexi P. Singson, Donne Agatha Bronze L. Lerit; (Team B) Summer Clare L. Pinney, Precious Anne F. Labarete, Rhiana Isabel A. Otilano, Amelia Valene C. Ampil.

In March 2024, SODA Film and Visual Effects Capstone film Pusoy Dos by Isaiah Omaña, was awarded Best Director, Best Cinematography, and Best Sound by CINEBEDISTA 2024.

Also in March 2024, Arduino Philippines partnered with iACADEMY student organization COMPILE to organize the much-awaited Arduino Day in the Philippines. The one-day event was filled with talks from industry professionals and the vast possibilities of Arduino. More than 400 attendees, including individuals from various educational institutions, professions, and Arduino enthusiasts, participated in the event.

On April 2, 2024, several SHS Grade 11 students across strands bagged awards during the Asosasyon ng Pribadong Paaralan ng Makati, Inc. (APPMI) competition with the theme ‘*Ink, Inspire, Ignite: Creativity and Critical Thinking Unites*’. The list of achievements are as follows:

- The Software Development strand was crowned the champion for the competition ‘*Youth Catalyst: Crafting Solution for a Better Society (Pitching)*’ with the group members being: Roshan Grabelle D. Bautista, Precious Anne F. Labarete, Rhiana Isabel A. Otilano, Alexia J’nae L. Poblador, Rania C. San Pedro. On the other hand, the second place went to the Multimedia Art strand with Jeida Denise Arcangel Magno, Markus Ladisla Soto, Kristen Dawn L. Francisco, Jessica Zelle Tuazon Carabeo.
- In the ‘*Colors and Hues: Poster Making Competition*,’ Raine Eunice Sumandal was awarded as the champion.

In April 2024, BSCS-Software Engineering students Ryan Caezar Itang, Nicholas Barilea, and Justine Benedict Umali won the Grand Prize at the Huawei ICT Competition Asia Pacific 2023-2024 held in Jakarta, Indonesia. Competing against higher education students from across the Asia Pacific region, their victory qualified them for the Global Finals.

In May 2024, Ryan Caezar Itang, Nicholas Barilea, and Justine Benedict Umali made iACADEMY proud by clinching the Grand Prize at the Huawei ICT Competition Global Finals held in Shenzhen, China. Competing against top students worldwide, their victory at this prestigious event brings international

recognition to them and iACADEMY. Their triumph is a testament to the high caliber of iACADEMY students and the strength of its academic programs, inspiring the entire community to aim for global excellence.

In May 2024, SODA Film and visual Effects Capstone film Pusoy Dos by Isaiah Omaña won Best Sound, Best Editing at SINEPIYU 2024.

In May 2024, SHS Fashion Design alumnus, Vic Fajatin, was part of the top 6 finalists of MEGA Young Designers Competition.

On May 31, 2024, iACADEMY's Michael Anthony Albano, Angel Jovelle Caballero, Joshua Klein Garcia, Chrystal Jane Lirios, Ryan Peighton Maniquiz, and Don Gerardo Molina, under the guidance of their adviser Joven Makiling, were selected as presenters at the prestigious 7th International Conference on Asian and Philippine Studies. Their selection to present at this esteemed conference highlights their exceptional research and dedication to advancing knowledge in Asian and Philippine studies. This achievement honors the presenters and their advisers and underscores iACADEMY's commitment to academic excellence and scholarly contributions.

In June - July 2024, during internship at the advertising agency TBWA, SODA MMA student Timothy Ocampo was part of the successful campaign for DITO and Oishi. His works were adopted by the client, lauded, and implemented nationally and globally. He was also offered a position in the agency after graduation.

In June 2024, the Film Development Council of the Philippines' Student Film Assistance Program Grants awarded SODA Film and Visual Effects Students Three (3) iACADEMY Capstone Projects to receive ₱50,000 production grants, namely, *Memorare* by Sophia Velonza; *The Deaths Of Vegetables Have No Colors* by Aaron Castro; and *Mimawa* by Angel Del Carmen

In June 2024, the The Manila Film Festival 2024, awarded SODA Film and Visual Effects Students the following awards: Best Film, Best Director, and Best Production Design - Cendrick Labadia; Best Production Design - Baj San Jose at the Metropolitan Theatre in Manila.

In June 2024, SHS Fashion Design alumna Joanna Santos was featured as emerging designer on Rampa Manila 2.

In June 2024, SHS Fashion Design alumna Jayanne Rochiel Santos was a finalist for *Sulsi: Pasigueno Fashion Designers Competition*

Graduation Special Merit Awards

This Outstanding Leadership Award is granted by iACADEMY in recognition of the leadership skills and committed service shown by the graduating student.

- John Berlin P. Almanon (Bachelor of Science in Game Development with specialization in Game Programming and Design) received this award on August 14, 2021.
- Annika Joy (Nick Alexander) Aurellano (HUMSS) received this award on June 6, 2022.
- John Lorenz C. Arante (AB in Multimedia Arts and Design) and Ruka D. Azuma (AB in Multimedia Arts and Design) and Eugene D. Malabad (AB in Fashion Design and Technology) received this award on August 13, 2022.
- Arla Jan Patrick Ragun (Grade 12 Software Development) and Ma. Jan Rainne Cabarrubias (Grade 12 Animation) were given the Excellence in Leadership Award for

their exemplary performance in leading game changers, even outside the school, during the 6th SHS Graduation Ceremonies on June 16, 2023.

- For the 18th Commencement Exercises, Hannah Kathleen Corales Felix (Bachelor of Arts in Multimedia Arts and Design) was conferred the Outstanding Leadership Award on August 12, 2023.
- During the 7th Graduation Ceremonies last June 22, 2024. Aya Loren Zapanta (Media Arts and Design) was given the Excellence in Leadership Award for her exemplary performance in leading game changers even outside the school.
- Kyle Patrick Fuentes Aguas (Bachelor of Science in Computer Science with specialization in Software Engineering), Ada Therese Estampador Arbis (Bachelor of Arts in Psychology), and Felise Jann Sua Sanchez (Bachelor of Science in Computer Science with specialization in Data Science) are the recipients of this award for the 19th Commencement Exercises of iACADEMY on August 10, 2024.

The Outstanding Internship Award is given to a student who has successfully completed his/her internship and is deemed outstanding in his/her overall job performance and character.

- During the 16th Commencement Exercises on August 14, 2021, Nicole Kaye Rodriguez Bilon (BSCS with specialization in Software Engineering), Roxanne Bernadette Morillo Yabyabin (BSBA major in Marketing Management), Levan Carlo Palencia Delfin (BSBA major in Financial Management), and Max Damien Lubansky (BS in Animation) received this award.
- On August 13, 2022, during the 17th Commencement Exercises, Francis Geoffrey R. Parreñas (BSCS Software Engineering), Camille Nicole E. Pascua (BSCS Software Engineering), Krista Leigh S. Rodrigo (AB Multimedia Arts and Design), Christopher D.J. Sante (AB Multimedia Arts and Design), Alissa A. Sherburne (BS Animation), Mark Paolo M. Tormon (BSCS Software Engineering), and Mary Nicole T. Yabut (BSIT Web Development) received this award.
- For the 18th Commencement Exercises on August 12, 2023, the recipients were Patricia Erica Jerios Arganoza (Bachelor of Science in Business Administration major in Marketing Management), Sophia Marie Lukban Borja (Bachelor of Science in Animation), Danielle Vera Pedroza David (Bachelor of Science in Computer Science with specialization in Software Engineering), Patricia Cabel De Borja (Bachelor of Science in Computer Science with specialization in Software Engineering), Reynard Patrick Gandola Jalosjos (Bachelor of Science in Computer Science with specialization in Software Engineering), Rodolfo Rafael Navarro Pil (Bachelor of Arts in Multimedia Arts and Design), and Emanuel Gabriel Constantino Riñoza (Bachelor of Arts in Fashion Design and Technology).
- For the 19th Commencement Exercises on August 10, 2024, Cherie Reine Ann Garzon Alib (Bachelor of Science in Animation), Kurt Symuon Espiritu Boquiren (Bachelor of Science in Business Administration major in Marketing Management), Linus Aldrich Cabias Bustamante (Bachelor of Science in Computer Science with specialization in Software Engineering), Ma. Andrea Mendoza Dulatas (Bachelor of Science in Animation), Timothy Fort Defino Ocampo (Bachelor of Arts in Multimedia Arts and Design), Kharl Angela Nitario Panganiban (Bachelor of Science in Information Technology with specialization in Web Development), and Alma Patricia Cajigal Ramos (Bachelor of Arts in Multimedia Arts and Design) were the recipients of this award.

The Innovation for Service Award is granted by iACADEMY SHS in recognition of the students' abilities to seek and effect beneficial change for the school and the community through game-changing contributions such as innovative ideas and projects.

The following Software Development students were given this award on June 6, 2022 for their Project titled *iRESPOND*:

- Roger Canayon, Jr.
- Andrea Eliza Dulin
- Kean Angelo Denota
- Dana Louise Guillarte
- Jorge Clarence Jarne
- Juan Miguel Paulino
- Heart Shiana Ursua

Grade 12 Software Development students Jude Joseph Garcia Jr., John Mark Garcia, Gabriel Sarabosing, and Nash Herby Jucal SD12A were awarded the Innovation for Service Award for their contribution in developing a web application named FLOODLERT, a disaster awareness application, during the 6th SHS Graduation Ceremonies on June 16, 2023.

The Research Award is granted by iACADEMY SHS in recognition of the excellent contribution of the students' researches to the school and the community.

During the SHS Graduation Ceremonies on June 10, 2022 the following Multimedia Arts students were given this award for their research "*Super Strength has no Gender: A Study on the Portrayal of Gender in Mars Ravelo's Comic Book Characters*":

- Princess Angeline Dela Cruz
- Julia Isobel Encarnacion
- Marinelle Fernandez
- Neo Roiz Hombrebueno
- Faith Clarence Mamoso

Seven outstanding students from Grade 12 Graphic Illustration were awarded Recognition for Research during the SHS Graduation Ceremony on June 16, 2023. The research entitled: Constructive and Destructive Peer Criticism and Feedback: The Impacts on Beginner and Intermediate Artists was chosen by the panel and deliberation committee to be the most relevant and outstanding among the researches defended by the batch. The following are the proponents:

1. Marianne Faith Amaro
2. Aurea Layne Antonio
3. Isaiah Austria
4. Mario Oliver Bate
5. Alexa Lising (GI12A)
6. Rigel Sam Lumampao
7. Charlize Luspo

Licensure Examinations

In April 2022, iACADEMY landed among the top 10 schools with the highest number of passers in the Real Estate Appraisers Licensure Examination conducted by the Professional Regulation Commission (PRC), producing 30 licensed real estate brokers.

In September 2022, iACADEMY achieved 93.75% passing rate in the Real Estate Brokers Licensure Examination conducted by the PRC, with alumna Dexter Go securing the tenth place. iACADEMY ranked number one among schools with at least 80% passing percentage.

In April 2023, iACADEMY was one of the top-performing schools at the Real Estate Brokers Licensure Examination with alumni Clark Dustin Yueng and Queenzi Mae Comiso landing third and fifth places, respectively. iACADEMY obtained an overall passing rate of 70%, with a remarkable 66.76% passing rate for first-timers and a perfect 100% passing rate for repeaters.

In April 2024, iACADEMY was again one of the top-performing schools at the Real Estate Brokers Licensure Examination with following graduates landing in the top ten: Mary Ann Roque, 3rd place; Enrico Francisco Manalansan III, Janine Juanitas Ong and Davian Lee Chen, 4th place; Patricia Au Armamento, 8th place; and Jonathan Gabriel Agustin, 9th place. iACADEMY obtained an overall passing rate of 94.83%.

Faculty Development and Certification

STI ESG

STI ESG provides its faculty members with development programs designed as a system of services, opportunities, and projects that assist them in acquiring competencies necessary to perform their respective functions effectively.

The Courseware-based training (CBT) programs are held during semester and summer breaks for all faculty members from wholly-owned and franchised schools that aim to improve the teaching methodologies and content knowledge for specific courses. Courses offered for training vary from year-to-year depending on the results of the needs analyses of the faculty members of the whole STI ESG network.

Faculty Training

SY 2022-2023 started with the Ready to Teach program, a biannual faculty orientation aimed to prepare the senior high school and tertiary faculty members on the new courseware materials, the Outcome-based Education (OBE) principles, and the digital tools to help facilitate the classroom lectures. The sessions for the first term were held on August 24, 2022 for SHS faculty members and on August 31, 2022 for the tertiary faculty members. Meanwhile, for the 2nd term, the training sessions were conducted on February 8-9, 2023.

Faculty members teaching Bachelor of Multimedia Arts students also underwent a series of online trainings on August 22-23 and August 25-26, 2022. The Group conducted a graphic design lecture using Figma and FigJam, graphic design software, to enhance the in-classroom learning engagement activities. Andrea Idioma from the Film Development Council of the Philippines likewise discussed industry relevant digital sound production concepts and techniques.

Held also in August 2022, 49 Hospitality Management faculty members from different STI campuses participated in the eZee Absolute Property Management System (PMS) and eZee Optimus Point-of-Sale (POS) system training and certification that was facilitated by Netsynch Computer Solutions, sole authorized regional partner of travel technology company eZee Technosys. The five-day training aimed to equip the faculty members with knowledge and hands-on experience in navigating tourism and hospitality information systems.

The Academics Group kicked off SY 2023-2024 with its Ready-To-Teach (R2T) Orientation held on August 22, 2023. This two-day event aimed to prepare faculty members and support staff for the

challenges of the school term ahead. There were 1,645 academic personnel across the STI network who participated in the orientation.

In August 2024, a series of trainings were conducted to various faculty members. With speakers from Netsynch Computer Solutions, 23 Hospitality Management faculty members participated in a training program that enabled them to gain necessary knowledge and skills on using the eZee Optimus Point-of-Sale (POS) and eZee Absolute Property Management System (PMS). These systems are integrated in the courses Applied Business Tools and Technologies in Hospitality and Advanced Office Productivity Tools in Hospitality. On the other hand, 13 IT faculty members participated in a training with speakers from FastTrack IT Academy where they learned about SAP that was integrated in the IT courses. Amadeus likewise held a faculty training program that enabled 12 Tourism faculty members to gain the necessary knowledge and skills on the use of the Amadeus Basic Reservation software, which is integrated in the course Applied Business Tools and Technologies in Tourism. Lastly, 14 Computer Engineering faculty members were oriented and trained on how to effectively facilitate the course Robot Assembly and Programming with the use of the required robot kit, e-Gizmo's PBOT Jr. Standard.

A training program was also held for the Program Heads to orient/reorient them of their critical roles and function in key areas of academic operations (such as academic program management, faculty supervision and development, and student development and support) and how their performance affects the overall outcomes of the school management. The training was held in batches from November to December 2023 where a total of 211 Program Heads attended.

Conducted online from January to February 2024 and through STI ESG's partnership with SAP under the SAP University Alliances Program and Victoria University, 56 IT and 57 Business & Management faculty members participated in a training program that enabled them to understand the integration of SAP in the Business, Accounting, and IT courses.

On January 29-31, 2024, 13 Multimedia Arts faculty members went through a training program that enabled them to effectively deliver the courses Drawing 1 and 2.

Also conducted online from April to June 2024, a training program was held for 259 faculty members aimed to enhance their proficiency in teaching research and enable them to be more confident in teaching and guiding the students with their research projects

STI ESG likewise took significant steps toward creating a more supportive and responsive environment for mental health.

Through STI ESG's collaboration with PhilCare and Empath, a training program for guidance personnel was conducted onsite on July 12-13, 2023. The training aimed to equip the 54 participants with the necessary competencies in providing social emotional support to students in the areas of gender sensitivity and suicide awareness and prevention. The trainees were also oriented on how to use the Mindscapes platform to assist identified students with mental health concerns have access to licensed mental health professionals.

Meanwhile, in partnership with the UNILAB Foundation through its mental health and wellbeing pillar Heads Up PH, STI ESG successfully conducted the RACE Against Suicide Training of Trainers on December 19-20, 2023, at the STI Academic Center Ortigas-Cainta.

The RACE Against Suicide Training initiative is designed to equip educators with the necessary skills and knowledge to identify and address warning signs of suicide among students. This evidence-based mental health intervention program is tailored specifically for teachers and other school personnel who play a crucial role in the holistic development of students.

The training is set in two phases: First, at the concluded *Training of Trainers* headed by Dr. Sophia Mendoza, RGC, Rpm wherein she shared her expertise with the registered guidance counselors and licensed psychometricians of various STI College campuses. Secondly, the most noteworthy aspect of this program is its ripple effect in equipping teaching staff and non-teaching with mental health first aid skills to identify and support the students.

This project aims to empower school staff and those in the academe with tools that will contribute to the holistic well-being of the student body, placing a strong emphasis on mental health. As of June 26, 2024, the institution has successfully rolled out the RACE Against Suicide Gatekeepers' Toolkit training to 12 campuses, training a total of 627 faculty and staff members.

The partnership between STI ESG and Unilab Foundation reflects a united approach to tackling mental health challenges in schools. With training continuing through SY 2024-2025, STI aims to complete the training roll-out to 51 STI local schools.

Academic Head Training

The institution likewise provides training to its Academic Heads. In SY 2021-2022, the Academic Heads headed into a journey of introspection, reflection, discovery, and action towards a high-performing and positive academic culture that supports student learning, development, and success. Attended by 61 Academic Heads across the network, the training was conducted online via MS Teams on August 31, September 2, and September 3, 2021. Afterwards, follow-through sessions were held throughout the school year to continually monitor and assist the Academic Heads in the implementation of their academic improvement plans.

Academic Heads went through a three-day training on October 12-14, 2022 that is designed to further strengthen their knowledge in quality assurance and performance management so that they can take on a larger role in academic quality management. The 61 Academic Heads were oriented on: (1) how to interpret and apply quality concepts, principles, and requirements to the academic operations; (2) doing a baseline assessment of their academic quality assessment system using CHED's Institutional Sustainability Assessment (ISA) tool; and (3) create and execute a quality improvement plans for identified academic processes.

Faculty Certification

STI ESG administers a Faculty Competency Certification program (FCC), which evaluates a faculty member's knowledge of a particular course. FCC ascertains if the faculty member has the minimum level of competence needed to teach the course. Certification requirements include passing a comprehensive certification exam for each course and garnering above-average faculty evaluation ratings from superiors, peers, and students. Accordingly, the faculty members will be issued certificates after passing the certification exams per course.

In SY 2021-2022, 3,382 faculty members were certified, and 9,310 certificates were released. For SY 2022-2023, 3,896 FCCs were granted and 11,637 certificates were released. Meanwhile, SY 2023-2024 registered 4,582 certified faculty members and released 12,842 certificates.

STI WNU

Dr. Maria Teresa Asistido attended a webinar entitled "How Do We Get Published" on October 15, 2021. This was organized by the TESOL Academy in collaboration with Academics Education International Journal (AEIJ) and Association of Language Teachers in Southeast Asia (AL TSA). On January 21, 2022, Dr. Assistido also participated in the 2nd PH-US University Partnerships Networking

Event held via Zoom Platform. Dr. Asistido is an active member of the Asian Qualitative Research Association under the Adventist International Institute of Advance Studies in Silang, Cavite.

Shena Mae Melgar participated in the 2nd DOST-SEI Project Star International Conference with the theme, “Innovations, Challenges, and Transformations in STEM Education: Moving Forward in a Post-Pandemic World” held on November 16-18, 2021. She also attended the S.H.A.P.E UP! Thursday: Shape on a Healthy, Active, Positive, and Energetic Life during Uncertain Times Session 19, held on September 9, 2021, at the Learning Resource Center, at the University of the Philippines-Los Baños in Laguna.

Dr. Lilybeth Eslabon, participated in the Annual Educators’ Congress (AECON) 2022 with the theme “Keeping it Real” held on January 27-28, 2022. The congress was organized by the Resource for Educators and Academic Professionals. Dr. Eslabon also received a recognition of being a regular member of the Asian Society of Teachers for Research from August 16, 2022, to August 16, 2023. Dr. Eslabon also completed the 120-hour TESOL Certification Course conducted in May 2022.

On March 26, 2022, Dr. Christine P. Julom and Dr. Mercia Ann M. Apostol, members of the Faculty of College of Education Arts and Sciences (CEAS), participated in the Webinar for Teachers and Educators with the theme “Enhancing Students’ Engagement in Distance Learning Classes using Interactive Technological and Pedagogical Tools.”

On June 2, 2022, Reymark D. Barbas of the College of Hospitality and Tourism Management, participated in the conduct of the CHED-funded research project “Investigating Adult Education in Higher Education Institutions in the Philippines” held in Bacolod City.

Jonalyn Suarnaba and Liza Joy Barican participated in the National Criminology Conference at Midas Hotel, Pasay City last April 30, 2022. Ms. Suarnaba also attended the 3rd Integrated National Convention of Criminology Educators and Professionals held on July 21-23, 2022, at the Convention Hall, Marican Garden Hotel, Zamboanga City. Ms. Barican became a member of the Philippine Council of Criminology Deans and Faculty Members, Inc. on July 23, 2022.

On August 24, 2022, Anthony Pineda participated in the webinar “Rehiyonal sa Simposyum-Online sa Tertulyang Pangwika ’22”. He likewise joined the Pambansang Palihan-Online sa Tertulyang Pangwika on August 31, 2022.

Cherry Praico became a member of the GEO-Global Educators Professional Enhancement International Inc. on August 31, 2022.

Dr. Orvilla Balangue and Dr. Mae Lodana became members of the Philippine Society of Information Technology Educators Foundation Inc., for the Academic year 2022-2023.

Winnie Joy Mananap and Ms. Kimberly Perez, Faculty members of the College of Business Management and Accountancy joined SAP Integrated-Faculty Training for the 2nd Semester SY 2023-2024 at the STI ESG Head Office. Ms. Mananap also attended the Business Leadership Summit on March 22-23, 2024.

Ruth Concepcion and Edmundo Agana III, faculty members of the College of Hospitality and Tourism Management, participated in the training “Filipino Brand of Service Excellence” on July 11, 2023, Iloilo City.

Dr. Jake Lauren Mercado, University Prefect of Discipline, participated in the Workshop on the Development of Drug-Free Learning Institutions on July 20-21, 2023.

Winna Bucao, Ryan De Loyola, and Nahdem Columida, faculty members of the College of Information and Communications Technology, attended and presented their research during the 7th Asia International Multidisciplinary Conference on July 21-23, 2023, at Johor, Malaysia.

On July 26-30, 2023, Dr. Lilybeth P. Eslabon, Dean of the College of Education, with John New Year Valencia, Faculty, joined the 2023 National Folk Dance Workshop. She also joined the PACUCOA 2nd Accreditors Calibration Training on October 19, 2023, at Novotel Manila Araneta, Quezon City. Dr. Eslabon also joined "What an Extraordinary LIFE (Learning how an Individual with Special Needs Becomes Functional and Empowered) Seminar-Workshop" on May 10-11, 2024. She joined the seminar-workshop with CED faculty members Dr. Ma. Leni Francisco, Dr. Sharon Medez, Dr. Mercia Ann Apostol, and Julie Ann Aldivera.

Mary Gift Dionson, with Nahdem C. Columnida, faculty of the College of Information and Communications Technology joined the Training on Artificial Intelligence with Localized Implementation for Negros Occidental and Panay (PROJECT-TALINO-P) on August 22-25, 2023. She also participated in the Scale Startup Mapping Workshop on September 6, 2023. At the same time, she joined the AUDRN Hybrid International Research Conference on Local Knowledge 2024 on February 1-2, 2024, with Danica Duazo and Dr. Randolph Asistido.

Dr. Lalaine Rufin of the College of Engineering, together with Mary Gift Dionson of the College of Information and Communications Technology, participated in the TOUR DE TECH: The Information Technology and Software Roadshow Initiative on November 8, 2023. Dr. Rufin also joined the National Symposium on Innovations in Teaching & Learning on Industry 4.0 and Smart Nation (Visayas Leg) on April 25-26, 2024. She joined the symposium together with Dr. Felicidad Altalaguire and Dr. Renith Guanzon.

Ginalyn Pineda, School of Basic Education Principal, and Maybelle Geduriagao, Elementary and JHS Assistant Principal participated in the 2023 PhilEd Conference on December 5-7, 2023. They also joined the PAPSCU E3 2024: DISKARTE on January 27, 2024. They also attended the DIWA 5G Experience on February 24, 2024, with SBE Faculty members Clarence Mae Pagunsan and Jesette Cruz.

SBE faculty members Shenna Mae Melgar, Carmel Desuyo, Kristine Marie Infante, and Divine Mosquera attended the REX Matatag Road Show: Empowering Private Education Stakeholders for Curriculum Success on April 6, 2024.

Eunice T. Custodio, Director of the Human Resources Management Office, attended the Philippine Quality Award Training on August 14-18, 2023. Ms. Custodio also joined the ASEAN University Network (AUN-QA) International Conference 2023 on September 5-8, 2023, and the Family Welfare Association - Neg. Occ. Annual General Assembly on April 19, 2024.

Dr. Noli Diaz Jr., Edmundo Agana Jr., and Benjanssen Beronilla participated in the event "A Gastronomic Journey through the Surge of Filipino Cuisine" on October 17, 2023. Mr. Agana and Mr. Beronilla also joined the Butchering Seminar on November 29-December 1, 2023.

Dr. Felicidad Altalaguire, Dean of the College of Engineering, became part of the 3rd Western Visayas Industry, Energy, and Emerging Technology Research Committee on October 25, 2023. Dr. Altalaguire also participated in the National Symposium on Innovations in Teaching & Learning on Industry 4.0 and Smart Nation (Visayas Leg) on April 25-26, 2024.

Ruby Camayra, Librarian, participated in the Philippine Librarians Association (PLAI) Annual National Congress 2023 on November 20-25, 2023.

Engr. Mario Luis Eusebio and Engr. Glenn Segovia, faculty members of the College of Engineering joined the Visayan Journal of Science, Technology, and Innovation Workshop on December 11-12, 2023.

Dr. Mae B. Lodana, Dean of the College of Information and Communications Technology attended the “The Rise and Peris of Artificial Intelligence Seminar” on December 13, 2023. She also joined the 1st Semester Western Visayas Local Governance Resource Consortium on February 1, 2024, in Iloilo City. Dr. Lodana also attended the PSITE Region 6 Convention & General Assembly on May 17, 2024

Jarold Kinsman Alagos and Wilfredo Dela Cruz Jr., faculty members of the College of Criminal Justice Education, joined the 2nd Asia Pacific Conference on Educational Research, Social Science & Humanities (APCERSSH-2023) on September 24-25, 2023. Both also attended the 12th Philippine Professional Summit on October 17-18, 2023. Additionally, Mr. Dela Cruz joined the Digital Photography Workshop for Criminologists on February 8-10, 2024.

Jimmy Artus Jr., faculty member of the College of Criminal Justice Education, took a “National Crime Detection and Investigation Specialization Course” on April 6-12, 2024.

Dr. Dioscoro Marañon Jr. and Engr. Marlon Rojo of the College of Engineering became part of the 3rd Western Visayas Industry, Energy, and Emerging Technology Research Committee on October 24-25, 2023. Both also joined the National Symposium on Innovations in Teaching & Learning on Industry 4.0 and Smart Nation (Visayas Leg) on April 25-26, 2024.

Raymart Abella of the Research and Publications Office (RPO) participated in the Training on Writing Research Proposal for the Agriculture, Aquatic, and Natural Resources Sector in Western Visayas on February 22-23, 2024, and the Masterclass in Digital Research Tools on March 11 & 22, 2024.

Dr. Liza Joy B. Barican, Program Head of the College of Criminal Justice Education, joined the 2nd Asia Pacific Conference on Educational Research, Social Science & Humanities (APCERSSH- 2023) on September 24-25, 2023. Dr. Barican, together with CCJE Faculty Sensei Shemiah Angel Anzano, also joined the Orientation on Enhanced Table of Specification for Criminologists Licensure Examination (Visayas - Mindanao Leg) on May 10-12, 2024.

Ritchie Rose Ginete of the College of Criminal Justice Education participated in the 1st Silay Institute Research and Development Office International Multidisciplinary Research Conference on May 23-25, 2024, and the Hands-on Digital Polygraph Training Workshop on May 25-29, 2024.

Edreian Escototo, faculty of the College of Information and Communications Technology participated in the SAP Integrated-Faculty Training for 2nd Semester SY 2023-2024 on January 25-27, 2024 at the STI ESG Head Office. He also joined the Iloilo International Informatics Conference (I3C) on June 19-22, 2024, with Mr. Rhyan De Loyola.

Menalyn C. Viador, University Librarian, and her staff, Adelyn Ondoy, joined the 5th DSLP Librarian's Conference: Unbound and unstoppable Libraries: Reimagining Access, Embracing Innovation on June 26-28, 2024.

Edna Maricon Arca with Mary Lyn Mendoza and Joemarie Mainit of the College of Business Management and Accountancy attended the Empowering Educators with the Essential of Course-Based Project on April 30, May 15 and 30, June 13, 25 and 27, 2024 at the STI ESG Head Office.

Student Development

STI ESG

STI ESG believes that learning should not be confined within the four corners of the classroom. To ensure that its graduates are equipped with a well-rounded education that will help them reach their

highest potential, STI ESG encourages students to explore, enjoy, and learn through a wide array of academic, co-curricular, and extra-curricular activities.

iLearn and Share

STI ESG's iLearn and Share (iLS) is an exhibition of performance tasks in which senior high school students are assessed based on their products and/or performance. The performance tasks are proof of how well they understood and learned the task. Students can then apply their learnings to real-life situations.

In SY 2021-2022, STI ESG conducted a virtual nationwide SHS Expo. Instead of a big culminating event like in previous years, students submitted short videos of their projects through the eLMS. Graduating senior high students from various tracks and specializations developed and showcased over a thousand projects. The SHS Expo resumed as an in-campus activity in SY 2022-2023 and SY 2023-2024. Open to the local community and industry practitioners, SHS students set up booths to demonstrate their final projects. Some of the notable projects are from STI College Carmona and STI College Calamba. A group of students from STI College Carmona presented a voice recognition and control device that allows users to operate in-door lighting and fixtures. Meanwhile, STI College Calamba students were recognized by the Department of Tourism for creating a technology that functions similar to Google Maps but gives additional information on local tourist attractions.

College Fair and Symposium

In SY 2021-2022, the College Fair and Symposium was launched and conducted virtually from January 10 to 22, 2022. The event, consisting of two parts – the virtual exhibit and the virtual symposium, served as a suitable platform for the graduating tertiary students from different disciplines to showcase and demonstrate their projects and research outputs. For SY 2022-2023 and SY 2023-2024, the College Fair and Symposium was conducted as an in-campus activity where students from different programs showcased their projects and research outputs to their mentors, esteemed faculty members, fellow students, and guests from various industry sectors and companies.

Career Planning Program

The Career Planning Program (CPP) is a six-stage program comprised of activities intended to help senior high school students explore and evaluate various career options. Through the CPP, students are carefully guided in making well-informed educational and career decisions. For SY 2021-2022, all activities including the one-on-one career planning consultation were conducted online via MS Teams. The CPP resumed in SY 2022-2023 where 9,497 senior high students have undertaken the program. In the following year, SY 2023-2024, there were 6,662 students who participated in the program.

Guidance Service

Accessible via the Campus Helpdesk site, the guidance service was created to provide a standardized avenue for students to schedule an appointment with their school's guidance personnel. Launched during SY 2022-2023, 890 campus helpdesk tickets were created from 28 schools further highlighting the importance of providing the students today with sufficient professional assistance to help them cope with overwhelming situations. In SY 2023-2024, the online guidance service transitioned to face-to-face sessions since the students preferred in-person consultations in the guidance office. During this school year, the guidance offices across 63 STI campuses logged a total of 11,475 sessions with its stakeholders.

Talent Search

One of the much-awaited student competitions that marked its return during SY 2022-2023 is the Talent Search that aims to uncover the innate talent of STIers nationwide — from singers and musicians to dancers and up-and-coming models. All STI campuses nationwide send a total of over 100 contestants to compete in nine regional sites before advancing to the National Finals in events like the STI Singing Idol competition, Battle of the Bands, Hataw Sayaw Dance competition, and the search for Mr. and Ms. STI. Since 2016, the talent search has been streamed live on the STI Official Facebook Fan Page, making it more accessible to STI students nationwide. For SY 2023-2024, the national level was held at the Enchanted Kingdom in Sta. Rosa, Laguna on January 25, 2024. From 3,433 students who competed in the local school level, 116 students remained and competed for the coveted national championship titles.

Tagisan ng Talino (TNT)

The TNT is an annual academic competition that tests the competencies of students on impromptu speech, essay writing, mobile app development, cooking, cake and table design, flairtending, tour guiding, and general knowledge. Over the years, specific competitions comprising the TNT have been enhanced to ensure that the competitions' objectives are met. In SY 2023-2024, there were 6,188 students who participated in nine competitions in the local school level and 120 students competed for the national championship titles.

Tagisan ng Sining (TNS)

The TNS is an annual competition that aims to challenge the students' artistry, creativity, and originality in the field of photography and music video making. In SY 2023-2024, a total of 1,396 students eagerly joined the local school level competition wherein 236 students vied in the national screening level.

National Youth Convention

The 25th National Youth Convention (NYC) made its much-anticipated return in 2024. With the theme "VIBESHIFT: FIND YOUR MEANING," the convention delved into the depths of self-discovery, embracing uniqueness, amplifying passion, and uncovering meaningful impact. The NYC kicked off on February 21, 2024 in San Fernando, Pampanga; followed by key stops in Naga, South Luzon, Bacolod, Cagayan de Oro, Davao, Metro Manila, and Baguio from February to June 2024. There were 33,402 students who participated in the NYC all throughout the eight legs.

School Seminar

Offering a unique learning opportunity for thousands of STI college and high school students, the King of Talk, Boy Abunda, held the second leg of the 'GMA Masterclass: The Conversation Series' at STI College General Santos on April 5, 2024.

The GMA Masterclass: The Conversation Series offers the youth limitless opportunities to learn about honesty and self-discovery. In addition to studying successful communication techniques, students under Boy Abunda's guidance dug deeper into their own narratives, areas of interest, and distinctive voices. This emphasizes the value of effective communication in developing students to become competent communicators, which is exactly in line with STI's graduate attributes.

Hosted by '24 Oras Game Changer and Sportscaster, Martin Javier, Abunda shared his humble beginnings, captivating the hearts of the audience with his journey from a very simple life to becoming a respected television host and public speaker, and offered tips on becoming an effective communicator.

STI WNU

In fulfillment of the vision and mission of STI WNU, the Students Development Office (SDO), which is under the Office of Student Affairs and Services (OSAS), provides and implements a comprehensive student development program with oversight on all issues and resources related to student life. Its component areas are designed and devoted to serving all students ensuring that it provides a wholesome atmosphere for learning and dwelling that is conducive to the attainment of the academic goals of the students. The following are the component areas of student development: (1) Student Government, (2) Student Organizations, (3) Student Paper and Publication, (4) Student Yearbook, and (5) Campus Ministry.

The SDO ensures and promotes the basic well-being of the students, designs all programs and activities for the enhancement of leadership and commitment to social responsibility, and delivers the essential student services for the achievement of a holistic personality.

Co-curricular and extra-curricular virtual activities of the students continued despite the absence of face-to-face classes during the pandemic. Student Government, Student Councils, Student Publications, and other student services and programs continued to be active through various social media platforms, including the school's official online student portal, Office 365. Consisting mostly of webinars, virtual meetings and discussions, and other creative means of student engagement and exchange, student development and welfare were never hampered. The STI WNU Fan Page on Facebook as well as the official STI WNU Website is alive and well, full of student updates, news, information, and activities.

Kasadyahan Season

This is a major extra-curricular activity of STI WNU which starts on October 1, the anniversary of STI Holdings' acquisition of the University, and ends on February 14 during the Foundation Day of the University. *Kasadyahan* is from the root word *sadya* meaning jolly, reflecting the merry-making or fun-filled competitions of colored kingdoms from the seven colleges of the University. The competitions range from sports, the performing arts, and academics.

Due to the increased student population, the University football field was transformed into a dynamic venue for Kasadyahan Season 10, which commenced in September 2023, accommodating the larger crowd with a groundbreaking 360-degree stage design.

Virtual Kasadyahan

With the impositions of community quarantine brought about by COVID-19, STI WNU launched the Virtual Kasadyahan where all activities were conducted online, and continued until COVID-related restrictions were lifted in 2022. It has been participated by the different teams together with Team Captains of Orange Erudites, Yellow Tycoons, Pink Vikings, Green Titans, Purple Wizards, Blue Guardians and Red Sentinels. It was a successful event composed of virtual competitions. In February, 2022, the Virtual Kasadyahan Season 8 was held with the same teams (colors). However, this time, it was organized by academic level namely, the College, Senior High School, Junior High School, Elementary, and the Faculty and Staff. The virtual competitions included Vocal Solo and Duet, Lip Sync, Pop Dance and Tiktok, Poster and Slogan Contest, Mobile Legends, Electronic Chess, Electronic Snake and Ladders, Essay, News Casting, Character Interpretation, and Quiz Bowl.

Hybrid Kasadyahan

In September 2021, as the world continued to navigate the challenges of the pandemic, Kasadyahan – a cherished institutional event – underwent a significant transformation. After its initial shift to virtual

platforms, the event made a cautious yet determined return in a hybrid format, blending the best of both in-person and online experiences. This transition was carefully planned, with health and safety as top priorities, reflecting the institution's commitment to preserving tradition while safeguarding the well-being of its community.

The return of Kasadyahan was marked by a thoughtful reintroduction of face-to-face activities. Individual sports events were at the forefront, selected for their ability to be conducted within the campus environment's safety. These events allowed students to physically engage with the spirit of competition and camaraderie that Kasadyahan is known for, while strict adherence to health protocols ensured that safety was never compromised.

Simultaneously, several key components of the event—such as Literary, Musical Events, and E-Sports—remained in the digital sphere. These activities, having successfully transitioned to online platforms during the pandemic, continued thriving in the hybrid model. The continuation of these virtual events ensured that the inclusivity and broad participation characteristic of Kasadyahan were maintained, allowing students who could not be present on campus to still engage fully.

The 2021 Kasadyahan season was more than just a return to tradition; it was a testament to the resilience and innovation of the institution and its members. By embracing a hybrid model, Kasadyahan not only revived the vibrant spirit that had been temporarily subdued by the pandemic but also introduced new ways of celebrating that are likely to influence future iterations of the event. This season marked a pivotal moment in the event's history, as it demonstrated the power of adaptability and the enduring importance of community, even in the face of unprecedented challenges.

Christmas Festival of Lights

The advent season in STI WNU is marked by one of the most-awaited events in the City of Bacolod, the hour-long Christmas Parade of Lights. This event is initiated by the Physical Education Department where the PE students create beautiful lighted Christmas lanterns for the parade around the city. The creativity of students shown in the lanterns being showcased during the parade along the city's major streets and the spectacular firework display that follows are STI WNU's way of saying "Merry Christmas!" to the "City of Smiles".

In December 2023, in an ongoing partnership with the local government, the Christmas Festival of Lights expanded its reach by introducing a new route from STI WNU to the Bacolod City Government Center (BCGC). STI WNU once again orchestrated a mesmerizing transformation of Bacolod into a radiant tapestry of lights and festivities. Also collaborating with K5 News FM (Radyo Bandera) under the theme "Be A Star This Christmas," the event culminated in a festive atmosphere with a captivating lights-on ceremony, energetic street dance performances, and a thrilling arena competition, all enjoyed by the enthusiastic Bacolodnon community.

Student Organizations Week

This weeklong activity, held every September, is spearheaded by the Supreme Student Government, a student body composed of elected officers from the various colleges, in cooperation with the Council of Student Organizations (CSO), an alliance of all accredited student organizations. The participating organizations, classified according to their advocacies – religion, regional ethnicity, civic involvement, service, sports, culture and arts – display "specialty" products in assigned booths located all over the student activity area. To spice up the event various activities such as music competitions, laro ng lahi (games), concerts and fellowships are held.

STI WNU Student Leadership Camp

In 2019, the SDO initiated the STI WNU Leadership Camp. This event brought together a diverse group of student leaders from across all departments, creating a vibrant and dynamic environment for growth and collaboration. Attendees included not only the traditional student government leaders but also captains of the various sports teams, representatives from student interest groups such as the Glee Club, ROTC, Lente, the School Publication, and the Ambassadors team. This diverse mix of participants ensured that a wide array of perspectives and talents were represented, making the camp a truly inclusive and enriching experience.

The camp itself was anchored on three core values: Loyalty, Commitment, and Gratitude. These principles formed the foundation of all activities and discussions throughout the event, serving as guiding lights for the student leaders as they explored their roles and responsibilities within the school community. Loyalty was emphasized as a key trait, not only towards the institution but also towards the teams and groups they lead. Commitment was highlighted as an essential element of effective leadership, encouraging students to fully dedicate themselves to their roles and responsibilities. Gratitude, often overlooked, was instilled as a crucial attitude, reminding students to appreciate the opportunities and privileges they have been given, and to lead with humility and a sense of thankfulness.

One of the camp's primary objectives was to promote school spirit and unity among the participants. By bringing together leaders from different areas of the school, the camp fostered a sense of camaraderie and shared purpose. The activities were designed to reinforce the idea that being a student leader is not just a role, but a privilege that comes with the responsibility to represent and uplift the entire student body. The camp sought to instill in the participants the understanding that their presence and opportunities at STI WNU are not to be taken for granted but are a limited privilege that comes with the expectation of giving back to the community.

Throughout the camp, participants engaged in various team-building exercises, leadership workshops, and reflective discussions, all of which were designed to help them internalize the values of Loyalty, Commitment, and Gratitude. These activities were not just about enhancing their skills as leaders but also about deepening their connection to the school and to each other. By the end of the camp, the student leaders emerged with a renewed sense of purpose, a stronger bond with their peers, and a clearer understanding of what it means to lead with integrity and heart.

The SDO, in collaboration with the STI WNU Administration, has continued to refine and enhance the program, ensuring that it remains relevant and impactful to the evolving needs of STI WNU students up to the present.

More than just a training event, the STI WNU Leadership Camp is a transformative experience that empowered students to take their leadership roles to the next level. The lessons learned and the connections made during the camp will undoubtedly resonate throughout the school year, as these leaders carry forward the values and spirit of the camp into their respective roles, inspiring others to do the same.

The Torch Bearer – Official Yearbook Publication

The Torch Bearer, the official yearbook publication of STI West Negros University, has earned a distinguished reputation for its innovative and high-quality yearbooks, a tradition that has been upheld since 2015. This commitment to excellence reflects the editorial board's dedication and is a testament to the strong and ongoing partnership with Midtown Printing Press Co. Inc., a leading name in the printing industry.

Since this collaboration's inception, the editorial team of The Torch Bearer has been privileged to work closely with Midtown Printing's seasoned professionals. This partnership has provided the students with invaluable opportunities to engage with industry experts, including the company's editor, who brings years of experience and a wealth of knowledge to the table. The hands-on guidance from the company's editorial team has been instrumental in helping the students refine their skills in layout design, content creation, and overall yearbook production, ensuring that each edition is a true work of art.

Moreover, the partnership extends beyond technical support. The editorial board has had the unique opportunity to meet and interact with the president of Midtown Printing Press Co. Inc. These interactions have gone beyond mere formalities, offering the students deep insights into the company's vision and ethos. Discussions with the president have focused on aligning the yearbook's production with the broader goals and values of STI WNU, ensuring that each edition of The Torch Bearer not only captures the memories of the academic year but also reflects the university's commitment to excellence, innovation, and the holistic development of its students.

One of the key topics of discussion has been the vision of the university and how it can be embodied in the yearbook. The president of Midtown Printing has been keen to support the university's thrust towards producing yearbooks that are more than just a collection of memories – they are meant to be timeless memorabilia that students will cherish for years to come. These yearbooks are designed to capture the essence of the student experience at STI WNU, showcasing not only academic achievements but also the vibrant student life, the diverse talents, and the shared moments that define the university community.

This collaboration has enabled The Torch Bearer to push the boundaries of traditional yearbook publishing. Each year, the editorial board, in partnership with Midtown Printing, strives to introduce new and innovative elements that set the yearbook apart from previous editions. Whether through innovative design techniques, the incorporation of digital elements, or the inclusion of interactive features, The Torch Bearer continues to evolve, setting new standards for what a yearbook can be

As a result, The Torch Bearer has become more than just a yearbook; it is a symbol of the university's dedication to quality and creativity. Each edition serves as a lasting testament to the hard work, talent, and vision of the students, faculty, and staff of STI WNU. Through this ongoing partnership, The Torch Bearer continues to shine brightly as a beacon of the university's commitment to preserving the memories and milestones of its students in a way that is both meaningful and memorable.

Unleashed – Official School Publication

Established in 2020, the official school publication, Unleashed, holds the important responsibility of documenting all school-related activities, ensuring that no significant moment goes unrecorded. This includes covering a wide range of institutional events, from academic achievements and cultural celebrations to sports competitions and leadership activities.

Unleashed serves as the voice and record-keeper of the school, capturing the essence of campus life through articles, photographs, and stories that reflect the vibrant and diverse experiences of the student body. Whether it's highlighting the success of a major event or providing in-depth coverage of everyday happenings, Unleashed plays a crucial role in preserving the history and spirit of the school for current students and future generations alike.

iACADEMY

Student Activities and Leadership

The Office of Student Affairs and Services (OSAS) of iACADEMY spearheads programs that support the school's aim to maximize the full potential of the students through activities that promote holistic growth, development, and enhancement of students' overall learning experience. The department initiates institutional events ranging from leadership seminars to game changing projects that uphold the learning outcomes that iACADEMY advocates.

One of the strategies that OSAS undertakes is engaging students in curricular and extracurricular activities. With this, iACADEMY provides opportunities for students to form or be part of school-recognized student organizations that develop their creative and leadership skills, as well as their social, cultural, physical, and recreational growth. To date, there are 25 iACADEMY Student Organizations which include the following:

College Student Organizations:

- COMPILE – is dedicated to the promotion of Software Engineering and development of future engineers.
- PIKZEL – represents the student body's graphic design community and promotes students' interest, talents and skills in graphic design - be they traditional or digital.
- PRIMA (College Chapter) - aims to uphold, enhance, and expand the learning of students particularly in the field of fashion design that will help them become pioneers in the industry.
- Octave (College Chapter) - recognizes individuals with talents in music. It aims to enhance the musical, recreational, social and cultural environment of iACADEMY.
- OPTICS - involves the lens and the camera as a medium of forming an art.
- Rhythm – is dedicated to the preservation, study, teaching, and enjoyment of Western and Filipino traditional and historical dance.
- Filmmakers Society of iACADEMY (FSi) - aims to stimulate students' interest in short film making and to utilize their interest in promotion of values and morals.
- INSIGHT - provides a platform for students not only to raise awareness about Psychology in the Philippines but also their own advocacies towards mental health awareness, suicide prevention and community development through activities and seminars.
- The Moonlight Tavern - aims to bring communities of people who share an interest in tabletop games and involve their own ideas to make their own games fun and interesting as people and as well as creators.
- Momentum - Momentum is an organization for students who have the passion for animation production. They believe that individuals can learn and hone their creative potential in writing, illustrating and designing.
- Elix- is the official esports organization of iACADEMY that promotes resilience, camaraderie and collaboration.

- iACMEDIA - is an audio and production org that specializes in music production, hosting and video creation.
- Wonder- iACADEMY's business org aims to mold its members to be prepared in the field of marketing, sales and other business-related skills.
- iACT- is the official theater organization of the school that covers different genres, including drama, horror, and comedy.
- iSO - iACADEMY Sports Organization is designed for students who have a passion for sports.
- Central Student Organization (CSO) - is the sole, unified, autonomous and democratic representative body of the college students of iACADEMY. The prime duty of the CSO is to protect and defend the students' rights as embodied in the Magna Carta of students and to organize relevant student development activities.

The 2nd term of SY 2023-2024 saw the birth of the first 3 student organizations of iACADEMY Cebu. They are as follows:

- THESPIA - this organization is composed of passionate and talented game-changers dedicated to the performing arts. It provides a platform for creative performers to showcase their skills through various forms such as theater plays, band performances, a cappella singing, acting skits, musical performances, and more, all while excelling in their respective fields of study.
- VZN Arts and Animation - the organization is open to game changers interested in the visual arts – drawing, painting, and crafts either it is for personal or class projects. Its aspiration is to showcase the artistic abilities of the students through diverse projects throughout the years.
- Kasa del Tura - Kasa del Tura is an organization built on the appreciation and cultivation of style and couture. The name is coined from "House of Couture," which the organization aspires to be a community for creatives and enthusiasts to come together and grow.

These student organizations played a crucial role in the commemoration of iACADEMY Cebu's 1st Foundation Anniversary from January 30 to February 12, 2024. Most, if not all, of the activities during that celebration were conducted by these students.

Senior High School Student Organizations:

- Interactive Media and Gaming Guild (IMGG) - is an organization that strives to promote the potential of students to excel not only in playing, but also in developing and creating games.
- iACADEMY Junior Software Developers (iJSD) - is an organization of Software Development students who want to promote Software Development through fun and engaging activities.
- Vektor - is dedicated to the practice and promotion of graphic design and illustration.
- Sining na Naglilikha ng Buhay (SinLikHay) - is an organization that aims to develop traditional and digital animation.

- PRIMA (SHS Chapter) - aims to uphold, enhance, and expand the learning of students particularly in the field of fashion design that will help them become pioneers in the industry.
- Octave (SHS Chapter) - recognizes individuals with talents in music. It aims to enhance the musical, recreational, social and cultural environment of iACADEMY.
- Young Filmmakers Society of iACADEMY (YFS) - aims to stimulate students' interest in short film making and to utilize their interest in promotion of values and morals.
- CTRL Dance Troupe - takes pride in providing a nurturing atmosphere to enable students to reach their fullest potential and build their self-esteem while experiencing the true joy of dance.
- SiLAKBO - is the official humanitarian and community development organization of iACADEMY Senior Highschool department.
- Basic Integrated Theater Arts Guild of iACADEMY (BITAG of iACT) - is the Official Senior High School Theatre Arts Organization of iACADEMY aims to work with individuals who are passionate in the field of theatre. Aside from this, BiTAG aims to produce guild productions, events performances, and conduct workshops.
- Anime Habu - is an organization for students interested in the diverse art form of Anime. The organization is a community that helps each member grow and at the same time enjoy and appreciate Anime.
- Velocity - aims to exemplify the rate of change towards our destination of environmental sustainability and protection.
- The Spines - is the organization that consists of students who are passionate about sharing their love and interest in literature.
- Student Council (SC) - is the sole, unified, autonomous and democratic representative body of the Senior High School students of iACADEMY. The prime duty of the SC is to protect and defend the students' rights as embodied in the Magna Carta of students and to organize relevant student development activities.

iLEAD: iACADEMY Leadership Empowerment and Development Team Building

iLEAD is an exclusive student leadership formation program tailored to develop the Central Student Organization (CSO), and officers of student organizations. This program aims to foster a culture of student engagement and volunteerism, encouraging active participation in school initiatives and programs. It equips student leaders with practical conflict resolution techniques such as team building, discussions and strategic planning. Through this program, student leaders become advocates of iACADEMY's Core Values, promoting unity, camaraderie, and a sense of competitiveness while representing their respective organizations and the school.

Org Execom General Assembly and Student Leadership Seminar

The Org Execom General Assembly and Student Leadership Seminar is an exciting and informative event organized by iACADEMY's Student Org Execom. The primary objective of this event was to provide orientation and essential information to incoming officers about student activities, conduct, and policies within the institution.

Through this interactive and engaging activity, the Org officers had the opportunity to get acquainted with each other and build strong connections with their fellow student leaders. Creating a sense of camaraderie and unity among the student leadership is a crucial aspect of the event, fostering an environment of collaboration and teamwork among various student organizations.

Additionally, the highlight of the event was an inclusion of a guest speaker, someone experienced and knowledgeable in the field of student leadership and servant leadership. The guest speaker shared valuable insights, experiences, and best practices related to effective leadership, emphasizing the principles of servant leadership.

This event stands as a testament to iACADEMY's commitment to nurturing competent and compassionate student leaders. By providing a platform for orientation and networking, the Org Execom General Assembly and Student Leadership Seminar seeks to empower students to lead with excellence, fostering a culture of mutual support and growth within the iACADEMY community.

In December 2023 and May 2024, a series of iLEAD Team Building and Seminar Workshops were conducted for iACADEMY's SHS and College student leaders. The workshops covered topics such as character strengths, time management, communication style, decision making, and event planning, alongside engaging team building activities.

Members of iACADEMY's student publication, Game Changers Press, attended a talk organized by Rappler entitled, "By the Youth, For the Youth: How to Take Action on Issues Within and Beyond the Campus" in February 2024, alongside various college youth groups in Metro Manila. In addition, they attended "FUTURE OF MEDIA 2024: Fighting Misinformation and Strengthening Independent Media" in April 2024.

Career Readiness Programs

Some of the programs that the External Linkages and Partnerships Department (ELPD) leads are the Career Readiness Programs for Immersion and Internship. This is being conducted for grade twelve (12) students and incoming interns.

Various Career Readiness Seminars are conducted to tackle topics such as preparing your application, mock interviews or portfolio review, among others. The seminars culminate in a Career Fair where students get the opportunity to practice what they learned and network with iACADEMY's industry partners.

Those who are already enrolled in the Internship Course have the chance to discuss progress and challenges at work as well as process the learning experiences that they have in their host companies through a monthly session with the Internship Coordinator.

Post-Graduation Report

STI ESG

The STI Alumni and Placement Services (STI APS) department, through the respective STI School's Alumni and Placement Office, surveys the graduates to track employment rate. Based on the most recent reports, around 73% of surveyed graduates are employed within six months after they graduate.

Interactive Career Assistance and Recruitment System (I-CARES)

As part of the job placement assistance of STI, the STI APS institutionalizes partnerships locally and internationally to help increase the employability of graduates through the Interactive Career Assistance and Recruitment System.

The I-CARES is an exclusive job search system for STI graduates that facilitates the easy dissemination of information by STI's partners for their placement opportunities and provision of candidates (STI graduates) to fill in job openings. Partners of STI ESG for the job placement of STI graduates may post their job openings and request lists of graduates through www.i-cares.com or the I-CARES at no cost. There are close to 500 partner companies that use I-CARES. During SY 2022-2023 and SY 2023-2024, 163 and 260 partner companies registered to use I-CARES website, respectively.

STI APS launched the STI Virtual Career Fair 2021 on January 29 and February 10, 2021 with Accenture, and on February 11, 2021 with Teleperformance. This is an industry-academe collaboration to assist graduating students and alumni to be informed of the new recruitment practice amid the ongoing pandemic and link them to job opportunities. With speakers from Accenture and Teleperformance, the career fair was both a webinar and virtual recruitment that was held exclusively for STI. Almost 500 graduating students and alumni nationwide attended the virtual career fair.

In the following year, SY 2021-2022, STI APS successfully conducted six virtual career fairs: Harnessing the Power of Opportunities for Holistic Growth/Data Analytics with Accenture on May 12, 2022; IT Management Trainee Program Qualifying Test with Metrobank on May 25, 2022; Serverless Framework and Agile Methodology with Digiteer on June 3, 2022; Developing Communication Skills with VXI on June 9, 2022; Anatomy of a Digital Talent: Upskilling with UBP Xcellerator with Unionbank on June 15, 2022; and Advice on Tech Tracks and Creating a Tech CV that Stands Out/Recruitday on Metaverse with Recruitday on June 23, 2022. These virtual career fairs were held exclusively for STI students and also served as an online recruitment activity that were attended by almost 2,000 students across the STI network.

STI APS also held the National Job Placement Month (NJPM) 2.0, a redesigned placement program that consists of online employment preparation seminar and virtual recruitment activities through the eLMS, from April to June 2021. The program aims to prepare the graduating students on how the "new normal" has changed the employment landscape and, at the same time, provide tips on entrepreneurship opportunities. Around 2,068 graduating students joined the seminar and 294 employers participated in the virtual recruitment. For SY 2021-2022, there were 7,385 graduating students who joined the online seminars and 400 employers who participated in the virtual recruitment.

For SY 2022-2023, the NJPM 2.0 was relaunched as the National Career Fest. Schools nationwide conducted the program as an onsite career fair from April to June. Meanwhile, STI APS hosted eight virtual career fairs with 2,763 student participants from different programs nationwide.

In the following school year, SY 2023-2024, there were 6,134 students and 539 partner companies who participated in the National Career Fest and five virtual career fairs were held from May to June 2024 with 1,097 student participants nationwide.

STI Distinguished Alumni Awards

STI ESG launched the STI Distinguished Alumni Awards (STIDAA) in 2014. STIDAA honors, awards, and recognizes alumni of STI campuses who have received distinctions and achievements in their chosen fields. Since its inception in 2014, 96 alumni have been awarded and recognized for their outstanding accomplishments.

In 2024, STIDAA recognized and honored 11 notable alumni in a gala event held at The Forums, Solaire Resort in Paranaque City on May 31, 2024. The 2024 STIDAA National Awardees were Hannah Jill

Bato, Bill Ringer Salalima, Esther Correo, Lystra Aurel Angeles, Angelo Rivera, Mark Ramos, Jacquelyn Adormeo, Jessica Grace Parks, Cris John Benavente, Abner Aler, and Shina Aquino.

STI WNU

The STI WNU Alumni & Placement Office (STI WNU APO) establishes and implements placement and program services that empower the alumni of the University. It records and documents alumni tracers and directory to provide necessary information and services. It also conducts surveys to track the employment rate of the students six months after their graduation.

For SY 2021-2022, several programs such as Civil Engineering, Electrical Engineering, and Computer Science stood out with impressively high employment rates exceeding 90%. On the other hand, programs such as Criminology and Psychology report lower employment percentages suggesting potential areas for improving graduates' job prospects in these fields. Despite some variations, the overall percentage of employed graduates across all programs stands at approximately 79.12%, reflecting a strong overall employment success rate. This data highlights the institution's commitment to equipping graduates with the skills and opportunities required for successful careers while emphasizing the importance of ongoing efforts to enhance employment outcomes in all programs.

For the Academic Year 2023-2024, out of 727 total graduates, 544 were successfully traced, resulting in a tracing rate of 74.83% and an overall employment rate of 47.43%. The tracer study survey, conducted six months after graduation from March to June 2024, provided job outcomes across various colleges, highlighting differences between board and non-board educational programs.

Among non-board programs, the overall employment rate was 57.9%. The College of Business Management and Accountancy had the highest employment rate at 68.2%, with Business Administration in Financial Management performing particularly well at 76.67%. The College of Arts and Sciences followed with a 56.3% employment rate, with BA Communication and BS Mathematics both achieving 75% employment. The College of Information and Communication Technology recorded a 53.52% employment rate, with Computer Science leading at 71.43%. The College of Hospitality and Tourism Management also performed well, with a 55.77% employment rate.

In contrast, board programs had a lower overall employment rate of 33.62%. BS Psychology under the College of Arts and Sciences had the highest employment rate at 67.64%. The College of Engineering had a high tracing rate but a lower employment rate of 29.41%, with Civil Engineering performing better at 39.53%. The College of Education recorded a 29.69% employment rate, with stronger outcomes in Elementary Education and Major in English. The College of Criminal Justice Education had the lowest employment rate at 9.43%.

The significant difference between the employment rates of non-board and board courses can be attributed to many students in board courses prioritizing their board exam reviews during the survey period, impacting their immediate employment outcomes.

Job Fairs and Employment Preparation Seminars

STI WNU APO helps the Guidance Services Office place graduating students by providing them access to employment opportunities through job fairs and seminars in preparation for employment.

In SY 2021-2022, STI WNU joined STI ESG in the celebration of the National Job Placement Month (virtual mode). There were 529 graduating students out of 582 who participated in the online activity, which includes a career module for Job Hunting 101, Video Interview, Extreme Make-Over: Hire Me!, Creating a Winning Resume, Financial Goals, and Video Resume.

In SY 2022 -2023, a series of seminars were initiated to equip participants with the latest insights and industry trends. On May 3, 2023, STI WNU Executive Vice President Dr. Ryan Mark S. Molina delivered a thought-provoking and inspiring talk entitled "I TALKED TO ME (Reflection, Preparation, Action)" at the university's Teodoro Hall to provide invaluable guidance and motivation to the graduating students of STIWNU as they prepare on their career journeys.

On May 8, 2023, two seminars were initiated: First, "Exploring Career Paths: Finding your Passion and Purpose" by Christian Dasig aimed to inspire students to embark on a journey of self-discovery, helping them identify their true passions and purposes in their chosen career paths. Second, "Unlocking Your Potential: Strategies for Building a Growth Mindset and Overcoming Insecurity" by Therese Pellejo, RPsy aimed to equip students with the necessary tools to cultivate a growth mindset and overcome insecurities, fostering resilience and confidence in their professional pursuits.

On May 19, 2023, mock job interviews were conducted at Teodoro Hall to build students' confidence and hone interview skills that are crucial for success in the job market. Students from the College of Information and Communications Technology (CICT), College of Criminal Justice Education (CCJE), College of Education (COED), and College of Engineering (COE), College of Business and Management Accountancy (CBMA), College of Hospitality and Tourism Management (CHTM), and College of Liberal Arts and Sciences (CLAS) participated in the mock job interviews. Students from the COED achieved an impressive 81.6% attendance rate or 71 students indicating strong engagement in the activity followed by the CICT and the CCJE which had noteworthy attendance rates of 69.2% or 63 students and 71.6% or 58 students, respectively.

On May 31, 2023, the Senior Job Fair was held at the university gym. This provided a genuine employment application experience, offering seniors or graduating college students a chance to secure immediate job offers. The event garnered participation from 19 different companies while 22.16% or 160 students of the expected attendees joined.

In SY 2023-2024, the Career Development and Job Placement Office (CDJPO) of STI WNU conducted a series of activities to prepare the graduating class for their transition to the professional world, engaging approximately 645 students.

On October 19, 2023, the CDJPO held an orientation with varying attendance rates across colleges. The College of Education had the highest attendance at 93.33%.

Psychological tests and interpretations were conducted on October 28, 2023, November 11, 2023, and February 29, 2024, helping students align their career paths with their strengths and interests. A seminar on resume making and job application strategies was held on October 5, 2023, enhancing students' employability.

On April 12, 2024, Dr. Molina led a career coaching seminar focusing on self-assessment, goal setting, and strategic career planning. Mock job interviews on May 10 and June 24, 2024, provided practical experience for students, boosting their readiness for real-world interviews.

The Job Fair, the highlight of the senior activities, took place on May 31, 2024, with 30 companies participating. Participating industries include retail (hardware and home improvement), conglomerate (various industries including real estate, retail, and services), general services, business process outsourcing (BPO), environmental technology (energy solutions), migration services, hospitality (hotel), real estate, printing and publishing, information technology, distribution and wholesale, presentation design services, healthcare (hospital), education, automotive (car dealership), and logistics and courier services.

Grand Alumni Homecoming

In commemoration of the Founding Anniversary of the University, STI WNU APO facilitates the grand alumni class reunion every second week of February.

The 74th Grand Alumni Homecoming, hosted by alumni batch 1972 and batch 1997, was held on February 12, 2022. The activities included a motorcade, recognition of outstanding alumni, and a fellowship lunch. More than a hundred alumni attended.

On February 10-11, 2023, the 75th Founding Anniversary and General Alumni Homecoming was held at the University Gymnasium where over a thousand attended including the members of the University Management Committee, Deans, Principals, Alumni Officers, Alumni Awardees, and the host batches 1973 and 1998. The activities included a sunrise service, motorcade, attendee recognition, and recognition of distinguished alumni.

On February 18, 2024, the 76th Founding Anniversary and General Alumni Homecoming was held at the L' Fisher Hotel where more than 500 alumni attended including the members of the University Management Committee, Deans, Principals, Alumni Officers, Alumni Awardees, and the host batches 1974 and 1999. The event was highlighted with the recognition of distinguished alumni.

Distinguished STI WNU Alumni

The University identifies alumni who excel in their respective fields. Sixty-one (61%) percent of these successful alumni are principals and CHED or DepEd supervisors. Thirty-one percent (31%) are heads and directors in government agencies.

Showbiz personalities are also identified among successful alumni: Allan Quilantang, TV host/comedian/actor; Richard Somis, Film Director; Jose Sixto (Dingdong) Dantes, Actor; and Mirtha Mae Chavez, Singer/Entertainer.

Successful PBA players include Yves Dignadice, Severino Baclao, and Mike Mustre. International dance athlete, Ashley Nichole Luna continues her career as an international coach and judge.

During the 73rd Grand Alumni Homecoming in February 13, 2021, Most Outstanding Alumni Awardees were recognized. Most Outstanding Alumni Awardees SY 2020-2021 were given to Dr. Defensor F. Baldomero, Jr. from the field of Education, Engr. Ronel R. Uy for Engineering, Rev. Abner Q. Bais and Juliet M. Regollo for Public Service, Marivic B. Gallimore for Banking and Finance, Vida C. Hayes for Business, and Miguel S. Pillora, Jr. and Eder C. Penetrante for Arts, Culture and Sports.

The following year, the Virtual Grand Alumni Homecoming was held on February 12, 2022. Outstanding Alumni Awards were given to Dr. Luz Ann Carillo-Espejo from the field of Medicine; Engr. Achilles Barbosa Roa Jr., Engr. Christian Taguwalo Arriola, and Engr. Ronnie Diaz Maligmat for Engineering; Mr. Jonny Pacete Pido for Maritime Service; Mr. Genesis Libo-on Benas, Ms. Melanie Sayo-Gonzales, Ms. Narissa Jamelo-Araneta for Public Service; Mr. Dwight Tayapad Soncio, Mr. Edwin Bolina Celoso for Banking and Finance; Ms. Myrna Joy Caro-Malagon for Business Entrepreneurship; and Mr. Roberto Gregore Berondo for Arts, Culture and Sports.

During the 75th Founding Anniversary and General Alumni Homecoming which was held on February 10-11, 2023 at the University Gymnasium, Outstanding Alumni Awards were given to May P. Bautista, PhD, DPA, and Josette C. Enofre, MBA, MEM, from the field of Education; Engr. Melchor R. Agujo, MBA, Engr. Camille A. Kwan, Engr. Sheila L. Medel, MCM, and Engr. Jurry A. Nabaja, MPA for Engineering; Joshua S. Fegidero, and Reynaldo D. Dofitas for Culture, Arts, & Sports; Hon. Jon N. Aying, PMA, MNSA, DPA, Rosemarie S. Blight, Dir. Marlo S. Guanzon, Ph.D, Rosalyn H. Lo, MAEd, Pmsg Oscar V. Magno, Jr., and PIO Igino B. Sedonio, RN for Public Service; Jeza Joy P. Esmalla, CPA,

MBA, Ph.D, Fe T. Gutierrez, CIS, and Irene P. Mamon, CPA, MBA for Banking and Finance; and Rodchar C. Abecino, Ma. Theresa L. Arevalo, Butch T. Bermudez, John Paul B. De La Cruz, Dorotheo B. Duhilag, Jr., Joyce G. Simkins, and Cecilia G. Toga for Business Entrepreneurship.

During the 76th Grand Alumni Homecoming on February 14, 2024, Most Outstanding Alumni Awardees were recognized. Most Outstanding Alumni Awardees SY 2022-2023 in the field of Education were awarded to Ms. Gladys Amelaine D. Sales, Schools Division Superintendent of DepEd, Himamaylan Division and Dr. Delia B. Senoro, Assistant Vice President for International Linkages Relation and Development of MAPUA University. In the field of Engineering was awarded to Engr. Ronnie D. Maligmat, Mechanical Maintenance Engineer of Kuwait Oil Company, Ramil E. Jamelo, President of Seafood Corporation for Business, and Shareen J. Caelian, Chief Administrative Officer, Finance Division of Corazon Locsin Montelibano Memorial Regional Hospital (CLMMRH) for Public Service.

Alumni Meritorious Awardee was awarded to Dr. Ryan Mark S. Molina, Executive Vice President of STI West Negros University.

iACADEMY

The Alumni Relations unit of iACADEMY's Office of Student Affairs and Services serves as the liaison between iACADEMY and its alumni. It aims to provide alumni with opportunities and programs to become game changers in their respective fields, and be able to share their experience and knowledge with the school. It provides assistance to organized alumni in their various activities. It also encourages participation of alumni in various activities of the school, promotes a sense of pride among all graduates, and provides opportunities for further professional development of the alumni.

Job Opportunities and Career Advancement

The Alumni Relations unit coordinates with the Internships and Placement unit, Guidance unit, and Academics department of iACADEMY in order to endorse recent alumni graduates for employment opportunities with Industry Partners. Job openings coming in from other iACADEMY units are also disseminated to alumni through various Alumni Relations' communication channels.

The Alumni Relations unit also leads knowledge sharing and networking events that provide iACADEMY alumni with opportunities to learn about the latest innovations and best practices in their respective fields from industry experts, fellow alumni, and professors.

Career and Life Guidance

The Alumni Relations unit offers services with career guidance and life mentoring with the help of the Internships and Guidance units. iACADEMY goes the extra mile to extend services beyond graduation such as counseling and coaching in relation to the alum's life and career.

iACADEMY Alumni Online Network

The iACADEMY Alumni Online Network aims to strengthen the connection among alumni of the school. This network is being developed to serve as a portal for alumni to update their information and provide possible partnerships and mentoring opportunities.

Outstanding Alumni

- JR Parelejo – Winner, 2004 International Marketing Competition – Feathers to Fish

- Krista Lozada – First in Asia to perfect an international certification exam for IBM’s Websphere Software, 2007
- Jeanne Harn – Ms. Philippines–Earth 2007; Co-founder, CEO, and Instructor of Imahe Academy, a personality development school.
- Isamu Shinozaki – Microsoft MVP (Most Valuable Professional), 2010
- Aisaku Yokugawa – 2012 Philippine Ambassador for Operation Smile International/ International Jazz Singer
- Vinzel C. Frago – Awardee (Full Scholarship), Master of Science in Technopreneurship and Innovation, Nanyang Technological University, Singapore, 2013
- Nielson Henri Riddle – Outstanding Alumni Awardee 2014
- Justine Lawrence Gonzales – Scriptwriter and story director of “Alamat ng Unang Unggoy,” which received an honorable mention from the Film Academy of the Philippines in 2017.
- Mikee Wong, Anthony Garcia, Raphael Atento, Allen Paul Esperanza, Angelo Bones, Michael Francis Fernando, Maika Salvador, Enrico Usigan, Jason Luis Fungo – Their mobile application for dyslexic children, “Hear I See,” was a finalist at the Global HIT (Health+Innovation+Technology) Challenge in 2017.
- Jennelyn Castillejo and Krizia Villanueva – Creators of the Short Film Thesis “Yolanda” which won the Best Student Film Award at the International Film Festival Manhattan held on October 22, 2015
- Carl Francis Samarista and Boris Membrere – Multimedia Arts and Design graduates who were part of the team that won Best in Visual Effects at Metro Manila Film Festival for “Ang Panday” and FAMAS awards for Best Visual Effects in 2019 for “Goyo: Ang Batang Heneral.
- Patrick Jude Matanguihan – His short film, “Luisa at Guada,” became a finalist in the Open Category of the 2018 CineFilipino Film Festival.
- Arianne Arbolado – A BS Animation 2018 graduate who became a Toon Boom Certified Animator in 2019.
- Joshua Villena – Exhibited his works at various international venues, including “Influencers – Between Germany and Manila” (2019), “Manila Flame” (2019), “Art in Community Identity” (2019), “Figurative in the Context of Philippine Art” (2019), “SouthArts Festival” (2019), “Affordable Art Fair” (2019), “iMAGINEnation” (2019), “Premio Combat Prize, Italy” (2020), and “Apollo Street” (2022).
- Karen Cate Arabit – Currently serving as the Chief Technical Officer, Ayahtek Corp.
- John Christian Roma – Qualified for two (2) competitions at CCP Gawad Alternatibo, including the Experimental Category with his work “Circle of Life” and the Documentary Category with his work “IBAYO.”
- Ciara Baello – Named Campaign’s Southeast Asia Young Achiever of the Year on December 2, 2022, at the Ritz-Carlton Singapore. She also ranked 24th in the Philippines’ Hottest Creatives of 2021 by Campaign Brief Asia.
- Dexter Go – Secured a place in the Top 10 at the Real Estate Appraisers Licensure Examination (2022)
- Clark Yeung – Ranked 3rd in the Real Estate Brokers Licensure Examination (2023)
- Queenzi Comiso – Ranked 5th in the Real Estate Brokers Licensure Examination (2023)
- Julian Joyce Galang was featured in Preview Magazine on December 28, 2023, for her artwork “Over 2°.” Inspired by her environmental advocacy and the climate crisis.
- Mary Ann Roque – Ranked 3rd in the 2024 Real Estate Brokers Licensure Examination
- Enrico Francisco Manalansan III, Janine Juanitas Ong, Davian Lee Chen – All ranked 4th in the 2024 Real Estate Brokers Licensure Examination.
- Patricia Au Armamento – Ranked 8th in the 2024 Real Estate Brokers Licensure Examination
- Jonathan Gabriel Agustin – Ranked 9th in the 2024 Real Estate Brokers Licensure Examination

- Ish Barrozo - Featured as one of MEGA's 32 Best Emerging Designers: The Bold Visionaries on February 2, 2024.
- Isaiah Omaña - Won Best Sound and Best Editing for his capstone project, "Pusoy Dos" in SinepiyuXVI on May 2, 2024.
- Vic Fajatin - A finalist in the MEGA "The Young Designers Competition Philippines 2024 on May 8, 2024"
- Eugene Malabad, the founder of Killjoy Studios, a contemporary streetwear clothing brand, was featured as one of MEGA's 32 Best Emerging Designers: The Bold Visionaries on February 2, 2024.
- Joshua Villena - Launched "The Arrival of Yeshua," his debut solo exhibition at Giani, New York, in 2024.
- Emmanuel Riñoza - One of the featured designers at Style Conquest 2024.
- Jayanne Rochiel Santos - Styled Mary Araja, the newly crowned Mutya ng Pasig 2024.

Institutional Linkages

STI ESG

STI ESG continues to identify and explore institutional linkages, memberships, and cooperation agreements to engage in more meaningful academic collaborations to develop the students and increase the graduates' employability. These linkages may cover areas such as on-the-job training (OJT), employment opportunities, courseware enhancements, faculty development, employment preparation seminars, job fairs, and scholarship grants, among others.

Department of Education

STI ESG partnered with the Department of Education (DepEd) in support of the National Learning Recovery Program through the latter's National Learning Camp (NLC). The program focuses on providing targeted instruction to learners based on their academic needs.

STI College offers its existing program called the STI Career Camp, a free workshop for Grade 10 and Grade 12 students, to explore their options for Senior High School or College while getting hands-on experience in their chosen career path. The students may choose from four different camps and modules with topics on entrepreneurship, mobile photography, game development, and baking.

Department of Labor and Employment

STI ESG inked a Memorandum of Agreement with the Department of Labor and Employment (DOLE) on July 11, 2023 to strengthen its partnership in providing employment opportunities for STI students after graduation. The partnership includes seminars and workshops for students to be organized by both STI ESG and DOLE to prepare them for employment.

The BLOKC

STI ESG inked a partnership with The BLOKC (Blockchain Lead Organization & Knowledge Center) on August 8, 2023 to provide students with a unique opportunity to acquire competitive tech skills that are in high demand across the job market.

The partnership between STI College and The BLOKC aims to provide access to a wide range of resources offered by The BLOKC including workshops, seminars, webinars, and hands-on training sessions conducted by industry experts. This collaboration signifies a significant step towards bridging the gap between traditional education and the evolving needs of the tech industry by

providing students with opportunities to learn from real-world practitioners and engage with the latest advancements.

Citibank

In pursuing a brighter future, Citibank, a global financial titan, has opened its doors to impart invaluable wisdom about future careers in the ever-evolving field of Information Technology. The career talk was held at STI Academic Center Ortigas-Cainta on September 22, 2023.

Citibank discussed the different career opportunities in Citibank Philippines such as the Graduate Analyst program wherein they hire analysts and rotate them to other groups for one year to help them determine what group they want to join.

In October 2023, STI students gained access to IBM Z concepts, a fundamental technology at the core of Citibank's operations. This collaboration promises STI students unique hands-on experience and a launchpad for their future careers in IT. The partnership between Citibank and STI bridges the gap between education and professional life, equipping students with the knowledge, determination, and loyalty to shape the future of IT careers.

Globe Telecom

In its continuous efforts to provide students with innovative opportunities, STI ESG signed a partnership with major telecommunications provider Globe Telecom, Inc on January 11, 2024. The collaboration, which aims to bridge the gap between the academe and the corporate world, will primarily open an array of internship opportunities for STI students to enjoy at the largest mobile network in the country.

Center for Integrated STEM Education

STI ESG forged a partnership with the Center for Integrated STEM Education (CISTEM), one of the programs by the Unilab Foundation, that is renowned for its commitment to promoting quality STEM education. At the core of this partnership is a shared vision to elevate STEM (Science, Technology, Engineering, and Mathematics) education in the Philippines.

A Memorandum of Understanding (MOU) signing ceremony on April 4, 2024, affirmed the two parties' commitment to conduct faculty training and learner engagement programs to advance STEM education.

Both institutions aim to equip teachers with the tools, skills, and knowledge necessary to deliver exceptional STEM education and inspire students to pursue careers in these fields.

The STEM TRIP (Theory to Real-world Industry Practices) initiative will immerse STI teachers in real-world industry settings, bridging the gap between classroom theory and practical application. Meanwhile, the Teach SMART program, short for Supporting Mastery and Resource-Building Techniques of Teachers, will equip educators with pedagogies and tools tailored to their learners' needs.

Additionally, CISTEM will launch a new website for the STEMKonek Mentoring Platform. This way the students will have a much easier way to access mentors in science, engineering, and technology disciplines. This initiative aims to inspire students and provide them with valuable insights into potential career paths.

Huawei

STI ESG and Huawei brought their partnership into play after the turnover of the Huawei Smart Classroom, a digital innovation aiming to transform educational models to new heights. During the turnover event, Huawei introduced the IdeaHub board, an interactive whiteboard created to revolutionize both online and face-to-face education. The board offers a wide array of technological advancements that make life easy for both students and teachers. In addition, Huawei technologies have been integrated into the courses of Network Technology 1, Network Technology 2, and seminars. Select students are likewise given free Huawei certification exam vouchers. For SY 2022-2023, 221 students from various STI campuses nationwide pass the exam and have been certified.

Carnival Cruise Line

STI ESG signed a partnership with international cruise company Carnival Cruise Line (CCL) on September 30, 2022 at the Manila Marriott Hotel in Pasay City. The agreement allows Carnival to operate a portion of STI College Pasay-EDSA campus as their recruitment center in cooperation with former's recruitment agency United Philippine Lines. The 610-square-meter recruitment center included a mezzanine and other amenities like the crew welfare and manning office, and pre-departure orientation seminar rooms. STI ESG will also provide facilities oriented to Carnival's standard such as kitchens and state-of-the-art lobby and lounge areas.

Fastrack Solutions, Inc.

STI ESG signed a Memorandum of Agreement (MOA) with Fastrack Solutions, Inc. on November 15, 2022. The partnership allows STI ESG to integrate SAP Business One on Cloud on the following programs: BS Accountancy, BS Management Accounting, BS Accounting Information System, BS Information Technology, BS Business Administration, and BS Retail Technology and Consumer Science. In addition, SAP Business One on Cloud can be accessed by both students and teachers on varied devices such as desktop computers, laptops, tablets, or mobile phones within the specified laboratory schedules.

Amadeus Marketing Philippines, Inc.

STI ESG renewed its partnership with Amadeus, a provider of Global Distribution System (GDS) training and certification, on September 8, 2022. The Amadeus Reservation Essentials training is integrated in the Applied Business Tools and Technologies in Tourism courses. A GDS is used in booking travel-related products or services such as flights, accommodations, and car rentals. Hence, a GDS certification will give the STI students a better standing when looking for jobs in the tourism industry such as travel agencies and airline companies.

Accenture

STI ESG inked a three-year partnership with Accenture in a virtual signing event. The partnership covers the internship program, career development programs, and curriculum integration. During SY 2022-2023, 68 students from STI Colleges Global City, Ortigas-Cainta, and Caloocan developed various IT applications for the company as part of their IT practicum. Students who will be able to complete their projects will be candidates for Software Engineer Associates in Accenture and will be exempted from the technical exam. In SY 2023-2024, a group of 65 BS Information Technology students participated in the Accenture Technology Academy program where they received intensive training in SAP ABAP and Salesforce programs, conducted by Accenture's employees. Successful completers were then invited for job interviews without the need to take the initial assessment and 45 students were subsequently hired.

Manila Marriott Hotel and Sheraton Manila Hotel

Eleven top-performing BS Hospitality Management students were selected to be part of the first-ever Marriottership program, a three-month internship conducted by Manila Marriott Hotel and Sheraton Manila Hotel. From March 15 to June 14, 2022, selected students from STI Colleges Caloocan, Global City, Las Piñas, Novaliches, Baguio, Sta. Maria, Ortigas-Cainta, Tanauan, Cagayan de Oro, and Cotabato were immersed in the hospitality management industry's best practices within both hotels, providing an experiential journey and maximizing the students' learning potential.

STI WNU

Huachiew Chalermprakiet University (HCU), Thailand

On July 1, 2022, seven faculty and student researchers presented their respective studies at the 9th National and International Conference with the theme, "Research to Serve Society". STI WNU was also a co-host of HCU in this research conference via Zoom. The research presenters were Dr. Jake Laurence Mercado, Dr. Lyka Garcia, Dr. Yasmin Pascual-Dormido and Dr. Monijeane Espeleta, Dr. Bryan Tirol, Dr. Cherry Praico.

Thirteen faculty and student researchers participated in the 11th Huachiew Chalermprakiet University International Academic Conference in Thailand on July 25-26, 2024. Seven studies covering different academic areas were presented and published by students and professors of STI WNU. The university was a co-host of the international research conference. The faculty researchers were Dr. Mima Villanueva, Dr. Yasmin Pascual-Dormido, Miss Winnie Joy Mananap, Ms. Anamor Jerez, Ms. Edna Maricon Arca, and Dr. Annie Christy Jones. The student researchers were Chloe Milan (CCJE), Trisha May Francisco (Education), Cloue Angad (CBMA), Mayrold John Alonsagay (PhD), Jovito Cesar Sayson (Master in Public Administration).

Universitas Galuh, Ciamis, West Java, Indonesia

STI WNU and Universitas Galuh (UniGal) renewed its partnership through the signing of a Memorandum of Understanding (MOU) in UniGal, in Ciamis, West Java, Indonesia, on June 25, 2024. The newly-signed MOU is effective for three (years). The STI WNU delegation led by its Executive Vice President and Chief Operations Officer, Dr. Ryan Mark Molina, Vice President for Academic Affairs Dr. Mima Villanueva and External Affairs and Linkages Head Dr. Yasmin Pascual-Dormido collaborated with the Fakultas of Ekonomi and Faculty of Teacher Training and Education in the two-day Joint International Symposium held on June 26 and 27, 2024 in UniGal. Dr. Villanueva's lecture focused on Sustainable 21st Century Economy. Dr. Dormido's lecture was about Sustainable Education while Dr. Molina's lecture was about Transformational Leadership. The organizer of this symposium was the Fakultas Ekonomi. Students and educators of the Fakultas Ekonomi and UniGal officials and guests from other schools attended the symposium dubbed, "Green Economy for Sustainable Development".

On the second day, Dr. Dormido was among three female lecturers in the international joint symposium entitled, "Conservation and Culture-Based Sustainable Education in Post-Method Era" organized by the Faculty of Teacher Training and Education Sciences on June 27, 2024. Professors Yeni Wijayanti, S.S., M. Hum. and Lia Yulisma, S. Pd., M. Si. shared the results of research conducted in Kampung Adat Kuta, a traditional community in West Java, Indonesia that is a template of environmental and cultural conservation because of sustainable practices of its people. Students and teachers of the Faculty of Teacher Training and Education Sciences, and UniGal officials and officials of invited schools attended the said symposium.

In the afternoon of the same day, Universitas Galus tertiary level students collaborated with STI WNU students Michael John Javier and Kyrie Meliz Ferrer in a cultural fashion show that showcased different Batik ensembles worn by students. Javier and Ferrer also walked the runway wearing the traditional barong. It was an opportunity for the students at the partner schools to share traditions, cultural practices, cuisine and languages.

On June 28, 2024, UniGal officials and faculty members of the Teacher Training and Education Sciences took the STI WNU delegation to Kampung Adat Kuta and introduced them to the tribe leader and members of the traditional village that is known for its sustainable practices. The delegates were warmly welcomed by the community. Officials of the two partner schools planted Gandaria seedlings to seal their commitment to taking care of the environment and promoting sustainable cultural practices that will ensure the preservation of natural resources and heritage.

Delegates from STI WNU were also treated to various Indonesian cuisine during their week-long stay in Ciamis. An exchange of best practices in the academe and cultures took place between educators and students of the partner schools. UniGal also introduced STI WNU to four (4) colleges and universities in its consortium that entered an MOU with STI WNU on the first day of its visit.

STI WNU and UniGal's Researcher Offices are working together with research-related endeavors, providing expert and seasoned researchers as members of the peer review committees of the partner universities and being part of the editorial board of their research publications.

Since the first signing of an MOU with UniGal, STI WNU has been collaborating with UniGal in the conduct of various virtual lectures that involved educators from the College of Hospitality and Tourism Management, College of Education and the College of Arts and Sciences. STI WNU's School of Graduate Studies, specifically the Public Administration Program of the College of Business Management and Accountancy has collaborated with UniGal in holding the virtual Law Lectures with former Bacolod City Councilor and Atty. Caesar Distrito who is also a product of the Doctor in Public Administration Program of the School of Graduate Studies and a part-time professor in the College of Business Management and Accountancy in 2022.

International TESOL Educational Consultancy Corporation (ITECC)

On April 12, 2022, International TESOL Educational Consultancy Corporation (ITECC), conducted a run of 120-hour TESOL Certification Course for students and professionals to provide teachers with lectures, discussions, and workshops on language teaching principles, theories and strategies.

GEO-Global Educators Professional Enhancement International Organization

On August 27, 2022, School Year 2022-2023, STI WNU partnered with GEO-Global Educators Professional Enhancement International Organization, a Manila-based company, in providing a 120-Hour TESOL Certification Course to students and professionals who wanted to enhance their skills in teaching English to both young and adult learners.

Metro Bacolod Chamber of Commerce and Industry (MBCCI)

STI WNU is the first academic institution in Bacolod City and Negros Occidental that has entered into a Memorandum of Agreement in order to improve the quality of the workforce. STI WNU and MBCCI inked the MOA on June 28, 2023. Dr. Mima Villanueva, Dean of the College of Business Management and Accountancy said the partnership provides the academe and the industry a venue to share resources in conducting co-curricular activities such as training, lectures, consultations, fora, career orientation, advocacy campaigns, on-the-job training, and related endeavors to bridge the gap between what academic institutions produce in terms of graduates and the manpower needs of the industry. Since the signing of the MOA, both parties have been collaborating in enriching the curriculum of

tertiary, graduate, and postgraduate programs, updating faculty and students with first-hand information on current business trends. Dr. Villanueva and Dr. Yasmin Pascual-Dormido, Head of External Affairs & Linkages, are members of the Education Committee of MBCCI.

The partnership with MBCCI linked the university with the Philippine Chamber of Commerce and Industry in the Visayas. Former Vice President for Academic Affairs Dr. Villanueva and current Head of External Affairs & Linkages Dr. Dormido attended the 32nd Visayas Business Area Conference (VBAC) in Panglao, Bohol on July 25-27, 2023. The STI WNU delegates were invited by the PCCI Visayas to represent the academe in the business area conference. STI WNU was cited in the conference for trailblazing in reaching out to the business sector for partnership and collaboration. The keynote speaker was Sen. Mark Villar, Chairman, Committee on Trade, Commerce and Entrepreneurship.

MBCCI has been actively collaborating with the University, particularly with the College of Business Management and Accountancy and Public Administration Programs in the School of Graduate Studies. Atty. Juliana Carbon, president of the MBCCI, and Mr. Frank Carbon, Vice President of PCCI Visayas and Co-Chair of the PCCI Energy & Power Committee and VP for Governmental Affairs of MBCCI, were resource speakers in the Tycoon Talk Series: From Idea to Enterprise (A Guide for Aspiring Entrepreneurs) talk at the Teodoro Hall of STIWNU on April 11, 2024. The Tycoon Talk Series is the CBMA's Awareness Advocacy Campaign that brings together students, entrepreneurs, and industry experts in one venue. The activity welcomes tertiary and Senior High School students from public and private schools as part of the university's promotion of inclusive and collaborative education. STI WNU also made representation in the Electric Power Forum held in L'Fisher Hotel on March 20, 2024. The forum organized by the PCCI and MBCCI gathered all electric power stakeholders to work together to improve the reliability and sustainability of electric power supply in Negros Island. All the players in the electric power supply chain were present. This included the generators, transmission company, distribution companies, and the Department of Energy. The planning and policy making agency of government discussed their role in the supply chain and how to ensure power supply is reliable and sustainable to lessen power outages and prevent blackouts.

Marketing students at the College of Business Management and Accountancy participated in the Negros Agribusiness Expo 2024 SM City Bacolod on June 25-26, 2024. Students listened to various lectures from entrepreneurs and industries featured at the expo.

Former MBCCI Chief Executive Officer and Vice President and Director for Energy & Water Frank Carbon introduced students to the socio-economic development cycle where the business sector cooperates and collaborates with the academe and the government in order to provide jobs and produce graduates who are not only educated but are also well-equipped with skills and knowledge relevant to the needs of specific industries. In the seminar entitled, "Beyond Yourself", on October 4, 2023, Carbon also emphasized the critical role of the business sector in actively helping in curriculum development in order to prevent job mismatches when graduates apply for jobs. The seminar was attended by educators and students at the College of Business Management and Accountancy (CBMA).

Catholic Ming Yuan College

STI WNU's partnership with Catholic Ming Yuan College (CMYC) was formally sealed through a MOA signing on November 28, 2023. The partner institutions are working together to develop academic areas of mutual interest.

The partnership with CMYC has opened doors of opportunity for possible collaboration with their international partners like Nanhua University in Taiwan. On January 16, 2024, CMYC Pres. Fr. Yongxing Cui brought to STI WNU Dr. Chun-Chun Lin, Dean of International Affairs and Prof. Yao-Ming Hong CEO of Sustainability Center. Prof. Yao-Ming Hong shared to academic deans and program heads and student leaders of STI WNU Nanhua University's commitment to combating climate change, aiming for 100% carbon neutrality by 2050. Dr. Lin, on the other hand, conveyed enthusiasm for future

collaborations. Dr. Lin also presented to students of STI WNU's School of Basic Education and graduating tertiary level students their scholarship programs.

STI WNU EVP and COO Dr. Ryan Mark Molina and Dr. Yasmin Pascual-Dormido, Head of the BA Communication Program and of the External Affairs & Linkages Office conducted a Basic Communication Skills Workshops for AB English and Agriculture students of CYMC on February 6, 2024. The students who are children of farmworkers and scholars of the province experienced undergoing workshops on public speaking for the first time. They were also able to engage and collaborate with STI WNU SWAT members who helped facilitate the two-day workshops held in CYMC campus and STI WNU campus.

On May 6, 2024, CYMC Agriculture students attended the Tycoon Talk Series that featured two student entrepreneurs from the University of St. La Salle Bacolod and a part-time CBMA professor who is a full-time entrepreneur, Mr. Frederick Zamora. Mr. Zamora shared his social enterprise which helps women in remote towns in Negros Island earn through pandan weaving. The two guest student entrepreneurs shared their struggles and experiences in putting up their businesses. Since the lecture brought together students from different private and public schools at the tertiary and secondary levels, students at our partner school got exposed to fellow students and shared insights with them.

On May 20, 2024, CYMC students were invited by the College of Arts & Sciences to the CAS Week Celebration that featured various activities and competitions like newscasting, voice-over contest and advocacy challenge, among others. These activities were organized and facilitated by BA Communication students and faculty members. The students of CYMC also participated in the newscasting workshop conducted by Dr. Yasmin Pascual-Dormido who is a veteran broadcast journalist.

Keimyung University

STI WNU's partnership with Keimyung University has benefited its students in many ways. On January 22, 2024, Dr. Kim Sang Woo, Dr. Kim Kyung Hee and Dr. Seo Jung Soom, the Dean of Keimyung Adams College, distributed certificates of fellowship and financial support to select students of STI WNU. The students who received the fellowship grants were Angel Villan (BS Psychology) of the College of Arts & Sciences, Queen Shanly Morados (BSEd) of the College of Education, Jerzyl Cabaya (BS Criminology) of the College of Criminal Justice Education, Jade Villarez (BS in Information Technology) of the College of Information and Communications Technology, Kia Kaytlyr Seva (BS in Civil Engineering) of the College of Engineering and John Kenneth Tiad (BS in Accountancy) of the College of Business Management and Accountancy. Also present at the event were students from Keimyung University who were in the province for community extension work.

Institut Bisnis Dan Informatika Kesatuan (IBIK), Bogor, Indonesia

STI WNU entered a Memorandum of Understanding (MOU) with Institut Bisnis Dan Informatika Kesatuan (IBIK) in Bogor Indonesia on June 25, 2024. IBIK is a member of the consortium of schools of Universitas Galuh. The two academic institutions agree to jointly develop some or all of the activities mentioned in the MOU based on their academic and educational needs. These include exchange programs, research collaborations, joint lectures, faculty and student mobility and sharing of best practices, among others.

Sekolah Tinggi Agama Islam (STAI) Putra Galuh, Ciamis, Indonesia

Sekolah Tinggi Agama Islam (STAI), another new partner of STI WNU inked a Memorandum of Understanding with the said university on June 25, 2024, in Ciamis, Indonesia. STAI and STI WNU agreed to exchange research materials, publications, and information; collaborate and offer distance

learning courses; and co-host research conferences and other academic activities. The MOU is valid for five (5) years and takes effect upon signing.

Universitas Cipasung (UNCIP) Tasikmalaya, Indonesia

STI WNU and Universitas Cipasung (UNCIP) inked their partnership in Ciamis, Indonesia on June 25, 2024. The partner universities are currently developing programs that will promote distance learning courses; conduct research conferences and collaborate for the publication of research of both its students and teachers; exchange students and faculty members, among other academic and non-academic endeavors. The Memorandum of Understanding is in effect for five (5) years upon signing. STI WNU is scheduled to visit its new partner UNCIP in November this year as the two universities embark on their first collaborate endeavor this year.

Universitas Subang (Unsub), Indonesia

Universitas Subang, Indonesia, and STI WNU agreed to enter into a formal collaborative agreement based on the foundation of trust for the mutual benefit and development of the two academic institutions. The two universities signed the Memorandum of Understanding on June 25, 2024, in Ciamis, Indonesia. Unsub and STI WNU are jointly developing programs and activities related to research, distance learning, joint lectures, exchange faculty and students, and other activities for academic, and non-academic staff.

K5 News FM Philippines and Bacolod City Department of Education Yuhum Bacolod Partnership: Battle of the Brains

Bacolod City Department of Education (DepEd), led by OIC Schools Division Superintendent Reynaldo G. Gico, 5K Broadcasting Network, Inc., led by Chief Executive Officer Ramel Y. Uy, and STI WNU, represented by Executive Vice President Dr. Ryan Mark S. Molina, officially sealed an agreement for the 2nd Yuhum Bacolod Battle of the Brains on March 15, 2024.

Aligned with Republic Act 8525, also known as the "Adopt-A-School Program," which aims to enhance the learning environment and address resource shortages in public schools, this project seeks to foster student development through engaging activities and programs.

Signing the agreement were Dr. Molina, along with Eljohn Castaño, Network Operations Manager of K5 News FM Philippines, and Dr. Gregorio C. Moyani Jr., Chief Education Program Supervisor of Bacolod City Division, as well as Dr. Rey T. Eslabon, Assistant Vice President for Academic Affairs at STI WNU.

Furthermore, STI West Negros University, Inc. offers technical assistance during project execution, along with providing essential equipment and personnel. This Battle of the Brains, participated in by 26 public high schools within Bacolod City, was held on March 17, 2024, at Ayala Mall.

OK English Academy (OKEA)

Since 2003, STI WNU has been working with OKEA in bringing students from Korea and Japan to enroll in the short-term English Proficiency Program of STI West Negros University – Institute of Languages. However, because of the COVID-19 Pandemic, there were no enrollees in SY 2021-2022. In SY2022-2023, 145 students enrolled in the program.

Today English LTD Partnership (TELP) & Local Teacher Trainings

STI WNU College of Education, Arts and Sciences had gone international by sending students to Sakahorn Pattana School and Watpiyawattanaram School in Thailand for trainings. The University also

collaborates with Today English Language School based in Bangkok, Thailand for the internship program of Education and AB English students.

Asian University Digital Resource Network & German Development Cooperation

STI WNU has international linkages for research purposes. STI WNU has two international linkages, namely: Asian University Digital Resource Network (AUDRN) and German Development Cooperation (GIZ). For this purpose, both organizations provide financial support while STI WNU provides logistics and human resources. As for national linkages, Miriam College, DepEd Kabankalan and Partnership for Clean Indoor Air (PCIA) help provide human resources and logistics in conducting research.

Association of Administrators in Hospitality, Hotel and Restaurant Management Educational Institution (AAHHRMAI); Council of Hotel and Restaurant Educators of the Philippines (COHREP); Tourism Educators and Movers Philippines (TEAM PHILS WV); Hotel and Restaurant Association of Negros Occidental (HRANO); Bacolod City Tourism Office and Department of Tourism Region VI

STI WNU is an active member of the following: AAHHRMEI, COHREP, TEAM PHILS WV, HRANO, and the Bacolod City Tourism Office and Department of Tourism Region VI. A first-hand information update about the industry knowing that most of the national officers are consultants, technical committees of government agencies such as CHED, DOT, and TESDA.

Corazon Locsin Montelibano Regional Hospital & Philippine Mental Health Office

The Psychology students undergo actual industry training at Corazon Locsin Montelibano Regional Hospital and Philippine Mental Health Office, Negros Occidental Chapter.

Philippine Society of IT Educators (PSITE) and Bacolod-Negros Occidental Federation of ICT (BNeFIT)

The College of Information and Communications Technology continues to be an active member of PSITE and BNeFIT. STI WNU students acquire their real-life training in the IT departments of the Bureau of Internal Revenue, Bacolod City Library, and Department of Agrarian Reform.

Junior Philippine Institute of Chemical Engineers (JPICE); Philippine Institute of Civil Engineers (PICE); Institute of Integrated Electrical Engineers of the Philippines (IIEEP); Institute of Electronics Engineers of the Philippines (IEEP) and Philippine Society of Mechanical Engineers (PSME)

The students at the College of Engineering remain as active members JPICE, PICE, IIEEP, IEPP and PSME.

Globe Telecom

In collaboration with Globe Telecom, STI WNU has provided Wi-Fi services within the campus. This helps the students with their research studies and access to the eLMS.

BCPO, BFP, BJMP, NBI for BS Criminology

STI WNU collaborates with other organizations for students' training. These include John B. Lacson Colleges Foundation Training Center for Maritime students; Bacolod City Police Office (BCPO), Bureau of Fire Protection (BFP), Parole and Probation Office of Bacolod City, Philippine National Police RTS-6, Carmela Valley Subdivision and Bureau of Jail Management and Penology (BJMP) and National Bureau of Investigation (NBI) for Criminology students.

PNB, DBP, Yusay Credit & Lending Corp.

STI WNU has tied up with several banks and a lending company for the on-the-job training (OJT) of Business students: Philippine National Bank (PNB), Development Bank of the Philippines (DBP) and Yusay Credit and Lending Corporation.

Jobs Café: A Work for the Future Program

The University, through its External Affairs and Job Placement Office, had found opportunity to support the continuing education of students through partnership with BPO and fast-food companies that could provide employment to qualified students. Currently, two BPOs partnered with STI WNU.

To date, the Jobs Café Program has successfully facilitated employment for three (3) of its students at Panasiatic Solutions, which demonstrates the program's effectiveness in bridging the gap between education and the workforce.

iACADEMY

ACCESS ONLINE (Alternative Center for Continuing Education and Seminar Solutions, Inc.)

ACCESS provides more accessible alternatives to the traditional delivery of continuing education for lawyers, accountants and other professionals.

AGC Power Holdings Corp.

AGC PHC is a company that empowers and supports Filipino innovators in various industries, such as media, marketing, and e-commerce. It is led by Archie Carrasco, a marketing innovator with decades of experience and a vision of revolutionizing Philippine media.

Alliance End to End Solutions

Alliance Software, Inc. is a global IT services and solutions company. Alliance was established in 2000 and has since grown to become one of the Philippines' largest and most respected independent software development outsourcing companies.

Animation Outsourced

Started in 2012, Animation Outsourced is a full-service animation studio, with a production facility in the Philippines and with clients worldwide. It creates animations for explainer videos, cartoon series, TV & web content, e-learning, and custom projects.

Aratum

A software company headquartered in Hong Kong that provides Asia's premier enterprise resource software vendor. It empowers modern businesses across the globe with an integrated suite of software solutions that connect all parts of a business, enabling companies to effectively evaluate, predict, and respond to market movements with agility and efficiency.

Artsmith Creative House

Artsmith Creative House is a multimedia studio that specializes in creative design solutions where unique visualizations and bold aesthetic approaches are employed in order to make each project relevant, bespoke, and a force above the rest.

Asia Pacific Consortium of Researchers and Educators, Inc. (APCORE)

The Asia Pacific Consortium of Researchers and Educators (APCORE) is a membership-based professional organization of individuals, institutions and organizations that is committed and focused on the development of research, knowledge, and academic values in the Asia Pacific Region.

Assist Asia

ASSIST was established in 2003 with the aim of addressing sustainability challenges in the Philippines. Today, it has evolved into a self-sustaining, Pan-Asian, non-profit organization driven by passion and purpose for progress and prosperity in the region, providing services for development consulting, private sector partnerships, and creative services.

Aurea Vinluan Designs

Aurea Vinluan Designs creates custom-made and ready to wear bridal gowns, suits and evening dresses.

Ayahtek

Ayahtek provides custom software development, website design and development, e-commerce site development, and mobile application development

Bayo Manila Inc.

Bayo Manila Inc. is a homegrown fashion brand that takes pride in being Filipino. The brand encourages Philippine-made items. Its corporate commitment is to be able to generate local employment and to raise the local retail industry to higher levels through showcasing products of high quality.

Beppo

Beppo is a B2B mobile app used for recording transactions or automated bookkeeping using AI and machine learning. It provides e-invoicing capabilities with a recurring invoice management feature and enabled e-collection and payment options. It is mainly targeted toward self-employed individuals and freelancers.

Best Buddies

Best Buddies is an organization dedicated to ending the social, physical and economic isolation of people with intellectual and developmental disabilities.

BizKit Technologies Inc.

BizKit Technologies Inc. is an IT services and solutions company, specializing in ERP, RPA, web applications and consulting. It enables its clients to navigate through their digital transformation and transform their businesses for tomorrow.

Bosch Philippines

Bosch Philippines provides products and solutions invented for life across sectors in the Philippines including mobility aftermarket, power tools, safety and security systems, home appliances, manufacturing, and software services.

Candy Corner

Candy Corner is the first retail outlet in the Philippines to combine traditional packaged and novelty confectionery with the concept of customers' choosing and combining their own selection of sweets. New products are introduced in their stores every month to ensure that its customers get the very best fun, unique and exciting products available. It currently offers over 300 varieties of confectionery to its customers, including some world-renowned brands in the industry.

Capstone-Intel Corporation

Capstone-Intel is a high impact research company which uses innovative research technologies, tools and methods to convert data and information to breakthrough insights and actionable intelligence outputs. It is committed to help its clients solve problems, find solutions, grow markets and constituencies, build reputation, navigate risks, and manage crisis; and to be the country's leading private intelligence agency.

CHANOMA Studios Inc.

CHANOMA Studios Inc. is a creative studio dedicated to empowering brands with the power of visual storytelling. Its mission is to collaborate closely with clients to deliver exceptional illustration and design services that bring brand narratives to life.

CJC Tradequest

CJC Tradequest is a retail company that focuses on parents' needs and wants, and partners with brands to provide quality children's & family products.

Coffee and Beer, Inc.

Coffee and Beer Inc. is a software development company that offers solutions to small and medium-sized businesses. It provides optimized solutions that envision, design, and construct software applications

COMRiSE

Comrise offers contract, direct hire, and recruitment process outsourcing and staffing services to help enterprises find qualified candidates for their business needs. Whether the need is local or global professionals, Comrise can simplify the hiring process with its project-based recruitment method.

Cosmeti Group

The company has taken full advantage of the direct selling opportunities in multiple cities in the Philippines. The company seized the potential of personal direct sales in the Philippines by importing, distributing, and retailing luxurious skin care products.

Datawords

Datawords is a multicultural agency that uses AI and human intelligence to localize content for international brands. It offers services such as e-retail, social media, website, automation, SEO, influence and e-PR.

Definite Studios

Definite Studios is a 2D art, animation, and game development studio providing premium quality art and game services to developers and publishers.

Designblue Philippines

Originating from Seoul, Korea and now here in Manila, Designblue’s creative and marketing expertise has been proven to help many companies successfully launch, sustain, and strengthen their brands that have set them apart in this ever growing, crowded market. Designblue mixes art and science to turn fresh ideas and strategic planning into unique and distinguished creative works.

DigiPlus Interactive Corp.

DigiPlus Interactive Corp. is a retail gaming company that offers online and on-site multi-gaming platforms in the Philippines. With cutting-edge technologies and a deep bench of experts from the technology, research and development, and gaming operations spaces, DigiPlus’ platforms have since become a community and entertainment hub, a source of revenue for the Philippine government, and a contributor to various social and educational non-profit programs.

Digiteer

Digiteer is a software development company that provides customized and dynamic websites, mobile apps, and enterprise-grade systems.

Edusuite Inc.

Edusuite’s AI-driven technology analyzes data and resources of schools, helping administrators, faculty, and students optimize their resources and make smart decisions. It is backed by Orange and Bronze, an industry-leading Java development firm.

Environmental Compliance Consultants International Corporation | ECCI

ECCI is the leading process improvement solutions provider in Southeast Asia, focused on process consulting, automation solutions and learning outsourcing services. With HQ in the Philippines, ECCI operates in 5 countries across South and Southeast Asia including Vietnam, Malaysia, Indonesia and India.

Eternal Gardens Memorial Park (A subsidiary of ALC Group of Companies)

Eternal Gardens offers various types of properties, interment, cremation, and mortuary services in different locations across the Philippines.

ExaWeb Corporation

ExaWeb Corporation offers full-scale internet marketing service. As a search engine optimization (SEO) company in the Philippines, it provides SEO expert services as well as web design, PPC, social media, email and content marketing.

Fairfax Media

Fairfax Media Limited is an innovative and digitally progressive media company in Australia and New Zealand - the trusted voice informing, engaging and entertaining audiences and communities via newspapers, websites, radio stations, events and dynamic digital venues.

Federal Land

Federal Land is a member of GT Capital Holdings and a proud partner of the Metrobank Group. It began in Manila as Federal Homes, Inc. in 1972 but has since grown into Federal Land, Inc., a prime real estate developer in the Philippines.

Finance Education Center (FEEdCenter)

FEEdCenter is a social enterprise that enables other finance organizations, organizations, schools, universities and corporate supporters to gain global-standard skills and training and improve the competitiveness of their people/students by providing training & testing, administration & logistics, and consultancy services.

Finastra

The company sells to the retail banking, transaction banking, lending, and treasury capital markets. Finastra was formed in 2017 by the combination of London-based Misys, a provider of financial operations software, and global payments and lending technology provider D+H.

Frost Design and Consulting Group

Frost Design is a Manila-based design group focused on creating handcrafted websites. Having 20 years of collective experiences in the industry, it has built the confidence and rapport to deliver the most demanding projects and still maintain a level of quality in every step of the way.

GetCre8ive

GetCre8ive explores creative ways to use data and art to turn ideas into impactful results. It is also an authorized resellers of Adobe products and Autodesk 3D products.

Golden Pencil Manila Events & Productions

Golden Pencil Manila is a service provider and a partner that specializes in event management for corporate clients, associations and other organizations - from conceptualization to execution.

Gram Pte Ltd

Gram Pte Ltd is one of the top animation companies in Singapore, creating stories and concepts through videos for visual communication.

Greenpark Content Pte Ltd

Green Park Content (GPC) is a multi-award-winning global content marketing and brand publishing agency.

Greenroom Digital Studios

Greenroom Digital Studios offers video editing, VFX work, color grading, and audio production.

Hemisphere Leo Burnett (Leo Burnett Manila)

Leo Burnett Manila is part of Publicis Groupe, the world's third largest communications holding company. Leo Burnett Manila leverages in best-in-class resources and expertise across several

disciplines – brand consultancy, advertising, digital marketing, CRM/database marketing, retail/shopper marketing, public relations and activations.

Henkel Asia Pacific

Henkel is a multi-category platform in the consumer goods business, its portfolio focuses on two core categories: laundry & home care and hair. Henkel also has a business unit in adhesive technologies.

Hubvantage Services Inc. (formerly Playpark, Inc.)

Formerly known as Playweb Games, Inc., and also formerly known as PlayPark, Inc., Hubvantage Services Inc. is the publisher and operator of Level Up! (www.levelupgames.ph) and PlayPark (www.playpark.com) in the Philippines. The leading game publisher in the online gaming industry in the country today.

Infinit-O

Infinit-O is a company that offers business process optimization services to small- and medium-sized businesses in the financial services, healthcare, and technology sectors.

Infobuilder Technologies, Inc.

Infobuilder Technologies, Inc. is a leading enterprise content management solutions provider in the Philippines. It aims to help companies digitize their information and contribute to the conservation of trees worldwide by helping them migrate to the cloud, get rid of paper, create end-to-end processes, and master the art of modern work.

Interpacific Data Management Systems, Inc.

Interpacific Data Management Systems, Inc. (Interpac) is a software development company and consultancy specializing in computer telephony integration applications. Headquartered in Hong Kong and with a development and global support center in the Philippines, Interpac distributes and supports its products both directly and through an established network of Interpac-trained and authorized distributors across Asia Pacific and globally. Interpac has been an industry leader with over 30 years' experience in Billing and Network Management Systems.

IT Managers, Inc.

IT Managers, Inc. is a 100% Filipino owned company that provides information technology services both locally and internationally. Its services include consulting and recruitment services, application development, software training and engagement program (STEP), and data entry services.

Jacinto & Lirio Handmade Vegan Leathergoods

Jacinto & Lirio is a social enterprise that makes personalized vegan leathergoods from water hyacinth a sustainable and eco-friendly material.

Jagged Perspective Creative Studios

Jagged Perspective Creative Studios is a design agency focused on crafting new ideas and developing them into highly expressive visual concepts.

Kandama Collective (Kandamaph Collective Social Enterprise, Inc.)

Kandama Collective is a social enterprise that connects Ifugao weavers to the global marketplace.

Keywords Studios

Keywords Studios is a global service provider to the video games industry. Established in 2016, it provides customer service, quality assurance, social media and community management to a blue-chip client base which includes 22 of the top 25 game companies by revenue.

Kooapps Philippines Corporation

Kooapps is a mobile gaming studio and publisher. It has millions of downloads across its portfolio of games. Founded in 2008, Kooapps has released more than 30 games with several top selling titles.

KUMU

KUMU is a Filipino video sharing and e-commerce social networking service owned and developed by Kumumedia Technologies, Inc. The social media platform is used to livestream curated programs created by app users and partner brands and as an e-commerce platform for app users and partner brands who want to sell their merchandise online.

Lit Lab Studios

A digital content creation company focusing on advertising through storytelling.

Macquarie Group Services (Philippines) Inc.

Macquarie is a global financial services group operating in 34 markets in asset management, retail and business banking, wealth management, leasing and asset financing, market access, commodity trading, renewables development, specialist advisory, capital raising and principal investment.

Magic Liwanag Photography

Magic Liwanag Photography is a Manila-based lifestyle and music/concert photographer.

Markem-Imaje

Markem-Imaje is a global manufacturer and distributor of specialized traceability, variable data and product identification equipment, for customers in the packaging industry.

Mega Cat Studios

Mega Cat Studios is an American video game development and publishing company.

Megaworld

Megaworld is a leading real estate company that builds integrated urban communities across the Philippines. The company develops large-scale, mixed-use, planned communities incorporating residential, commercial, educational, and leisure components. In addition, it provides other services such as project design, construction oversight, and property management.

Metropolitan Bank and Trust Company (Metrobank)

Established in 1962, the Metropolitan Bank & Trust Company has become the premier universal bank and among the foremost financial institutions in the Philippines. Metrobank offers a range of banking products and services, from savings and loans to investments and credit cards.

MOCASA | Philippine Cashtrout Lending Corporation

Founded in 2021, Mocasa is a fintech company focusing on providing innovative credit payment services to the Philippine market.

Modeo Media

MODEO MEDIA is a web-based, full-service animation and graphic design agency offering different styles of explainer videos and interactive design works.

MullenLowe, Inc.

MullenLowe is an American advertising and marketing communications agency. MullenLowe's specialties include creative strategy, digital, CRM, brand and corporate PR; and social influence, purpose, and sustainability consulting.

NOAH Business Applications

NOAH Business Applications holds a gallery of business applications spanning applications for the following: financials; financial consolidation; warehousing; production; banking; distribution; forecasting, planning, and budgeting; treasury and loan management; realty; human resource management system; procurement management; project management; customer relation management; mobility; analytics, reporting, and dashboard; and data management.

OneUniverse PH

Headquartered in Seoul, South Korea, OneUniverse has been a rapidly growing global outsourcing studio in the game graphic industry since 2018. It prides itself on delivering high-quality game art with committed cost and time efficiency.

Out of the Box Creatives

Out of the Box Creatives is an advertising firm that helps businesses unleash their full potential using data science and proven strategy.

Pacific Cross

Pacific Cross offers various health insurance plans for expats and travelers, with free choice of doctors and hospitals, flexible geographic coverage, and unlimited benefits.

PCI Innovations Tech Center, Inc.

PCI Innovations Tech Center, Inc. started its journey back in 2018. A member of Game Developers Association of the Philippine (GDAP), it is an education technology (EdTech) company that aims to bring excellent, interactive, and immersive learning to every corner of the country with new and engaging technology. It provides an innovative solution that will help bridge education gaps and promote education.

Philplans First, Inc.

PhilPlans offers various plans for education, retirement, and memorial benefits providing innovative programs that build financial preparedness for the future.

Phoenix Publishing House

Phoenix Publishing House is approved and endorsed by the Department of Education (DepEd) as provider of textbooks, references, and other supplementary instructional resources to private and public schools alike.

PODCASTNETWORK.PH

Founded in August 2019, PNA supports the local podcast industry by providing access to production support and monetization opportunities for creators and hosts. Podcast Network Asia is the biggest podcast network in Southeast Asia with over 400+ podcasts on the platform. It is a media and tech platform that offers on-demand audio content (e.g., podcasts, audiobooks, radio dramas, etc.). It also offers rental of studio room with equipment and editing subscription service for podcasters.

Primer Resources Corp.

A Philippine company engaged in the retail sale and distribution of consumer brands and products, Primer Resources carries international brands, mostly lifestyle products. The Primer Group also operates its own lifestyle boutique which includes Res/Toe/Run, The Travel Club, Ladybag, Flight001, Bratpack, GRND, General and R.O.X.

PwC Philippines/Isla Lipana & Co.

Isla Lipana & Co. performs audit, taxation, advisory and Japanese business services. It is a member firm of PricewaterhouseCoopers International Limited. The PwC network is among the leading professional services networks in the world.

Quipper

Quipper is an education technology company that provides e-Learning, coaching, tutoring, and assessment services for K-12 in Japan, Indonesia, the Philippines, and Mexico. The company's primary service is an online learning management system, which is used in different ways in each country where it operates.

R'Houzze Streetwear

R'Houzze, pronounced as "Our House" is a vintage streetwear retail shop founded by Joe Ruiz and Bianca Sato in 2019. What started out as a hobby in collecting and reselling, turned into a dream materialized as full-time streetwear store and worldwide supplier of vintage luxury and streetwear apparel.

Rakso Computer Technology

Rakso CT is a digital solutions provider capable of executing amazing digital marketing and advertising campaigns and services to its clients here and abroad.

Rappler

Rappler is a leading digital media company in the Philippines that covers news, data, and civic engagement.

Red Door Animation, Inc.

Red Door Animation, Inc. started on March 12, 2015. Red Door Animation commits to deliver innovative products and reliable service, on time and on budget. providing story boards, character designs, and animation.

RepublicAsia

RepublicAsia is an online media company that provides a platform for the young generation to tell and share their stories for them to be heard and be counted. It mainly produces stories that appeal to Gen Zs and millennials. Its

Rezonate

A global motion design production company based in New York City & Manila, Rezonate specializes in visualizing compelling stories through a collaborative design process realized in film, video, and animation.

Rocketsheep Post Production, Inc.

Rocketsheep is an award-winning Philippine boutique production company made up of highly talented artists who specialize in illustration, animation & friendsheep.

Rockit Animation, Inc.

Rockit Animation Inc. was established from the new partnership with Riot's co-founder following Cutting Edge Productions. Rockit is established as a Harmony Cut-out and CGI production studio, having come full circle in both 2D and CGI industries. The studio is venturing into creating original content along with overseas service work.

SAGA Events, Inc.

SAGA is a 360 experiential company driven by creativity and innovation to deliver unforgettable events and extraordinary experiences, mounting on-ground and online events, launching digital marketing campaigns, and producing creative content for local and international brands.

SDev Technologies

SDev Technologies is a provider of IT solutions and services in the Philippines. Founded in 2019, the company has quickly grown to become a trusted partner for a wide range of businesses. It offers a comprehensive array of IT services, including web and mobile app development, bespoke system development, website design and development, website hosting, SEO services, social media management, VAPT, managed application services, managed network services, technology consulting, and IT staff augmentation.

SEED - School for Experiential and Entrepreneurial Development

Established by Gawad Kalinga in 2014, SEED is the Philippines' pioneering agri-school system for the poor. SEED is partnered with TESDA in providing a holistic approach to organic agriculture and farm establishment through classroom instruction, hands-on learning, and community application, all in a 3-month intensive course to fastrack output and implementation. SEED aims to train 3,000 students nationwide by 2024 through its 3 campuses in Bulacan, Bukidnon, and Davao.

SERVO IT Solutions

Servo IT Solution is an IT services firm that offers solutions for the hospitality industry. Product offerings include an end-to-end hotel management system, an accounting system, a POS system for the F&B industry, and a housekeeping management system. Additionally, the company also offers website hosting development, CCTV systems, and VoIP services.

Sixty Hertz Industrial Supply, Inc.

Sixty Hertz is a company that provides quality pumps and accessories with reliable after-sales service.

SM Investments Corporation

SM Investments Corporation, also known as SM Investments or informally as the SM Group is a holding company with interests in shopping mall development and management, retail, real estate development, banking, and tourism.

Snapp Ventures, Inc.

Snapp Ventures is the owner and operator of the mortgage brokerage system Matchmo – an online platform that digitalizes the process of home loan applications for home buyers and real estate professionals alike.

Snipple Animation Studios, Inc.

Snipple's goal is not only to produce and deliver quality animation for digital media, television, features, gaming and commercials but also to create an environment that would nurture creativity and encourage excellence in all areas of production. iACADEMY interns are trained in 2D and 3D animation and are part of actual project production.

Solutions Resource

Solutions Resource is an IT consulting company specializing in open-source Java EE and .NET web portal development using the combination of on-shore and off-shore global consulting models. It aims to furnish businesses with its expertise in software development and provide information technology consulting, training, global sourcing, and "Software-as-a-Service" (SaaS) solutions to organizations.

SQFT Global Properties Philippines, Inc.

SQFT Global Properties is the foremost pioneer in the area of overseas property marketing within the Asia-Pacific region, offering a painless one-stop service for international property to the international community.

StraightArrow

StraightArrow provides exceptional creative and digital marketing services to clients around the world who need help to scale their operations. Its services include digital marketing, creative design, and creative technology.

Strategys Online Media, Inc.

Strategys Online Media, Inc. is an advertising company that leverages digital growth through strategic campaigns, engaging content, brand storytelling & ad optimization

Stratworks Inc.

Stratworks is a full-service marketing communications agency that provides communications services such as public relations, events planning and management, graphic design, promotions planning and implementation. It was awarded Agency of the Year in the Anvil Awards in 2015 as well as the Agency of the Year in the Quill Awards in 2014.

Summit Media

Summit Media is the leading magazine publisher in the Philippines with more than 20 titles under its umbrella. Aside from magazines, the company is also engaged in digital media, outside-of-home media, and consumer events.

Sunlife Asia Service Center Philippines

Sun Life is one of the top life insurance companies that offers financial planning, investment options, insurance, retirement savings & other products.

SUPPORTNINJA

SupportNinja offers customer success, technical support, content moderation, data processing, and professional services to help companies grow by outsourcing and technology

Synergy88

Synergy88 Digital is a full-service game development studio with top line expertise in Triple A Art Services and is the first Microsoft-certified vendor for game art in the Philippines. The studio is based in the Philippines and is part of the Synergy Group of Companies, all dedicated to digital entertainment and media creation. The companies have representative offices and partners in the US (Las Vegas, San Francisco), UK and Singapore.

Taktyl Studios

Taktyl Studios is a technology company dedicated to developing products that showcase Intellectual Property (IP) in various forms of media, creating awesome experiences for users around the world. It provides services for app, web and game development, art and animation, augmented reality, tabletop and card games. It also develops its own IPs.

TaskUs

TaskUs is an outsourcing company that handles content moderation for companies including Facebook and DoorDash.

TDCX

TDCX is a leading provider of business process outsourcing (BPO) services in customer experience & Asia-Pacific's best outsourced contact center with global workspaces. It provides transformative digital CX solutions, enabling world-leading and disruptive brands to acquire new customers, build customer loyalty, and protect their online communities.

The Coffee Creatives Animation

The Coffee Creatives Animation is a professional videography and design agency based in Manila that brews engaging videos, stunning motion graphics, and unforgettable brand identities for different organizations.

The Gigil Advertising Group

GIGIL is a creative and effective advertising agency that produces work that delights and activates. It has won multiple awards at the APAC Effies and Cannes, and is the Campaign Brief Asia's No. 1 Agency in the Philippines and Asia.

The Studio of Secret6, Inc.

Secret 6 was founded in 2005, providing art outsourcing services to video game developers and TV production companies worldwide.

Titus Global- Tech

Titus Global-Tech is a company that operates in the Information Technology and Services industry. Its services include automation of production facilities and business processes.

Toon City

Toon City, an animation studio located in Manila, Philippines, was founded in 1993 by Colin Baker. Its primary contractors are The Walt Disney Company and its DisneyToon Studios division, which produces animated TV series and direct-to-video films. It has also done a few commercials and several direct-to-video works for Nickelodeon, Universal, Warner Bros. and Cinegroupe.

Ubisoft Philippines

Ubisoft is a leading creator, publisher and distributor of interactive entertainment and services, with a rich portfolio of world-renowned brands. The teams throughout Ubisoft's worldwide network of studios and business offices are committed to delivering original and memorable gaming experiences across all popular platforms. In 2016, Ubisoft Philippines opened as the first and only AAA game development studio in the country.

UPFI-EIDR Salikha

The University of the Philippines Film Institute, also known as the UP Film Institute or UPFI, is a film school located in Quezon City, Philippines. It is attached to the UP College of Mass Communication and engages in theater and extension services, academics, and research related to cinema.

VITAMIN B, Inc.

Vitamin B is a strategic design consultancy specializing in brand strategy, corporate identity, packaging, environmental graphic design and brand driven communications. Some of the brands it has created include the Mind Museum, Alveo Land, Cupcakes by Sonja and Isang Litrong Liwanag.

World Vision, Inc.

World Vision, Inc. is a nongovernment organization that focuses on child protection, economic development, education, health & nutrition, clean water and sanitation.

Xentrix Toons, Inc.

Xentrix Toons is a fast-growing multinational 2D animation studio with clients like Disney, Lego, Boulder Media, Bardel Entertainment, and more. It offers 3D animation to clients through its parent company Xentrix Studios.

Scholarships

STI ESG

STI ESG partnered with various companies to aid in scholarship programs and increase employment opportunities for STI ESG's graduates.

Gift of Knowledge

To provide educational opportunities to deserving individuals who have no means of pursuing post-secondary education, STI ESG, through the STI Foundation for Leadership in Information Technology and Education, Inc. (STI Foundation), strengthens its partnership with various TV programs from different TV networks. No scholars were registered in SY 2020-2021 and SY 2021-2022 since the TV networks also experienced the disruption caused by the global pandemic and various TV shows went off-air. For SY 2022-2023, three new scholars were registered through the partner TV programs.

Sponsored Scholarship Programs

STI ESG and STI Foundation continually strengthen partnerships with corporations and government organizations to be able to provide scholarship programs to support the tertiary education of deserving individuals.

The STI Foundation and its partners were able to support 1,087 scholars in SY 2021-2022, 654 scholars in SY 2022-2023, and 370 scholars in SY 2023-2024.

STI WNU

The following grantors sponsor scholarship programs through the University:

- AFPEBSO-Presidential Decree No. 577 Scholarship Program
- Alfredo G. Marañon, Jr. Scholarship Program (AGMSP)
- Bacolod Patenkinder Youth Development Foundation, Inc. (BACPAT)
- Central Azucarera de La Carlota, Inc. (CAC)
- CHED Student Financial Assistance Programs (StuFAPs)
- Congressional Tulong Dunong Grant (TD Grant)
- Department of Labor and Employment Special Program for Employment of Students (DOLE-SPES)
- Elmer Sy Marketing (ES MKTG)
- First Farmers Holding Co. Incorporated (FFHCI)
- Government Assistance to Students and Teachers in Private Education (GASTPE; also called FAPE or Fund Assistance to Private Education)
- Hawaiian Philippine Company (HPCO)
- Kabankalan City
- MALIPAI Foundation
- Municipality of La Castellana

- Municipality of Isabela
- Negros Women for Tomorrow Foundation Incorporated (NWTFI)
- Public Employment Services Office (PESO) City of Bacolod
- Sagay Central
- STI Foundation Scholarships (Academic, Non-Academic, Co/Extra Curricular)
- Province of Negros Occidental – ICT Scholarship
- Transcom (Earn while you Learn Program)
- Panasiatic Solution
- Silay City Scholars
- Transferees Scholarship granted to engineering students from State Colleges and Universities
- Scholarship monthly allowance given by the alumni of the College of Engineering

In addition, deserving students are given academic, athletic and cultural scholarships based on set criteria and coverage.

iACADEMY

The Scholarship Unit, under the Office of Student Affairs and Services, aims to support iACADEMY's endeavor to provide accessible education to intellectually capable but financially challenged students.

The Scholarship Unit is in charge of administering such assistance in the form of scholarship grants, tuition discounts, and student assistance, whether through external or internal grants. In keeping with its mission to support the scholastic endeavors of young adults, iACADEMY gives scholarships to recognize students' outstanding academic achievements and great potential to contribute to community involvement. The Scholarship Unit aids the school's mission of providing accessible education by continuously securing external partners and helping in the selection, guidance, and care of iACADEMY's scholars.

Internal Scholarship Programs

Leadership Excellence and Academic Achievement Program (LEAP)

This Scholarship is given to Grade 12 students of iACADEMY who have shown potential for leadership and academic excellence. Initially launched in SY 2018-2019 with 54 scholars, the program had 135 scholars in SY 2021-2022, 97 in SY 2022-2023, 56 in SY 2023-2024.

Vanessa L Tanco (VLT) Presidential Scholarship

This scholarship is offered to Grade 10 or Grade 12 students with outstanding academic achievement from public and private high schools. This full scholarship program began in the SY 2012-2013. The number of scholars ranged from six (6) to fifteen (15) scholars for each of the school years from SY 2021-2022 to SY 2023-2024.

External Scholarship Programs

iACADEMY continues to build strong partnerships with different organizations to provide scholarship opportunities that support financially-challenged students in pursuing their tertiary education.

iACADEMY along with its current scholarship partners, were able to support nine (9) scholars in SY 2022-2023 and thirteen (13) scholars in SY 2023-2024.

The following organizations are key investors in scholarship programs at iACADEMY:

- PricewaterhouseCoopers (PwC) Philippines/Isla Lipana & Co. Foundation, Inc.

- Gokongwei Brothers Foundation (GBF)
- BingoPlus Foundation, Inc.
- Kooapps Philippines

Community Extension and Outreach Programs

STI ESG

Capitalizing on STI ESG's national reach, STI Foundation and STI campuses across the country spearheaded and/or collaborated with other groups to conduct several community involvement programs that intensified the spirit of camaraderie among employees and the desire to give back to the communities while developing an environment that will be beneficial to all stakeholders.

The STI Foundation

The STI Foundation aims to contribute to the improvement of the country's educational system through programs and projects that promote excellence in education.

STI Mobile School

The STI Mobile School is a fleet of tourist-sized buses converted into roving computer laboratories. Each bus is equipped with a state-of-the-art computer laboratory with internet access, multimedia computers, LCD monitors, sound system, and other top-of-the-line computer equipment.

Since its inception in 2011 until the end of SY 2022-2023, the STI Mobile School has traveled to over a thousand sites and trained around 175,000 participants nationwide. From the six STI mobile school buses, one STI mobile school was donated to the 6th Infantry (Kampulan) Division of the Philippine Army during SY 2022-2023.

Adopt-a-School Program

STI ESG received a Certificate of Appreciation from DepEd for being one of its active partners in implementing the Adopt-a-School program. The STI Mobile School provides alternative learning facilities to DepEd's high schools in far-flung communities. The Adopt-a-School program aims to teach students computer concepts, GNU Image Manipulation Program (GIMP), multimedia animation, audio editing, and movie presentation through ICT-enhanced training sessions, among others. STI Foundation's strong support to DepEd's various programs was further recognized as it received a Plaque of Appreciation during the Education Partners Appreciation Program on December 13, 2022.

STI Foundation likewise extended assistance to various special community development projects, outreach programs, and humanitarian services to help tackle the needs of the disadvantaged sectors and other organizations.

In support of DepEd's Brigada Eskwela program, STI College Tarlac joined the national kick-off program held on August 7, 2023 at Tarlac National High School, San Roque in Tarlac City. The event was attended by then DepEd Secretary VP Sara Duterte, top officials from DepEd-Tarlac Division, partners, and private institutions, among others. Together with STI Foundation, STI ESG mobilized its 63 campuses nationwide and has gone above and beyond in their efforts to support Brigada Eskwela. Through their collective efforts, they have managed to amass an astonishing total of almost PhP1 million, a significant portion of which was contributed in cash and various in-kind donations. Apart from financial and in-kind contributions, STI ESG campuses have also leveraged their expertise and knowledge by organizing workshops and training sessions for teachers and public-school personnel.

Community and Civic Engagements

Through STI ESG's partnership with the National Grid Corporation of the Philippines (NGCP), a privately-owned corporation in charge of operating, maintaining, and developing the country's state-owned power grid, STI Foundation facilitated the installation and regular maintenance of computer units donated by NGCP to select public elementary and high schools nationwide. Additionally, in SY 2022-2023, STI Foundation sponsored the electricity and computer laboratory maintenance of eight public schools.

For SY 2022-2023, STI Alaminos organized a mangrove planting activity at Bued Mangrove Park in Alaminos City, Pangasinan. STI students, faculty members, and other school personnel joined together and planted 100 mangrove propagules. The activity aimed to raise awareness of the importance of mangroves in protecting their coastal community and reducing the effects of climate change. STI College Dumaguete students, faculty members, and school personnel also joined the Philippine Air Force in a coastal clean-up in Cangmating Beach, Sibulan in relation with the Philippine Environment Month 2022 with the theme, "Aksyon para sa Natatanging Mundo."

STI WNU

The intervention focused on education programs especially for the pre-school children and Alternative Learning System classes for the Out of School Youth. STI WNU facilitated the construction of the one-storey building for the Pre-school classes in VAGRES. The building was the result of an innovation project of the College of Engineering known as the Ecoblocks, wherein empty polyethylene terephthalate bottles were used as major materials in the said construction project.

Since 2016, the University's Community Extension Office has been a steadfast advocate for environmental sustainability and community development. Its ongoing initiatives have had a profound impact on the neighboring communities.

One of the office's most notable achievements has been its collaboration with local government units (LGUs) and private companies to organize annual International Earth Day Celebrations and International Coastal Clean-Up Drives. These events have not only raised awareness about environmental issues but have also mobilized hundreds of volunteers to actively participate in clean-up efforts and tree-planting activities.

In addition to these large-scale events, the office has implemented numerous Tree Growing Projects. These initiatives have resulted in the planting of thousands of trees in various locations, including coastal areas, schools, and degraded areas.

The office's commitment to community engagement extends beyond environmental initiatives. It has also partnered with local organizations to address other pressing social issues, such as poverty, education, and healthcare. Through workshops, training programs, and community outreach activities, the office has empowered individuals and communities to improve their quality of life.

The University has likewise been involved in the implementation of the Alternative Learning System (ALS) for several barangays within Bacolod City. This project, a collaboration with the Department of Education and Virlanie Foundation.

Likewise, KAWSA, an organization of student volunteers, was created in 2016. Since then, the organization has been active in environmental campaigns.

The Twelve Teachers Thousand Lives project was launched in partnership with the Municipality of La Castellana. In line with the purpose of producing more educators, deserving students are given

scholarships to pursue a Bachelor of Science in Education degree. All scholars enjoy free tuition courtesy of the institution while other fees are subsidized by the partner LGUs. The scholars, for their part, actively and excellently exhibit unique. They engage in activities that address issues concerning the environment, arts and culture, leadership and children in conflict with the law. In SY 2021-2022, the University had five (5) scholars, three (3) from the municipality of La Castellana and two (2) from the City of Kabankalan. Of these scholars, three graduated in the same year. In SY 2022-20223, the University had five (4) scholars. Three (3) were from the municipality of La Castellana and one (1) from the City of Kabankalan. Of these scholars, one (1) graduated in the same year.

In February 2018, STI WNU through the College of Business Management and Accountancy (CBMA) entered into a Memorandum of Agreement with Barangay Vista Alegre represented by its Punong Barangay in the implementation of CBMA's sustainable livelihood development program for Purok Arao, Barangay Vista Alegre, Bacolod City. During the COVID-19 pandemic, the University, in partnership with Junior Chamber International (JCI), distributed food packs to one hundred fifty (150) families in Purok Arao, in Barangay Vista Alegre. In SY 2021-2022, CBMA conducted a seminar on Food Processing.

Celebrating DAP: A Pathway to BPO for Differently Abled Persons was launched in June 2021. This is a collaborative program among BPO, LGU and STI WNU that promotes the interest of DAPs particularly on their employment in the BPO Industry. A Communication Skills Training activity was conducted among DAPs in June 2024 at the University Teodoro Hall. Thirty differently-abled persons were able to participate in the said activity which was sponsored by the College of Arts and Sciences in collaboration with the Community Extension and Engagement Office.

In October 2021, STI WNU conducted a "Tree-Growing" project in Barangay Vista Allegre, Bacolod City. This endeavor aims to ensure that all trees planted under the university's initiative in previous years continually grow and thrive.

In the year 2022, the school through its various colleges establish a partnership among the deprived communities due to different circumstances such as Barangay Tomongtong, EB Magalona by the College of Hospitality and Tourism Management (CHTM), providing them training on Tour Guiding, Cookery and other related concerns for the enhancement capability of women, vendors and people in the community as help in their source of livelihood. In the City of Sipalay, the University responded to the critical needs of the place due to typhoon Odette. It started with relief operations by distributing food supplies, clothes, water supplies, medicines and housing materials. In September 2023, the sustainable livelihood program for communities will be started to be sponsored by the School of Graduate Studies in collaboration with the CHTM.

The Community and Extension Office has also facilitated the donations of around 1,500 monobloc plastic chairs to Partner Communities and LGUs, public schools and Day Care Centers since May 2022 up to the present.

Various departments of the University have actively participated in community projects, continuing the implementation of the program for SY 2022-2023. The College of Criminal Justice Education (CCJE) organized multiple trainings for Barangay Tanods in several barangays of Bacolod City. This training covered a range of topics, including Disarming Techniques, Disaster Preparedness, Incident Report Writing, and the Conduct of Road Checkpoints. The department has also conducted seminars on Drug Awareness and Resistance Education (DARE) and the Street Children Protection Education Program, which concluded with a gift-giving program for Out-of-School youth and street children. The College of Information and Communication Technology (CICT) collaborated with CCJE for the development of an online application called Bacolod Crime Mapping System. The application was then turned over to Barangay Handumanan and Barangay 38. CICT likewise developed a website for Barangay Tomongtong Magrove Ecotrail in E.B. Magalona.

In 2023 and 2024, the Emergency Response Initiative has been actively addressing calamities and disasters, including incidents such as fires, floods, typhoons, and Mt. Kanlaon Volcano eruptions. These unfortunate events have resulted in numerous families becoming victims or survivors. In response, STI WNU through its Community Engagement and Extension Office in partnership with various colleges, departments and offices has mobilized its resources and expertise to provide assistance and support to those affected.

One of the key initiatives undertaken by the University is the campaign for donations through various means. These include dress down for a cause, where individuals can contribute by participating in STI Shirt casual attire days, and the 1st Monday Habit-donation drive, which encourages regular monthly donations. These initiatives aim to sustain and supply much-needed resources to alleviate the hardships faced by the affected individuals and communities.

By rallying the collective efforts of the University and its partners, the Emergency Response Initiative strives to make a meaningful difference in the lives of those impacted by calamities. Through these ongoing initiatives, STI WNU is committed to providing assistance, support, and hope to those facing difficult times.

In July 2024, a sustainable project was implemented to benefit partner communities and recipients, showing the university's commitment to making a positive impact. These initiatives include tutorial classes and teaching sessions for parents/guardians on effective tutoring methods for their children. Approximately 70 learners from the Purok Arao Relocation Site, Sitio Progreso 2, Brgy. Vista Alegre has benefitted from these classes, fostering educational growth and development.

Another noteworthy initiative is the Project DigiBar, a series of training workshops designed specifically for barangays and city officials. This initiative equips them with the necessary digital skills and knowledge to excel in their roles and contribute to the progress of their communities.

Project GRINGO stands as an environmental initiative, focusing on tree planting activities to promote a greener environment. Additionally, the STEP Project provides valuable learning opportunities for out-of-school youth, ensuring they have access to education and skills training. Moreover, sustainable livelihood programs have been implemented to support persons with disabilities (PWD) and provide them with income-generating opportunities. The Women's Association and Vendors Association have also benefited from livelihood skills training, empowering them to thrive in their respective fields.

An initiative called Adopt-A-Family and Adopt-A-Community was introduced in various Barangays in Bacolod City to address food security concerns. This program promotes Vegetable Gardening among households and communities to tackle food scarcity. The Adopt-A-Family program supports specific families in establishing and maintaining their vegetable gardens, empowering them to grow their own nutritious food. The Adopt-A-Community program encourages PWD Sectors and Barangay individuals to adopt whole communities and collaborate in establishing community gardens. These efforts aim to ensure a consistent food supply, strengthen community bonds, and encourage cooperation.

Additionally, a Nursery for Mangrove Project is being established in Brgy. Tomongtong, EB Magalona. This project aims to protect and restore the mangrove ecosystem, which plays a vital role in maintaining coastal ecosystems, providing habitat for marine life, and protecting against erosion and natural disasters. The establishment of a nursery allows local communities to grow and replant mangrove seedlings, contributing to the preservation and restoration of this essential ecosystem.

These projects exemplify a proactive and community-driven approach to addressing food security concerns and environmental conservation in Bacolod City. They empower individuals and communities to actively contribute to the creation of a sustainable and resilient future. The active participation of students, faculty members, and non-teaching personnel from various colleges,

departments, and offices within the university has been instrumental in these initiatives' success. The Department of the National Service Training Program has played a significant role in implementing these projects. Their collective efforts have greatly contributed to their impact, fostering positive change and strengthening the relationship between the university and its partner communities and recipients.

As part of the STIWNU priority initiatives since the pandemic and continuing to the present, the Emergency Response Relief Operation Program has been sustained. This program comprises a team of NSTP instructors, ROTC officers, and rescuers, in collaboration with the Office of Community Extension and Engagement. Together, they serve as the first responders among schools in the city, providing essential services and distributing food and other necessities to affected families. The program's efforts extend beyond the pandemic, addressing various calamities such as typhoons, floods, and fires. These emergencies occur several times a year, with fire incidents particularly impacting our students, many of whom reside in boarding houses, alongside those living in Bacolod and nearby municipalities. The team has successfully reached remote areas of the province to deliver necessities to those in need.

iACADEMY

The External Linkages and Community Sustainability programs of iACADEMY is geared towards building strategic partnerships with public and private organizations to create meaningful programs and activities. These initiatives aim to provide holistic development to iACADEMY students, as well as create a positive impact on society.

Through the Social Orientation and Community Involvement (SOCI) unit under the External Linkages and Partnerships Department (ELPD), iACADEMY's official social development arm, the institution intends to involve its constituents in various community engagement opportunities.

To date, the SOCI unit has been spearheading several initiatives with its community and institutional partners based on the needs assessment, on-site meetings, and virtual consultations with its partners.

Together, the Senior High School (SHS) - Humanities and Social Sciences (HUMSS) students for their Community Engagement, Solidarity and Citizenship (CESC) class and College - National Service Training Program (NSTP) produced service learning projects for partners from World Wild Fund on July 14, 2023 for Nature (WWF PH), on July 4, 2023 for the School for Experiential and Entrepreneurial Development (SEED PH), on July 18, 2023 for Cartwheel Foundation Inc., on July 13, 2023 for Special Achievers, and on April 25, 2023 for the Gawad Kalinga - SIPAG (GK SipaG) Program. These community engagement projects were integrated in their classes and the students were also graded on the outputs they developed for Community Development partners. This year, there were around 11 Community Engagement, Solidarity and Citizenship (CESC) students and 256 National Service Training Program (NSTP) students who participated in the program.

As one of the top schools in the country that offers technology-centered and industry-driven programs, iACADEMY supported the educational partners as part of their community development initiative through the Project B.R.I.D.G.E (Building Relationships with Industry Donors and Givers for Education) and the Adopt a School Program by the Department of Education. On October 6, 2023 iACADEMY's Dean from the School of Computing, Dr. Francisco Napalit, conducted a workshop titled "Securely Unraveling the AI Enigma: A Mind-Bending Workshop of Chatbots, Encryption, and Interactive Slides.

On October 18, 2023, iACADEMY launched its School Recycling Project for Plastic Bank PH which is a joint program of the Building Administration and Facilities, SOCI unit, and the Central Student Organization (CSO) to promote responsible plastic waste segregation in the campus. As an ethical recycling company, Plastic Bank will be buying the recycled plastic bottles at a higher price than the

average junk shop. All proceeds from the selling of the plastic bottles will be shared by the CSO for student activities and the Building Administration and Facilities Department for special projects such as school beautification and emergency funds for the utilities staff and security guards.

iACADEMY collaborated with the Philippine National Red Cross, Rizal Chapter, Makati Branch, for a Blood Donation Drive on October 20, 2023. A total of 77 pre-registration sign-ups were recorded, with 63 individuals registering as donors. As the day unfolded, 37 individuals stepped forward as heroes, successfully donating their precious life-giving blood. Among these heroes were students and dedicated iACADEMY faculty and staff. Each volunteer's donation of one (1) bag, or 450ml, of blood is a vital contribution to the cause. These seemingly small acts collectively resulted in more than 16 liters of blood across various blood types being added to the PNRC's blood reserve.

In celebration of National Book Week, on November 9, 2023, iACADEMY's Library team and the SOCI unit organized a mobile library for the Sama Bajau beneficiaries of the Cartwheel Foundation. This activity aims to promote literacy and reading among children aged 6-12 years old. It also provides a platform for students to interact with their partners through games and storytelling sessions.

iACADEMY partnered with World Vision Philippines for the 'Share Ko Lang' fundraising and outreach activities for the benefit of the Baseco Learning Center. With the support of iACADEMY employees, teachers, alumni, and students, SOCI have raised a total of ₱15,785.50 for school supplies and Christmas gifts for 30 students from Baseco. Pocket activities were done last November 6-10, 17, and on December 4, 2023 for the culminating outreach program.

As part of the SBLA Week 2024 activities, iACADEMY had a talk about the concept of "Social Entrepreneurship" and its impact to the community. SOCI invited Mr. Shanonraj Khadka, Director of Work in Progress and Co-founder of GK Farm Innovations Inc., and Ms. Monica Aclan, Deputy Executive Director of Project PEARLS, to speak to 50 SBLA students last February 29, 2024.

SOCI, together with Fashion Design, had a learning session on April 5, 2024 about 'How Fashion Empower Women and Communities' during the 'Re-Fashion Week 2024.' SOCI invited the partners from Project PEARLS to talk about the G.R.O.W (Giving Resources and Opportunities for Women) program and how it supports their women workforce. The G.R.O.W 'Nanays' also gave a Macramé workshop for 20 Fashion Design students.

The School of Computing volunteered to conduct a Basic MS Office Workshop in partnership with Barangay Bangkal, Makati LGU. The workshop had a total of 37 students from Bangkal Elementary School and Barangay Bangkal in the two (2) batches held on May 4, 2024, and June 29, 2024.

SOCI unit plans to refine the community extension goals for the current year, prioritizing long-term and sustainable projects in collaboration with partners. These initiatives are centered around educational endeavors, including capacity-building workshops, skills development training programs, and the creation of educational materials. Additionally, SOCI aims to host talks and seminars tailored for both the students and partners. Furthermore, SOCI is enhancing interactions within the iACADEMY community and promoting volunteerism by offering engaging and purposeful activities for participation.

Business of Issuer

STI Holdings, being a holding company, derives its revenues from dividends declared by its subsidiaries namely, STI ESG, STI WNU, iACADEMY and AHC. It also derives income from business advisory services it provides to the subsidiaries. In the fiscal years ending March 31, 2014 and 2013, it earned interest from funds received from the follow-on offering, while these funds were not yet deployed to its subsidiaries in accordance with the follow-on offering work program.

STI ESG is the largest subsidiary of STI Education Systems Holdings, Inc. (STI Holdings) the ultimate parent company of the Group. It is engaged in establishing, maintaining, and operating educational institutions. It derives its main revenues from tuition and other school fees of its own schools, and from the royalties and other fees for various educational services provided to its franchised schools.

STI ESG offers secondary (senior high school) and tertiary (college and TESDA) programs, as well as post-graduate and associate programs. The colleges of STI ESG offer associate/baccalaureate degrees and technical-vocational programs in the fields of ICT, Business and Management, Hospitality Management, Tourism Management, Arts and Sciences, Engineering, and Education. These programs are accredited by CHED and/or TESDA, as may be applicable. The education centers of STI ESG offer technical-vocational courses for information technology, multimedia arts, hospitality and restaurant services, culinary, and tourism and events management, among others. The programs in the education centers are accredited by TESDA.

STI WNU, for its part, offers baccalaureate degree programs in education, engineering, criminology, IT, arts and sciences, business and management and hospitality and tourism management. These programs are authorized by CHED. The University also offers programs for graduate studies in the fields of business and education. In addition, it offers basic education from nursery to senior high school with tracks in academic, tech-voc, sports and art and design. These programs are authorized by DepEd.

iACADEMY operates as a high-end school and likewise derives revenues from tuition and other school fees. Its campuses are along Yakal St. in Makati City and in Cebu I.T. Park, Lahug, Cebu City.

AHC is a 100% owned subsidiary of STI Holdings. The parent company subscribed to 40% of its shares in November 2014 and eventually bought the balance of 60% of its outstanding capital stock in February 2015. At the time of purchase, it had receivables from Unlad which it eventually assigned to STI Holdings on March 1, 2016. It is not operating as of March 31, 2017.

STI ESG School Programs

Tertiary Programs

BS in Information Systems
BS in Computer Science
BS in Information Technology
BS in Accountancy
BS in Management Accounting
BS in Accounting Information System
BS in Business Administration major in Operations Management
BS in Hospitality Management
BS in Retail Technology and Consumer Science
BS in Culinary Management
BS in Tourism Management
BS in Computer Engineering
BA in Communication
Bachelor of Multimedia Arts
BA in Psychology*
BS in Marine Engineering**
BS in Marine Transportation**
BS in Naval Architecture and Marine Engineering**
BS in Criminology*
3-year Hotel and Restaurant Administration
2-year Information Technology Program

2-year Associate in Computer Technology
2-year Hospitality and Restaurant Services
2-year Tourism and Events Management
2-year Associate in Retail Technology

**These programs are offered in select STI campuses.*

***These maritime programs are offered only to students of NAMEI Polytechnic College, Inc.*

Senior High School Programs

Academic Track

- Accountancy, Business and Management
- Humanities and Social Sciences
- Science, Technology, Engineering, and Mathematics
- General Academic Strand

Technical-Vocational-Livelihood Track

- ICT Strand with specializations in:
 - Computer Programming
 - Animation
 - Illustration
 - Computer Systems Servicing
- Home Economics Strand with specializations in:
 - Commercial Cooking
 - Cookery
 - Bartending
 - Food and Beverage Services
 - Bread and Pastry Production
 - Local Guiding Services
 - Travel Services
 - Tourism Promotions Services
 - Front Office Services
- Industrial Arts Strand with specialization in:
 - Electronic Products Assembly and Servicing

Junior High School

Grades 7 to 10

STI WNU School Programs

Tertiary

BS in Hospitality Management
BS in Tourism Management
BS in Criminology
BS in Information Technology
BS in Computer Science
BS in Accountancy
BS in Business Administration major in Marketing Management
BS in Business Administration major in Financial Management
BS in Management Accounting
BS in Retail Technology and Consumer Science
Bachelor of Early Childhood Education
Bachelor of Physical Education
Bachelor of Secondary Education major in English and Filipino

Bachelor of Elementary Education
Teacher Certificate Program
BS in Psychology
BS in Mathematics
BA in Communication
BA in English Language
BS in Electrical Engineering
BS in Civil Engineering
BS in Mechanical Engineering

School of Graduate Studies (SGS)

Doctor of Philosophy in Educational Management
Doctor in Public Administration
Doctor in Business Administration
Master of Arts in Education
Master in Business Administration
Master in Public Administration

Basic Education

Pre-Elementary (Nursery, Kinder 1 and Kinder 2)
Elementary (Grades 1 to 6)
Junior High School (Grades 7 to 10)

Senior High School

Academic Track

- Accountancy, Business and Management
- Humanities and Social Sciences
- Science, Technology, Engineering and Mathematics

Technical-Vocational-Livelihood Track

- Maritime Specialization Strand
- ICT Strand
- Home Economics Strand

iACADEMY School Programs

College

School of Computing

BS in Computer Science (Software Engineering)*
BS in Computer Science (Cloud Computing)
BS in Computer Science (Data Science)
BS in Entertainment and Multimedia Computing (Game Development)*
BS in Information Technology (Web Development)

School of Business and Liberal Arts

BS in Business Administration major in Marketing Management
BS in Business Administration major in eManagement
BS in Real Estate Management*
BA in Psychology
BS in Accountancy

School of Design

- BS in Animation**
- BA in Multimedia Arts and Design*
- BA in Fashion Design and Technology
- BA in Film and Visual Effects
- BA in Music Production and Sound Design

*Also offered at the Cebu campus.

**Offered as BA in Animation at the Cebu campus.

Senior High School

Academic Track

- Accountancy, Business and Management
- Humanities and Social Sciences
- Science, Technology Engineering and Mathematics (Robotics)

Technical-Vocational-Livelihood Track

- ICT Strand with specializations in:
 - Computer Programming (Software Development)
 - Animation
 - Mobile App Development
 - Graphic Illustration
- Home Economics Strand with specialization in:
 - Fashion Design

Arts & Design Track

- Media and Visual Arts (Multimedia Arts)
- Music (Audio Production)

Senior High School (Homeschool Program)

Academic Track

- Accountancy, Business and Management

Technical-Vocational Track

- ICT Strand with specialization in:
 - Animation

Arts & Design Track

- Multimedia Arts

Professional Accreditations

STI ESG

International Organization for Standardization 9001:2008 (ISO 9001:2008)

On February 5, 2015, STI ESG received the official ISO 9001:2008 Certification for its Learning Delivery System. The ISO 9001:2008 certification is a milestone for the institution's thrust towards academic excellence by reaching global standards in its learning delivery system.

International Organization for Standardization 9001:2015 (ISO 9001:2015)

STI ESG is one of the pioneer institutions awarded with the ISO 9001:2015 Quality Management System (QMS) Certification in SY 2017-2018. This is a certification upgrade for its Learning Delivery System (LDS) with emphasis on risk-based thinking, improved applicability for services, and increased

leadership requirements. The scope of the LDS was likewise extended to the senior high school level and was expanded with the inclusion of the student program development and job placement assistance.

STI ESG maintained its certification and was lauded by the ISO certifying body TÜV Rheinland Philippines, Inc. during its recertification audit on December 5, 2023 for inclusivity in the workplace and various awards and recognition received such as World Education Summit Excellence in Industry Academia, Huawei Best Academy, Silver Anvil Awards for the Student’s Career Opportunity and Personality Evaluator (SCOPE) and the STI Official Facebook Page and the STI SCOPE as a finalist in the PANAta Awards 2022.

STI WNU

The various programs of the University are accredited under any of the following bodies: PACUCOA Accreditation and FAPE, while all Academic Programs including Graduate Studies and Basic Education (Pre-School, Elementary, Junior High School and Senior High School) are certified International Organization for Standardization 9001:2015 (ISO 9001:2015 - Quality Management System) and 21001:2018 (ISO 21001:2018 - Educational Organization Management System) by Det Norske Veritas Germanischer Lloyd (DNV GL).

The following table shows the accreditation status of the different programs:

PROGRAM	LEVEL	EXPIRATION
Liberal Arts (AB English Language)	Level IV	December 2026
Business Administration	Level IV	December 2026
Bachelor of Elementary Education	Level IV	December 2026
Bachelor of Secondary Education	Level IV	December 2026
Master of Arts in Education	Level IV	January 2028
Master in Public Administration	Level IV	January 2028
Doctor of Philosophy in Educational Management	Level III	December 2026
Bachelor of Science in Criminology	Level III	April 2028
Bachelor of Science in Psychology	Level II 2 nd RA	December 2026
Bachelor of Science in Information Technology	Level I	May 2025
Bachelor of Science in Hospitality Management	Level I	April 2026
Bachelor of Science in Accountancy	Candidate Status	January 2026
Bachelor of Science in Management Accounting	Candidate Status	January 2026
Bachelor of Science in Mathematics	Candidate Status	January 2026
Bachelor of Science in Tourism Management	Candidate Status	January 2026
Bachelor of Science in Computer Science	Candidate Status	January 2026
Bachelor of Science in Electrical Engineering	Candidate Status	January 2026
Bachelor of Science in Mechanical Engineering	Candidate Status	January 2026
Doctor in Public Administration	Candidate Status	January 2026
Master in Business Administration	Candidate Status	January 2026
High School	Re-certification FAPE	SY 2026-2027

In addition, the University has been an Education Service Contracting (ESC) participating school for FAPE from SY 2008-2009 to the present in accordance with the PEAC assessment as commissioned by DepEd. This has allowed qualified junior high school students and teachers of the University to receive annual subsidy through the GASTPE Program of DepEd.

Employees

STI ESG

STI ESG had 2,248 employees – 1,528 of whom were faculty members, 533 were non-teaching personnel, and 187 employees were from the main office as of June 30, 2024. STI ESG provides employees with development programs that assist them in effectively carrying out their jobs and prepare them for career advancement.

FUNCTION	NUMBER OF EMPLOYEES
Main Office	
Senior Management	8
Managers	59
Staff	120
<i>Subtotal</i>	187
STI Schools	
Teaching Personnel (wholly-owned schools)	1,528
Non-teaching Personnel (wholly-owned schools)	533
<i>Subtotal</i>	2,061
STI ESG GRAND TOTAL	2,248

STI WNU

STI WNU has 480 employees consisting of 126 non-teaching personnel which include managers and executive level employees, and 354 full-time and part-time teaching personnel.

FUNCTION	NUMBER OF EMPLOYEES
Senior Management	7
Managers	23
<i>Subtotal</i>	30
Teaching Personnel	
Full time	171
Part time	183
	354
Non-teaching Personnel	96
<i>Subtotal</i>	450
STI WNU GRAND TOTAL	480

iACADEMY

iACADEMY has 275 employees, 142 of whom are full-time and part-time faculty members, and 133 non-teaching personnel, including rank-and-file to executive level employees.

FUNCTION	NUMBER OF EMPLOYEES
Senior Management	9
Managers	20
<i>Subtotal</i>	29
Teaching Personnel	
Full time	40
Part time	102
	142
Non-teaching Personnel	104
<i>Subtotal</i>	246
<i>iACADEMY GRAND TOTAL</i>	275

Item 2. PROPERTIES

STI Holdings

The Parent Company owns properties located in Quezon City and in Davao which are recognized as noncurrent asset held for sale and investment property, respectively, in the statement of financial position as at June 30, 2024. The property in Quezon City has a total land area of 15,275 sq. m. while the real estate property in Davao has an area of 40,184 sq. m.

STI ESG

STI ESG maintains a substantial portfolio of properties, comprised of owned and long-term leased locations that serve as sites for school buildings and grounds. There are also properties that are held for investment. The following table sets forth information on the properties that STI ESG owns.

LOCATION	TYPE (Owned unless otherwise indicated)	USE	AREA (IN SQ.M)	
			LOT	FLOOR
Batangas City	Land and building	School Campus	6,564	8,099
Cainta, Rizal	Land and building	School Campus	39,880	12,867
		Administration Building	-	5,676
Calamba City	Building Land is on long-term lease	School Campus	6,237	7,453
Caloocan City	Land and building	School Campus	15,495	12,745
Carmona, Cavite	Land and building	School Campus	6,582	3,917
Cubao, Quezon City	Land and building	School Campus	3,768	9,982
EDSA, Pasay City	Land and building	School Campus	3,911	19,812
Fairview, Quezon City	Land and buildings A & B	School Campus	1,808	4,696
	Buildings C & D are on long-term lease		-	3,172

LOCATION	TYPE (Owned unless otherwise indicated)	USE	AREA (IN SQ.M)	
			LOT	FLOOR
Fort Bonifacio, Global City	Building Land is on long-term lease	School Campus	2,632	10,101
Kalibo, Aklan	Land	School Campus	1,612	-
Kauswagan, Cagayan de Oro City	Land and building	School Campus	17,563	2,704
Las Piñas City	Land and building	School Campus	10,000	10,469
Legazpi City	Land and building	School Campus	4,149	5,492
Lipa City	Land and building	School Campus	3,222	12,093
Lucban, Baguio City	Land and building	School Campus	731	1,796
Lucena City	Building Land is on long-term lease	School Campus	4,347	8,056
Naga City	Land and building	School Campus	5,170	4,506
Novaliches, Quezon City	Land and building	School Campus	4,983	8,362
San Jose del Monte City, Bulacan	Land and building	School Campus	4,178	11,637
Sta. Mesa, Manila	Building Land is on long-term lease	School Campus	3,691	16,379
Tanauan, Batangas	Land	School Campus	10,000	-
Tanay, Rizal	Land and building	School Campus	5,502	2,825
Valencia, Bukidnon	Land and building	School Campus	300	1,137
Ternate, Cavite	Townhouse	Training Center	-	107
Almanza, Las Piñas City	3 Condominium Units (37.2sqm/unit) and Parking	Investment Property	-	153
Ayala Avenue, Makati City	Condominium Units (4th, 5th & 6th floors of STI Holdings Center)	Investment Property	-	3,096
BF Homes, Las Piñas City	Land and building	Investment Property	4,094	2,865
BF Homes, Las Piñas City	Land and building	Investment Property	3,091	2,003
Caliraya Springs, Cavinti, Laguna	Land	Investment Property	948	-
Cebu City	Land	Investment Property	1,100	-
Gil J. Puyat Avenue, Makati City	Condominium Units (10 th , 11 th , 12 th , and Upper Penthouse of TechZone Building)	Investment Property	-	7,928
Meycauayan City, Bulacan	Land	Investment Property	2,459	-
Diversion Road, Brgy. San Rafael, Mandurriao, Iloilo City	Land	Investment Property	2,615	-
Sto. Tomas, Baguio City	Land	Investment Property	512	-

Listed in the table below is the campus ownership of franchised schools as of SY 2023-2024.

Owned by the School		Owned by STI Franchisee		Leased from other parties			
1	Balagtas	9	Balayan	14	Alaminos	22	Rosario
2	Dasmariñas	10	Baliuag	15	Angeles	23	San Fernando
3	General Santos	11	Cotabato	16	Bacoor	24	San Jose
4	Koronadal	12	Surigao	17	Cauayan	25	Tagaytay
5	Malolos	13	Vigan	18	Maasin	26	Tarlac
6	Santa Rosa			19	Marikina		
7	Tacurong			20	Muñoz-EDSA		
8	Tagum			21	Ormoc		

Campus Expansion Projects

STI ESG's aims to expand its business organically and focuses on capital improvement projects by transitioning from rented space into stand-alone campuses. This strategic direction is part of STI ESG's commitment to enhance student experience by providing them with a more conducive learning environment through state-of-the-art facilities with spacious classrooms, top-of-the-line computer laboratories, and recreational facilities.

To date, STI ESG has 22 wholly-owned campuses with newly constructed or renovated buildings while 10 of the franchised schools constructed/renovated their own buildings and upgraded their facilities. STI ESG has a total capacity that can accommodate up to approximately 147,212 students as at June 30, 2024, with 72% of the capacity pertaining to wholly-owned schools.

STI ESG acquired two parcels of land in Meycauayan City, Bulacan, together with all the improvements thereon, with a total area of 2,459 square meters on October 1, 2022. This property is intended to be the future site of STI Academic Center Meycauayan.

Occupying 4,149 square meters along the bustling street of Rizal, Cabagñan East, in the city of Legazpi, STI Academic Center Legazpi had its groundbreaking ceremony on April 26, 2018 and was inaugurated on June 24, 2022. The new STI Academic Center Legazpi, which was designed to accommodate up to 2,500 senior high school and college students, is equipped with state-of-the-art facilities and simulation laboratories for hands-on learning such as a commercial kitchen, a mock hotel suite, travel and tours front desk, bar and dining hall, computer laboratories, air-conditioned classrooms with flat-screen TVs, a basketball court, and student activity areas, among others.

STI ESG acquired the properties located in Tanay, Rizal by way of Extrajudicial Foreclosure. The said Tanay properties were sold at a public auction, and STI ESG was declared as the highest bidder on March 15, 2022 as evidenced by a Certificate of Sale issued on April 11, 2022. Further, on August 1, 2022, a Deed of Dacion En Pago was executed to transfer, convey and assign the properties located in Tanay, Rizal to STI ESG, free from all liens, encumbrances, claims, and occupants. The Tanay properties consist of a 5,502-square-meter parcel of land and a building, which has a total floor area of 2,825 square meters, situated thereon. These properties are now being used by STI Quezon Avenue as its school building and grounds.

On June 20, 2024, STI ESG and Total Consolidated Asset Management, Inc. executed a Deed of Absolute Sale for the acquisition of 76.0 million common shares, with a par value of ₱1.0, representing 100% of the total issued and outstanding capital stock of Clinquant Holdings, Inc (CHI), for 180.0 million. CHI is the registered and beneficial owner of a 10,000-square-meter parcel of

land located on President Jose P. Laurel Highway, Barangay Darasa, Tanauan City, Batangas. This property will be the future site of STI Academic Center Tanauan.

STI ESG’s campus expansion is part of its commitment to enhance education delivery and, at the same time, increase enrollment capacity in the years ahead. The Group likewise stays nimble and actively seeks new investment and acquisition opportunities to fuel future growth.

STI WNU

STI WNU is strategically located at the center of Bacolod City. The site is in close proximity to the Provincial Capitol, the New Government Center, Corazon Locsin Montelibano Memorial Regional Hospital (CLMMRH) and a number of commercial buildings mainly owned by Chinese businessmen.

The main campus houses the five-storey Main Building, three-storey Front Building which houses the HM IT Laboratories, two-storey Engineering Building, four-storey SBE Building, and other various facilities including the Gymnasium, Football Field, and Student Activity Center.

The campus boasts of a façade that reflects the new University Signage – “STI West Negros University” – and showcases the new admission office and the refurbished Kitchen & Dining Laboratory that can be seen along Burgos Street. The Main Building and the Front Building have been renovated and the works were completed in February 2015. The construction of the Firing Range and Swimming Pool was completed in August 2018 and August 2017, respectively. These facilities are intended for use by Criminology and Maritime students, respectively.

The ground floor of the Main Building houses the office space for all staff and faculty. Various student services offices, such as the clinic, guidance services, and student records are also located here. A portion of the ground floor is dedicated to the state-of-the-art Maritime Simulator Rooms (Deck and Engine). All in all, the Main Building has 68 classrooms and laboratories that are equipped with air-conditioning and multimedia projection systems.

The Front Building houses eight computer laboratories, the re-modeled HRM Laboratories such as the Kitchen, Food & Beverage Room, Hotel Suite and Front Desk Area. The building also has a multi-purpose area and fourteen classrooms that are equipped with air-conditioning and multimedia projection systems.

The following table is a summary of the institution’s properties:

LOCATION	TYPE	USE/COLLEGE	LOT AREA (IN SQ.M.)
Malaspina	Land & Building	University Gymnasium	814
			494
			1,512
Malaspina	Land & Building	University Gym, Canteen, Volleyball Court, Covered Court, Firing Range	5,803
Malaspina	Land & Building	GGA Building, Engineering Building	4,839
Malaspina	Land & Building	Old SBE Building	1,176
Malaspina	Land	Open Space	179
Burgos & Malaspina	Land & Building	Engineering Building	2,266
Burgos & Malaspina	Land & Building	Front Building	364

LOCATION	TYPE	USE/COLLEGE	LOT AREA (IN SQ.M.)
			139
Burgos & Malaspina	Land & Building	Main Building, Front Building	6,097
Burgos & Malaspina	Land & Building	Powerhouse	400
Hilado	Land & Building	New SBE Building	2,915
Hilado	Land & Building	Institute of Languages	1,135
Hilado	Land & Building	Swimming Pool	733
Hilado	Land	Botanical Garden	1,044
Burgos & Hilado	Land	Open Space	1,292

iACADEMY

iACADEMY Makati

On September 20, 2016, iACADEMY had its groundbreaking ceremony of its Yakal Campus, located along Yakal Street, Makati City. The 12-storey building with penthouse was launched as iACADEMY Nexus in February 2018 and is now fully operational. It houses over 100 classrooms and different laboratories such as Computer Laboratories, Fashion Studio, Green Room, Sewing Room, Light Box Room and Counseling Simulation Room. These laboratories aim to provide the students with first-hand experience of the course concept of their classes and the opportunity to explore and utilize the different software and hardware that are used in their discipline.

As part of the student services, iACADEMY also provides its students with the different facilities to support their holistic development such as Multi-faith Room, Counseling Rooms, Clinic, Dance Room, Org Room, Cafeteria with 836 seating capacity, Basketball court and running track which can be found the lower and upper penthouse, Auditorium which can seat 600 people, and library with 190 seating capacity.

In 2019, different improvements were made to enhance the student learning experience, an extension of the library at 6th floor was opened to the students, the said area can accommodate 60 people. The Nexus Gallery was also opened to showcase different exhibitions. It was also during this year that the Sound Room was set up in preparation for the AB Music Production and Sound Design program, as well as the Chemistry and Physics laboratory for the SHS STEM-Robotics program and BS Mechatronics Engineering Technology application.

During the first quarter of 2020, the SODA Center was opened to the students which serves as their physical space for ideation.

In the last quarter of the year 2021, iACADEMY started planning and conceptualizing the improvements that have to be made in preparation for the offering of the limited face-to-face classes to students. To make the building a safe space for learning and to make it compliant to CHED and DepEd requirements, a new exhaust air system was built and installed inside the classrooms to improve air quality. The phase 1 of the exhaust air system project covering the floors that were utilized for the limited face-to-face classes such as the ground floor, mezzanine, 8th floor and 10th floor was completed by May 7, 2022 in time for the opening of the limited face-to-face classes of Term 3 SY 2021-2022. A Carbon Dioxide (CO₂) monitoring device was installed as well in every classroom to monitor the CO₂ levels which should be less than 1000ppm. An Isolation Room was also constructed and was completed in May 2022. The room is dedicated to anyone in the school who will be showing COVID symptoms. This particular isolation room is located outside the building so that it will be accessible during emergency transfer. The room consists of two beds and a dedicated comfort room. To

make the learning spaces meet the requirements of limited face-to-face classes, the computer laboratories were also enhanced with auxiliary devices such as webcams, wacom tablets and wacom pens. These laboratory enhancements were completed by the end of March 2022.

In SY 2022-2023, two laboratories were added for the College. The Testing and Assessment Laboratory for the Psychology students was set up on the 7th Floor and the MPSD Laboratory was set up at the 10th floor to cater to the specialized subjects of Music Production and Sound Design students.

During the school year 2023, the SODA Center was repurposed into a Library Extension for the College, to offer more space for students' library needs. A seismic accelerograph was also installed in the building. This device measures ground movement during an earthquake, which is vital for evaluating the building's structural integrity and ensuring the safety of its occupants. Additionally, roll-up doors were installed at each central staircase from the 6th floor to the Lower Penthouse. These roll up doors are designed to contain fire and smoke within a specific area in the event of a fire.

iACADEMY Cebu

The iACADEMY Cebu Campus is situated inside the I.T. Capital of Cebu, the Cebu I.T. Park. It is specifically located at the 5th floor of Filinvest Cebu Cyberzone Tower 2 Building, Salinas Drive, Lahug, Cebu City. The campus is at 1,500 sqm and consists of lecture rooms and different laboratories such as a Cintiq Tablet-equipped Computer Laboratory, a Multimedia Arts Computer Laboratory, a Lightbox-equipped Drawing Laboratory, and a Photography Room. These laboratories have the latest appropriate equipment and software to encourage and support students' innovative ideas in their field of study.

Each lecture room and laboratory is equipped with complete audio-visual equipment to give an enhanced teaching and learning experience for both students and faculty members. The lecture rooms are divided with operable walls with acoustic insulations. The operable walls aim to promote flexible learning spaces that are of sufficient size to accommodate a range of different learning activities and can be easily configured to suit different activities.

The campus also consists of student services facilities that can serve the various needs of the students. These facilities include a spacious library with computers that can be used by the students to access iACADEMY'S vast collection of online learning resources, a health services center, academic advising and counseling rooms, a multipurpose room for co-curricular and extracurricular student activities, and a student lounge. iACADEMY Cebu Campus is on a long-term lease.

Item 3. LEGAL PROCEEDINGS

A. *Agreements with PWU and Unlad.* On various dates in 2011, 2012 and 2013, the Parent Company and AHC extended loans and advances to PWU and Unlad by virtue of several agreements (collectively, "Loan Documents"), which were secured by mortgages over PWU and Unlad properties, entered into among the Parent Company, AHC, PWU and Unlad in the total principal amount of ₱513.0 million. Upon the non-adherence to the terms and conditions stated in the agreements, the Parent Company and AHC served notices of default to PWU and Unlad in December 2014, and demanded the payment of the total combined amount of approximately ₱926.0 million, inclusive of interests, penalties, fees and taxes.

Upon failure to pay the aforesaid loan, the Parent Company and AHC enforced its rights under the aforesaid agreements and mortgages and filed several Petitions for Extra-Judicial Foreclosure of Real Estate Mortgage on (a) PWU Indiana and Taft Properties with the Office of the Clerk of Court and Ex-Officio Sheriff of the Regional Trial Court (RTC) of Manila, (b) Unlad's properties in Quezon

City and (c) Davao Property with the Office of the Clerk of Court and Ex-Officio Sheriff of the RTC of Quezon City and Davao, respectively, in February 2015.

On March 13, 2015, Dr. Helena Z. Benitez (HZB) filed a Creditor-Initiated Petition for Rehabilitation of PWU (PWU Rehabilitation Case) in RTC Manila (Rehabilitation Court). The Rehabilitation Case was dismissed by the Rehabilitation Court. The Motion for Reconsideration and responsive pleadings thereto subsequently filed by HZB and PWU were likewise denied by the Rehabilitation Court on January 21, 2016.

Extra-judicial foreclosure sales were conducted in various dates in 2015 and 2016 for the above-mentioned properties and the Parent Company was declared as the winning bidder for all extra-judicial foreclosure sales held.

On March 1, 2016, the Parent Company and AHC executed a Deed of Assignment wherein AHC assigned its loan to Unlad, including capitalized foreclosure expenses, amounting to ₱66.7 million for a cash consideration of ₱73.8 million. The Deed of Assignment provides that the cash consideration will be payable in cash of ₱10.0 million upon execution of the Deed of Assignment and the remaining balance of ₱63.8 million upon demand. Accordingly, AHC recognized a receivable from the Parent Company amounting to ₱63.8 million. Further, all the rights related to the receivable from Unlad have been transferred to STI Holdings.

On March 22, 2016, the Parent Company, PWU, Unlad, and HZB entered into a MOA for the extinguishment and settlement of the outstanding obligations of PWU and Unlad to the Parent Company. The MOA includes, among others, the execution of the following on March 31, 2016:

- Deed of Dacion en pago of Quezon City Properties and Davao Property (collectively referred to as the “Deeds”) in favor of the Parent Company
- Release and cancellation of mortgages over the Manila Properties to be executed by the Parent Company

The MOA also provided that the Parent Company would be committed to fund and advance all taxes, expenses and fees to the extent of ₱150.0 million in order to obtain the CAR and the issuance of new TCT and TD in favor of the Parent Company. In the event that such expenses would be less than ₱150.0 million, the excess would be given to Unlad. However, if the ₱150.0 million would be insufficient to cover the expenses, the Parent Company would provide the deficiency without any right of reimbursement from Unlad.

Consequently, the Parent Company recognized the Quezon City properties and the Davao property as “Investment properties”. On June 24, 2021, the Parent Company’s BOD approved the sale of the Quezon City dacion properties to a potential buyer and reclassified these as noncurrent asset held for sale as these properties have not been used in business since its receipt. The Davao property remained as investment property.

Relative to the above, the following cases have been filed:

- (1) *Arbitration Case*. Mr. Conrado L. Benitez II (the Claimant) filed on June 28, 2016 a Request for Arbitration, with the Philippine Dispute Resolution Center, Inc. (PDRCI), for and on behalf of PWU and Unlad, wherein he requested that the directors/trustees and stockholders/members of Unlad and PWU, EHT, the Parent Company, Mr. Alfredo Abelardo B. Benitez (ABB) and AHC (collectively, the “Respondents”) submit the alleged dispute over the settlement of the loan obligations of PWU and Unlad as provided in the arbitration clause of the Joint Venture Agreement and Omnibus Agreement (the “Loan Documents”).

In the said Arbitration Case, the Claimant asserted that PWU and Unlad are not in default in their obligations under the Loan Documents. The obligations provided therein, specifically obtaining a tax-free ruling for Property for Share Swap Transaction from the BIR, is an impossible condition. Consequently, the foreclosures on the securities of the Loan Documents, real properties of PWU and Unlad, were null and void because (a) failure to submit the case for arbitration and (b) PWU and Unlad are not in default. Based on such circumstances, the Claimant sought, among others, the (a) renegotiation, or (b) rescission of the Loan Documents. Should the Loan Documents be rescinded, the Claimant also sought that PWU and Unlad shall be allowed twelve months to sell the Davao and Quezon City Properties to return the alleged investments made by the Parent Company, EHT, ABB and AHC. Lastly, the Claimant sought the payment of attorney's fees of not less than ₱5.0 million, ₱0.5 million of which is for expenses and reimbursement of the cost of suit, expenses, and other fees.

After receiving the Notice of Arbitration and being informed that the required fees have not been paid by the Claimant, the Parent Company, AHC, and EHT filed an Entry of Appearance with Manifestation (Manifestation). In the Manifestation, they informed the PDRCI that the Claimant should be compelled to pay said fees before the arbitration proceedings can proceed.

The PDRCI issued a Notice dated August 26, 2016, which informed the parties to the instant case that the proceedings are suspended until the Claimant settles the outstanding provisional advance on cost for filing the instant case.

The Parent Company sent a letter dated July 2, 2020 addressed to the Office of the Secretariat-General of PDRCI. In the said letter, the Parent Company informed the PDRCI about the death of the Claimant. The Parent Company also moved for the PDRCI to dismiss and/or consider the case withdrawn due to the non-payment of the provisional advance on cost for more than three (3) years.

As at October 11, 2024, the PDRCI has not issued any response to said letter.

- (2) *Derivative suit.* After filing the Request for Arbitration, Mr. Conrado L. Benitez II (the "Petitioner") then filed on June 29, 2016 a derivative suit for himself and on behalf of Unlad and PWU against directors/trustees and stockholders/members of Unlad and PWU, EHT, the Parent Company, ABB and AHC (collectively, the "Defendants") docketed as Civil Case No. 16-136130 in the RTC of Manila (the "Derivative Suit").

In the Derivative Suit, the Petitioner primarily asserts that the Parent Company, EHT, ABB and AHC should submit themselves to the arbitration proceedings filed with the PDRCI because the Loan Documents required any alleged dispute over the same to be resolved through arbitration. Consequently, the Petitioner alleges that the foreclosure proceedings and settlement of the obligations of PWU and Unlad as evidenced by the MOA dated March 22, 2016 executed by PWU and Unlad with the Parent Company and AHC are null and void for not complying with the aforesaid arbitration clause. Likewise, the Petitioner sought the payment of attorney's fees not less than ₱1.0 million and ₱0.1 million for expenses and cost of suit.

On July 26, 2016, the Parent Company and AHC filed their Joint Answer with Compulsory Counterclaim (Joint Answer). In the Joint Answer, the Parent Company and AHC asserted that the instant case is a mere harassment and nuisance suit, and a deliberate form of forum shopping when the Petitioner filed the Arbitration Case for the same purpose. Likewise, the Petitioner cannot compel the corporations to submit themselves to arbitration because (a) the parties to the Loan Documents have already settled any disputes, and (b) the said corporations are not stockholders and members of PWU and Unlad. Lastly, the relevant laws allow the

Parent Company and AHC to institute foreclosure proceedings even if there is an arbitration clause.

Simultaneously, EHT filed his Answer wherein he asserted that the Petitioner cannot compel him to submit himself to arbitration when he is not a party to the Loan Documents.

Meanwhile, the other co-defendants, namely (a) ABB, and (b) Dr. Jose Francisco and Marco Benitez, filed their respective Answer(s) to the Complaint.

After the termination of Court-Annexed Mediation and pre-trial conference, the Petitioner manifested that the Trial Court should proceed to resolve the case based on the pleadings and affidavits already filed by the parties in accordance with the Interim Rules Governing Intra-Corporate Controversies.

The Trial Court issued an Order dated June 23, 2017 requiring the parties to file their respective Memoranda within twenty (20) days from receipt thereof in order for the Trial Court to proceed to render judgment, full or otherwise, based on all of the pleadings and evidence submitted by the parties in relation and pursuant to Rule 4, Section 4 of the Interim Rules of Procedure Governing Intra-Corporate Controversies under RA No. 8799 (Interim Rules). All of the parties filed their respective Memoranda on July 25, 2017.

On February 9, 2018, the Parent Company received the Decision dated January 19, 2018, which dismissed the case. In the Decision, the Trial Court deemed that Petitioner failed to establish fraud or bad faith on the part of the Defendants. Consequently, the Trial Court cannot contravene in the agreement among the Parent Company, Unlad, PWU and AHC to amicably settle the outstanding obligations of PWU and Unlad to AHC and the Parent Company.

On February 28, 2018, the Parent Company, AHC and EHT received the Plaintiffs' Petition for Review of the aforesaid Decision filed with the Court of Appeals – Manila and docketed as C.A. G.R. No. 154654.

While the said Petition for Review is pending, the Parent Company discovered that the Petitioner was able to cause the annotation of lis pendens on the titles of the three (3) Quezon City properties subject of the amicable settlement with PWU and Unlad.

Consequently, the Parent Company filed a Motion to Cancel Lis Pendens with the Court of Appeals where the case was pending. In the Motion, the Parent Company sought for the cancellation of said lis pendens due to impropriety and/or invalidity of the same.

The Court of Appeals issued a Resolution requiring all of the parties to file their respective Memoranda. On May 9, 2019, the Parent Company, AHC and EHT filed their Joint-Memorandum.

While the appeal of the Petitioner is pending, the Parent Company filed a Manifestation and Motion dated July 29, 2020. In the said Manifestation and Motion, the Parent Company informed the Court of Appeals about the death of the Petitioner on March 28, 2020. Consequently, the Parent Company moved for the resolution and dismissal of the said appeal.

The Petitioner's counsel filed a Notice and Motion dated August 14, 2020, which also informed the Court of Appeals about the death of the Petitioner. Consequently, said counsel moved that the Petitioner be substituted by his wife and children.

In response thereto, the Parent Company filed its Comment/Opposition dated August 24, 2020. In the Comment/Opposition, the Parent Company argued that the Petitioner cannot be

substituted because he can only be substituted by a member of PWU and stockholder of Unlad. The wife and children of the Petitioner cannot be members of PWU because membership in PWU is non-transferable.

In the Resolution dated October 28, 2021, the Court of Appeals granted the Motion for Substitution.

In the Resolution dated February 11, 2022, the Court of Appeals dismissed the Petition filed by the Plaintiffs. The Court of Appeals also granted the Motion to Cancel the Lis Pendens annotated on the Quezon City Properties.

On March 23, 2022, the Parent Company received the Motion for Reconsideration filed by the Heirs of Plaintiff Conrado Benitez II on the aforesaid Resolution dated February 11, 2022.

After the Court of Appeals required the parties to file their respective Comment to the said Motion for Reconsideration, the Parent Company filed its Comment/Opposition on May 23, 2022.

On April 11, 2023, the Court of Appeals declared that the Motion for Reconsideration filed by the Heirs of Plaintiff Benitez II is submitted for resolution.

As at October 11, 2024, the Court of Appeals has not issued its decision on the said Motion for Reconsideration.

- (3) *Ejectment Case against Philippine Women's College of Davao, Inc. involving Unlad's Davao Property.* On March 11, 2019, the Parent Company filed the Complaint for Unlawful Detainer against Philippine Women's College of Davao, Inc. (PWC-Davao), initially filed against Philippine Women's University of Davao, to recover possession of a portion of the parcel of land covered by Transfer Certificate of Title (TCT) No. T-129545 registered under the name of the former situated along University Ave and Richardo, Matina, Davao City being used as a parking area (the "Subject Premises") by the latter.

The Subject Premises formed part of the 40,184 sq.m., more or less, (the "Property") parcel of land formerly registered under the name of "Unlad". After Unlad transferred ownership of the Property to the Parent Company, the Parent Company demanded that PWC-Davao vacate the Subject Premises.

Despite said demands, PWC-Davao refused to vacate the Subject Premises.

On May 28, 2019, the Parent Company received the Answer with Compulsory Counterclaim dated May 14, 2019.

After a failed Court-Annexed Mediation, the parties continued the discussion on the possibility of an amicable settlement.

On July 1, 2022, the parties filed the Joint Motion for Approval of the Compromise Agreement. Based on the Compromise Agreement, the Parent Company allowed PWC-Davao to use the Subject Premises for one (1) year or until June 29, 2023. In the event that the Parent Company needs to proceed with its plans over the Subject Premises, it will serve a written notice to vacate and/or turn-over of the Subject Premises to PWC-Davao sixty (60) calendar days before the intended day to vacate or turn-over.

On September 30, 2022, the Parent Company received the Decision dated July 4, 2022 issued by the Trial Court adopting the Compromise Agreement as the decision in this case.

With the issuance of said Decision, the case is deemed terminated.

- B. *Specific Performance Case filed by the Agustin family.* The Agustin family filed a Specific Performance case against the Parent Company for the payment by the latter of the remaining balance of the purchase price for the sale of the Agustin family's shares in STI WNU.

The Agustin family alleges in their Complaint that based on the Share Purchase Agreement and Deed of Absolute Sale they executed with the Parent Company, the price of their shares in STI WNU has been pegged at ₱400.0 million. Despite these two agreements, the Parent Company refuses to pay the full purchase price for the STI WNU shares they acquired from the Agustin family.

In its Answer, the Parent Company stated that the Agustin family is not entitled to the full purchase price of their STI WNU shares because they have not complied with all the requirements for its release. In particular, the Agustin family has not been able to deliver the Commission on Higher Education permits for the operation of STI WNU's Maritime Program as provided in the MOA, and the Share Purchase Agreement. In addition, there are other trade receivables in favor of STI WNU wherein full satisfaction of the same entitles the Agustin family to a portion of the balance of the purchase price.

In order to expedite the proceedings, the Agustin family was able to submit the case for summary judgment by the Trial Court. Despite the opposition thereto, the Trial Court rendered its Decision dated April 4, 2018 (the "Summary Judgment"). In the Summary Judgment, the Trial Court ordered the Parent Company to pay the Agustin family the amount of ₱50.0 million with legal interest from the filing of the case until full payment only.

On September 11, 2018, the Parent Company filed and paid the corresponding docket fees for its Notice of Appeal Ex Abudanti Ad Cautelam (Notice of Appeal) on the said Summary Judgment.

Upon motion by the Agustin family, the Trial Court granted their Motion for Execution Pending Appeal dated September 5, 2018.

While the record of the case was still with the Trial Court, the Parent Company immediately filed the Urgent Motion for Reconsideration with alternative prayer for Motion to Stay Discretionary Execution Pending Appeal dated December 14, 2018.

After due hearing by the Trial Court on the Motion(s), the Trial Court (a) denied the Urgent Motion for Reconsideration but (b) granted the Motion to Stay Discretionary Execution Pending Appeal upon posting of a supersedeas bond amounting to ₱100.0 million (the "Stay Order").

After the Agustin family filed a Motion for Reconsideration on the Stay Order, the Trial Court denied the same in its Order dated March 14, 2019.

Both parties sought their respective remedies before the Court of Appeals - Cebu to question (a) the Summary Judgment against the Company (CA G.R. CV No. 07140) and (b) the Stay Order against the execution of the Summary Judgment in favor of the Agustin family (CA G.R. CV No. 12663) (collectively, the "CA Cases").

While the aforesaid CA Cases were pending, the parties decided to amicably settle and terminated said cases by executing in counterparts the Compromise Agreement dated September 6, 2021, and September 10, 2021 and filing a *Joint Motion for Judgment Based on Compromise Agreement* dated September 20, 2021. In the Compromise Agreement, the Company agreed to pay the Agustin family

the amount of ₱25.0 million as final and full settlement of the latter's claim against the former in the aforementioned cases.

In addition, the parties agreed to review the financial records of STI WNU to determine the status of the Agustin family guarantee on the collectability of the trade receivables, and the release, if any, of the ₱27.3 million to the Agustin family as provided in the *Share Purchase Agreement*.

Considering the aforesaid settlement and the Amended Decision, all cases and issues related thereto are deemed terminated.

- C. *Tax Protest*. On April 29, 2022, the Parent Company filed a tax protest with the City Treasurer of Quezon City (QC Treasurer) to protest the real property taxes assessed on the property covered by Transfer Certificate of Title No. 004-2018016008 registered in the name of the Parent Company (the "Subject Property") and to request for a refund/tax credit for the real property taxes paid by the Parent Company in the amount of ₱267.7 thousand. The Parent Company stated in its tax protest that it is not the party liable to pay the assessed unpaid real property taxes on the Subject Property for the years 2011 to 2016 because the Parent Company was not the registered owner of the Subject Property during this period. The Parent Company only became the registered owner of the Subject Property on August 12, 2016. Considering that the Parent Company was not yet the owner of the Subject Property for the years 2011 to 2016, it should not be liable to pay for the assessed unpaid real property taxes on the Subject Property for said period. The Parent Company also highlighted that the QC Treasurer issued a Tax Clearance for the Subject Property in 2016 and that the Transfer Certificate of Title of the Subject Property could not have been issued by the Registry of Deeds of Quezon City on August 12, 2016 without a Tax Clearance issued by the QC Treasurer. Lastly, the Parent Company stated that even assuming it is liable to pay for the assessed unpaid real property taxes on the Subject Property for the years 2011 to 2016, the period to collect these taxes has already prescribed under Section 270 of the Local Government Code.

On August 29, 2022, the Parent Company filed its Petition dated August 25, 2022 with the Quezon City Board of Assessment Appeals to appeal the inaction of the QC Treasurer on the Tax Protest filed by the Parent Company. The QC Treasurer subsequently filed a Comment dated January 24, 2023 on the Petition filed by the Parent Company.

On December 13, 2023, the Quezon City Board of Assessment Appeals conducted a hearing where it directed the parties to file their respective position papers within thirty (30) days. On January 12, 2024, the Parent Company filed its Position Paper.

On October 3, 2024, the Parent Company received a Notice of Hearing before the Quezon City Board of Assessment Appeals.

On October 8, 2024, the Quezon City Board of Assessment Appeals submitted the Petition for resolution.

As at October 11, 2024, the Parent Company is awaiting the resolution from the Quezon City Board of Assessment Appeals.

D. *Labor Cases*

- (1) A former employee filed a Petition with the Supreme Court after the Court of Appeals affirmed the dismissal by the National Labor Relations Commission (NLRC) of the former employee's claims of illegal dismissal against STI ESG (illegal Dismissal Case).

On August 13, 2014, STI ESG received the Supreme Court's Decision dated July 9, 2014 which (a) annulled the decision of the Court of Appeals and (b) ordered STI ESG to reinstate the

former employee to her former position, and pay (i) the exact salary, benefits, privileges and emoluments which the current holder of the position was receiving, (ii) damages and (iii) backwages from the date of the former employee's dismissal until fully paid, with legal interest (the SC Decision).

On November 17, 2014, the Supreme Court issued a resolution which denied with finality STI ESG's Motion for Reconsideration.

The parties participated in the pre-execution conference of the said SC Decision before a Labor Arbiter in order to determine the total monetary judgment award in favor of the former employee. During the same conference, both parties agreed that the former employee should receive separation pay in lieu of reinstatement. Consequently, the former employee would receive only a monetary award arising from the SC Decision.

Pursuant to STI ESG's computation of said award, STI ESG paid the former employee a total amount of ₱4.2 million, exclusive of withholding taxes. Based on said payment, STI ESG moved for the Labor Arbiter to issue a resolution that STI ESG has fully paid the judgment award of the former employee.

The former employee maintains that the computation of STI ESG is incorrect because the latter deemed that the former's alleged waiver of reinstatement pending appeal by STI ESG on the Illegal Dismissal Case in October 2006 interrupted the running of backwages until present day. The former employee refused to acknowledge that there was such valid waiver on reinstatement pending appeal. Consequently, the former employee averred that she should receive the amount of ₱11.0 million, less payments already made by STI ESG.

On September 9, 2020, the Labor Arbiter issued the Order, wherein he affirmed that the former employee's refusal to report to work in October 2006 interrupted the running of backwages. Consequently, the former employee was entitled to receive backwages from May 2004 until October 2006. The Labor Arbiter further determined that the attorney's fees of 10% should be computed from the total monetary award of the former employee, including the separation pay in lieu of reinstatement.

Based on said findings, the Labor Arbiter determined that the former employee's total monetary award amounted to around ₱4.4 million. Considering the prior payments made by STI ESG to the former employee, STI ESG is ordered to pay the former employee the balance of ₱0.2 million.

The former employee sought to appeal said findings by filing a Notice of Appeal with attached Memorandum instead of a Verified Petition under Rule XII of the NLRC Rules.

After STI ESG opposed said appeal on the grounds of improper remedy, the Labor Arbiter issued an Order dated November 5, 2020. In the Order, the Labor Arbiter "noted without action" said appeal considering that the same is a prohibited pleading. The Labor Arbiter further stated that no other pleading and/or motion in relation to said appeal shall be entertained by the NLRC.

The former employee filed a Petition seeking for the NLRC to consider/allow her erroneous appeal as a Petition filed under Rule XII of the NLRC Rules in resolving the correct computation on the monetary award of the former employee.

After STI ESG filed its Comment to the Petition, the NLRC denied the Petition filed by the former employee. The NLRC affirmed that the former employee failed to comply with the required mode of appeal on an order for execution issued by the Labor Arbiter.

On May 14, 2021, STI ESG received a Petition for Certiorari filed by the former employee with the Court of Appeals.

Upon order of the Court of Appeals, STI ESG filed its Comment to the Petition for Certiorari on December 31, 2021. In the said Comment, STI ESG emphasized that the former employee not only failed to comply with the procedural rules in the NLRC but also did not follow the rules in filing a Petition for Certiorari before the Court of Appeals.

After the Court of Appeals required the parties to file their respective Memoranda, STI ESG filed its Memorandum on August 30, 2022.

On October 14, 2022, the Court of Appeals issued the Decision. In the Decision, the Court of Appeals reversed and set aside the NLRC's denial of the former employee's Petition. The Court of Appeals applied the rule of liberality to excuse the procedural defects of the former employee's appeal on the Labor Arbiter's computation of her judgment award.

Consequently, the Court of Appeals directed the NLRC to resolve the appeal on the computation of the judgment award of the former employee.

Based on the CA Decision, STI ESG will proceed to defend the computation of the Labor Arbiter before the NLRC.

As at October 11, 2024, the NLRC has not issued any resolution on this case.

- (2) A former IT Instructor who eventually became the IT Program Head of STI College Cagayan de Oro, a school owned by STI ESG, filed an illegal dismissal case against STI College Cagayan de Oro on the ground that she was constructively dismissed upon returning from preventive suspension. She allegedly no longer had any work to go back to because the STI ESG-owned company purportedly removed her workplace from the school premises. STI ESG countered the complainant's claim that she was dismissed by presenting the complainant's one-liner resignation letter.

The labor arbiter decided that there was neither an illegal dismissal nor resignation to speak of in this case, hence, the parties were ordered to return to status quo which meant reinstatement of the complainant to her former position but without backwages, separation pay, or similar benefits. Nevertheless, STI ESG was ordered to pay the complainant the amount of ₱7.4 thousand representing her unpaid salary for the period March 10-30, 2014. However, the NLRC overturned the labor arbiter's decision upon a dubious motion for partial reconsideration declaring the complainant to have been illegally dismissed and ordering STI ESG not only to reinstate her but also to pay her full backwages computed from the time compensation was withheld up to the date of actual reinstatement. STI ESG moved to reconsider the NLRC's decision but to no avail. STI ESG subsequently filed with the Court of Appeals a Petition for Certiorari questioning the decision of the NLRC.

On May 12, 2017, STI ESG received a copy of a Motion for Execution with Prayer for Payment of Separation Pay in Lieu of Reinstatement filed by Complainant-Appellant seeking the issuance of a writ of execution for the implementation of the Resolution dated June 30, 2016 issued by the Honorable Eight Division, National Labor Relations Commission, Cagayan de Oro City. On May 22, 2017, STI ESG filed its Opposition to the Motion for Execution.

In the June 5, 2017 hearing on the motion for execution, STI ESG reiterated that it is amenable to reinstating the complainant but as a Part-time Full Load faculty member. The complainant countered that she is not interested in reinstatement but would rather be paid her backwages

and separation pay. STI ESG manifested that it already filed its opposition thereto and that there is still a need for the official computation of the backwages and separation pay. The complainant manifested that she will file her reply to STI ESG's opposition.

On June 2, 2017, STI ESG received a copy of the Minute Resolution of the Court of Appeals dated January 12, 2017 dismissing its Petition for Certiorari. STI ESG filed its Motion for Reconsideration on June 21, 2017.

Meanwhile, on July 12, 2017, STI ESG received an Order from the Office of the Labor Arbiter granting the Motion for Execution filed by the complainant. STI ESG also received on July 21, 2017 a copy of the Writ of Execution issued by the Office of the Labor Arbiter directing the payment of ₱0.5 million to the complainant and her immediate reinstatement. In compliance with the Writ of Execution, the complainant was paid the amount of ₱0.5 million and was reinstated to her former position.

On September 25, 2017, the Court of Appeals resolved to grant STI ESG's motion for reconsideration and reinstated STI ESG's petition for certiorari. The complainant was then directed to file her comment to the petition while STI ESG was directed to file its reply to the complainant's comment.

On January 15, 2018, the Court of Appeals resolved that the complainant is deemed to have waived her filing of a comment to the petition for certiorari and directed the parties to file their respective memorandum. Consequently, with the filing of the parties' respective memorandum, the Court declared the petition submitted for decision.

On July 11, 2018, STI ESG received a copy of the Decision of the 21st Division, Court of Appeals, CDO, setting aside the resolution of the NLRC declaring the complainant to have been illegally dismissed and awarding the payment of backwages. In the same decision, the Court of Appeals dismissed the charge of illegal dismissal for lack of merit. However, STI College CDO was directed to pay the complainant the sum of ₱7.4 thousand representing her unpaid salary for the period March 10-30, 2014.

On September 5, 2018, STI ESG received a copy of the Motion for Reconsideration filed by the complainant with the Court of Appeals. STI ESG filed its Comment to the Motion for Reconsideration of the complainant on November 12, 2018.

On January 24, 2019, STI ESG received a copy of the Resolution of the Court of Appeals (Special Former Twenty-First [21st] Division) denying the Motion for Reconsideration filed by the complainant. On April 22, 2019, STI ESG received a copy of the Entry of Judgment of the Decision dated June 29, 2018.

On July 2, 2019, STI ESG sent a demand letter to recover the amount previously awarded to the complainant.

As at October 11, 2024, STI ESG is preparing the necessary motion for the recovery of the ₱0.5 million.

- (3) This is a case for constructive illegal dismissal filed by a former probationary faculty member of STI College Legazpi. In a decision dated July 18, 2020, the Labor Arbiter dismissed the complaint for lack of merit. However, the Labor Arbiter directed the payment of holiday pay covering the complainant's period of employment, salary and other benefits covering the period of November 18, 2019 up to date of the decision as backwages during the period of preventive suspension beyond the 30-day period and 10.0% of the total monetary award as attorney's fees, amounting to a total of ₱0.2 million.

STI ESG filed a partial appeal of the decision of the Labor Arbiter with the NLRC and in the Decision dated 10 March 2021, the NLRC granted the partial appeal of STI ESG and modified the Decision of the Labor Arbiter by deleting the monetary award in the total amount of ₱0.2 million. Thereafter, the complainant filed a petition for certiorari with the Court of Appeals.

In a Resolution dated July 29, 2022 received on August 17, 2022, the Court of Appeals directed STI ESG to file its Comment to the Petition for Certiorari of the complainant within ten (10) days from notice without necessarily giving due course to the said petition. On August 30, 2022, STI ESG filed its Comment to the Petition for Certiorari of the complainant.

On September 23, 2022, STI ESG received a copy of a motion for extension of time to file comment on the petition for certiorari and compliance of the Public Attorney's Office, legal counsel for the complainant. However, such motion is erroneous as what is required of the complainant is the filing of a reply to STI ESG's comment to the petition for certiorari. On October 10, 2022, the complainant's legal counsel filed a manifestation (in lieu of reply) stating that the complainant does not intend to file a reply to STI ESG's comment anymore.

On April 18, 2023, STI ESG received a copy of the Decision of the Court of Appeals dismissing the petition for certiorari filed by the complainant for lack of evidence. On May 31, 2023, STI ESG received a copy of the motion for reconsideration filed by the complainant.

On November 22, 2023, STI ESG received a copy of the Resolution dated December 18, 2023 of the Court of Appeals denying the motion for reconsideration filed by Complainant.

On March 5, 2024, a Motion for Extension of Time to File Petition for Review on Certiorari with the Supreme Court was received by STI ESG.

On May 6, 2024, STI ESG received a copy of a Manifestation with Motion to Withdraw Motion for Extension of Time filed by the legal counsel of complainant with the Supreme Court. With this manifestation with motion to withdraw motion for extension of time, complainant has failed to timely file an appeal of the decision of the Court of Appeals. Once acknowledged and confirmed by the Supreme Court, the decision of the Court of Appeals denying the appeal of complainant and the resolution denying the complainant's motion for reconsideration will be affirmed and an entry of judgment will be issued, hence, the denial will become final and executory.

- E. *Specific Performance Case.* STI College Cebu, Inc. (STI Cebu) and STI ESG's Finance Officer were named defendants in a case filed by certain individuals for specific performance and damages. In their Complaint, the Plaintiffs sought the execution of a Deed of Absolute Sale over a parcel of land situated in Cebu City on the bases of an alleged perfected contract to sell.

The Defendants filed the Consolidated Answer to the Amended Complaint on August 30, 2017. In the Consolidated Answer, Defendants asserted that there is no perfected contract to sell or of sale between STI ESG and the Plaintiffs considering that (a) there is no Board approval on the sale of the Subject Property; (b) lack of definite terms and conditions thereof; and (c) STI ESG's Finance Officer has no authority to bind STI ESG on the alleged contract to sell or sale of the Subject Property.

After the parties completed the presentation of evidence and filed their respective Memoranda, the Defendants received the Decision of the Trial Court on June 22, 2020.

In the Decision dated June 18, 2020, the Trial Court determined that there was no perfected contract to sell over the Property. The Trial Court affirmed that the Plaintiffs failed to obtain the consent of STI ESG. There was no evidence showing that STI ESG, through its BOD, (a) gave its consent to the sale or (b) authorized Defendant Finance Officer to sell the Property in favor of the Plaintiffs.

The Trial Court, however, determined that Defendant Finance Officer is liable to pay the Plaintiffs the total amount of ₱0.2 million representing temperate and exemplary damages (“Damages”). The Trial Court determined that the actions of STI ESG’s Finance Officer insofar as (a) receipt of the earnest money, (b) lack of written authority from STI ESG during the negotiation and (c) continued assurances to the Plaintiffs in relation to the BIR ruling on the tax-free exchange and then sudden withdrawal from the transaction constitute bad faith.

Lastly, the Trial Court ordered STI ESG to return the amount of ₱0.3 million it received from the Plaintiffs as “earnest money” with an interest rate of six percent (6.0%) per annum from receipt thereof on March 30, 2011 until the latter’s tender of the same to the Plaintiffs on July 2, 2015.

Both parties filed their respective Partial Motion for Reconsideration insofar as the (a) dismissal of the Complaint and (b) award of Damages.

On August 25, 2020, the Trial Court issued its Order, which modified the Decision only insofar as requiring STI ESG’s Finance Officer to pay an additional ₱50.0 thousand as attorney’s fees in favor of the Plaintiffs. The rest of the findings in the Decision are affirmed.

Both the Plaintiffs and the Finance Officer filed their respective Notice of Appeal.

On December 1, 2020, STI ESG and the Defendant Finance Officer received the Notice, which requires the Appellants (Plaintiffs and the Defendant Finance Officer) to file their respective Appellant’s Brief within forty-five (45) days from receipt of the Notice.

After the parties filed their respective brief(s), STI ESG received the Decision dated February 27, 2023 on March 20, 2023. Based on the Decision, the Court of Appeals affirmed *in toto* the Trial Court’s Order(s).

On May 3, 2023, STI ESG received the Motion for Reconsideration filed by the Plaintiffs.

After STI ESG filed its Opposition dated July 14, 2023 to the said Motion for Reconsideration, the Court of Appeals issued its Resolution dated November 6, 2023, which denied the Plaintiffs’ Motion for Reconsideration.

On January 8, 2024, STI ESG received the Petition for Review filed by the Plaintiffs before the Supreme Court.

The Supreme Court has yet to issue the appropriate Resolution on the said Petition insofar as whether to dismiss the same or require STI ESG to file a Comment to the Plaintiff’s Petition for Review.

- F. *Complaint for Damages filed by GATE (formerly STI-College Santiago, Inc.).* Global Academy of Technology and Entrepreneurship, Inc. (GATE) filed a complaint for Damages against STI ESG for its non-renewal of the Licensing Agreement despite the former’s alleged compliance of the latter’s audit recommendations. On the basis of such alleged invalid non-renewal of the Licensing Agreement, GATE seeks for (a) moral damages in the amount of ₱0.5 million, (b) exemplary damages in the amount of ₱0.5 million and (c) attorney’s fees in the amount of 15.0% of the amount to be awarded and ₱3.0 thousand per court appearance.

On June 9, 2017, STI ESG filed its Answer to the Complaint. In the Answer, STI ESG reiterated its position that GATE has no cause of action against it because its decision not to renew the Licensing Agreement is in accordance with contractual stipulations therein that its renewal is upon mutual agreement of both parties. Considering the effectivity period of the Licensing Agreement expired on March 31, 2016 without being renewed by both parties, GATE cannot claim any damages for STI ESG's lawful exercise of its rights under the Licensing Agreement.

After the parties completed the presentation of their respective evidence, STI ESG received the Decision of the Trial Court on February 4, 2020.

In the Decision dated January 16, 2020, the Trial Court dismissed the instant case because the Plaintiffs failed to establish that STI ESG acted in abuse of rights when it refused to renew the Licensing Agreement with the Plaintiffs. The Trial Court confirmed that said Agreement clearly provided that the same can only be renewed by mutual agreement of the parties.

The Trial Court also ordered the payment by the Plaintiffs of STI ESG's counterclaim in the amount of ₱0.3 million as attorney's fees plus the cost of suit.

Despite filing a Motion for Reconsideration, the Trial Court affirmed its dismissal of the Plaintiff's claim and the award of litigation cost in favor of STI ESG in an Order dated July 6, 2020.

On August 3, 2020, STI ESG received the Notice of Appeal filed by the Plaintiff.

After the parties filed their respective briefs, the Court of Appeals promulgated its Decision on July 12, 2022. In the Decision, the Court of Appeals affirmed the order of the Trial Court.

After the Plaintiff filed its Motion for Reconsideration on the said Decision, STI ESG filed its Comment and Opposition on September 5, 2022. The Court of Appeals affirmed its decision when it denied the Motion for Reconsideration filed by the Plaintiff.

On January 11, 2023, STI ESG, through counsel, received the Petition for Certiorari on Review (Petition) filed by the Plaintiff before the Supreme Court.

On September 14, 2023, STI ESG, through counsel, received the Resolution issued by the Supreme Court. In the Resolution, the Supreme Court denied the Petition filed by the Plaintiff.

After the Plaintiff filed its Motion for Reconsideration, the Supreme Court denied the same and affirmed with finality the dismissal of its Petition.

As of October 11, 2024, STI ESG has yet to receive a copy of the entry of judgment from the Supreme Court.

- G. *Criminal Case.* A complaint for qualified theft was filed by STI ESG against its former school accounting supervisor and acting school accountant (former supervisor/accountant). In the complaint, STI ESG alleged that said former supervisor/accountant manipulated the payroll registers of STI College Global City by including the name of a former faculty member of STI College Global City in the payroll registers and placing a corresponding salary and 13th month pay beside said faculty member's name. The salary of said former faculty member was deposited in a bank account belonging to the former supervisor/accountant. The total amount deposited to the bank account of the former supervisor/accountant through this scheme amounted to ₱0.2 million.

The complaint for qualified theft was filed with the Office of the City Prosecutor of Taguig City. Summons to the former supervisor/accountant were returned undelivered despite STI ESG

providing additional addresses of the former supervisor/accountant where the summons could be served.

After the former supervisor/accountant failed to appear on two preliminary investigations, the complaint was submitted for resolution.

On September 8, 2016, STI ESG filed an Ex-Parte Motion for Early Resolution to resolve the case pointing out that more than 16 months have elapsed since the matter was submitted for resolution.

On August 4, 2022, the City Prosecutor of Taguig City issued the Resolution, which recommended the filing of Information against the former supervisor/accountant for qualified theft.

Based on the records of the case, the Information for Qualified Theft was filed before Branch 153-RTC Pasig (Taguig Hall of Justice).

While a Warrant of Arrest was issued for the case, the former Supervising Accountant has not been apprehended.

Consequently, the Court, in its Order dated October 27, 2022, ordered the case to be archived without prejudice to prosecute the same as soon as the accused is apprehended.

H. *Breach of Contract.* STI ESG engaged the services of Mobeelity Innovations, Inc. (MOBEELITY) to deploy its digital classroom pilot, also known as e-Learning Management System (eLMS) and MOBEELITY committed to provide the necessary applications suite of the intended learning management system of STI ESG.

MOBEELITY undertook to provide STI ESG with access to the EDU 2.0 LMS (now known as NEO) and iMEET virtual classroom. MOBEELITY committed to provide STI ESG with online and on-site technical support for the implementation of the EDU 2.0 LMS and iMEET virtual classroom. Furthermore, MOBEELITY committed to provide STI ESG with all updates and modifications to EDU 2.0 LMS and iMEET virtual classroom free of charge. Out of these 2 platforms, STI ESG was only able to avail of and utilize the EDU 2.0 LMS under the agreement.

MOBEELITY provided STI ESG access to the EDU 2.0 LMS. EDU 2.0 LMS is a product of Cypher Learning, and MOBEELITY was an authorized reseller of this product. In accordance with the terms of the Agreement, STI ESG paid MOBEELITY the sum of ₱3.3 million as downpayment for services to be rendered by MOBEELITY for the First Semester of SY 2016-2017 or from June to November 2016.

On June 12, 2016, it came to the attention of STI ESG that Cypher Learning had terminated its relationship with MOBEELITY due to the fraudulent acts committed by MOBEELITY against Cypher Learning.

Pursuant to the arbitration clause of the Memorandum dated September 8, 2014 (Memorandum) executed by STI ESG and MOBEELITY, STI ESG initiated the instant ad hoc arbitration to settle a dispute involving the reimbursement of ₱3.3 million by MOBEELITY due to a breach of its obligations under the Memorandum.

After due proceedings, the Arbitral Tribunal issued the arbitral award dated August 9, 2018 wherein MOBEELITY is required to pay STI ESG the amount of ₱3.3 million and arbitration cost of ₱0.9 million.

STI ESG decided not to pursue the filing of the petition before the Regional Trial Court since MOBEELITY has no assets to satisfy the arbitral award of the Arbitral Tribunal .

The total receivables of STI ESG from MOBEELITY amounted to ₱4.2 million. As at June 30, 2024, STI ESG has recognized an allowance corresponding to its estimated credit losses.

STI ESG decided not to pursue the filing of the petition before the Regional Trial Court since MOBEELITY has no assets to satisfy the arbitral award of the Arbitral Tribunal.

- I. *Administrative Case.* This is an appeal filed by iACADEMY from the Resolution dated October 6, 2022, among others, of the Office of the Regional Director of the National Capital Region of the Department of Education (“DepEd NCR”).

Under the Resolution dated October 6, 2022, the DepEd NCR found iACADEMY to be not compliant with the procedures laid down under DepEd Order No. 55, S2013 or the Implementing Rules and Regulations of the Anti-Bullying Act (“Anti-Bullying IRR”), in its handling of the alleged bullying incident reported by the daughter of Dr. Maria Luisa M. Guinto on February 28, 2020. Hence, the DepEd NCR imposed a penalty of non-issuance of a favorable recommendation for tax exemption for the year 2022.

On March 10, 2023, iACADEMY filed its appeal on the Resolution dated October 6, 2023, among others, with the National Office of the Department of Education.

In its appeal, iACADEMY stated that it is compliant with the procedures in the handling of alleged bullying incidents as prescribed under the Anti-Bullying IRR. iACADEMY has systems in place to resolve these incidents, it followed the procedures set for the resolution of the incident reported, and iACADEMY resolved the incident in a timely manner amidst the various lockdown measures and mobility restrictions imposed to curb the spread of COVID-19 starting in March 2020.

In addition, iACADEMY highlighted that the DepEd NCR did not follow the penalty structure under the Anti-Bullying IRR. Under said order, in case a private school is found not to be compliant, the DepEd NCR should first direct the private school to comply. The private school shall only be penalized if it still fails to comply with said order.

Lastly, iACADEMY stated that the non-issuance of a favorable recommendation for tax exemption is not one of the available penalties that the DepEd NCR may impose in case of violation of the Anti-Bullying IRR.

The appeal filed with the National Office of the DepEd is submitted for resolution as at October 11, 2024.

- J. *Syndicated Estafa.* This is a complaint filed against STI ESG and its director by the president of a franchisee of STI ESG with the Provincial Prosecution Office of Rizal.

In the complaint, said officer alleged that STI ESG illegally took over the operations of STI Tanay, and used the tuition fees it collected for its benefit. Based on his estimation, said alleged tuition fees was around ₱12.0 million.

On December 29, 2020, STI ESG, through its representative, filed its Counter-Affidavit and presented evidence/documents showing that STI ESG managed STI Tanay (a) when said officer initially allowed the same while there was an ongoing negotiation for the purchase of STI Tanay, and (b) the take-over provisions of the Licensing Agreement triggered by the violations committed by the franchisee on said agreement.

Moreover, STI ESG further asserted that the complaint should be dismissed because the aforesaid president failed to attach/present a written authority from STI Tanay, which allowed him to file the complaint, and represent said corporation in the proceedings.

Lastly, said president included as a respondent a director who was not involved in the operations and management of STI Tanay during the take-over of STI ESG.

On September 28, 2021, STI ESG received the Resolution dated February 4, 2021 which dismissed the complaint.

No Motion for Reconsideration was filed by the complainant.

Pursuant to the Memorandum of Agreement dated July 29, 2022 executed by the parties in a related case, this case is deemed terminated.

K. Extra-Judicial Foreclosure

- i. STI ESG filed two (2) Petition(s) for Extra-Judicial Foreclosure of Real Estate Mortgage under Act No. 3135, as amended (Petitions) over properties located in (a) Pasig and (b) Tanay, Rizal.

On November 4, 2019, DBP and STI ESG executed a Deed of Assignment, wherein the latter acquired all the rights and obligations arising from the following:

1. Term Loan Agreement dated February 10, 2014 between DBP and STI Tanay for a loan amounting to ₱51.0 million, which is supported by four (4) Promissory Notes (Subject Loan);
2. Term Loan Agreement dated April 5, 2016 between DBP and STI College Tanay, Inc. (STI Tanay) for a loan amounting to ₱24.5 million, which is supported by five (5) Promissory Notes (Subject Loan);
3. Credit Line Agreement dated June 7, 2018 wherein DBP extended a credit line to STI Tanay up to a maximum amount of ₱6.0 million (Credit Line);
4. Real Estate Mortgage dated May 5, 2014 executed by STI Tanay in favor of DBP over a parcel of land and improvements with an area of 5,502 sq.m. located in Tanay, Rizal, which contains a provision allowing the foreclosure of mortgage extrajudicially in accordance with Act No. 3135 (Mortgage); and
5. Additional Real Estate Mortgage dated April 8, 2016 executed by STI Tanay, and Alejandro J. Bernardo married to Loretta Jabson Bernardo (Third Party Mortgagor) in favor of DBP over a parcel of land with an area of 567 sq.m. located in Pasig City (Subject Property), which contains a provision allowing the foreclosure of mortgage extrajudicially in accordance with Act No. 3135 (Mortgage).

The said Deed of Assignment includes other loans obtained by STI Tanay from DBP (collectively, the "Loans").

Due to STI Tanay's failure to pay the Loans, STI ESG sent a Notice of Default dated February 14, 2020 to STI Tanay and the Third Party Mortgagor. In the said Notice, STI ESG declared that the loans of STI Tanay amounting to ₱80.3 million as of December 31, 2019 to be immediately due and demandable, and STI ESG demanded full payment thereof.

Due to STI Tanay's failure to pay said Loans, STI ESG filed the instant Petition to foreclose the property covered by the Mortgage for the satisfaction of the former's outstanding obligation in the subject Loan and Credit Line amounting to ₱99.0 million as of November 30, 2020.

The Extrajudicial Foreclosure Sale for the property located in Pasig City was conducted on March 16, 2021 and STI ESG was declared as the winning bidder. A Certificate of Sale was annotated on the title on August 5, 2021. Within the one (1) year redemption period, Mr. Alejandro Bernardo, through counsel, manifested his intention to redeem the Pasig Property. On November 17, 2021, STI ESG submitted the Statement of Account, which will be used to compute the redemption price for the Subject Property.

With respect to the Tanay Property, the Extrajudicial Foreclosure Sale was conducted on March 15, 2022. At the conclusion of the Extrajudicial Foreclosure Sale, STI ESG was declared as the winning bidder. STI ESG obtained the Certificate of Sale covering the Tanay Property dated April 11, 2022. The said Certificate of Sale was annotated on the title by the Registry of Deeds of Rizal, Morong Branch on May 5, 2022.

Pursuant to the Memorandum of Agreement dated July 29, 2022 executed by the parties in the Complaint for annulment of Extrajudicial Foreclosure Proceedings, the Tanay Property was conveyed/assigned to STI ESG while the Pasig Property was redeemed by the Plaintiffs.

This case is deemed terminated.

- ii. This is a Complaint for annulment of Extrajudicial Foreclosure Proceedings with application for 72-hour and 20-day Temporary Restraining Order (TRO) and/or Writ of Preliminary Injunction (Complaint) filed by STI Tanay and Spouses Alejandro J. Bernardo and Loretta Jabson Bernardo (Mortgagors) (collectively, the "Plaintiffs") against the named Defendants.

On June 22, 2021, STI ESG received the Complaint. Based on the Complaint, the Plaintiffs alleged that STI ESG, as the assignee of the loan of STI Tanay with DBP, foreclosed on the Mortgagors' parcel of land with an area of 567 sq.m. located in Pasig City (Subject Property).

While the Complaint did not allege any procedural and/or substantive defects in the foreclosure proceedings, the Plaintiffs attempted to use the alleged illegal take-over of the operations of STI Tanay to support the instant case.

Based on the said allegations in the Complaint, the Plaintiffs sought for the issuance of restraining orders to enjoin the registration of the Certificate of Sale and the alleged take-over of STI Tanay.

After the due proceedings on the TRO, the Trial Court denied the issuance of the TRO and/or Writ of Preliminary Injunction on July 12, 2021.

On November 12, 2021, STI ESG and a director defendant (Defendants) filed a Joint Answer Ad Cautelam. In the Joint Answer, the Defendants asserted the dismissal of the Complaint because of the Plaintiffs did not raise any valid grounds to annul the foreclosure of mortgage. Moreover, the Plaintiffs have manifested their intention to redeem the subject Property, which further affirms the validity of the foreclosure proceedings.

The pre-trial conference for the case was originally scheduled on January 18, 2022. However, the same was cancelled in light of the Supreme Court's directives to physically close all courts in areas under Alert Level 3 due to the surge of COVID-19 cases. The National Capital Region (NCR) and the province of Rizal were under Alert Level 3 until January 31, 2022.

After the pre-trial conference, the case was referred to Judicial Dispute Resolution upon motion by the parties.

After several negotiations for settlement, the parties entered into a Memorandum of Agreement on July 29, 2022. Based on the Memorandum of Agreement, the parties agreed to settle all liabilities by (a) assignment and conveyance of the Tanay Property and (b) redemption of the Pasig Property by the Plaintiffs. Other commercial terms and conditions were agreed upon by the party to terminate all pending cases and release of any other claims against each other.

Upon motion by the parties, the aforesaid Agreement was submitted for approval by the parties.

- L. *Criminal Case – Qualified Theft.* On January 30, 2020, iACADEMY filed a complaint against its former Cashier for qualified theft for the total amount of ₱1.7 million for the period of January 24, 2018 until July 2, 2019 from the cash collections of iACADEMY.

Based on the complaint, the former Cashier manipulated the Daily Cash Collection Summary Reports submitted to iACADEMY by tampering (a) deposit slips; (b) official receipts and (c) other documents and making it appear that the payments received for rental payments on the use of iACADEMY's Auditorium were from other collections of iACADEMY, which she received as its Cashier. Considering said rental payments should have been recorded as part of the collection, the cash collection from other transactions reported by the former Cashier to have been received and deposited in the bank accounts of iACADEMY, is understated. Through this scheme, the former Cashier stole the corresponding amount appearing in the said tampered documents from the cash collection, which should have been deposited in iACADEMY's bank accounts.

Despite receipt of summons, the former Cashier failed to appear at the preliminary investigation hearings.

After due proceedings, an Information for twenty-seven (27) counts of qualified theft was filed by the City Prosecutor of Makati City against the former Cashier before the Regional Trial Court of Makati City.

During arraignment on June 18, 2021, the former Cashier pleaded “not guilty” of the charges.

Before the case proceeded to trial proper, the parties entered into an amicable settlement on, among others, the civil aspect of the case. Pursuant to the Compromise Agreement dated October 24, 2022, the former Cashier agreed to pay the civil aspect of the case and other liabilities and damages. In return, iACADEMY agreed not to actively pursue the case and allow the same to be provisionally dismissed.

The said agreement was implemented when (a) the former Cashier partially paid the outstanding obligation to iACADEMY and (b) iACADEMY did not actively participate in the prosecution of the case. Consequently, the Court caused the provisional dismissal of the case.

iACADEMY may revive the case or file a new case if the former Cashier fails to pay the balance of the said obligation as provided in the agreement.

As at October 11, 2024, the former Cashier complied with her obligations under the Agreement. Based on the records of iACADEMY, there is one remaining post-dated check for ₱361.1 thousand dated December 31, 2024. Once said check is duly cleared on its due date, the former Cashier will be deemed to have fully complied with her obligations to iACADEMY.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Except for matters taken up during the annual meeting of stockholders held on December 21, 2023, there was no other matter submitted to a vote of security holders during the period covered by this report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. MARKET FOR ISSUER’S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

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

(1) Market Information

The Parent Company’s common stock is traded on the PSE under the stock symbol “STI”. As of the date of this Report, the Parent Company has 9,904,806,924 shares outstanding.

As of June 30, 2024, the high share price of the Parent Company was ₱0.90 and the low share price was ₱0.89. As of September 30, 2024, the high share price of the Parent Company was ₱1.31 and the low share price was ₱1.22.

The following table sets forth the Parent Company’s high and low prices per share for each quarter of the past two (2) years and the first, second and third quarters of 2024:

	High	Low
2024		
Third Quarter	1.35	0.76
Second Quarter	1.00	0.75
First Quarter	0.86	0.46
2023		
Fourth Quarter	0.50	0.39
Third Quarter	0.43	0.36
Second Quarter	0.41	0.34
First Quarter	0.39	0.33
2022		
Fourth Quarter	0.35	0.32
Third Quarter	0.36	0.32
Second Quarter	0.37	0.31
First Quarter	0.38	0.32

The Parent Company’s public float as of June 30, 2024 is 3,049,740,687 shares equivalent to 30.79% and 3,060,932,687 shares equivalent to 30.90% as of June 30, 2023 of the total issued and outstanding shares of the Parent Company.

(2) Holders

As of June 30, 2024, there were 1,264 shareholders of the Parent Company’s outstanding capital stock. The Parent Company has common shares only.

The following table sets forth the top 20 shareholders of the Parent Company’s common stock, the number of shares held, and the percentage of total shares outstanding held by each as of June 30, 2024.

NAME OF STOCKHOLDER	NUMBER OF SHARES	PERCENTAGE OF OWNERSHIP
PCD NOMINEE CORPORATION (Filipino)	3,257,045,406 ¹	32.8835%
PRUDENT RESOURCES, INC.	1,614,264,964	16.2978%
TANCO, EUSEBIO H.	1,253,666,793	12.6572%
PCD NOMINEE CORPORATION (Non-Filipino)	838,895,475	8.4696%
EUJO PHILIPPINES, INC.	806,157,130	8.1390%
BIOLIM HOLDINGS AND MANAGEMENT CORP. (FOMERLY: RESCOM DEVELOPERS, INC.)	794,343,934	8.0198%
TANTIVY HOLDINGS INC. (FORMERLY: INSURANCE BUILDERS, INC.)	626,776,992	6.3280%
STI EDUCATION SERVICES GROUP, INC.	397,908,895	4.0173%
EXIMIOUS HOLDINGS, INC.	272,990,566	2.7561%
CLASSIC FINANCE INC.	15,013,155	0.1516%
TANCO, ROSIE L.	13,000,000	0.1312%
DEL PRADO, EMMANUEL P.	3,500,000	0.0353%
VITAL VENTURES MANAGEMENT CORPORATION	2,800,000	0.0283%
YU, JUAN G. OR JOHN PETER C. YU	1,300,000	0.0131%
CASA CATALINA CORPORATION	1,000,000	0.0101%
EDAN CORPORATION	861,350	0.0087%
MENDOZA, ROSELLER ARTACHO	600,000	0.0061%
YU, JUAN G. OR JOHN PHILIP YU	600,000	0.0061%
CASTIGADOR, LERIO CABALLERO AND/OR VICTORINA P. CASTIGADOR	399,000	0.0040%
VALDERRAMA, LELEN ITF YASMIN AYN VALDERRAMA	300,000	0.0030%

(3) Cash Dividends

- a) On December 21, 2023, cash dividends amounting to ₱0.030 per share or the aggregate amount of ₱297.1 million were declared by the Board of Directors in favor of all stockholders on record as at January 10, 2023 payable on January 31, 2023.
- b) On December 19, 2022, cash dividends amounting to ₱0.015 per share or the aggregate amount of ₱148.6 million were declared by the Board of Directors in favor of all stockholders on record as at January 6, 2023 payable on January 31, 2023.

¹ Eusebio H. Tanco is the beneficial owner of 398,508,651 shares. Prudent Resources, Inc. is the beneficial owner of 6,820,085 shares. Biolim Holdings and Management Corp. (Formerly: Rescom Developers, Inc.) is the beneficial owner of 18,282,861 shares. STI Education Services Group, Inc. is the beneficial owner of 102,524,000 shares. Tantivy Holdings, Inc. (Formerly: Insurance Builders, Inc.) is the beneficial owner of 3,000,000 shares.

- c) On December 3, 2021, cash dividends amounting to ₱0.01 per share or the aggregate amount of ₱99.0 million were declared by the Board of Directors in favor of all stockholders on record as at January 6, 2022 payable on January 31, 2022.

In the meeting of the Board of Directors of the Parent Company held on February 15, 2018, the Board adopted a revised policy on the declaration of dividends starting with Fiscal Year 2017-2018 in order to (1) clarify the dividend declaration policy of not less than 25% of the Parent Company's core net income from the previous fiscal year; and (2) provide the definition of the core net income of the Parent Company.

The Board approved a dividend declaration policy of not less than 25% of the core net income of the Parent Company from the previous fiscal year, subject to compliance with the requirements of applicable laws and regulations, statutory limitations and/or restrictions, terms and conditions which may be imposed on the Parent Company by lenders or other financial institutions, and the Parent Company's investment plans and financial condition.

Core net income is defined as consolidated net income after income tax derived from the Parent Company's main business-education and other recurring income.

The amount of dividends will be reviewed periodically by the Board in light of the Parent Company's earnings, financial conditions, cash flows, capital requirements and other considerations, while maintaining a level of capitalization that is commercially sound and sufficient to ensure that the Parent Company can operate on a standalone basis.

Dividends shall be declared and paid out of the Parent Company's unrestricted retained earnings which shall be payable in cash, property or stock to all shareholders on the basis of outstanding stock held by them.

Unless otherwise required by law, the Board, at its sole discretion, shall determine the amount, type and date of payment of the dividends to the shareholders, taking into account various factors, including:

- The level of the Parent Company's earnings, cash flow, return on equity and retained earnings;
- Its results for and its financial condition at the end of the year in respect of which the dividend is to be paid and its expected financial performance;
- The projected levels of capital expenditures and other investment programs;
- Restrictions on payments of dividends that may be imposed on it by any of its financing arrangements and current or prospective debt service requirements; and
- Such other factors as the Board deems appropriate.

(4) Recent Sales of Unregistered or Exempt Securities

There is no sale of unregistered or exempt securities for the past three (3) years.

Item 6. MANAGEMENT’S DISCUSSION AND ANALYSIS

This discussion summarizes the significant factors affecting the financial condition of STI Education Systems Holdings, Inc. (“STI Holdings” or the “Parent Company”) and its subsidiaries (hereafter collectively referred to as the “Group”) as at June 30, 2024 and 2023 and operating results for the years ended June 30, 2024, 2023 and 2022.

The following discussions should be read in conjunction with the attached audited consolidated financial statements of the Group as at and for the years ended June 30, 2024 and 2023, and for all the other periods presented.

Financial Condition

June 30, 2024 vs. June 30, 2023

LIQUIDITY AND CAPITAL RESOURCES

(in ₪ millions except financial ratios)

	June 30, 2024	June 30, 2023	June 2024 vs. June 2023	
			Increase (Decrease) Amount	%
Consolidated financial position				
Cash and cash equivalents	1,855.5	1,958.8	(103.3)	(5.3%)
Current assets	3,679.2	3,781.6	(102.4)	(2.7%)
Total assets	15,441.8	15,083.2	358.6	2.4%
Current liabilities	1,770.5	3,451.9	(1,681.4)	(48.7%)
Total liabilities	4,869.4	5,873.4	(1,004.0)	(17.1%)
Equity attributable to equity holders of the parent	10,481.1	9,127.9	1,353.2	14.8%
Total equity	10,572.4	9,209.8	1,362.6	14.8%
Financial ratios				
Debt-to-equity ratio	0.44	0.62	(0.18)	(29.0%)
Current ratio	2.08	1.10	0.98	89.1%
Debt service cover ratio (DSCR)*	2.86	0.60	2.26	376.7%
Asset-to-equity ratio	1.46	1.64	(0.18)	(11.0%)
Interest cover ratio (ICR)*	11.71	7.37	4.34	58.9%

*DSCR for bank loans purposes is measured as earnings before interest, taxes, depreciation and amortization, and nonrecurring gains/losses (EBITDA) for the last twelve months divided by the total interest-bearing debts and interest due in the next twelve months. In August 2022, China Banking Corporation (Chinabank) granted STI ESG’s request to waive the DSCR requirement for the year ended June 30, 2023 and the period ended December 31, 2023. The Term Loan Agreement with Chinabank prescribes that the financial covenants shall be observed and computed based on STI ESG’s unaudited interim consolidated financial statements as at and for the six-month period ending December 31 of each year and based on the audited consolidated financial statements as at and for the year ending June 30 of each year. With the waiver, STI ESG is compliant with the required covenant under the Chinabank Term Loan agreement as at June 30, 2023. iACADEMY is likewise compliant with Chinabank’s DSCR requirement as at June 30, 2023.

DSCR under STI ESG’s bond trust agreement is defined as EBITDA for the last twelve months divided by total interest-bearing debts and interest due in the past twelve months. DSCR under both the Term

Loan and Bond Trust Agreements is pegged at 1.05:1.00. STI ESG's DSCR as at June 30, 2023, as defined in the bond trust agreement, is 2.36:1.00. STI ESG is compliant with the required covenants as at June 30, 2023.

The term loan agreements with BPI and Metrobank prescribe that the financial covenants shall be observed and computed annually based on STI ESG's audited consolidated financial statements as at and for the year ending June 30 of each year. STI ESG is compliant with the DSCR requirement as at June 30, 2024, as defined in the term loan agreements (see Note 18 of the Audited Consolidated Financial Statements).

In April 2024, Chinabank-Trust and STI ESG executed a second supplemental agreement to (i) replace the financial covenant on DSCR of not less than 1.05:1.00 with an Interest Coverage Ratio (ICR) of not less than 3.00:1.00 and (ii) amendment of the definition of EBITDA (see Note 19 of the Audited Consolidated Financial Statements). STI ESG is compliant with the ICR requirement as at June 30, 2024 at 9.37:1.00.

The Group's financial position continues to remain strong, with cash resources generated mostly by operating activities. Financial ratios are healthy and well within bank covenants.

The Group's consolidated total assets amounted to ₱15,441.8 million as at June 30, 2024 compared to ₱15,083.2 million as at June 30, 2023. Current assets amounted to ₱3,679.2 million, down by ₱102.4 million from ₱3,781.6 million while noncurrent assets grew by ₱461.0 million to ₱11,762.6 million as at June 30, 2024. The overall increase in consolidated total assets is the result of another school year of strong operations. The net decrease in cash and cash equivalents amounting to ₱103.3 million was primarily due to the Group's financing and investing activities, which aggregated to ₱2,835.8 million for the year. The net income after income tax of the Group for the year ended June 30, 2024 is ₱1,608.4 million, 84% higher than the net income generated for the year ended June 30, 2023. The more efficient collection of receivables from students contributed as well to the ₱2,724.5 million net cash generated from operating activities, which funded the Group's capital expenditures and payment of interest-bearing loans and borrowings.

Cash and cash equivalents decreased by ₱103.3 million or 5% from last year's ₱1,958.8 million to ₱1,855.5 million as at June 30, 2024. The Group generated net cash from operating activities amounting to ₱2,724.5 million arising from the collection of tuition and other school fees from students and collection from the Department of Education (DepEd) for the Senior High School (SHS) vouchers and Commission on Higher Education (CHED) for the Tertiary Education Subsidy (TES). These funds were partly utilized to pay the contractors and suppliers for the construction of iACADEMY's Cebu campus and STI WNU's new School of Basic Education (SBE) building, and the renovation of STI WNU's Engineering building. Other investing activities include disbursements related to STI ESG's solar panel installation, classroom expansion projects, and recent construction and other renovation and rehabilitation projects in several STI schools. On June 20, 2024, STI ESG acquired from Total Consolidated Asset Management, Inc. (TCAMI) 100% of the total issued and outstanding capital stock of Clinquant Holdings, Inc. (CHI), a company that owns a real estate in Tanauan, Batangas, in the amount of ₱180.0 million. In addition, STI ESG paid TCAMI a 15% deposit or ₱60.5 million to acquire 100% ownership of Phosphene Holdings, Inc. (PHI), which owns the property adjacent to CHI's property described earlier. STI ESG also made a ₱45.1 million downpayment on June 10, 2024 for the acquisition of a parcel of land with a total area of 3,266 square meters, located at South Park District, Alabang, Muntinlupa City. These properties are intended to be sites of STI schools.

In March 2024, STI ESG received the loan proceeds from its drawdowns from Metropolitan Bank & Trust Company (Metrobank) and Bank of the Philippine Islands (BPI) credit facilities. These loan proceeds were utilized to partially finance the full redemption of STI ESG's series 7-year bonds aggregating to ₱2,180.0 million which matured on March 23, 2024. STI ESG and iACADEMY made principal payments for interest-bearing loans and borrowings, substantially with Chinabank,

aggregating to ₱333.0 million and ₱140.0 million, respectively. Interest payments on these loans and on STI ESG's bond issue amounted to ₱212.2 million. STI ESG declared cash dividends amounting to ₱0.20 per share or an aggregate amount of ₱616.4 million to stockholders of record as of January 10, 2024, of which ₱608.1 million was paid on January 12, 2024 to the Parent Company and ₱5.4 million was paid to non-controlling interests. STI WNU declared cash dividends amounting to ₱75.3 million to stockholders of record as of December 31, 2023 paid on January 10, 2024. Meanwhile, the Parent Company declared cash dividends amounting to ₱0.03 per share or an aggregate amount of ₱297.1 million to stockholders of record as of January 10, 2024. The cash dividends were paid on January 31, 2024.

Total receivables amounted to ₱466.9 million as at June 30, 2024, posting a decrease of ₱3.7 million from ₱470.6 million as at June 30, 2023. The receivables balance is composed largely of amounts expected to be collected from students for tuition and other school fees, from DepEd, CHED, and Development Bank of the Philippines (DBP) for the SHS vouchers, TES and financial assistance to students, respectively. Receivables from students are normally collected on or before the date of major examinations while receivables from DepEd, CHED and DBP are expected to be collected in full within the next fiscal year.

Receivables from students pertaining to tuition and other school fees decreased significantly by 30% or ₱177.9 million from ₱596.0 million as at June 30, 2023 to ₱418.1 million as at June 30, 2024, reflecting the Group's improved collection efficiency considering the increased number of students. Outstanding receivables from DepEd for the SHS qualified vouchers, substantially pertaining to the current school year, amounted to ₱16.6 million as at June 30, 2024, compared to ₱10.0 million as at June 30, 2023. The SHS Voucher Program is a financial assistance program wherein subsidies in the form of vouchers are provided to qualified SHS students who enroll in participating institutions. A Qualified Voucher Recipient (QVR) is entitled to a subsidy ranging from ₱14,000 to ₱22,500 annually. DepEd, through the Private Education Assistance Committee, facilitates the transfer of funds to the participating schools. Accounts receivable from CHED amounted to ₱2.4 million and ₱3.7 million as at June 30, 2024 and 2023, respectively.

The DBP Resources for Inclusive and Sustainable Education Program (DBP RISE) grants financial assistance to deserving students from the ranks of underprivileged Filipino families who aspire to pursue studies in DBP-accredited public and private tertiary schools. DBP RISE covers: (1) the total cost of tuition fees for all year levels of the entire course or program based on the partner school's tuition fee structure which is determined at the beginning of the first term of the course or program, and (2) student support fund which covers other school fees, miscellaneous fees, and living allowance that will be determined and set by DBP. Receivables related to DBP RISE increased from ₱1.6 million as at June 30, 2023 to ₱2.2 million as at June 30, 2024. Receivables from the franchised schools for the educational services rendered by STI ESG amounted to ₱62.4 million as at June 30, 2024, higher by 12% or ₱6.8 million from the ₱55.6 million balance as at June 30, 2023. The receivables from franchised schools largely represent receivables for the sale of uniforms and prowares, network charges for the national youth convention and various software subscriptions during the year. Receivables for educational services are recognized as a percentage of the tuition and other school fees collected by the franchised schools from their students, DepEd and CHED.

Rent and related receivables decreased by ₱16.6 million to ₱72.9 million as at June 30, 2024 from ₱89.5 million as at June 30, 2023 representing improved collection efficiency during the year ended June 30, 2024.

The Group's allowance for expected credit losses (ECL) recognized in relation to the adoption of Philippine Financial Reporting Standards (PFRS) 9, *Financial Instruments*, decreased from ₱382.4 million as at June 30, 2023 to ₱227.4 million as at June 30, 2024 reflecting the write-off of receivables during the year ended June 30, 2024 amounting to ₱185.5 million and ₱30.5 million provision for ECL for the year.

The receivables which were written-off were associated with tuition and other school fees from students for SYs 2019-2020 to 2021-2022. The Boards of Directors (BODs) of STI Caloocan, STI Batangas, and STI Tanauan approved the write-off of receivables from students aggregating to ₱17.4 million for the year ended June 30, 2023. For the fiscal years ended June 30, 2023, and 2022, STI ESG, STI WNU and iACADEMY had adopted an interim policy to defer the write-off of receivables.

Inventories rose by 21% or ₱27.6 million from ₱129.5 million as at June 30, 2023 to ₱157.1 million as at June 30, 2024 due to the receipt of student uniforms during the last quarter of the year ended June 30, 2024 in preparation for SY 2024-2025.

Prepaid expenses and other current assets decreased by ₱22.2 million or 11% from ₱193.0 million as at June 30, 2023 to ₱170.8 million as at June 30, 2024 primarily due to the ₱38.9 million decrease in prepaid taxes as prior years' excess tax credits and creditable withholding taxes were applied to STI ESG and iACADEMY's income tax due for the year ended June 30, 2024. The increase in input VAT is attributed mainly to the acquisition of a parcel of land in South Park District, Alabang, Muntinlupa City, from which STI ESG recognized input VAT amounting to ₱24.7 million. STI WNU's input VAT registered a ₱3.1 million net increase due to the input VAT recognized from payments to contractors for the new SBE building construction. This account also includes input VAT recognized on the purchase of goods and services. Meanwhile, iACADEMY's input VAT decreased by ₱4.6 million upon application of the balance as of June 30, 2023 to its output VAT liabilities. Prepaid subscriptions and licenses, substantially pertaining to Microsoft license and eLMS subscriptions, Adobe Creative Cloud, Sophos Firewall, and Toon Boom Harmony subscriptions, amounted to ₱18.3 million and ₱23.2 million as at June 30, 2023 and 2024, respectively. iACADEMY secured additional software licenses for its Cebu campus. These subscriptions are normally renewed annually and recognized as expense in accordance with the terms of the agreements. The current portion of STI ESG's advances to suppliers as at June 30, 2023, were applied against full payment when the orders for uniforms were completed and delivered in 2024.

The carrying value of STI ESG's investment in quoted equity shares of RL Commercial REIT, Inc. (RCR), a real estate investment trust (REIT) company listed on the Philippine Stock Exchange, amounted to ₱5.25 and ₱5.80 per share or an aggregate value of ₱8.1 million and ₱9.0 million as at June 30, 2024 and 2023, respectively. STI ESG recognized dividend income from RCR amounting to ₱0.6 million in 2024 and 2023.

Noncurrent asset held for sale amounting to ₱1,020.7 million as at June 30, 2024 and 2023 represents the carrying value of the land, building and land improvements located in Quezon City (the "Quezon City dacion properties"), which were obtained by the Parent Company through the deeds of dacion executed in 2016. On June 24, 2021, the Parent Company's BOD approved the sale of the Quezon City dacion properties to a potential buyer as these properties have not been used in business since its receipt. With the classification as noncurrent asset held for sale, the Parent Company ceased the accounting for the Quezon City dacion properties as investment properties on June 30, 2021 and carried the said properties at the lower of its carrying amount and fair value less costs to sell. In May and June 2022, the Parent Company issued to certain brokers an authority to sell and to perform all efforts in connection with the sale of the Quezon City dacion properties to prospective buyers. In 2023, the Company started its negotiation with a real estate group for the sale of the properties. As of June 30, 2024, the Group is still in negotiation with the said real estate group who is currently looking for a real estate developer to partner with in the development of the land.

Property and equipment, net of accumulated depreciation, amounted to ₱9,926.2 million and ₱9,684.7 million as at June 30, 2024 and 2023, respectively. The increase primarily reflects ongoing capital expenditures, including the construction of a new building in STI Ortigas-Cainta campus and a new three-storey building in STI Lipa, installation of solar panels, classroom expansions, and various renovation and rehabilitation projects in certain STI ESG wholly-owned schools. Also, STI ESG acquired 100% ownership of CHI from TCAMI, as stated in the previous discussion on the sources and

uses of cash. CHI is the registered and beneficial owner of a 10,000-square-meter parcel of land located at President Jose P. Laurel Highway, Barangay Darasa, Tanauan City, Batangas. This property will be the future site of STI Academic Center Tanauan. STI WNU's property and equipment increased by ₱270.0 million, net of depreciation expenses, substantially due to the completion of its SBE building in May 2024, along with rehabilitation works on its main building, and ancillary works done in its Engineering building. The Group likewise invested in new computers, school equipment and furniture. The recognition of the right-of-use (ROU) assets on new and renewed lease agreements following PFRS 16, *Leases* also contributed to the increase in property and equipment. These additions to the "Property and equipment" account were offset by the depreciation expense recognized by the Group for the year ended June 30, 2024, reflecting the allocation of costs of these assets over their respective useful lives.

Investment properties increased by ₱149.5 million, net of depreciation expense for the year, from ₱1,037.5 million as at June 30, 2023 to ₱1,187.0 million as at June 30, 2024. The increase reflects the carrying value of STI ESG's land situated in Diversion Road, Brgy. San Rafael, Mandurriao, Iloilo City which was reclassified from "Property and equipment" to "Investment properties" account as at June 30, 2024.

Deferred tax assets (DTA), net of the related deferred tax liability (DTL), decreased by ₱7.7 million from ₱50.7 million to ₱43.0 million as at June 30, 2023 and 2024, respectively, primarily attributed to changes in the temporary differences related to allowance for expected credit losses (ECL) and application of NOLCO against income tax due recognized during the year ended June 30, 2024. In accordance with Philippine Financial Reporting Standards (PFRS), these temporary differences are accounted for in the calculation of deferred tax assets and liabilities.

Goodwill, intangible and other noncurrent assets increased by ₱72.8 million from ₱435.8 million as at June 30, 2023 to ₱508.6 million as at June 30, 2024. On June 10, 2024, STI ESG and Avida Land Corp. executed a contract to sell for the acquisition of a parcel of land with a total area of 3,266 square meters located at South Park District, Alabang, Muntinlupa City, for a total purchase price of ₱228.8 million. The purchase price is payable in three installments: (i) the amount of ₱45.1 million, inclusive of ₱24.7 million VAT, was settled on June 10, 2024; (ii) the amount of ₱81.6 million was paid by STI ESG on September 30, 2024, upon execution of the Deed of Sale on Installments (the "Deed"); and (iii) the amount of ₱102.1 million shall be paid by STI ESG on the 16th month after the execution of the Deed. STI ESG likewise paid ₱9.2 million for taxes and other charges related to the sale on September 30, 2024. STI ESG shall be entitled to the physical possession and control over the lot upon execution of the Deed. Similarly, the Deed provides that STI ESG shall start the construction within two years from the execution of the Deed. This lot will be the future site of the new STI Academic Center Alabang.

On June 20, 2024, STI ESG and TCAMI executed a Share Purchase Agreement to acquire 100% of the total issued and outstanding capital stock (Subject Shares) of PHI for ₱403.2 million as discussed in a preceding paragraph. On the same date, STI ESG paid the 15% deposit or ₱60.5 million. The remaining balance of ₱342.7 million is due on the third anniversary of the Share Purchase Agreement. The agreement grants STI ESG the right to cancel the purchase of the Subject Shares at any time within the three-year period. If STI ESG opts to cancel, TCAMI shall refund the deposit within thirty (30) days from receipt of the written notice of cancellation. The transfer of the shares shall take place on the third anniversary of the Share Purchase Agreement's effectivity date or at an earlier date as mutually agreed upon by STI ESG and TCAMI. PHI owns a 25,202-square-meter parcel of land adjacent to the CHI property located at President Jose P. Laurel Highway, Barangay Darasa, Tanauan City, Batangas. This lot is likewise planned to be the future site of STI Academic Center Tanauan.

Goodwill, intangible and other noncurrent assets also includes advances to contractors and/or suppliers for the ongoing construction of the new school building at STI Ortigas-Cainta, classroom expansion projects of certain schools, and acquisition of various school equipment and furniture and

for additional construction works in STI WNU's new SBE building. The related costs of these projects will be recognized to "Property and equipment" upon receipt of goods and/or as services are rendered.

Goodwill decreased by ₱14.3 million from ₱266.6 million to ₱252.3 million as at June 30, 2023 and 2024, respectively, due to the recognition of a provision for impairment of goodwill related to NAMEI Polytechnic Institute of Mandaluyong, Inc. (NPIM), which had ceased operations effective June 30, 2022.

Accounts payable and other current liabilities increased by ₱169.2 million from ₱773.2 million to ₱942.4 million as at June 30, 2023 and 2024, respectively. This increase is largely attributed to outstanding obligations as at June 30, 2024 related to the on-going construction of STI Ortigas-Cainta's new building, recently completed construction projects, and various renovation and rehabilitation projects in several wholly-owned schools of STI ESG. Also included are STI WNU's payables for the ongoing construction of its new university canteen and a kitchen laboratory for its College of Hotel and Tourism Management, as well as for the rehabilitation of the student lounge and walkway.

Unearned tuition and other school fees increased by 27% or ₱38.5 million from ₱141.1 million as at June 30, 2023 to ₱179.6 million as at June 30, 2024. This account refers to the advance payments of tuition and other school fees received for the school year commencing after the financial reporting date and will be recognized as revenues in the related school terms within the next fiscal year.

Income tax payable amounted to ₱25.3 million and ₱1.1 million as at June 30, 2024 and 2023, respectively. The balance as at June 30, 2024 represents the income tax obligations of STI ESG and several of its subsidiaries, as well as the income tax payable of STI WNU and iACADEMY as at June 30, 2024. The notable increase in income tax payable is attributed to the change in preferential income tax rate for proprietary educational institutions which was reduced from 10% to 1% effective July 1, 2020, up to June 30, 2023. After the expiration of the temporary tax relief provided by the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Law for proprietary educational institutions, the income tax rate reverted to its previous rate of 10%. Income tax obligations of STI ESG, iACADEMY, and the Parent Company for the year ended June 30, 2023 were entirely offset by their respective tax credits.

Current portion of interest-bearing loans and borrowings increased by ₱273.5 million from ₱262.8 million as at June 30, 2023 to ₱536.3 million as at June 30, 2024. The balance as at June 30, 2024 represents the current portion of STI ESG's term loans with Chinabank, BPI and Metrobank. On June 28, 2024, iACADEMY had fully paid its term loan with Chinabank. The balance as at June 30, 2023 represents the current portions of the Corporate Notes and Term Loan Facility Agreements of STI ESG with Chinabank amounting to ₱60.0 million and ₱120.0 million, respectively, and the Land Bank of the Philippines (LandBank) ACcess to Academic Development to Empower the Masses towards Endless Opportunities (ACADEME) Lending Program loan amounting to ₱3.0 million. It also includes iACADEMY's ₱79.8 million Term Loan balance with Chinabank. On March 19, 2024, STI ESG settled the amortization due on its Term Loan Facility with Chinabank amounting to ₱120.0 million.

The noncurrent portion of interest-bearing loans and borrowings increased by ₱741.1 million from ₱808.7 million to ₱1,549.8 million, net of deferred finance cost, as at June 30, 2023 and June 30, 2024, respectively. On March 7, 2024, STI ESG and BPI entered into a five-year term loan agreement up to the amount of ₱1,000.0 million. Of this amount, ₱500.0 million was drawn on March 18, 2024, subject to an interest rate of 8.4211% per annum. On March 8, 2024, STI ESG and Metrobank entered into a five-year term loan agreement of up to the amount of ₱2,000.0 million, of which ₱1,000.0 million was drawn on March 18, 2024, subject to an interest rate of 7.8503% per annum. STI ESG has elected to fix the principal repayments in ten (10) equal installments based on a semi-annual amortization schedule which will commence six (6) months from the date of initial borrowing until the maturity date. The proceeds from

these loans were used to partially finance the full redemption of STI ESG's series 7-year bonds amounting to ₱2,180.0 million which matured on March 23, 2024.

On March 23, 2017, STI ESG successfully listed its ₱3.0 billion Series 7-year Bonds due in 2024 and Series 10-year Bonds due in 2027 (collectively, the "Bonds") on the Philippine Dealing and Exchange Corp. (PDEX) secondary market. The Bonds carry coupon rates of 5.8085% and 6.3756% for the 7-year and 10-year tenors, respectively. Interests are payable quarterly in arrears on June 23, September 23, December 23, and March 23 or the next business day if such dates fall on non-banking days, of each year commencing on June 23, 2017, until and including the relevant maturity dates. The Bonds payable is carried in the books at ₱815.0 million and ₱2,988.4 million as at June 30, 2024 and 2023, respectively, net of deferred finance charges representing bond issue costs with carrying values of ₱5.0 million and ₱11.6 million as at June 30, 2024 and 2023, respectively. The Series 7-Year Bonds amounting to ₱2,180.0 million matured in March 2024. On the other hand, the Series 10-Year Bonds maturing in March 2027 with a carrying value of ₱815.0 million as at June 30, 2024 is reported as "Bonds payable, noncurrent portion" under the "Noncurrent Liabilities" category. The proceeds of the bonds have been fully utilized as at March 31, 2019.

As at June 30, 2023, STI ESG is compliant with the covenants under the bond trust agreement, with its debt-to-equity ratio at 0.79:1.00 and DSCR at 2.36:1.00. DSCR, as defined in the bond trust agreement, is computed as EBITDA for the last twelve (12) months over total principal and interest due in the last 12 months. In April 2024, Chinabank-Trust and STI ESG signed a second supplemental agreement that changed some financial covenants. The previous DSCR requirement of at least 1.05:1.00 has been replaced with an Interest Cover Ratio (ICR) requirement of at least 3.00:1.00. Henceforth, STI ESG is required to maintain a debt-to-equity ratio of not more than 1.50:1.00 and an ICR of not less than 3.00:1.00 computed based on its consolidated financial statements. As at June 30, 2024, STI ESG is compliant with the covenants under the bond trust agreement, with its debt-to-equity ratio at 0.59:1.00 and ICR at 9.37:1.00.

Current portion of lease liabilities decreased by ₱11.6 million from ₱98.5 million as at June 30, 2023 to ₱86.9 million as at June 30, 2024, representing payments made during the year net of reclassification of lease obligations due within the next twelve months. Noncurrent lease liabilities decreased by ₱35.0 million from ₱438.2 million as at June 30, 2023 to ₱403.2 million as at June 30, 2024. Lease liabilities are recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of the initial application. The amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The measurement and presentation of lease liabilities are recognized in the audited consolidated financial statements of the Group following the adoption of PFRS 16, *Leases*.

Pension liabilities decreased by ₱10.0 million from ₱139.8 million to ₱129.8 million as at June 30, 2023 and 2024, respectively. The Board of Directors (BOD) of STI ESG had approved the adoption of a Multi-Employer Retirement Plan for STI ESG and its subsidiaries resulting to recognition of pension expense aggregating to ₱34.7 million for the year ended June 30, 2024. STI ESG recognized remeasurement adjustments attributed to the equity shares forming part of STI ESG's pension assets for the same fiscal year amounting to ₱36.7 million. STI ESG likewise contributed ₱6.7 million to the pension fund on June 20, 2024. Pension/retirement expenses of iACADEMY and STI WNU amounted to ₱4.8 million and ₱4.3 million, respectively, for the year ended June 30, 2024.

Other noncurrent liabilities decreased by ₱21.4 million from ₱112.1 million to ₱90.7 million as at June 30, 2023 and 2024, respectively, as advanced rent and security deposits were applied to rent receivables and refunded to lessees of iACADEMY and STI ESG upon termination of lease contracts. Also included in noncurrent liabilities are the deposits for future stock subscription recognized by STI Training Academy. On January 26, 2024, the BOD of STI Training Academy approved a cash call totaling ₱20.0 million to fund the company's capital expenditures and operating expenses. Of this amount, ₱12.0

million was contributed by STI ESG, while an additional ₱8.0 million was provided by another interested party. The latter's contribution was recognized as a "Deposit for future stock subscription" under "Noncurrent liabilities" as at June 30, 2024. As at October 11, 2024, STI Training Academy is in the process of preparing the necessary documentation for its application to increase its authorized capital stock.

Cumulative actuarial gain increased by ₱38.9 million from ₱5.5 million to ₱44.4 million as at June 30, 2023 and 2024, respectively, due to the impact of unrealized remeasurement gains for the year ended June 30, 2024 resulting from the improvement in market value of the investments under the Group's pension plan assets.

Unrealized fair value adjustment on equity instruments at FVOCI is up by ₱5.2 million representing fair value adjustments resulting from the appreciation in the market value of STI ESG's investment in quoted equity shares.

Retained earnings increased by ₱1,309.1 million from ₱5,219.9 million to ₱6,529.0 million as at June 30, 2023 and 2024, respectively, substantially due to the net income attributable to equity holders of the Parent Company recognized for the year ended June 30, 2024 amounting to ₱1,591.2 million, net of cash dividends declared by the Group in December 2023 amounting to ₱282.1 million.

Financial Condition

June 30, 2023 vs. June 30, 2022

LIQUIDITY AND CAPITAL RESOURCES

(in ₱ millions except financial ratios)

	June 30, 2023	June 30, 2022	June 2023 vs. June 2022	
			Increase (Decrease) Amount	%
Consolidated financial position				
Cash and cash equivalents	1,958.8	1,568.7	390.1	24.9%
Current assets	3,781.6	3,421.6	360.0	10.5%
Total assets	15,083.2	14,577.9	505.3	3.5%
Current liabilities	3,451.9	1,201.8	2,250.1	187.2%
Total liabilities	5,873.4	6,083.0	(209.6)	(3.4%)
Equity attributable to equity holders of the parent	9,127.9	8,413.6	714.3	8.5%
Total equity	9,209.8	8,495.0	714.8	8.4%
Financial ratios				
Debt-to-equity ratio	0.62	0.70	(0.08)	(11.4%)
Current ratio	1.10	2.85	(1.75)	(61.4%)
Debt service cover ratio (DSCR)	0.60	1.95	(1.35)	(69.2%)
Asset-to-equity ratio	1.64	1.72	(0.08)	(4.7%)

The Group's financial position remained strong, with cash resources generated mostly by operating activities. Financial ratios are healthy and well within bank covenants.

The Group's consolidated total assets amounted to ₱15,083.2 million as at June 30, 2023 compared to ₱14,577.9 million as at June 30, 2022. Current assets grew by ₱359.9 million, from ₱3,421.6 million to

₱3,781.5 million. The overall increase in consolidated total assets is the result of another school year of strong operations. The net increase in cash and cash equivalents amounting to ₱390.1 million was primarily contributed by cash generated from the Group's net income for the year ended June 30, 2023, which is more than double that of the year ended June 30, 2022. The more efficient collection of receivables from students was also a key factor in the huge increase in cash balances. This is also reflected in the reduction of the receivables balance from ₱531.0 million as at June 30, 2022 to ₱470.6 million as at June 30, 2023 even with the increase in the number of students this SY 2022-2023.

Cash and cash equivalents increased by ₱390.1 million or 25% from ₱1,568.7 million to ₱1,958.8 million as at June 30, 2022 and June 30, 2023, respectively. The Group generated net cash from operating activities amounting to ₱1,885.3 million arising from the collection of tuition and other school fees from students and collection from DepEd for the Senior High School SHS vouchers and from CHED for Tertiary Education Subsidy. These funds were partly utilized to acquire parcels of land in Meycauayan City, Bulacan and to pay the contractors and suppliers for the construction of iACADEMY's Cebu campus and STI WNU's new School of Basic Education building, and the renovation of STI WNU's Engineering building. Net cash used in investing activities aggregated to ₱497.9 million. For the year ended June 30, 2023, the Group registered ₱999.7 million net cash used in financing activities, composed substantially of the ₱459.5 million principal payments on interest-bearing loans, ₱263.7 million interest payments on the said loans and on STI ESG's bonds, and ₱143.0 million dividend payments to the stockholders of STI Holdings and STI ESG.

Total receivables amounted to ₱470.6 million as at June 30, 2023, posting a decrease of ₱60.4 million from ₱531.0 million as at June 30, 2022. The receivables balance is composed largely of amounts expected to be collected from students for tuition and other school fees, from DepEd, CHED, and DBP for the SHS vouchers, TES and financial assistance to students, respectively. Receivables from students are normally collected on or before the date of major examinations while receivables from DepEd, CHED and DBP are expected to be collected in full within the next fiscal year.

Receivables from students pertaining to tuition and other school fees decreased by ₱17.5 million from ₱613.5 million as at June 30, 2022 to ₱596.0 million as at June 30, 2023. Outstanding receivables from DepEd for the SHS qualified vouchers, substantially pertaining to the current school year, amounted to ₱10.0 million as at June 30, 2023, compared to ₱14.6 million as at June 30, 2022. Receivables related to DBP RISE decreased from ₱2.0 million as at June 30, 2022 to ₱1.6 million as at June 30, 2023. Receivables from the franchised schools for the educational services rendered by STI ESG amounted to ₱55.5 million as at June 30, 2023, lower by ₱20.0 million from ₱75.5 million as at June 30, 2022, representing an improvement in the collection experience of the franchised schools compared to the same period the previous year.

Rent receivables increased by ₱21.6 million to ₱63.3 million as at June 30, 2023 from ₱41.7 million as at June 30, 2022 as receivables from the new tenants of STI ESG and iACADEMY were recognized on June 30, 2023. STI ESG entered into a lease agreement with a third party for a segment of its STI Academic Center Pasay-EDSA property comprising a total area of 610 square meters. STI ESG funded the fit-out requirements in advance, and the third party will reimburse these costs with an additional 7.5% to cover the cost of money. The related fit-out costs aggregated to ₱41.7 million as at June 30, 2023. Also, iACADEMY entered into a sublease agreement with a third party for portions of their leased building at Sen. Gil Puyat Avenue in Makati City for a period of five (5) years commencing on March 15, 2023 and ending on March 15, 2028. The rent receivables are expected to be collected within the next fiscal year.

The Group's allowance for ECL recognized in relation to the adoption of PFRS 9, *Financial Instruments*, increased from ₱312.4 million as at June 30, 2022 to ₱382.4 million as at June 30, 2023 due to the provision for ECL recognized during the year. Further, STI ESG, STI WNU and iACADEMY

implemented an interim policy on the deferral of write-off of receivables for the years ended June 30, 2023 and 2022 as approved by the BODs of the companies.

Inventories decreased by 18% or ₱28.7 million from ₱158.2 million as at June 30, 2022 to ₱129.5 million as at June 30, 2023 substantially representing the sale of school uniforms, net of acquisitions, during the year ended June 30, 2023.

Prepaid expenses and other current assets increased by ₱78.6 million or 69% from ₱114.3 million as at June 30, 2022 to ₱192.9 million as at June 30, 2023, attributed primarily to advances to suppliers, increase in input VAT, increases in creditable withholding taxes/prior years' excess tax credits, and prepaid rent. Current advances to suppliers as at June 30, 2023 amounting to ₱32.6 million primarily relate to prepayments for the procurement of school uniforms in preparation for the upcoming SY 2023-2024. The increase in the Input VAT of ₱24.6 million from ₱23.0 million as at June 30, 2022 to ₱47.6 million as at June 30, 2023 arose mainly from the acquisition of two parcels of land in Meycauayan City, Bulacan from which STI ESG recognized input VAT amounting to ₱16.2 million and the payments made by STI WNU for the construction of its new SBE building and the renovation of its Engineering Building which included ₱9.8 million input VAT. This account also includes input VAT recognized on the purchase of goods and services. Prepaid taxes posted an increase of ₱20.5 million or 36% from ₱57.2 million as at June 30, 2022 to ₱77.7 million as at June 30, 2023 representing business taxes and excess prior year's credits and creditable taxes that can be applied against future tax liabilities. Business taxes paid to local governments will be recognized as expense over the respective periods covered. Prepaid rent increased to ₱6.1 million as at June 30, 2023 from ₱0.8 million as at June 30, 2022 representing advance rental payments by iACADEMY for its Cebu campus. On July 15, 2022, iACADEMY entered into a lease agreement with Filinvest Land Inc. for the 5th floor of Filinvest Cebu Cyberzone Tower Two located in Cebu City for a period of 10 years, subject to renewal upon mutual agreement.

The carrying value of the equity instruments designated at FVPL amounted to ₱5.80 and ₱6.20 per share or an aggregate value of ₱9.0 million and ₱9.6 million as at June 30, 2023 and 2022, respectively. STI ESG recognized dividend income from RCR amounting to ₱0.6 million and ₱0.4 million in 2023 and 2022, respectively.

Noncurrent asset held for sale amounting to ₱1,020.7 million as at June 30, 2023 represents the carrying value of the Quezon City dacion properties, which were obtained by the Parent Company through the deeds of dacion executed in 2016. The balance of ₱1,039.7 million as at June 30, 2022 includes the Pasig property foreclosed on March 16, 2021 by STI ESG in relation to its receivables from STI College Tanay, Inc. (STI Tanay) as discussed in the succeeding paragraphs. On June 24, 2021, the Parent Company's BOD approved the sale of the Quezon City dacion properties to a potential buyer as these properties have not been used in business since its receipt. Negotiations with other interested parties are ongoing as at June 30, 2023. With the classification as noncurrent asset held for sale, the Parent Company ceased the accounting for the Quezon City dacion properties as investment properties on June 30, 2021 and carried the said properties at the lower of its carrying amount and fair value less costs to sell. In the same manner, the Pasig property, initially recognized by STI ESG as part of investment properties, was reclassified to noncurrent asset held for sale as at June 30, 2022 and carried at the lower of its carrying amount and fair value less costs to sell or ₱19.0 million, the amount offered by STI Tanay and the third-party mortgagors for the redemption of the said property. On July 29, 2022, STI ESG received the full payment of ₱19.0 million for the redemption of the Pasig City Property. Accordingly, STI ESG derecognized the noncurrent asset held for sale.

Property and equipment, net of accumulated depreciation, amounted to ₱9,684.7 million from ₱9,672.5 million as at June 30, 2023 and 2022, respectively. On August 1, 2022, STI Tanay and STI ESG executed a Deed of Dacion En Pago to transfer, convey and assign the mortgaged property located in Tanay, Rizal, free from all liens, encumbrances, claims and occupants for a Dacion Price of ₱81.2 million. STI ESG then released and discharged STI Tanay and the mortgagors of their obligations to the extent of

the Dacion Price. On August 5, 2022, CHED approved the site transfer of STI College Quezon Avenue, Inc. (STI Quezon Avenue) to Tanay, Rizal subject to compliance with certain requirements. STI Quezon Avenue has resumed operations on its new site in Tanay, Rizal beginning SY 2022-2023. STI ESG accordingly reclassified the take-up of its Tanay property from “Investment properties” to “Property and equipment” account in September 2022. As of the date of transfer, the Tanay property had a carrying value of ₱115.7 million, inclusive of documentary stamp and transfer taxes. As at June 30, 2023 the said property has a carrying value of ₱112.8 million. The Group acquired new computers and various school equipment and furniture during the year ended June 30, 2023, as more classes were conducted onsite. Property and equipment likewise increased as the Group recognized the right-of-use (ROU) assets on new and renewed lease agreements following PFRS 16, *Leases*. The property and equipment balance as at June 30, 2023 also includes costs related to the construction of iACADEMY’s campus in Cebu amounting to ₱40.8 million which was completed in January 2023, the renovation of STI WNU’s Engineering building amounting to ₱28.8 million which was completed in February 2023 and the on-going construction of STI WNU’s new SBE building with costs of ₱65.3 million as of June 30, 2023. These additions to the “Property and equipment” account were partially offset by the depreciation expense recorded for the year ended June 30, 2023. Further, in 2023, STI ESG reclassified the parcels of land situated in Las Piñas City with a carrying value of ₱40.5 million as of June 30, 2023, including the fully depreciated buildings thereon, to “Investment properties.” These properties, a part of which is being used as warehouse, have existing leases with varying terms expiring in 2024 up to 2026.

Investment properties increased by ₱33.3 million from ₱1,004.2 million as at June 30, 2022 to ₱1,037.5 million as at June 30, 2023. On October 1, 2022, STI ESG acquired two parcels of land, together with all the improvements thereon, with a total area of 2,459 square meters, located in Meycauayan City, Bulacan for an aggregate amount of ₱140.1 million, inclusive of taxes and transfer fees. This property is intended to be the future site of STI Academic Center Meycauayan. On the same date, Deeds of Assignment of Lease Agreements and Assumption of Rights and Obligations were executed and entered into by and among STI ESG, the seller of the aforementioned property, and the existing lessees on the purchased property agreeing that STI ESG will assume all rights and obligations under the lease contracts. As of June 30, 2023, the lease agreements have varying terms expiring in 2024 up to 2025. As at report date, only one active lease contract remains, which is set to expire in July 2025. This account also includes STI ESG’s parcels of land, including the improvements thereon, located in Las Piñas City. These properties, a part of which is being used as warehouse, have existing leases with varying terms expiring in 2024 up to 2026. STI ESG also recognized the cost of the renovation of its office condominium units. This project, with a total contract cost of ₱88.0 million, was undertaken to complete the office fit-out requirements for a new lease arrangement. The renovation works for the said office condominium units were completed in August 2022. These additions to “Investment properties” account were partially offset by the reclassification of the Tanay property from “Investment properties” to “Property and equipment” account since the said property is now being used by STI Quezon Avenue as its school building and grounds (as discussed in the previous paragraphs).

Investments in and advances to associates and joint venture increased by 12% or ₱2.2 million from ₱18.5 million to ₱20.7 million as at June 30, 2022 and 2023, respectively, upon recognition of the Group’s equity share in net income of associates.

Deferred tax assets, net of the related DTL, increased by ₱24.7 million from ₱26.0 million to ₱50.7 million as at June 30, 2022 and 2023, respectively, representing taxes due on tuition and other school fees and monthly rentals collected in advance. Following statutory regulations, these revenues that are collected in advance are subject to income tax upon receipt. Also, the notable increase in deferred tax assets is attributed to the change in the preferential income tax rate for proprietary educational institutions. This rate reverted from 1.0% under the CREATE Law to 10.0% effective July 1, 2023. Therefore, the Group remeasured its deferred tax assets and liabilities reflecting the increased income tax rate which resulted to the increase of net DTA to ₱50.7 million as at June 30, 2023.

Goodwill, intangible and other noncurrent assets increased by ₱71.0 million from ₱364.9 million as at June 30, 2022 to ₱435.9 million as at June 30, 2023. Noncurrent advances to suppliers, which increased by ₱52.5 million from ₱19.1 million to ₱71.6 million as at June 30, 2022 and 2023, respectively, substantially pertain to the advance payment made by STI WNU in the amount of ₱53.4 million for the design and construction of a 3-storey SBE building which will house its pre-elementary, elementary, JHS and SHS students beginning SY 2023-2024. This account also includes other payments made in relation to the acquisition of capital assets and various capital expenditures for ongoing projects of the schools. These will be reclassified primarily to “Property and equipment” when the goods are received, or the services are completely rendered.

Goodwill increased by ₱23.0 million from ₱243.6 million to ₱266.6 million as at June 30, 2022 and 2023, respectively, due to the recognition of goodwill by STI ESG on its acquisition of 60% of the issued and outstanding capital stock of STI-College Alabang, Inc. (STI Alabang) from the former franchisee. STI Alabang then became a wholly-owned subsidiary of STI ESG from its purchase of the said 60% in March 2023. The identifiable assets and liabilities of STI Alabang were recognized based on the assessment of the fair values of these assets and liabilities at the time of acquisition resulting in the ₱23.0 million excess of the purchase consideration.

Accounts payable and other current liabilities increased by ₱37.1 million from ₱736.1 million to ₱773.2 million as at June 30, 2022 and 2023, respectively. Vouchers payable of iACADEMY increased by ₱11.1 million primarily for rental and utilities of its Cebu campus. Accruals for outside services and expenses related to school activities amounted to ₱105.0 million as at June 30, 2023, for an increase of ₱16.3 million from the ₱88.7 million balance as at June 30, 2022, largely representing increased expenses due to face-to-face classes and in-person commencement ceremonies.

Unearned tuition and other school fees increased by ₱24.3 million from ₱116.8 million as at June 30, 2022 to ₱141.1 million as at June 30, 2023. This account refers to advance payment of tuition and other school fees for the school year commencing after June 30, 2023 and subsequently recognized as revenues during the succeeding year.

Income tax payable amounted to ₱1.1 million and ₱551.5 thousand as at June 30, 2023 and 2022, respectively. The balances as at June 30, 2023 and 2022 represent the income tax obligations of STI ESG’s subsidiaries and STI WNU. Income tax obligations of STI ESG, iACADEMY, and the Parent Company for the years ended June 30, 2023 and 2022 were entirely offset by their available tax credits and previous quarters’ payments.

Current portion of interest-bearing loans and borrowings increased by ₱23.7 million from ₱239.1 million as at June 30, 2022 to ₱262.8 million as at June 30, 2023. The balance as at June 30, 2023 represents the current portions of the Corporate Notes and Term Loan Facility Agreements of STI ESG with Chinabank amounting to ₱60.0 million and ₱120.0 million, respectively, and the LandBank ACADEME Lending Program loan amounting to ₱3.0 million. It also includes iACADEMY’s ₱79.8 million Term Loan balance with Chinabank. The balance as at June 30, 2022 represents the current portion of the Term Loan Agreement and Corporate Notes Facility Agreement of STI ESG with Chinabank amounting to ₱120.0 million and ₱30.0 million, respectively, and the portion of the loan related to the LandBank ACADEME Program amounting to ₱9.5 million, which was also due within the next twelve months. The current portion of iACADEMY’s term loan balance stood at ₱79.6 million as at June 30, 2022.

The Term Loan Agreement entered into by STI ESG and Chinabank on May 7, 2019 is for an aggregate amount of ₱1,200.0 million payable over a seven-year term. The agreement provided a grace period in principal repayments of two (2) years from the initial drawdown date. Principal repayments are to be made in ten (10) equal semi-annual installments beginning six (6) months from the end of the grace period or in March 2022. On September 16, 2021, Chinabank approved the request of both STI ESG and

iACADEMY to allow principal prepayments in the amount of ₱240.0 million and ₱120.0 million, respectively, to be applied to their existing Term Loan Facilities. Further, Chinabank approved the request to reduce the prepayment penalty from 3% to 1.5% based on the amount to be prepaid for STI ESG and the waiver of the prepayment penalty for iACADEMY. On September 20, 2021, STI ESG made a prepayment aggregating to ₱243.9 million, including the 1.5% prepayment penalty and the gross receipts tax. The prepayment was applied in the direct order of maturity, and as such, applied to amortizations due on March 19, 2022 and September 19, 2022. On September 29, 2021, iACADEMY made a prepayment of ₱120.0 million in addition to the ₱40.0 million regular amortization. The prepayment has been applied in the inverse order of maturity according to the repayment schedule. On September 29, 2022, iACADEMY paid the ₱40.0 million regular amortization. The loan balance of ₱280.0 million was repriced at an interest rate of 5.6699% per annum on September 28, 2022. On September 23, 2022, Chinabank approved STI ESG's request to allow a partial principal prepayment in the amount of ₱240.0 million to be applied to the Term Loan Facility. On the same day, STI ESG made a principal prepayment aggregating to ₱244.5 million, inclusive of interests, on the outstanding Term Loan Facility balance covering the period September 19 to 23, 2022 and 1.5% prepayment penalty. The prepayment was applied in the direct order of maturity and as such, applied on amortizations due on March 19, 2023 and September 19, 2023. On March 9, 2023, Chinabank approved iACADEMY's request to partially prepay the term loan and to waive the 3% prepayment penalty. On March 29, 2023, iACADEMY made the partial principal prepayment of ₱100.0 million in addition to the regular amortization of ₱40.0 million. The prepayment was applied in the inverse order of maturity according to the repayment schedule.

On March 19, 2023, STI ESG made a ₱30.0 million partial principal payment for its outstanding loan under its Corporate Notes Facility with Chinabank. On September 19, 2023, STI ESG settled the amortization due on this Corporate Notes Facility amounting to ₱30.0 million and paid in full the remaining balance of ₱180.0 million. There was no prepayment penalty imposed since this Corporate Notes Facility is a restructured loan.

On July 22, 2020, LandBank approved a ₱250.0 million Term Loan/Rediscounting Line Facility under its ACADEME Lending Program in favor of STI ESG to finance the "study now, pay later" program of the government for students amid the financial difficulties that families were facing due to the COVID-19 pandemic. The LandBank ACADEME Program is a refinancing/rediscounting facility for Promissory Notes issued by the parents or benefactors of students to enable said students to enroll, continue and complete their studies. The loans covered by these promissory notes to be issued by the parents/benefactors/students are interest-free. The school can borrow up to 70% of the amount stated in the Promissory Notes issued by the parents/benefactors of the students. This loan from LandBank is subject to 3% interest per annum. Interest and principal are payable annually in arrears. The term of the borrowing was coterminous with the maturity of the promissory notes issued by the parents/benefactors of the students. On September 16, 2020, STI ESG executed the Rediscounting Agreement with LandBank in relation to this loan arrangement. The ₱250.0 million Term Loan/Rediscounting Line Facility approved for STI ESG is secured by a Comprehensive Surety issued by the Parent Company. STI ESG has an aggregate loan drawdown from this facility amounting to ₱22.1 million as at June 30, 2023, of which ₱19.1 million has been paid as of June 30, 2023. Of the ₱3.0 million outstanding balance, ₱2.1 million has been settled in August 2023 while the remaining ₱0.9 million balance matured in January 2024.

The noncurrent portion of interest-bearing loans and borrowings decreased by ₱482.8 million due to the partial principal prepayments made by STI ESG and iACADEMY totaling ₱340.0 million as well as the reclassification of the amount of ₱223.0 million to current portion of interest-bearing loans. Effective September 19, 2023, the interest rate for STI ESG's Term Loan Facility was adjusted to 8.0472% per annum.

STI ESG's bonds payable is carried in the books at ₱2,988.4 million and ₱2,980.5 million as at June 30, 2023 and 2022, respectively, net of deferred finance charges representing bond issue costs with carrying values of ₱11.6 million and ₱19.5 million as at June 30, 2023 and 2022, respectively.

Current portion of lease liabilities decreased by ₱10.7 million from ₱109.2 million as at June 30, 2022 to ₱98.5 million as at June 30, 2023, representing payments made during the year net of reclassification of lease obligations due within the next twelve months. Noncurrent lease liabilities increased by ₱74.1 million from ₱364.1 million as at June 30, 2022 to ₱438.2 million as at June 30, 2023 due to the recognition of the Group's new and renewed lease agreements. Lease liabilities are recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of the initial application. The amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The measurement and presentation of lease liabilities are recognized in the audited consolidated financial statements of the Group following the adoption of PFRS 16, *Leases*.

Pension liabilities increased by ₱31.1 million from ₱108.7 million to ₱139.8 million as at June 30, 2022, and June 30, 2023, respectively, representing increased pension expense and changes in the market value of the equity investments held within the pension plan assets of the Group for the year ended June 30, 2023.

Other noncurrent liabilities increased by ₱88.7 million from ₱23.4 million to ₱112.1 million as at June 30, 2022 and 2023, respectively, representing advance rent and refundable security deposits received by STI ESG and iACADEMY in relation to new lease agreements.

Cumulative actuarial gain decreased by ₱22.2 million from ₱27.7 million to ₱5.5 million as at June 30, 2022 and 2023, respectively, due to the impact of unrealized remeasurement losses for the year ended June 30, 2023 resulting from the decline in market value of the investments under the Group's pension plan assets. STI ESG also closed to "Retained earnings" the cumulative actuarial gain of schools that had ceased operations.

Unrealized fair value adjustment on equity instruments at FVOCI is up by ₱1.8 million representing fair value adjustments resulting from the increase in the market value of STI ESG's investment in quoted equity shares, as well as the unquoted equity shares of De Los Santos Medical Center, Inc. (DLSMC).

Retained earnings increased by ₱734.6 million from ₱4,485.3 million to ₱5,219.9 million as at June 30, 2022 and 2023, respectively, substantially due to the ₱870.3 million net income attributable to equity holders of the Parent Company recognized for the year ended June 30, 2023, net of cash dividends declared by the Group in December 2022 amounting to ₱141.1 million. STI ESG also closed to "Retained earnings" the ₱5.4 million cumulative actuarial gain of schools that had ceased operations.

Results of Operations

The Consolidated Statements of Comprehensive Income reflect the changes in owners' equity originating from non-owner and traditional income sources. Comprehensive income includes net income and unrealized income/loss arising from fair value changes in equity instruments at FVOCI as well as remeasurement adjustments on pension plans.

The operating results shown in the Group's consolidated statements of comprehensive income reflect the Group's recovery from the economic impact of the Novel Coronavirus Disease 2019 (COVID-19) pandemic and show substantial growth, both in terms of revenue and profitability, over the past three fiscal years.

The discussion below summarizes the significant factors affecting the results of operations for the fiscal years ended June 30, 2024, June 30, 2023, and June 30, 2022.

Years ended June 30, 2024 vs. 2023

The enrollment figures of the Group for SY 2023-2024 indicate a robust increase of 27% as the Group's student count for SY 2023-2024 reached almost 120,000 compared to 94,312 enrollees in SY 2022-2023. In SY 2023-2024, the total count of new students reached 55,982, marking a 35% growth from 41,565 new students in SY 2022-2023. Furthermore, enrollment in programs regulated by CHED registered an impressive 25% increase to more than 83,000 students compared to more than 66,000 enrollees in SY 2022-2023.

The enrollment figures of the schools under STI Holdings are as follows:

	SY 2023-2024	SY 2022-2023	Increase (Decrease)	
			Enrollees	Percentage
STI ESG				
Owned schools	71,782	54,158	17,624	33%
Franchised schools	32,200	27,539	4,661	17%
	103,982	81,697	22,285	27%
iACADEMY	2,233	2,397	(164)	(7%)
STI WNU	13,328	10,218	3,110	30%
Total Enrollees	119,543	94,312	25,231	27%

The grouping of students according to the supervising government regulatory agencies is as follows:

- CHED pertains to students enrolled in tertiary and post-graduate programs,
- Technical Education and Skills Development Authority (TESDA) students are those enrolled in technical-vocational programs,
- DepEd students are those enrolled in primary and secondary education including Junior High School (JHS) and SHS.

	SY 2023-2024			
	CHED	TESDA	DEPED*	TOTAL
STI ESG	71,159	1,682	31,141	103,982
iACADEMY	1,823	-	410	2,233
STI WNU	10,170	-	3,158	13,328
Total	83,152	1,682	34,709	119,543
Proportion of CHED:TESDA:DepEd	70%	1%	29%	100%
	SY 2022-2023			
	CHED	TESDA	DEPED*	TOTAL
STI ESG	56,876	1,447	23,374	81,697
iACADEMY	1,917	-	480	2,397
STI WNU	7,516	-	2,702	10,218
Total	66,309	1,447	26,556	94,312
Proportion of CHED:TESDA:DepEd	70%	2%	28%	100%

- * *STI ESG DepEd count includes 30,674 SHS students and 467 JHS students in SY 2023-2024 and 23,077 SHS students and 297 JHS students in SY 2022-2023. For iACADEMY, this represents SHS students, while for STI WNU, the count represents 2,490 SHS students and 668 students enrolled in pre-elementary to JHS in SY 2023-2024 and 2,057 SHS students and 645 students enrolled in pre-elementary to JHS in SY 2022-2023.*

For SY 2023-2024, classes across all levels started on August 29, 2023 for both STI ESG and STI WNU, except for STI WNU's School of Graduate Studies (SGS), which started classes on September 2, 2023 for. Classes of iACADEMY's SHS and tertiary students commenced on August 3, 2023 and August 29, 2023, respectively.

For SY 2022-2023, classes for JHS and SHS started on August 30, 2022 while classes for tertiary students commenced on September 5, 2022 for both STI ESG and STI WNU. STI WNU's SGS began classes on September 10, 2022. iACADEMY started classes for SHS and tertiary students on August 2, 2022 and August 30, 2022, respectively.

STI ESG and STI WNU both implemented a flexible learning delivery modality for SY 2022-2023. For tertiary courses, all professional and identified general education courses were delivered onsite while other general education courses were delivered using a blended modality, with a distribution of 50% onsite/face-to-face and 50% asynchronous. As for SHS in STI ESG, classes were all conducted face-to-face since the opening of SY 2022-2023 while SHS classes in STI WNU were on a blended modality with 50% onsite/face-to-face and 50% asynchronous. STI WNU's classes for the National Service Training Program or NSTP were on full face-to-face set up. With the passage of CHED Memorandum Order No. 16 dated November 11, 2022 providing clarity and support to Higher Education Institutions (HEIs) towards progressive transitioning to full onsite learning, STI ESG opted to conduct full face-to-face classes starting on the second semester of SY 2022-2023, while STI WNU continued with its flexible learning modality for tertiary and blended modality for SHS until the end of SY 2022-2023. Classes for SY 2023-2024 of both STI ESG and STI WNU were conducted face-to-face for all levels.

iACADEMY implemented the Hyflex Learning Format for tertiary for SY 2022-2023. Meanwhile, SHS followed the Hybrid Learning setup until the end of SY 2022-2023. This allowed grades 11 and 12 students to alternately attend onsite and online classes throughout the week according to a definite schedule. Both the Hyflex and Hybrid Learning Models combine face-to-face and online remote instructions. Classes and learning activities were conducted in-person, synchronously online, and asynchronously online using various learning technologies while classes for specialized and contextualized subjects like Science and ICT, were held onsite in the laboratories.

Under the Hyflex Learning Model, students had the flexibility to choose between attending in-person or online classes. This flexibility was not available in the Hybrid Learning Format, where students followed a fixed schedule alternating between onsite and online classes. The Hyflex model offered greater adaptability during the peak of the COVID-19 pandemic when stringent measures were in place. For SY 2023-2024, iACADEMY implemented the Hybrid Learning Format for all levels.

The Group is continuously ensuring adherence to the guidelines set by the Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF), CHED, DepEd, local government units (LGUs), and all pertinent agencies that have released information and guidance on the conduct of face-to-face classes.

The consolidated gross revenues of the Group for the year ended June 30, 2024 reached ₱4,700.3 million, reflecting a 38% increase compared to ₱3,405.5 million generated for the year ended June 30, 2023.

Tuition and other school fees increased by ₱1,228.7 million from ₱3,073.6 million for the year ended June 30, 2023 to ₱4,302.3 million for the year ended June 30, 2024 attributed to the 27% robust growth in enrollment or the 25,231 increase in the student population for SY 2023-2024 at 119,543 compared to 94,312 enrollees for SY 2022-2023. STI ESG's wholly-owned and franchised schools registered an

enrollment of 103,982 students, 22,285 or 27% more than the enrollment in SY 2022-2023. Percentagewise, STI WNU registered the highest increase at 30% for this SY compared to last SY. The number of new students enrolled in CHED programs increased by 33% or 8,425 from 25,849 to 34,274 for SY 2022-2023 and SY 2023-2024, respectively. Furthermore, enrollment in programs regulated by CHED registered an impressive 25% increase to 83,152 in SY 2023-2024 compared to enrollment in SY 2022-2023 of 66,309 students. CHED-regulated programs generate higher revenues per student. STI ESG implemented an average of 5% tuition fee increase across all tertiary programs, while iACADEMY implemented a 10% tuition fee increase across all levels. STI WNU implemented tuition fee increases of 5% for old or continuing students and 6% to 8% for new students.

Revenues from educational services and royalty fees both increased by 17%, driven by the increase in the student population of franchised schools and improved collection efficiency for SY 2023-2024. Revenues from educational services are derived as a percentage of the tuition and other school fees collected by the franchised schools from their students, DepEd and CHED.

Sale of educational materials and supplies increased by 16% or ₱18.1 million from ₱115.0 million for the year ended June 30, 2023 to ₱133.1 million for the year ended June 30, 2024. Sale of educational materials and supplies in the current year largely pertains to the sale of uniforms as enrollment increased. The cost of educational materials and supplies sold likewise increased concomitant with the increase in the sale of educational materials and supplies.

Other revenues increased by ₱19.4 million or 37% compared to the same period last year or from ₱53.1 million to ₱72.5 million for the years ended June 30, 2023 and 2024, respectively, attributed to the higher number of students enrolled in SY 2023-2024.

The cost of educational services increased by 27% or ₱278.2 million from ₱1,040.1 million to ₱1,318.3 million for the years ended June 30, 2023 and 2024, respectively.

The cost of instructors' salaries and benefits increased by ₱139.9 million reflecting the cost of a larger faculty roster concomitant with the increase in student population. Also, merit increases and bonuses were distributed to deserving and qualified faculty members as recognition of their contribution to the positive enrollment outcome for SY 2023-2024, highlighting the Group's appreciation for everyone's dedication and hard work. Rent expense recognized as part of cost of educational services increased by ₱5.0 million due to the rent expense recognized from July 1, 2023 for the building occupied by STI Alabang which became a wholly-owned subsidiary on March 31, 2023. School materials and supplies increased by ₱21.8 million from ₱9.8 million to ₱31.6 million for the years ended June 30, 2023 and 2024, respectively, attributed to expenses associated with conducting students' assessments and examinations and acquisition of other school learning materials and supplies.

Expenses attributed to student activities and programs increased by ₱101.7 million from ₱141.4 million to ₱243.1 million for the years ended June 30, 2023 and 2024, respectively. These expenses substantially include the costs of activities and programs to further the development and test the competencies of the students, which include among others, "Local and National Talent Search," "Tagisan ng Talino at Sining" competitions, educational tours, hotel immersion activities, and the National Youth Convention. The related costs were driven by the increase in the number of graduates/participants, as applicable, concomitant with the increase in the student population. The related revenues for these student activities and programs are reported as part of tuition and other school fees. Similarly, this account includes subscription costs for the use of eLearning Management System, MS License, Amadeus, and the like, which likewise went up due to the increase in the student population.

The cost of developing courseware decreased from ₱3.7 million to ₱1.7 million for the years ended June 30, 2023 and 2024, respectively. In 2023, STI ESG developed courseware materials for JHS and SHS. The Group continuously reviews and updates all courseware materials, monitoring industry trends and

regulatory requirements to align all program curricula and materials with current standards and emerging needs.

Gross profit improved by 44% or ₱1,004.5 million from ₱2,274.9 million to ₱3,279.4 million for the years ended June 30, 2023 and 2024, respectively, primarily due to the increased enrollment. Gross profit margins also improved from 67% to 70% year-on-year.

General and administrative expenses increased by 13% or ₱167.7 million from ₱1,330.8 million to ₱1,498.5 million for the years ended June 30, 2023 and 2024, respectively.

Salaries and benefits are higher by 23% or ₱88.3 million, from ₱379.0 million for the year ended June 30, 2023 compared with ₱467.3 million for the year ended June 30, 2024, reflecting merit increases granted to deserving employees. Bonuses were given to STI ESG's deserving and qualified non-teaching and administrative personnel, highlighting the Group's appreciation for everyone's dedication and hard work resulting in the positive enrollment outcome for SY 2023-2024. Also, certain plantilla positions were filled up during the year. This account also includes pension expenses totaling ₱43.8 million for the year ended June 30, 2024, reflecting the cost impact of the adoption of the Multi-Employer Retirement Plan for STI ESG and its subsidiaries. The Multi-Employer Retirement Plan was implemented to ensure consistency and unified management of retirement benefits across STI ESG and its subsidiaries. Additionally, the plan is more comprehensive and provides wider benefits to all eligible members, resulting in an increase in the Group's pension expense by ₱25.6 million, from ₱18.2 million for the year ended June 30, 2023 to ₱43.8 million upon implementation of the retirement plan.

Concomitant with the increased enrollment and the conduct of face-to-face classes, expenses for clerical, security and janitorial services increased by ₱30.6 million or 25% from ₱123.8 million to ₱154.4 million for the years ended June 30, 2023 and 2024, respectively. The cost of outside services was likewise affected by the increased minimum wage rate and higher premiums charged by government agencies for employee benefits. Light and water costs increased by ₱19.7 million or 12% year-on-year from ₱162.6 million to ₱182.3 million.

Professional fees are higher by ₱18.7 million at ₱100.9 million for the year ended June 30, 2024 compared to ₱82.2 million for the year ended June 30, 2023 largely attributed to professional fees for external panelists and consultants' fees.

The Group recognized a provision for ECL, net of reversals, amounting to ₱30.5 million from the year ended June 30, 2024, largely representing ECLs on outstanding receivables from students' tuition and other school fees. This is lower by ₱54.7 million or 64% compared to the ₱85.2 million recognized for the year 2023, indicating improved collection efficiencies during the year ended June 30, 2024. The Group recognized ECL based on the Group's historical credit loss experience adjusted with forward-looking information. The most recent receivables are assigned lower loss rates. Estimated loss rates vary over time and increase as receivables age and as credit risks increase, with the likelihood of the receivables becoming impaired. The Group likewise considered the subsequent collections of receivables from students pertaining to prior years.

STI ESG recognized a provision for impairment loss on goodwill amounting to ₱14.3 million representing the impairment of goodwill recognized for NPIM. For SY 2021-2022, NPIM exclusively enrolled students for JHS and SHS. Its former grade school students were advised earlier to transfer to another school or were refunded the fees paid, if any. For SY 2022-2023, the JHS and SHS students of NPIM were given the option to transfer to STI Sta. Mesa, another school owned and operated by STI ESG. NPIM ceased operations effective June 30, 2022. The cessation of operations of NPIM did not have a material financial impact on the Group.

On October 2, 2023, the BOD of Philippine Healthcare Educators, Inc. (PHEI), a joint venture entity in which STI ESG holds 40% interest, approved the cessation of PHEI's school operations effective December 31, 2023. The BOD of STI ESG, in its February 27, 2024 meeting, approved the termination of the Joint Venture Agreement (JVA) between STI ESG and another stockholder. This JVA, executed in March 2004, led to the establishment of PHEI. Consequently, STI ESG recognized a provision for impairment on its investment in PHEI amounting to ₱1.7 million for the year ended June 30, 2024, reflecting the net impact after accounting for the estimated book value of the investment.

The Group likewise recognized provision for inventory obsolescence amounting to ₱5.6 million and ₱1.0 million for the years ended June 30, 2023 and 2024, respectively, representing outdated School Materials & Supplies (SMS) and proware items which are deemed obsolete.

Advertising and promotions expenses increased by ₱11.5 million from ₱41.1 million to ₱52.6 million for the years ended June 30, 2023 and 2024, respectively, as the marketing campaigns of the schools within the Group were intensified in time for the opening of classes for SY 2024-2025.

Depreciation and amortization expenses classified under General and Administrative expenses increased by ₱10.3 million from ₱228.8 million to ₱239.1 million for the years ended June 30, 2023 and 2024, respectively, as depreciation commenced on newly constructed buildings and additional school equipment, furniture and fixtures. Repairs and maintenance expenses rose by ₱5.9 million to ₱46.8 million from ₱40.9 million for the years ended June 30, 2024 and 2023, respectively, due to the refurbishment of school facilities and cleaning of air-conditioning units.

Taxes and licenses expense is higher by ₱7.9 million from ₱37.6 million to ₱45.6 million for the years ended June 30, 2023 and 2024, respectively, reflecting the increase in local taxes concomitant with the increase in revenues.

Expenses for transportation and travel, entertainment, amusement and recreation, and meetings and conferences likewise increased by ₱5.5 million, ₱5.0 million, and ₱2.3 million, respectively, as a result of increased onsite activities.

Association dues increased by ₱3.7 million from ₱2.1 million to ₱5.8 million for the years ended June 30, 2023 and 2024, respectively, representing dues paid by STI ESG for one of its investment properties, previously covered by its former lessee, whose lease contract ended in May 2023.

Rent expense increased by ₱1.9 million or 18% due to the portion of rent expense recognized from July 1, 2023 for the building occupied by STI Alabang which became a wholly-owned subsidiary on March 31, 2023. Insurance and bonds increased by ₱3.0 million from ₱17.0 million to ₱20.0 million for the years ended June 30, 2023 and 2024, respectively, reflecting higher insurance premiums paid concomitant with the increase in market values of STI ESG's properties.

Expenses related to payment channels and bank charges increased from ₱2.4 million to ₱4.9 million for the years ended June 30, 2023 and 2024, respectively, attributed to service charges on the use of STI ESG's alternative payment channels. This increase is primarily due to service charges incurred from the use of STI ESG's other online payment channels. This reflects greater awareness of and the students' preference for the use of STI ESG's payment gateways.

The Group generated an operating income of ₱1,780.8 million for the year ended June 30, 2024, an improvement of ₱836.8 million or 89% from the operating income of ₱944.0 million during the same period last year, due to higher revenues attributed to the increase in the student population. Operating margins likewise improved from 28% to 38% for the years ended June 30, 2023 and 2024, respectively. This improvement likewise reflects the Group's optimized operational efficiency, through effective

management of the costs of educational services, general and administrative expenses, alongside the benefits of increased operating leverage.

Interest expenses decreased by ₱17.7 million from ₱311.0 million to ₱293.3 million for the years ended June 30, 2023 and 2024, respectively, mainly due to the principal payments made by STI ESG and iACADEMY, full payment made by STI ESG of its Corporate Notes Facility with Chinabank, and redemption of STI ESG's Series 7Y bonds in March 2024. This was partially offset by the increase in the interest rate on STI ESG's outstanding interest-bearing loans under the Term Loan Facility which was adjusted from 6.5789% per annum to 8.0472% per annum effective September 19, 2023. The interest rate on iACADEMY's outstanding interest-bearing loans under its Term Loan Facility likewise increased from 5.6699% per annum to 8.0845% per annum effective September 28, 2023. This account likewise includes the related interests recognized from drawdowns made in March 2024 from STI ESG's Term Loan Facility with BPI and Metrobank amounting to ₱500.0 million and ₱1,000.0 million, which are subject to interest rates of 8.4211% and 7.8503%, per annum, respectively.

Rental income increased by ₱19.8 million or 11% year-on-year from ₱178.1 million to ₱197.9 million mainly due to a new lease agreement entered into by iACADEMY, which commenced on March 15, 2023. Consequently, full-year rental income on this new lease was recognized for the year ended June 30, 2024, while for the year ended June 30, 2023, only three and a half months of rental income was earned.

Interest income increased by ₱35.1 million from the previous year's ₱22.6 million to ₱57.7 million for the year ended June 30, 2024 due to interest earned on the Group's short-term investments and money market placements.

The Group recognized unrealized gain on foreign exchange differences in its dollar-denominated cash and cash equivalents amounting to ₱2.3 million and ₱7.7 million for the years ended June 30, 2023 and 2024, respectively. The Group also recognized realized gain on foreign exchange differences in its dollar-denominated cash and cash equivalents amounting to ₱0.1 million and ₱9.6 million for the years ended June 30, 2023 and 2024, respectively.

The Group recognized as income the recovery of previously written-off receivables amounting to ₱6.5 million for the year ended June 30, 2024 compared to ₱11.3 million collected during the previous year.

In September 2023, STI ESG fully paid the outstanding balance of its Corporate Notes Facility with Chinabank aggregating to ₱210.0 million. The loan had a carrying value of ₱213.1 million as at September 19, 2023, inclusive of the unamortized premium amounting to ₱3.1 million. In view of this loan being fully paid, the unamortized premium associated with the Corporate Notes Facility was derecognized in September 2023 and was taken up as "Gain on early extinguishment of loan" in the audited consolidated statement of comprehensive income for the year ended June 30, 2024.

Dividend income amounted to ₱2.9 million and ₱2.5 million for the years ended June 30, 2024 and 2023, respectively. For the year ended June 30, 2024, STI ESG received ₱0.6 million from RCR, ₱1.1 million from DLSCMC, and ₱1.2 million from STI Marikina, an associate of STI ESG. For the year ended June 30, 2023, ₱0.6 million and ₱1.9 million were received from RCR and DLSCMC, respectively.

Equity share in net income of associates and a joint venture amounted to ₱2.0 million for the year ended June 30, 2024 compared to ₱2.3 million recognized for the same period last year.

Gain on disposal of property and equipment amounted to ₱485.3 thousand for the year ended June 30, 2024 compared to ₱826.7 thousand for the year ended June 30, 2023. This represents gain on the disposal of property and equipment that are no longer in use. The gain recognized in the year 2023 includes the gain from the disposal of iACADEMY's transportation equipment.

The Group reported other expenses – net, amounting to ₱1.1 million for the year ended June 30, 2024. This is composed mainly of STI ESG’s bond maintenance fee of ₱2.5 million partially offset by miscellaneous income. For the year ended June 30, 2023, the Group recognized other income – net, amounting to ₱5.7 million, mostly arising from STI ESG’s income of ₱4.7 million representing donation from a third-party institution as part of STI ESG and the third-party institution’s partnership program in delivering certification courses, simulation tools, and training materials to eligible students.

Income before income tax for the year ended June 30, 2024 amounted to ₱1,773.4 million, double the amount earned for the same period last year of ₱858.1 million, attributable to the significant increase in enrollment and efficient management of costs, maximizing the benefits of economies of scale.

The Group reported provision for income tax amounting to ₱160.5 million and deferred income tax of ₱4.5 million for the year ended June 30, 2024. For the year ended June 30, 2023, the provision for income tax amounted to ₱10.0 million and benefit from income tax of ₱25.7 million. Pursuant to the provisions of the CREATE Act, the Group adopted the 1% income tax rate effective July 1, 2020 up to June 30, 2023. The special tax rate for proprietary educational institutions reverted to 10% starting July 1, 2023.

The Group reported a net income after income tax of ₱1,608.4 million for the year ended June 30, 2024, 84% higher than the ₱873.8 million net income earned for the same period last year. Net income margin likewise improved from 26% to 34% year-on-year.

Remeasurement gain on pension liability, net of income tax effect, amounted to ₱39.4 million for the year ended June 30, 2024 compared to remeasurement loss on pension liability of ₱16.9 million recognized for the same period last year. These fluctuations reflect the movements in the value of equity shares forming part of the Group’s pension assets.

The unrealized fair value adjustments on equity instruments at FVOCI amounted to ₱5.3 million for the year ended June 30, 2024, compared to ₱1.9 million for the year ended June 30, 2023 due to the movement in the price of quoted equity shares held by STI ESG.

Total comprehensive income increased to ₱1,653.1 million from ₱858.8 million for the years ended June 30, 2024 and 2023, respectively. This 92% improvement is attributed to the higher number of enrollees for SY 2023-2024 compared to that of SY 2022-2023.

Earnings before interest, taxes, depreciation, and amortization (EBITDA), defined as earnings before interest expense, interest income, provision for (benefit from) income tax, depreciation and amortization, equity in net earnings of associates and joint venture, gain on foreign exchange differences, fair value loss on equity instruments at FVPL, and nonrecurring gains (losses) such as gain on early extinguishment of loan, gain on derecognition of contingent consideration, income on rent concessions, and gain on settlement of receivables (net of provision for impairment of noncurrent asset held for sale) increased from ₱1,637.2 million for the year ended June 30, 2023 to ₱2,489.3 million for the year ended June 30, 2024. Depreciation and interest expenses for purposes of this computation exclude those related to ROU assets and lease liabilities, respectively. EBITDA margin this year is 53% compared to 48% last year, reflecting the Group’s operational efficiencies and the benefits of economies of scale.

Core income, computed as the consolidated income after income tax derived from the Group’s main business of education and other recurring income, amounted to ₱1,587.7 million for the year ended June 30, 2024 compared to core income for the same period last year of ₱868.9 million. As a percentage of gross revenues, core income improved from 26% last year to 34% this year.

Years ended June 30, 2023 vs. 2022

Enrollment in schools under STI Holdings increased to more than 94,000 students for SY 2022-2023. For SY 2022-2023, the total count of new students reached 41,565 compared with the 35,566 new students in SY 2021-2022, showing a 17% increase in the total new student population. The total count of ongoing students for SY 2022-2023 reached 94,312 compared with 82,629 for SY 2021-2022. This represents a 14% or 11,683 increase from the SY 2021-2022 enrollment, with the number of students in the programs regulated by CHED showing a robust 18% increase from 56,342 students in SY 2021-2022.

The enrollment figures at the start of the School Year of the schools under STI Holdings for SY 2022-2023 are as follows:

	SY 2022-2023	SY 2021-2022	Increase	
			Enrollees	Percentage
STI ESG				
Owned schools ¹	54,158	47,230	6,928	15%
Franchised schools ¹	27,539	25,520	2,019	8%
	81,697	72,750	8,947	12%
iACADEMY	2,397	2,299	98	4%
STI WNU	10,218	7,580	2,638	35%
Total Enrollees	94,312	82,629	11,683	14%

Grouping the students in terms of government regulatory agencies supervising the programs yields the following numbers:

	SY 2022-2023			
	CHED	TESDA	DEPED ²	TOTAL
STI ESG	56,876	1,447	23,374	81,697
iACADEMY	1,917	-	480	2,397
STI WNU	7,516	-	2,702	10,218
Total	66,309	1,447	26,556	94,312

Proportion of CHED:TESDA:DepEd	70%	2%	28%	100%
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	SY 2021-2022			
	CHED	TESDA	DEPED ²	TOTAL
STI ESG	49,005	1,040	22,705	72,750
iACADEMY	1,713	-	586	2,299
STI WNU	5,624	-	1,956	7,580
Total	56,342	1,040	25,247	82,629

Proportion of CHED:TESDA:DepEd	68%	1%	31%	100%
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¹ Enrollment numbers of STI Alabang are reported as part of owned schools' category effective March 2023.

² STI ESG DepEd count consists of 23,077 SHS and 297 JHS students in SY2022-2023 and 22,497 SHS and 208 JHS students in SY2021-2022. For iACADEMY, this represents SHS students, while for STI WNU, the count represents 2,057 SHS students and 645 students enrolled in basic education in SY 2022-2023 and 1,367 SHS students and 589 students enrolled in basic education in SY 2021-2022.

STI ESG and STI WNU introduced the ONline and ONSite Education at STI (ONE STI) Learning Model in SY 2020-2021. This model was implemented in response to stringent social distancing measures including but not limited to class suspension, prohibition of mass gatherings, and imposition of community quarantine, among others, which were implemented to contain the outbreak of COVID-19. The ONE STI Learning Model is an innovative approach to student development that uses digital tools and online technology combined with invaluable hands-on practice and onsite engagements to achieve the students' academic objectives through a responsive learning experience. For SY 2022-2023, classes of JHS and SHS started on August 30, 2022 while classes of tertiary students commenced on September 5, 2022 for both STI ESG and STI WNU. Classes for STI WNU's School of Graduate Studies (SGS) started on September 10, 2022.

iACADEMY implemented its fully online learning program entitled Guided Online Autonomous Learning (GOAL) in SY 2020-2021. GOAL is iACADEMY's systematic approach to guiding all the activities that involve the delivery of online instruction to the students including online learning workshops, training for teachers on how to create high-quality modules, integrating project-based learning and teaching strategies into online learning and collaborating with parents and guardians. In this setup, all activities or modules are delivered 100% online. Classes for SHS and tertiary students started on August 2, 2022 and August 30, 2022, respectively.

The Group utilizes the electronic Learning Management System (eLMS), a software application running on Amazon cloud, to better manage the delivery of educational courses and/or training programs to its students. It features a built-in support for collaboration through various tools such as wikis, forums, and discussion groups; an internal messaging system with bidirectional support for emails and text messaging; and a built-in portfolio system that students can use to collect works to support learning and/or achievements. eLMS is a world-class and award-winning learning management system that schools and universities across the globe are using. This cloud-based eLearning tool gives teachers and students a two-way platform where they can collaborate, assign and submit homework, take assessments, and track learning progress, among others. The concept of online learning is not new to the Group, as the schools in the network have been implementing a blended learning model for the past eight years in order that the students may continue their studies at home uninterrupted even during physical classroom disruptions.

The faculty members of the Group regularly undergo competency-based certifications and training programs to ensure that they are proficient in the subject matter and able to deliver the required day-to-day lessons. During the SYs 2020-2021 and 2021-2022, the training programs were conducted online while the Group has been holding a combination of in-person and online faculty members' training beginning SY 2022-2023. These training programs are conducted to ensure that the faculty members of the Group possess an acceptable level of competencies and have industry-based experience and credentials necessary to teach the courses assigned to them.

From last school year's gradual transition to face-to-face classes for high-stake courses, STI ESG and STI WNU both implemented a flexible learning delivery modality in the first semester of SY 2022-2023. For tertiary courses, all professional and identified general education courses are now delivered onsite while other general education courses are delivered using blended modality, with a distribution of 50% onsite/face-to-face and 50% online/asynchronous. With the passage of CHED Memorandum Order No. 16 dated November 11, 2022 providing clarity and support to Higher Education Institutions (HEIs) towards progressive transitioning to full onsite learning, STI ESG opted to conduct full face-to-face classes starting on its second semester of SY 2022-2023. STI WNU continued with its flexible learning delivery modality which it started in the first semester of SY 2022-2023. As for JHS and SHS in STI ESG, classes are all conducted face-to-face since the opening of SY 2022-2023. SHS classes in STI WNU are on a blended modality with 50% onsite/face-to-face and 50% online/asynchronous in the first semester with online classes transitioning to synchronous classes starting in the middle of the first semester. STI WNU's classes for the National Service Training Program or NSTP are on full face-to-face setup.

iACADEMY implemented the Hyflex Learning Format for tertiary for SY 2022-2023. Meanwhile, SHS implemented the Hybrid setup (blended learning) until the end of SY 2022-2023. This allowed students from grades 11 and 12 to alternately attend onsite and online classes within the week. Courses, particularly specialized and contextualized subjects like Science and Information and Communications Technology (ICT), are conducted onsite in the laboratories. General Education subjects are delivered online using Microsoft Teams, an online classroom teleconferencing platform. Both onsite and online classes use eLMS as the major platform for the repository of learning materials, assessments, and grades.

The Group is continuously ensuring adherence to the guidelines set by the Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF), CHED, DepEd, local government units (LGUs), and all pertinent agencies that have released information and guidance on the conduct of face-to-face classes.

The consolidated gross revenues of the Group for the year ended June 30, 2023 amounted to ₱3,405.5 million, reflecting a significant 27% increase compared to ₱2,677.6 million generated for the year ended June 30, 2022.

Tuition and other school fees increased by ₱636.6 million from ₱2,437.0 million for the year ended June 30, 2022 to ₱3,073.6 million for the year ended June 30, 2023 attributed to the 14% robust growth of enrollment or the 11,683 increase in the student population for SY 2022-2023 at 94,312 compared to 82,629 enrollees for SY 2021-2022. STI ESG's wholly-owned and franchised schools registered an enrollment of 81,697 students, 8,947 or 12% more than the enrollment in SY 2021-2022. Percentagewise, STI WNU registered the highest increase at 35% for SY 2022-2023 compared to the previous SY. Further, the Group's enrollment mix showed consistent improvement with enrollees in programs regulated by CHED comprising 70% of the total student population in SY 2022-2023 compared to 68% for SY 2021-2022 and 57% for SY 2020-2021. CHED programs bring in higher revenues per student. The number of new students enrolled in CHED programs increased by 17% or 3,707 from 22,142 to 25,849 for SY 2021-2022 and SY 2022-2023, respectively.

Revenues from educational services and royalty fees both increased by 19%. This resulted from the higher number of enrollees of franchised schools from 25,520 students in SY 2021-2022 to 27,539 in SY 2022-2023 or an 8% increase as well as an improvement in the collection efficiency of the franchised schools. Revenues from educational services and royalty fees are derived as a percentage of the tuition and other school fees collected by the franchised schools from their students, DepEd and CHED.

Sale of educational materials and supplies increased dramatically by 292% or ₱85.7 million to ₱115.0 million for the year ended June 30, 2023 from ₱29.3 million for the same period in 2022. Sale of educational materials and supplies recognized in the year ended June 30, 2023 largely pertains to the sale of uniforms as face-to-face classes resumed and enrollment increased while sale of SHS textbooks mainly accounted for the sales for the year ended June 30, 2022. The cost of educational materials and supplies sold likewise increased, concomitant with the increase in the sale of educational materials and supplies.

Other revenues decreased by ₱20.4 million from ₱73.5 million for the year ended June 30, 2022 to ₱53.1 million for the year ended June 30, 2023. During SY 2021-2022, the Group extended internet connectivity assistance to its students. The share of data connectivity costs charged to the franchised schools was recognized as part of other revenues for the year ended June 30, 2022. As more face-to-face classes were held, internet connectivity assistance was no longer provided to students during SY 2022-2023.

The cost of educational services rose by ₱84.5 million from ₱955.5 million to ₱1,040.0 million for the years ended June 30, 2022 and 2023, respectively. Instructors' salaries and benefits increased by ₱75.1 million from ₱359.4 million to ₱434.5 million due to the increased number of faculty members,

concomitant with the increase in number of students. In addition, favorable adjustments have been made to the salaries of SHS teachers who passed the LET and tertiary instructors who have earned a master's degree as part of the faculty members' continuing professional education. Depreciation and amortization expenses included as part of direct costs increased by ₱12.0 million from ₱372.6 million to ₱384.6 million for the years ended June 30, 2022 and 2023, respectively, substantially due to the amortization cost of iACADEMY Cebu's right-of-use asset. Direct costs of software subscriptions and maintenance increased by ₱7.1 million from ₱25.8 million for the year ended June 30, 2022 to ₱32.9 million for the year ended June 30, 2023, mostly driven by the increased enrollment. Rent expense is higher by ₱3.8 million, from ₱20.9 million to ₱24.7 million for the years ended June 30, 2022 and 2023, respectively, attributed to increase in monthly rental rates of renewed lease agreements. The cost of developing courseware during the year ended June 30, 2023 increased by ₱2.7 million due to STI ESG's streamlining of program curricula in response to market needs and industry developments. Courseware materials for JHS and SHS were likewise developed. Expenses related to student activities and programs rose by ₱52.9 million attributed to the expenses incurred for the resumption of in-person activities and programs for the students, higher subscription costs for Microsoft, eLMS and Amadeus software primarily driven by higher enrollment for SY 2022-2023, and distribution of laptops to ninety (90) students across the network. Huawei Philippines (Huawei), donated cash which was partly allocated to the provision of laptops distributed to select students who were awarded multiple certificates at the Huawei ICT Academy. STI ESG, in partnership with Huawei, integrated in-demand ICT technologies into some of its programs tackling five technology domains namely, (1) cloud computing (2) big data (3) artificial intelligence (4) routing and switching, and (5) storage. The savings generated from the shift to a more efficient cloud subscription plan partially offset these increases in costs. Also, the internet connectivity assistance provided to students by STI ESG in SY 2021-2022 amounting to ₱70.0 million was no longer given in SY 2022-2023 as in-person classes were conducted by all schools.

Gross profit improved by 34% from ₱1,698.0 million to ₱2,274.9 million for the years ended June 30, 2022 and 2023, respectively, largely due to the increased enrollment. Gross profit margins likewise improved from 64% to 67% for the years ended June 30, 2022 and 2023, respectively.

General and administrative expenses posted an 18% increase or ₱201.5 million from ₱1,129.3 million to ₱1,330.8 million for the years ended June 30, 2022 and 2023, respectively, largely due to the increased enrollment and the resumption of face-to-face classes.

Light and water expenses increased by ₱87.3 million from ₱75.3 million to ₱162.6 million for the years ended June 30, 2022 and 2023, respectively, as more face-to-face classes were held and electric power consumption increased. Salaries and benefits are higher by ₱61.2 million for the year ended June 30, 2023 compared to the year ended June 30, 2022 as salary adjustments were implemented in 2023 and certain plantilla positions were filled up in preparation for the resumption of face-to-face classes during SY 2022-2023. Expenses for outside services such as clerical, security and janitorial services increased by ₱41.6 million year-on-year as the Group conducted more in-person classes and activities in SY 2022-2023 while classes for SY 2021-2022 were mostly held online. This also resulted in increases in other administrative expenses such as repairs and maintenance, transportation, and office supplies, which rose by ₱16.3 million, ₱4.8 million, and ₱4.5 million, respectively.

The Group recognized a provision for ECL amounting to ₱85.2 million for the year ended June 30, 2023, largely representing ECLs on outstanding receivables from students' tuition and other school fees as at June 30, 2023. This is lower by ₱27.5 million compared to ₱112.7 million for the year ended June 30, 2022 due mainly to the improvement of the Group's collection efficiencies. The Group recognized ECL based on the Group's historical credit loss experience adjusted with forward-looking information. The most recent receivables are assigned with lower loss rates. The Group likewise considered the subsequent collections of receivables from students relating to prior years. The provision for impairment of goodwill amounting to ₱3.8 million which was recognized during the year ended June

30, 2022 is linked to the cessation of operations of STI Iloilo. The Group likewise recognized provision for inventory obsolescence amounting to ₱5.6 million and ₱2.0 million for the years ended June 30, 2023 and 2022, respectively.

The Group generated an operating income of ₱944.0 million for the year ended June 30, 2023, an improvement of ₱375.4 million or 66% from the operating income of ₱568.6 million for the year ended June 30, 2022, due to higher revenues attributed to the increase in the student population and improvement in the enrollment mix with the 18% increase in the number of students enrolled in CHED programs, as well as strict control of direct and administrative expenses. Operating margins likewise improved from 21% to 28% for the years ended June 30, 2022 and 2023, respectively.

Interest expense decreased by ₱2.3 million year-on-year from ₱313.3 million to ₱311.0 million mainly due to the partial principal prepayments made by STI ESG and iACADEMY on their loans with Chinabank. The reduction in principal balances outstanding partially mitigated the increases in interest rates on the bank loans. Interest rate on the outstanding balance of the Term Loan and Corporate Notes Facilities of STI ESG was repriced at 6.5789% per annum effective September 20, 2022 compared to 5.7895% per annum in September 2021. Interest rate on the ₱280.0 million balance of iACADEMY's Term Loan with Chinabank was repriced at an interest rate of 5.6699% per annum effective on September 28, 2022 compared to 3.2068% per annum in the year ended June 30, 2022.

Rental income increased by ₱107.1 million year-on-year from ₱71.0 million to ₱178.1 million due to new lease agreements entered into by STI ESG and iACADEMY during the year ended June 30, 2023 in some of their investment properties.

Interest income earned during the year ended June 30, 2023 amounted to ₱22.6 million, down by ₱15.5 million from ₱38.1 million earned during the year ended June 30, 2022. The interest income recorded for the year ended June 30, 2022 is substantially attributed to the accrued interests and default charges on the assigned loans of STI Tanay. This covers interests and penalty charges from the execution of the deed of assignment by and between DBP and STI ESG in 2019 up to the date of the extrajudicial foreclosure sale of the properties, mortgaged as collateral to STI Tanay's loans, situated in Pasig City and Tanay, Rizal on March 15, 2021 and March 16, 2022, respectively. This account also includes interest income on the Group's investments in short-term placements.

Collection efficiencies resulted to an increase in the recovery of previously written-off receivables amounting to ₱11.3 million and ₱9.7 million for the years ended June 30, 2023 and 2022, respectively.

STI ESG recognized dividend income from RCR and DLSCM amounting to ₱0.6 million and ₱1.9 million, respectively, for the year ended June 30, 2023 and from RCR and DLSCM amounting to ₱0.4 million and ₱0.8 million, respectively, for the year ended June 30, 2022.

The Group recognized unrealized gain on foreign exchange rate differences amounting to ₱2.3 million and ₱44.6 million for the years ended June 30, 2023 and 2022, respectively. The Group also recognized realized gain on foreign exchange differences amounting to ₱0.1 million and ₱1.3 million for the years ended June 30, 2023 and 2022, respectively. These are attributed to STI ESG's and iACADEMY's dollar-denominated cash and cash equivalents.

Equity share in net income of associates and a joint venture amounted to ₱2.3 million for the year ended June 30, 2023 compared to equity in net losses of associates and a joint venture of ₱20.2 million recognized for the year ended June 30, 2022.

Derecognition of contingent consideration amounting to ₱25.0 million was recorded for the year ended June 30, 2022. The Parent Company and the Agustin family, former STI WNU shareholders, reached a Compromise Agreement on September 6, 2021 for the full and final settlement of the latter's claim

against the former amounting to ₱50.0 million in the cases filed in various courts as stated in the Compromise Agreement. The amount of ₱50.0 million had been set up as contingent consideration in prior years. With the full and final settlement in the amount of ₱25.0 million, the balance of ₱25.0 million has been derecognized.

STI ESG recognized a gain on settlement of receivables, net of provision for impairment of noncurrent asset held for sale, amounting to ₱10.8 million for the year ended June 30, 2022. The gain on settlement of receivables from STI Tanay amounted to ₱45.1 million while the provision for impairment of noncurrent asset held for sale was recognized at ₱34.3 million, net of depreciation recognized on the Pasig property from the date of the annotation on the property's title up to June 30, 2022 (see preceding discussions).

The Group recognized a gain on sale amounting to ₱0.8 million for the year ended June 30, 2023 due to the disposal of STI ESG's obsolete and fully depreciated equipment and furniture and iACADEMY's transportation equipment. For the year ended June 30, 2022, gain on sale of STI ESG's transportation equipment largely accounted for the ₱1.6 million income recorded.

The Group applied the practical expedient approach for some rent concessions granted to the Group following the amendments to PFRS 16, *COVID-19-related Rent Concessions* resulting in recognition of other income aggregating to ₱6.1 million for the year ended June 30, 2022, presented as part of "Other income (expenses) - net" in the audited consolidated statements of comprehensive income. Also included in the account "Other income (expenses) - net" is the reversal of interest income from past due accounts of consolidated subsidiaries of STI ESG in the amount of ₱15.9 million.

The Group also recognized other income amounting to ₱4.7 million, presented as part of "Other income (expenses) - net" for the year ended June 30, 2023. This represents a donation from Huawei as part of the partnership program between STI ESG and Huawei. The proceeds from this donation were used to purchase Ideahub equipment which was eventually used to put up a Huawei Smart Classroom in STI Academic Center Ortigas-Cainta. The smart classroom is equipped with Huawei Smart TVs together with an intelligent board, digital blackboard and all the related software and cameras. The Ideahub board combines smart writing, wireless projection, and open applications into a single board. The board is also equipped with premium anti-blue light protection. This project is part of STI ESG and Huawei's partnership program in delivering certification courses, simulation tools, and training materials to eligible students.

Benefit from income tax amounting to ₱15.7 million was recognized by the Group for the year ended June 30, 2023 compared to ₱10.8 million income tax provision for the year ended June 30, 2022. Income tax rate for proprietary educational institutions was reduced from 10% to 1% following the enactment of the CREATE Act in April 2021. The reduced income tax rate had a retroactive effect beginning July 1, 2020 and would be effective up to June 30, 2023. Upon expiration of the temporary tax relief provided by the CREATE Act for proprietary educational institutions, the Group remeasured its deferred tax assets and liabilities which resulted in an increase in deferred tax assets as at June 30, 2023.

The Group reported a net income of ₱873.8 million for the year ended June 30, 2023, more than double the ₱416.2 million net income earned for the year ended June 30, 2022.

Remeasurement loss on pension liability, net of income tax effect, amounted to ₱16.9 million for the year ended June 30, 2023 compared to remeasurement gain on pension liability of ₱8.5 million recognized for the year ended June 30, 2022. These fluctuations reflect the movements in the value of equity shares forming part of the Group's pension assets.

The unrealized fair value adjustments on equity instruments at FVOCI amounted to ₱1.9 million for the year ended June 30, 2023, compared to ₱1.1 million for the year ended June 30, 2022 due to the movement in the price of quoted equity shares held by STI ESG.

Total comprehensive income increased to ₱858.8 million from ₱425.8 million for the years ended June 30, 2023 and 2022, respectively. This improvement is attributed to the higher number of enrollees and an improvement in the enrollment mix in favor of CHED programs for SY 2022-2023 compared to that of SY 2021-2022.

EBITDA increased from ₱1,128.6 million for the year ended June 30, 2022 to ₱1,637.2 million for the year ended June 30, 2023. Depreciation and interest expenses for purposes of this computation exclude those related to ROU assets and lease liabilities, respectively. EBITDA margin is 48% compared to 42%.

Core income, computed as the consolidated income after income tax derived from the Group's main business of education and other recurring income, amounted to ₱868.9 million and ₱330.8 million for the years ended June 30, 2023 and 2022, respectively.

Years ended June 30, 2022 vs. 2021

The enrollment figures of the schools under STI Holdings for SY 2021-2022 are as follows:

	SY 2021-2022	SY 2020-2021	Increase	
			Enrollees	Percentage
STI ESG				
Owned schools	47,230	39,890	7,340	18%
Franchised schools	25,520	22,600	2,920	13%
	72,750	62,490	10,260	16%
iACADEMY	2,299	2,149	150	7%
STI WNU	7,580	5,584	1,996	36%
Total Enrollees	82,629	70,223	12,406	18%

The classification of the students according to the supervising government regulatory agencies is as follows:

	SY 2021-2022			
	CHED	TESDA	DEPED*	TOTAL
STI ESG	49,005	1,040	22,705	72,750
iACADEMY	1,713	-	586	2,299
STI WNU	5,624	-	1,956	7,580
Total	56,342	1,040	25,247	82,629

Proportion of CHED:TESDA:DepEd	68%	1%	31%	100%
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	SY 2020-2021			
	CHED	TESDA	DEPED*	TOTAL
STI ESG	35,412	1,036	26,042	62,490
iACADEMY	1,383	-	766	2,149
STI WNU	3,381	-	2,203	5,584
Total	40,176	1,036	29,011	70,223

Proportion of CHED:TESDA:DepEd	57%	2%	41%	100%
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** STI ESG DepEd count includes 22,497 SHS students and 208 students who are enrolled in basic education in SY2021-2022 and 25,801 SHS students and 241 students who are enrolled in basic education in SY2020-2021. For iACADEMY, this represents SHS students, while for STI WNU, the count represents 1,367 SHS students and 589 students enrolled in basic education in SY 2021-2022 and 1,470 SHS students and 733 students enrolled in basic education in SY 2020-2021.*

To contain the outbreak of COVID-19, the Office of the President of the Philippines issued a memorandum on March 13, 2020 to impose, adopt and implement the guidelines on the stringent social distancing measures including but not limited to class suspension, prohibition of mass gatherings, imposition of community quarantine, among others, in the National Capital Region (NCR) and other parts of the country effective March 15, 2020. These measures have caused disruptions to businesses and economic activities.

For SY 2021-2022, classes of SHS and tertiary students of both STI ESG and STI WNU started on September 13, 2021. Meanwhile, classes started on October 2, 2021 for STI WNU's School of Graduate Studies (SGS).

iACADEMY started classes for SHS and tertiary students on August 4, 2021 and August 31, 2021, respectively.

The Group gradually started to implement limited face-to-face classes for schools in areas under Alert Level 1 for identified high-stake tertiary courses and selected subjects beginning February 2022, March 2022 and May 2022 for STI ESG, STI WNU and iACADEMY, respectively, and for SHS students starting April and May 2022 for STI ESG and STI WNU, respectively.

The consolidated gross revenues of the Group for the year ended June 30, 2022 amounted to ₱2,677.6 million, reflecting a 28% increase compared to ₱2,084.1 million for the year ended June 30, 2021.

Tuition and other school fees increased by ₱554.3 million from ₱1,882.7 million for the year ended June 30, 2021 to ₱2,437.0 million for the year ended June 30, 2022 attributed to the 18% robust growth or 12,406 increase in the student population for SY 2021-2022 at 82,629 compared to 70,223 enrollees for SY 2020-2021. Private schools reported a dip in enrollment for SY 2020-2021 due to the impact of the COVID-19 pandemic. A survey conducted by STI ESG disclosed that a number of students did not pursue education in SY 2020-2021 because of the financial difficulties experienced by their respective families/benefactors during the year. STI ESG's wholly-owned and franchised schools registered an enrollment of 72,750 students for SY 2021-2022, 10,260 or 16% more than the enrollment in SY 2020-2021. Percentagewise, STI WNU registered the highest increase at 36% for SY 2021-2022 compared to SY 2020-2021. Further, the increase in tuition and other school fees is also attributable to the improvement in the Group's enrollment mix, with enrollees in programs regulated by CHED comprising 68% of the total student population in SY 2021-2022 compared to 57% for SY 2020-2021. The number of new students enrolled in CHED programs increased by 75% or 9,463 from 12,679 to 22,142 for SY 2020-2021 and SY 2021-2022, respectively.

Revenues from educational services and royalty fees both increased by 17%. This resulted from the higher number of enrollees of franchised schools from 22,600 students in SY 2020-2021 to 25,520 in SY 2021-2022 or a 13% increase.

Sale of educational materials and supplies increased by 18% or ₱4.4 million to ₱29.3 million for the year ended June 30, 2022 from ₱24.9 million last year. The sale of uniforms increased by ₱6.8 million with the implementation of limited face-to-face classes for identified high-stake tertiary courses. This was partially offset by the decline in sales of textbooks and other education-related materials by ₱3.7 million due to the lower number of SHS students. The cost of educational materials and supplies sold increased by 20%, concomitant with the increase in the sale of educational materials and supplies.

Other revenues increased by ₱14.9 million from ₱58.6 million for the year ended June 30, 2021 to ₱73.5 million for the year ended June 30, 2022 associated with the higher number of students.

The cost of educational services rose by ₱103.3 million from ₱852.2 million to ₱955.5 million for the years ended June 30, 2021 and 2022, respectively. Instructors' salaries and benefits increased by ₱73.3 million from ₱286.1 million to ₱359.4 million due to the increased number of faculty members, concomitant with the increase in number of students. In addition, favorable adjustments have been made to the salaries of SHS teachers who passed LET and tertiary instructors who have earned a master's degree as part of the faculty members' continuing professional education. Software maintenance costs increased by ₱6.0 million from ₱19.8 million to ₱25.8 million for the years ended June 30, 2021 and 2022, respectively. iACADEMY upgraded its subscription to Adobe Creative Cloud-All Apps in line with the increase in the number of its enrollees for SY 2021-2022. Adobe Creative Cloud is a collection of more than 20 desktop and mobile applications and services for photography, design, video, web, User Experience (UX) design and more, used by the faculty members and administrative staff as well as the students. Further, STI WNU subscribed to GTI Software Developer's School Automate system, an online school management software used to assign teaching loads, schedule classes, maintain students' accounts and academic records, and manage employees' records from recruitment to separation. Other direct expenses increased by ₱37.0 million substantially due to commencement expenses/cost of various student activities and programs and the Group's subscriptions to eLMS and CloudSwyft solutions. Commencement expenses amounted to ₱31.9 million and ₱14.4 million for the years ended June 30, 2022 and 2021, respectively. The Group held in-person graduation ceremonies for SHS and tertiary graduates of SY 2021-2022 while virtual graduation ceremonies were held for graduates of SY 2020-2021. The Group increased its eLMS subscriptions due to the higher enrollment in SY 2021-2022. The Group's subscription to CloudSwyft amounted to ₱3.3 million for the year 2022. CloudSwyft is a tool for the education sector where each student can access multiple applications such as AutoCAD, Microsoft 365, and Adobe Systems, among others. This virtual laboratory technology provides off-the-shelf and customizable virtual laboratory templates that are automated, highly accessible, and available on-demand to foster hands-on digital learning for thousands of STI students nationwide. The Group continued to increase the frequency of cleaning, sanitizing and disinfecting high-touchpoint surfaces, thus, school materials and supplies increased by ₱1.5 million from ₱3.6 million to ₱5.1 million for the years ended June 30, 2021 and 2022, respectively.

Depreciation expense decreased by ₱9.7 million, from ₱382.3 million to ₱372.6 million, for the years ended June 30, 2021 and 2022, respectively, due to full depreciation of substantial school equipment as of June 30, 2021 held by closed/suspended schools.

Gross profit improved by 40% from ₱1,211.8 million to ₱1,698.0 million for the years ended June 30, 2021 and 2022, respectively, largely due to the increased enrollment.

General and administrative expenses posted a 10% increase or ₱104.2 million from ₱1,025.1 million to ₱1,129.3 million for the years ended June 30, 2021 and 2022, respectively. The Group recognized a provision for ECL amounting to ₱112.7 million for the year ended June 30, 2022, largely representing ECLs on outstanding receivables from students for tuition and other school fees as at June 30, 2022. This is higher by ₱70.9 million compared to the ₱41.8 million recorded for the year ended June 30, 2021. Light and water expenses increased by ₱23.6 million from ₱51.7 million to ₱75.3 million for the years ended June 30, 2021 and 2022, respectively. The Group deployed only a skeleton workforce in the schools and offices to attend to concerns that need face-to-face coordination and likewise embraced the work-from-home arrangements to the furthest extent possible during the Enhanced Community Quarantine (ECQ) and Modified Enhanced Community Quarantine (MECQ) periods. With the improvement in the COVID-19 situation, all members of the administrative support staff are now reporting to their offices, thus the increase in utilities cost. This also resulted in an ₱11.2 million increase in clerical, security and janitorial costs. Repairs and maintenance costs likewise increased by ₱7.6 million year-on-year due to preventive maintenance costs of generator set and chillers. Provision for

impairment of goodwill related to the closure of STI Iloilo amounting to ₱3.8 million was recognized during the year ended June 30, 2022. The Group likewise recognized provision for inventory obsolescence amounting to ₱2.0 million and ₱0.8 million for the years ended June 30, 2022 and 2021, respectively. Provision for impairment of investments in and advances to associates and joint ventures decreased by ₱10.3 million. This amount represents advances to STI Accent, which were recognized during the year ended June 30, 2021. Depreciation expense decreased by ₱5.2 million year-on-year largely due to full depreciation of office furniture and equipment held by closed/suspended schools as of June 30, 2021. For SY 2021-2022, the Group toned down its TV and radio advertisements and connected with students and potential customers largely through social media ads, as these reach people more quickly and easily. Thus, the Group recognized advertising and promotions expenses amounting to ₱38.0 million for the year ended June 30, 2022, lower by ₱15.1 million compared to ₱53.1 million for the year ended June 30, 2021.

The Group posted an operating income of ₱568.6 million for the year ended June 30, 2022, an improvement of ₱381.9 million or 205% from the operating income of ₱186.7 million generated for the year ended June 30, 2021, due to higher revenues attributed to the increase in the student population and improvement in the enrollment mix with the 40% increase in the number of students enrolled in CHED programs.

Interest expense decreased by ₱23.8 million year-on-year from ₱337.1 million to ₱313.3 million mainly due to the partial prepayments in September 2021 made by STI ESG and iACADEMY on their Term Loan Facilities with Chinabank in the amounts of ₱240.0 million and ₱120.0 million, respectively. In addition, the interest rate on iACADEMY's Term Loan with Chinabank was repriced from 3.3727% per annum on September 28, 2020 to 3.2068% per annum on September 28, 2021.

Rental income decreased by ₱45.8 million year-on-year from ₱116.8 million to ₱71.0 million due to pre-termination and nonrenewal of lease agreements in some of the investment properties of STI ESG and iACADEMY.

The Group recognized unrealized gain on foreign exchange rate differences amounting to ₱44.6 million and ₱0.7 million for the years ended June 30, 2022 and 2021, respectively. The Group also recognized realized gain on foreign exchange differences amounting to ₱1.3 million and ₱3.2 million for the years ended June 30, 2022 and 2021, respectively. These are attributed to STI ESG's and iACADEMY's dollar-denominated cash and cash equivalents.

Derecognition of contingent consideration amounting to ₱25.0 million was recorded for the year ended June 30, 2022, arising from the Compromise Agreement between the Parent Company and the Agustin family, former STI WNU shareholders, as discussed in the preceding paragraphs. The amount of ₱50.0 million had been set up as contingent consideration in prior years. With the full and final settlement in the amount of ₱25.0 million, the balance of ₱25.0 million has been derecognized.

Interest income increased by ₱32.4 million from ₱5.7 million for the year ended June 30, 2021 to ₱38.1 million for the year ended June 30, 2022, substantially attributed to the accrued interests and default charges on the assigned loans of STI Tanay. This covers interests and penalty charges from the execution of the deed of assignment by and between DBP and STI ESG in 2019 up to the date of the extrajudicial foreclosure sale of the properties, mortgaged as collateral to STI Tanay's loans, situated in Pasig City and Tanay, Rizal on March 16, 2021 and March 15, 2022, respectively. This account also included the interest income on the Group's investments in short-term placements.

Equity in net losses of associates amounted to ₱20.2 million for the year ended June 30, 2022 compared to equity in net losses of associates of ₱4.6 million recognized for the year ended June 30, 2021.

STI ESG recognized a gain on settlement of receivables, net of provision for impairment of noncurrent asset held for sale, amounting to ₱10.8 million for the year ended June 30, 2022. The gain on settlement of receivables from STI Tanay amounted to ₱45.1 million while the provision for impairment of noncurrent asset held for sale was recognized at ₱34.3 million, net of depreciation recognized on the Pasig property from the date of the annotation on the property's title up to June 30, 2022 (see preceding discussions).

Collection efficiencies resulted in the increase in the recovery of receivables previously written-off by ₱2.9 million from ₱6.8 million to ₱9.7 million for the years ended June 30, 2021 and 2022, respectively.

The Group recognized gain on sale of equipment amounting to ₱1.6 million for the year ended June 30, 2022 largely attributed to the disposal of STI ESG's transportation equipment.

STI ESG recognized dividend income from RCR and DLSCM amounting to ₱0.4 million and ₱0.8 million, respectively, for the year ended June 30, 2022 and from DLSCM amounting to ₱0.8 million for the year ended June 30, 2021.

The Group applied the practical expedient approach for some rent concessions granted to the Group following the amendments to PFRS 16, *COVID-19-related Rent Concessions* resulting in recognition of other income aggregating to ₱6.1 million and ₱39.7 million for the years ended June 30, 2022 and 2021, respectively, presented as part of "Other income (expenses) - net" in the audited consolidated statements of comprehensive income. Also included in the account "Other income (expenses) - net" is the reversal of interest income from past due accounts of consolidated subsidiaries of STI ESG in the amount of ₱15.9 million.

The disposal of the 20% ownership of STI ESG in Maestro Holdings resulted in a gain amounting to ₱61.4 million, reflecting the difference between the recorded fair value of the investments and the selling price. For tax purposes, however, the gain was ₱306.4 million, reflecting the difference between the acquisition cost of ₱174.1 million and the selling price, on which capital gains tax of ₱46.0 million was paid. These were recognized in the Group's audited consolidated statement of comprehensive income for the year ended June 30, 2021.

Following the guidelines of PFRS 9, *Financial Instruments*, STI ESG assessed the terms of the new or modified financial liability resulting from the amended maturity date of STI ESG's loan balance under its Corporate Notes Facility Agreement with Chinabank. The modifications of the financial liability of STI ESG did not result in derecognition of the original liability as the same are not substantially different from the terms of the original financial liability. Thus, STI ESG recalculated the amortized cost of the financial liability by computing the present value of estimated contractual cash flows that are discounted at the original effective interest rate. STI ESG then recognized a loss on modification of the loan amounting to ₱8.3 million which was reported in the audited consolidated statement of comprehensive income for the year ended June 30, 2021.

Provision for income tax amounting to ₱10.8 million was recognized by the Group for the year ended June 30, 2022 compared to ₱76.9 million income tax benefit for the year ended June 30, 2021. Income tax rate for proprietary educational institutions was reduced from 10% to 1% following the enactment of the CREATE Act in April 2021. The reduced income tax rate had a retroactive effect beginning July 1, 2020 and would be effective up to June 30, 2023.

The Group reported a net income of ₱416.2 million for the year ended June 30, 2022, an improvement of ₱314.5 million or 309% from ₱101.7 million net income for the year ended June 30, 2021.

Remeasurement gain on pension liability, net of income tax effect, amounted to ₱8.5 million and ₱15.6 million for the years ended June 30, 2022 and 2021, respectively, due to the movements in value of equity shares forming part of pension assets.

Total comprehensive income amounted to ₱425.8 million and ₱118.5 million for the years ended June 30, 2022 and 2021, respectively. The improvement is attributed to the higher number of enrollees and improvement in the enrollment mix in favor of CHED programs for SY 2021-2022 compared to that of SY 2020-2021.

EBITDA increased from ₱811.7 million for the year ended June 30, 2021 to ₱1,128.6 million for the year ended June 30, 2022. Depreciation and interest expenses for purposes of this computation exclude those related to ROU assets and lease liabilities, respectively. EBITDA margin for the year ended June 30, 2022 is 42% compared to 39% for the year ended June 30, 2021.

Core income, computed as the consolidated income after income tax derived from the Group's main business of education and other recurring income, amounted to ₱330.8 million for the year ended June 30, 2022 compared to core income for the year ended June 30, 2021 of ₱55.4 million.

Financial Risk Disclosure

The Group's present activities expose it to liquidity, credit, interest rate and capital risks.

Liquidity risk – Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet its currently maturing commitments. The Group's liquidity profile is managed to be able to finance its operations and capital expenditures and other financial obligations. To cover its financing requirements, the Group uses internally generated funds and interest-bearing loans and borrowings. As part of its liquidity risk management program, the Group regularly evaluates the projected and actual cash flow information and continuously assesses conditions in the financial markets for opportunities to pursue fund-raising initiatives.

Any excess funds are primarily invested in short-dated and principal-protected bank products that provide the flexibility of withdrawing the funds anytime. The Group regularly evaluates available financial products and monitors market conditions for opportunities to enhance yields at acceptable risk levels.

The Group's current liabilities as at June 30, 2024 are mostly made up of trade liabilities with 30 to 60-day payment terms and the current portion of interest-bearing loans and borrowings that are expected to mature within one year after reporting date. The current liabilities as at June 30, 2023 include STI ESG's series 7-year bonds aggregating to ₱2,180.0 million which matured and was redeemed in full in March 2024. On the other hand, the biggest components of the Group's current assets are cash and cash equivalents, receivables from students and franchisees and advances to associates and joint venture with credit terms of thirty (30) to one hundred and eighty (180) days.

As at June 30, 2024 and 2023, the Group's current assets amounted to ₱3,679.2 million and ₱3,781.6 million, respectively, while current liabilities amounted to ₱1,770.5 million and ₱3,451.9 million, respectively, with the latter amount inclusive of the ₱2,180.1 million of STI bonds.

STI ESG entered into five-year Term Loan Agreements with Metrobank and BPI in March 2024. Drawdowns were made in the same month for the partial refinancing of its Series 7Y bonds which were redeemed in full in March 2024. The DSCR of not less than 1.05:1.00 is also one of the financial covenants and is measured annually based on the audited consolidated financial statements of STI ESG as of and for the year ended June 30 of each year.

In relation to the Group's interest-bearing loans and borrowings from Chinabank, the DSCR, based on the consolidated financial statements of STI ESG and its subsidiaries, is also monitored on a regular basis. Under the Term Loan Agreements, the debt service cover ratio is equivalent to the EBITDA divided by total interest-bearing debts and interest due in the next twelve months. The Group monitors its debt service cover ratio to keep it at a level acceptable to the Group, the lender banks and the STI bondholders. The Group's policy is to keep the debt service cover ratio not lower than 1.05:1.00. STI ESG's DSCR, as defined in the loan agreement, as at June 30, 2024 and 2023, are 2.39:1.00 and 0.47:1.00, respectively. The local bank has granted the request of STI ESG for the waiver of the mandated DSCR as discussed in Note 18 of the audited consolidated financial statements. STI ESG's DSCR as at June 30, 2024, as defined in the loan agreement, is 2.39:1.00.

The Second Supplemental Trust Agreement replaced the DSCR measure with ICR. STI ESG's ICR, as defined in the bond trust agreement, as at June 30, 2024 is 9.37:1.00 as discussed in Note 19 of the audited consolidated financial statements. The Group's policy is to keep the interest coverage ratio not lower than 3.00:1.00. STI ESG has been compliant with the financial covenants imposed under the loan and bond trust agreements.

As at June 30, 2023, iACADEMY is compliant with the DSCR required by the local lender bank. iACADEMY has fully paid its interest-bearing loan as at June 30, 2024.

Credit risk – Credit risk is the risk that the Group will incur a loss arising from students, franchisees or counterparties who fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk that the Group is willing to accept for each counterparty and by monitoring expenses in relation to such limits.

It is the Group's policy to require students to pay all their tuition and other incidental fees before they can get their report cards and other credentials. In addition, receivable balances are monitored on an ongoing basis such that exposure to bad debts is not significant.

Interest rate risk - Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fixed rate financial instruments are subject to fair value interest rate risk while floating rate financial instruments are subject to cash flow interest rate risk. The Group's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's interest-bearing loans and bonds. While the Group's long-term debt has a floating interest rate, the Group elected to have the interest rate repriced every six months on its new loans and every year on the old loans, thus minimizing the exposure to market changes in interest rates. STI ESG's 7-year bonds, which had a fixed interest rate, were fully redeemed in March 2024 while the 10-year bonds, maturing in 2027, continue to carry a fixed interest rate.

The Group's exposure to interest rate risk also includes its cash and cash equivalents balance. Interest rates for the Group's cash deposits are at prevailing interest rates. Due to the magnitude of the deposits, significant changes in interest rates may also affect the statements of comprehensive income of the Group.

Capital Risk - The Group aims to achieve an optimal capital structure to reduce its cost of capital in pursuit of its business objectives, which include maintaining healthy capital ratios and strong credit ratings, maximizing shareholder value and providing benefits to other stakeholders. The Group likewise aims to ensure that cash is available to support its operations and all other projects undertaken by the Group and to maintain funds on a long-term basis.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Group is not subject to externally imposed capital requirements.

The Group monitors capital using the debt-to-equity ratio, which is computed in accordance with the financial covenants prescribed in the loans and trust agreements (see Notes 18 and 19 of the Audited Consolidated Financial Statements). The Group monitors its debt-to-equity ratio to keep it at a level acceptable to the Group, the lender banks, and the STI ESG bondholders. The Group's policy is to keep the debt-to-equity ratio at a level not exceeding 1.50:1.00.

As at June 30, 2024 and 2023, the Group's debt-to-equity ratios are 0.44:1.00 and 0.62:1.00, respectively.

Agreements/Commitments and Contingencies/Other Matters

- a. There are no changes in accounting estimates used in the preparation of the audited consolidated financial statements for the current and prior financial periods.
- b. Except as provided in Note 34 of the Notes to the Audited Consolidated Financial Statements attached as part of "Exhibits and Schedules," the Group has no other financial and capital commitments.
- c. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.
- d. There are no material events and uncertainties known to management that would address the past and would have an impact on the future operations of the Group.
- e. There are no known trends, demands, commitments, events or uncertainties that will have an impact on the Group's liquidity except for the contingencies and commitments enumerated in Note 34 of the Notes to the Audited Consolidated Financial Statements.
- f. The various loan agreements entered into by STI ESG and iACADEMY and the issuance of fixed-rate bonds by STI ESG provide certain restrictions and conditions with respect to, among others, change in majority ownership and management and maintenance of financial ratios. STI ESG and iACADEMY are fully compliant with all the covenants in the loan agreements. Please see Notes 18, 19 and 35 in the Notes to the Audited Consolidated Financial Statements. There are no other events that will trigger direct or contingent financial obligations that are material to the Group, including any default or acceleration of an obligation.
- g. There are no significant elements of income or loss that did not arise from the Group's continuing operations.
- h. The Group's business is linked to the academic cycle. The academic cycle for SY 2023-2024 began in late August 2023 and ended in June 2024 for STI ESG and STI WNU, except for STI WNU's School of Graduate Studies which started classes on September 2, 2023. For SY 2022-2023, the academic year started in late August 2022 for JHS and SHS while the tertiary level began in September 2022. All levels ended their classes in June 2023.

The academic year for iACADEMY begins in August and ends in May and July for SHS and tertiary, respectively, of the following year.

The core business and revenues of the Group, which are mainly from tuition and other school fees, are recognized as income over the corresponding school term(s) to which they pertain. Accordingly, the revenue of the Group is expected to be lower during the first quarter of the fiscal year as compared to the other quarters if the number of enrollees remains constant. This information is provided to allow for a proper appreciation of the results of the operations of the Group. However, management has concluded that the Group's operation is not highly seasonal.

- i. On March 23, 2017, STI ESG listed its ₱3.0 billion Series 7-year Bonds due 2024 and Series 10-year Bonds due 2027 on the PDEX secondary market. The ₱3.0 billion bond issue is the first tranche of STI ESG's ₱5.0 billion fixed-rate bonds program under its 3-year shelf registration with the SEC. The 3-year shelf registration ended on March 9, 2020. The Bonds carry coupon rates of 5.8085% and 6.3756% for the 7-year and 10-year tenors, respectively. Interests are payable quarterly in arrears on June 23, September 23, December 23, and March 23 or the next business days if such dates fall on non-banking days, of each year commencing on June 23, 2017, until and including the relevant maturity dates (see Note 19 of the Audited Consolidated Financial Statements). STI ESG redeemed in full its series 7-year bonds in March 2024.
- j. On September 16, 2024, CHED granted STI WNU its autonomous status by virtue of CHED Memorandum Order No. 7, Series of 2024. Autonomous schools have the freedom to open new programs without securing prior approval from CHED, priority in the grant of subsidies and other financial incentives from CHED, and exemption from regular CHED monitoring and evaluation and issuance of Special Order for their graduates, among other benefits.
- k. On February 27, 2024, the BOD of STI Holdings ratified the execution of a term sheet between STI Holdings and Philippine School of Business Administration (PSBA Manila) and Philippine School of Business Administration, Inc. – Quezon City (PSBA Quezon City) or collectively referred to as "PSBA." The term sheet covers the takeover by STI Holdings of the operations of PSBA as well as the acquisition of licenses, trademarks, trade names, and school-related assets owned by PSBA (the "transaction").

The term sheet and the implementation of the transaction are subject to several conditions including, among others, the execution of mutually acceptable definitive agreements, the fulfillment of the conditions precedent, the approval of the stockholders of PSBA, and regulatory approvals.

On May 2, 2024, STI ESG entered into a Contract to Sell with PSBA Manila for the sale and purchase of a 3,000 square meter parcel of land located at Aurora Boulevard, Quezon City (referred to as the "Subject Property"). The purchase price of the Subject Property is less than ten percent (10%) of the total assets of STI Holdings. The sale and purchase of the Subject Property is subject to regulatory approvals and the fulfillment of certain conditions precedent. Subject to regulatory approvals and upon fulfillment of such conditions precedent, STI ESG and PSBA Manila shall execute a Deed of Absolute Sale over the Subject Property.

On May 2, 2024, STI Holdings and PSBA Manila also executed the Right of First Refusal Agreement as STI Holdings has the right of first refusal in the event that PSBA intends to sell the PSBA properties. PSBA Manila is the registered and beneficial owner of a parcel of land, together with the improvement thereon, located at R. Papa St., Manila (the "PSBA Manila Property"). PSBA Manila is likewise the registered and beneficial owner of two parcels of land, together with improvements thereon, located at Aurora Boulevard, Quezon City.

On the same date, STI Novaliches entered into an Asset Purchase Agreement with PSBA for the acquisition by STI Novaliches of the tangible and intangible assets of PSBA (collectively, the "School Related Assets") used or relating to the operation by PSBA of its schools located in Manila and Quezon City. The purchase price for the School Related Assets is less than ten percent (10%) of the total assets of STI Holdings. The sale and purchase of the School Related Assets is subject to regulatory approvals and the fulfillment of certain conditions. Subject to regulatory approvals and the fulfillment of certain conditions, STI Novaliches and PSBA shall execute Deeds of Assignment for the sale and purchase of the School Related Assets.

As at October 11, 2024, the conditions precedent and regulatory approvals for the aforementioned agreements have not been fulfilled.

On May 30, 2024, STI ESG and PSBA executed a Management Agreement appointing STI ESG to manage the operations of PSBA schools with the goal of increasing enrollment as well as promoting PSBA as one of the leading educational institutions in the Philippines for accountancy and business programs. STI ESG shall provide the management services starting July 1, 2024 for PSBA Quezon City and starting August 1, 2024 for PSBA Manila. The management services will be for a period of three years counting from the management commencement date.

STI ESG shall perform the following obligations, among others: (1) provide management services including, but not limited to, marketing and advertising efforts, administering teaching and non-teaching staff deployed in each of the PSBA schools, maintaining school records and providing such other administrative and support services required for the effective operations of PSBA schools; (2) enter into contracts for and on behalf of PSBA with third parties without need of consent of PSBA; (3) liaise with local government units and government agencies in relation to the management and operations of PSBA schools; and (4) apply for and obtain permits and licenses for PSBA schools.

PSBA Manila and PSBA Quezon City shall each pay management fees to STI ESG equivalent to 26% of the gross revenues of PSBA Manila and PSBA Quezon City, respectively.

The management agreement may be extended provided that (i) such extension shall be subject to mutual agreement of the Parties, (ii) STI ESG shall be entitled to use the PSBA Manila and Quezon City properties rent-free during the extended management period, and (iii) the same terms and conditions shall apply during the extended management period unless otherwise agreed upon by the Parties in writing.

On September 23, 2024, PSBA informed STI Holdings that a third party had offered to purchase the PSBA Manila Property. On October 2, 2024, STI Holdings informed PSBA that it intended to exercise its right of first refusal over the PSBA Manila Property under the same terms and conditions offered by the third party. As at October 11, 2024, STI Holdings has yet to receive the reply of PSBA.

- l. STI College San Fernando City, Inc. (STI La Union), a franchised school, informed CHED in June 2021, and DepEd and TESDA in July 2021, of its decision not to accept enrollees for SY 2021-2022. Prior to this, the following owned schools had ceased operations: STI Cebu, STI College Iloilo, Inc. (STI Iloilo), STI College Pagadian, Inc. (STI Pagadian) and STI College Tuguegarao, Inc. (STI Tuguegarao). In addition, the following franchised schools likewise ceased to operate: STI College Bohol, Inc. (STI Bohol), STI College Recto, Inc. (STI Recto), Sungold Technologies, Inc. (STI Zamboanga), STI College Pasay, Inc. (STI Pasay), STI College Dipolog, Inc. (STI Dipolog), STI College San Francisco, Inc. (STI San Francisco) and STI College Parañaque, Inc. (STI Parañaque). These schools closed as a result of the pandemic. In SY 2021-2022, NAMEI Polytechnic Institute of Mandaluyong, Inc. (NPIM) accepted enrollees for Junior High School (JHS) and SHS only. The grade school students were advised to transfer to another school or refunded the fees paid, if any. For SY2022-2023, the JHS and SHS students of NPIM were given the option to transfer to STI Sta Mesa, a school owned by STI ESG. NPIM ceased operations effective June 30, 2022.
- m. On August 5, 2022, CHED approved the transfer of school operations of STI Quezon Avenue to Tanay, Rizal subject to compliance with certain requirements. Earlier, in September 2020, STI Quezon Avenue announced the suspension of its operations. In September 2022, CHED granted STI Quezon Avenue government recognitions to offer Bachelor of Science (BS) in Business Administration, BS in Tourism Management and BS in Hospitality Management. The government recognition to offer BS in Information Technology was issued in October 2022. The government

recognitions received in 2022 replaced the government recognitions issued by CHED in 2009 due to transfer of location of STI Quezon Avenue from Quezon City to Tanay, Rizal. STI Quezon Avenue has resumed operations on its new site in Tanay, Rizal beginning SY 2022-2023.

In a meeting held on November 29, 2023, the BOD of STI Quezon Avenue approved the amendments in its Articles of Incorporation and By-Laws as follows: (1) change of corporate name from “STI College Quezon Avenue, Inc.” to “STI Colleges of Rizal, Inc.”, (2) have perpetual existence, (3) change of fiscal year to beginning on July 1 of each year and ending on June 30 of the following year, among others. As at October 11, 2024, the amendments are pending approval by the SEC. In April 2024, STI Quezon Avenue requested the endorsements of CHED, TESDA and DepEd of its proposed amendments in connection with its application with the SEC to amend its Articles of Incorporation and By Laws. As at October 11, 2024, TESDA has provided favorable endorsement while STI Quezon Avenue has yet to receive the responses from CHED and DepEd.

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

- Preferential income tax rate for proprietary educational institutions is reduced from 10% to 1% effective July 1, 2020 to June 30, 2023.
- Corporate income tax rate is reduced from 30% to 20% for domestic corporations with taxable income not exceeding ₱5.0 million and with total assets not exceeding ₱100.0 million. All other domestic corporations are subject to 25% regular corporate income tax (RCIT) effective July 1, 2020.
- Minimum corporate income tax (MCIT) is reduced from 2% to 1% effective July 1, 2020 to June 30, 2023.
- Exemption from the determination of gain or loss from any exchange of property for stocks in corporations under certain conditions amending Section 40, Subsection C of the National Internal Revenue Code of 1997 which includes among others, merger and consolidation.
- Imposition of improperly accumulated earnings tax (IAET) is repealed.

Pursuant to the provisions of the CREATE Act, the schools in the Group adopted the 1% income tax rate effective July 1, 2020 while the Parent Company and AHC adopted the 25%/1% and 20%/1% RCIT/MCIT rates, respectively.

The following changes in tax rates became effective on July 1, 2023 as outlined in Revenue Memorandum Circular (RMC) 69-2023:

- Minimum corporate income tax (MCIT) rate reverted to 2% of gross income from a reduced rate of 1% that was in effect from July 1, 2020 to June 30, 2023.
- Preferential income tax rate for proprietary educational institutions and hospitals which are nonprofit reverted to 10% of taxable income following a temporary reduction to 1% effective July 1, 2020 to June 30, 2023.

Consequently, the Group recognized provision for current income tax using preferential income tax rate of 10% (MCIT rate of 2%, as the case may be) for fiscal year 2024 in accordance with RMC 69-2023.

Item 7. FINANCIAL STATEMENTS

The June 30, 2024 Audited Consolidated Financial Statements, together with the Statement of Management’s Responsibility and Auditors’ Report are attached and filed herewith.

Item 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

1. The accounting firm of SyCip Gorres Velayo & Co. (SGV) has been the Parent Company's External Auditors for the past years (2010 up to the present). They were reappointed in the Annual Stockholders' Meeting held on December 21, 2023 as external auditors for the ensuing fiscal year.

A representative of SGV is expected to be present at the Annual Meeting of the Stockholders and will have the opportunity to make a statement if he or she so desires. The representative will also be available to respond to appropriate questions from the stockholders.

Pursuant to Revised SRC Rule 68 Part 1 (3) (B) (ix) (Rotation of External Auditors), the Parent Company has engaged Ms. Loubelle V. Mendoza of SGV as the Partner-in-charge of the Parent Company. This is her third year of engagement for STI Holdings.

2. There has not been any disagreement between the Parent Company and said accounting firm regarding any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedure.

As stated in the June 30, 2024 "Statement of Management Responsibility for Financial Statements", SGV is the appointed independent auditors of STI Holdings. They have examined the financial statements of the Parent Company in accordance with Philippine Standards on Auditing and have expressed their opinion on the fairness of presentation upon completion of such examination, in its report to the Board of Directors and stockholders.

The Parent Company's Audit and Risk Committee reviews and approves the scope of audit work of the External Auditor. The scope and related fees for services rendered by the external auditor including the audit of financial statements, the scope of and payment for the same are subject likewise to review and approval by the management.

The 2017 Manual on Corporate Governance provides that, the Audit and Risk Committee should evaluate and determine the non-audit work of the External Auditor, and periodically review the non-audit fees paid to him in relation to the total fees paid to the External Auditor and to the Parent Company's overall consultancy expenses. The Audit and Risk Committee should disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence (As defined by the Code of Ethics for Professional Accountants).

In the Organizational Meeting of the Board of Directors held on December 21, 2023, the following were elected as the Chairman and Members of the Audit and Risk Committee of the Parent Company to serve as such for the ensuing year and until the election and qualification of their successors:

Chairman: Robert G. Vergara, Independent Director

Members: Ma. Leonora Vasquez-De Jesus, Independent Director
Raymond Anthony N. Alimurung, Independent Director
Jesli A. Lapus, Non-Executive Director
Martin K. Tanco, Non-Executive Director

The fees for the professional services rendered by SGV to STI Holdings, particularly for the audit of the financial statements for the past three (3) years are shown below:

	Year ended June 30, 2024	Year ended June 30, 2023	Year ended June 30, 2022
Audit fees	₱1,850,000	₱1,680,000	₱1,550,000

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

A) Directors and Executive Officers

(1) Directors, Independent Directors and Executive Officers

The Parent Company's Articles of Incorporation provides for eleven (11) members of the Board.

The term of office of the directors of the Parent Company is one (1) year and they are to serve as such until the election and qualification of their successors.

The following are the incumbent members of the Board of Directors:

- (a) Eusebio H. Tanco
- (b) Monico V. Jacob
- (c) Joseph Augustin L. Tanco
- (d) Ma. Vanessa Rose L. Tanco
- (e) Martin K. Tanco
- (f) Paolo Martin O. Bautista
- (g) Jesli A. Lapus
- (h) Robert G. Vergara
- (i) Ma. Leonor Vasquez-De Jesus
- (j) Raymond Anthony N. Alimurung
- (k) Justice Antonio T. Carpio (Ret.)

All of the foregoing incumbent directors have been nominated to the Board for the ensuing year. Messrs. Robert G. Vergara, Raymond Anthony N. Alimurung and Justice Antonio T. Carpio (Ret.) as well as Ms. Ma. Leonora Vasquez-De Jesus. have been nominated as independent directors by Eximious Holdings, Inc. (formerly Capital Managers & Advisors, Inc.) (EHI), a stockholder of the Parent Company. EHI has no business or professional relationship with Justice Carpio (Ret.), Messrs. Vergara and Alimurung as well as Ms. De Jesus.

Pursuant to Rule 38 of the Securities Regulation Code and Article IV of the Parent Company's By-Laws, the nomination of all of the members of the Parent Company's Board of Directors, including independent directors, shall be conducted by the Corporate Governance Committee prior to the annual stockholders' meeting in accordance with the following procedure:

- (1) 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.
- (2) The Corporate Governance Committee shall pre-screen the qualifications and prepare a Final List of all Candidates.
- (3) After the nomination, the Corporate Governance Committee shall prepare a Final List of Candidates to be submitted to the Board of Directors, which shall contain all the information regarding the background and experience of the nominees required to be ascertained and made known under the Securities Regulation Code and relevant rules and regulations.
- (4) Said Final List of Candidates shall be disclosed in the reports required by law, rules and regulations to be submitted to the Securities Exchange Commission, Philippine Stock Exchange and all stockholders.
- (5) Only nominees whose names appear on the Final List of Candidates shall be eligible for election as directors. No other nominations shall be entertained after the Final List of Candidates shall have been prepared.

The current Chairman of the Corporate Governance Committee is Justice Antonio T. Carpio (Ret.). Ms. Ma. Leonora Vasquez-De Jesus and Mr. Raymond Anthony N. Alimurung are members of the Corporate Governance Committee.

Summary of Term of Office of Directors:

- (1) Eusebio H. Tanco – director since March 17, 2010 up to the present
- (2) Monico V. Jacob – director since March 17, 2010 up to the present
- (3) Joseph Augustin L. Tanco – director since October 27, 2010 up to the present
- (4) Ma. Vanessa Rose L. Tanco – director since October 27, 2010 up to the present
- (5) Martin K. Tanco – director since December 19, 2012 up to the present
- (6) Paolo Martin O. Bautista – director since December 19, 2012 up to the present
- (7) Jesli A. Lapus – independent director since October 4, 2013 up to December 19, 2022 and non-executive director from December 19, 2022 up to the present
- (8) Robert G. Vergara – independent director since July 27, 2017 up to the present
- (9) Ma. Leonora Vasquez-De Jesus – independent director since September 20, 2019 up to the present
- (10) Raymond Anthony N. Alimurung – independent director since September 20, 2019 up to the present
- (11) Justice Antonio T. Carpio (Ret.) - independent director since December 19, 2022 up to the present

The corresponding ages, citizenships, business experiences and directorships held for the past five (5) years of the incumbent directors who have been nominated to the Board for the ensuing year are set forth below:

Eusebio H. Tanco, 75, Filipino, Chairman of the Board, Executive Director

Mr. Tanco is the Chairman of STI Holdings, and the Chairman of its Executive, Nomination and Compensation Committees.

Mr. Tanco is also the Chairman Emeritus of the Executive Committee of STI ESG. He is also the Chairman of the Compensation and Retirement Committees.

Mr. Tanco is currently the Chairman of the Board and President of Prudent Resources, Inc., Philippines First Insurance Co., Inc., First Optima Realty Corp, and Prime Power Holdings Corporation. He is the Chairman of the Board of Mactan Electric Company, Total Consolidated Asset Management, Inc., Venture Securities Inc., GROW Vite, Inc., and Delos Santos- STI College, Inc. He is the President of Asian Terminals, Inc.

Mr. Tanco is the President of Eujophils, Inc., Cement Center Inc., Biolim Holdings and Management Corp (formerly Rescom Developers Inc.), Tantivy Holdings, Inc., Bloom with Looms Logistics, Inc. (formerly Southern Textiles Mills, Inc.), Eximious Holdings, Inc, Marbay Homes Inc., Amina, Inc., International Hardwood & Veneer Corp., and CEO of Classic Finance Inc.

Mr. Tanco is also a director in STI West Negros University, PhilPlans First, Inc., Maestro Holdings, Inc., Philippine Life Financial Assurance Corporation, Manila Bay Spinning Mills, Inc., United Coconut Chemicals, Inc., MB Paseo, PhilhealthCare, Inc., Philippine Racing Club, Inc. and DigiPlus Interactive Corp. (formerly Leisure and Resorts World Corporation).

Mr. Tanco is also the Chairman of the Philippine-Thailand Business Council and the Philippines-UAE Business Council. He likewise sits as a member of the Board of Trustees of Philippines, Inc. and is a member of the Philippine Chamber of Commerce and Industry.

Mr. Tanco earned his Master of Science in Economics degree from the London School of Economics and Political Science and his Bachelor of Science degree in Economics from the Ateneo de Manila University. The Palawan State University also conferred a Doctorate of Humanities degree, honoris causa to Mr. Tanco.

Monico V. Jacob, 79, Filipino, President and CEO, Executive Director

Mr. Jacob has been the President and CEO of STI Holdings since March 17, 2010. He is likewise a member of the Executive Committee of STI Holdings.

Mr. Jacob is the Vice-Chairman and CEO of STI ESG and a member of the Executive Committee, Corporate Governance, Compensation, and Retirement Committees. He is also the Chairman of STI West Negros University.

Mr. Jacob is the President of Eximious Holdings, Inc., Tantivy Holdings, Inc., and Chantilly Nutriment Corporation.

Mr. Jacob is the Chairman of Maestro Holdings, Inc. (formerly STI Investments, Inc.), Philippine Life Financial Assurance Corporation, PhilhealthCare, Inc., Total Consolidated Asset Management, Inc., Global Resource for Outsourced Workers, Inc., GROW Vite Staffing Services, Inc., and Rosehills Memorial Phils., Inc.

Mr. Jacob is a non-Executive Director in Asian Terminals, Inc. and Phoenix Petroleum Phils., Inc. and an Independent Director in Rockwell Land Corp. He also serves as a member of the Board of Governors of iACADEMY, Inc.

Prior to his present positions, Mr. Jacob was the Chairman and CEO of Petron Corporation, and the Philippine National Oil Company (PNOC) and all of its subsidiaries. He also served as the General Manager of the National Housing Authority (NHA), and Chief Executive Officer of the Home Development Mutual Fund. He was also an Associate Commissioner for the Securities and Exchange Commission in 1986.

Prior to government, he was a Partner of the law firm Jacob Acaban Corvera Valdez and Del Castillo and was an active trial lawyer. Today, he is a partner in the law firm of Jacob & Jacob. His areas of specialization are energy, corporate law, corporate recovery and rehabilitation work, including receivership and restructuring advisory for companies.

Mr. Jacob is a member of the Management Association of the Philippines (MAP) of which he was President for 1998. He is also a member of the Integrated Bar of the Philippines.

Mr. Jacob finished his Bachelor of Arts degree with a Major in Liberal Arts from the Ateneo de Naga University in 1966 and his Bachelor of Laws degree from the Ateneo de Manila University in 1971.

Joseph Augustin L. Tanco, 43, Filipino, Executive Director

Mr. Tanco has been a Director of STI Holdings since October 27, 2010. He is likewise the Vice President for Investor Relations.

Mr. Tanco is the Chairman of the Board of PhilPlans First, Inc.

Mr. Tanco is currently the President and Chief Executive Officer of Maestro Holdings, Inc., Philippine Life Financial Assurance Corporation, PhilhealthCare, Inc. (PhilCare) and Comm&Sense, Inc. He founded Comm&Sense, Inc., an award-winning public relations agency offering comprehensive services in the areas of creative design, event conceptualization and management, public relations and promotions, and its affiliated companies Roar Agile Communicators and Stitch Tech Solutions, where he is likewise the President and Chief Executive Officer.

Mr. Tanco serves as Director and member of the Executive Committee of STI ESG, Director of iACADEMY, STI West Negros University and Philippines First Insurance Co., Inc.

Mr. Tanco is also a Director of Eximious Holdings, Inc. (formerly Capital Managers and Advisors, Inc., Biolim Holdings & Management Corporation (formerly Rescom Developers, Inc.), Prime Power Holdings Corporation, Venture Securities, Inc., and Bloom with Looms Logistics, Inc. (formerly Southern Textiles Mills, Inc.). He is also presently the Vice President and a Director of Eujophils, Inc.

He is an active member of the American Chamber of Commerce of the Philippines, Inc. (AMCHAM), where he is Co-Chairman of the Healthcare and Wellness Committee from 2019 to the present. He was Chapter President of Junior Chamber International Philippines (JCI) in 2012, an Area Director for Metro Area 2 in 2013 and recently, JCI bestowed him a Senatorship role. He was National Chairman for Nothing but Nets in 2013 and National Chairman for The Outstanding Young Men (TOYM) in 2015. In 2012, he became a mentor for the Bachelor of Science in Entrepreneurship Program at UA&P, and in 2022 was the first recipient of the UA&P Helm Award for Exemplary Service, the top honor at the university's inaugural Alumni Achievement Awards, which recognizes the distinct accomplishments of School of Management graduates.

Mr. Tanco is a graduate of the University of Asia and the Pacific with a Bachelor of Science degree in Entrepreneurial Management. He obtained his Master's in Business Administration from the Ateneo Graduate School of Business.

Maria Vanessa Rose L. Tanco, 46, Filipino, Executive Director

Ms. Tanco has been a Director of STI Holdings since October 27, 2010.

Ms. Tanco is a Director and the Chairman of the Executive Committee of STI ESG. She also holds directorships at STI West Negros University, PhilPlans, PhilhealthCare, Inc., and Chantilly Nutrient Corporation. Currently, she is the President and CEO of iACADEMY, Inc.

Ms. Tanco obtained her Doctor in Education Degree and her Masters in Business Administration at the University of Southern California. She obtained her Bachelor of Science degree in Legal Management at Ateneo de Manila University.

Martin K. Tanco, 58, Filipino, Non-Executive Director

Mr. Tanco has been a Director of STI Holdings since December 19, 2012. He is likewise a member of the Executive and Audit and Risk Committees of STI Holdings.

Mr. Tanco is also a director of STI ESG.

Mr. Tanco previously worked with Coats LTD from 1991 to 1999 where he was assigned various operational responsibilities in Indonesia, China, South Africa, United States, Portugal and the United Kingdom.

Mr. Tanco is the Director for Investment of PhilPlans First, Inc. He is the President of the Philfirst Condominium Association and Vice President of Manila Bay Thread Corporation (formerly Coats Manila Bay).

Mr. Tanco earned his Bachelor of Science Degree in Electrical Engineering from the University of Southern California. He obtained his Master of Science degree in Electrical Engineering and Master's in Business Administration from the University of Southern California.

Paolo Martin O. Bautista, 55, Filipino, Executive Director

Mr. Bautista has been a Director of STI Holdings since December 19, 2012. He is likewise the Chief Investment Officer and Chief Risk Officer of STI Holdings.

Mr. Bautista is also a director of STI ESG.

Mr. Bautista is an advisor to the Investment Committee of PhilPlans First, Inc. and a member of the board of directors. He is also a member of the board of directors at PhilhealthCare, Inc., Philippine Life Assurance Corporation and Maestro Holdings Inc. He has over 20 years of experience in the areas of corporate finance, mergers and acquisitions, debt and equity capital markets, credit risk management, and securities law. Prior to joining STI Holdings, he was a director at Citigroup Global Markets and a Vice President at the Investment Banking Division of Credit Suisse.

Mr. Bautista obtained his Bachelor of Arts degree, Bachelor of Laws degree and Juris Doctor from the Ateneo de Manila University and obtained a Master of Science degree in Management from the Arthur D. Little School of Management, Cambridge, MA.

Jesli A. Lapus, 75, Filipino, Non-Executive Director

Mr. Lapus was first elected as an Independent Director of STI Holdings on October 4, 2013. He served as the Chairman of the Audit and Risk Committee. He is currently a member of the Corporate Governance and Related Party Transactions Committees of STI Holdings.

Mr. Lapus was nominated and first elected as a non-executive director of STI Holdings on December 19, 2022.

Mr. Lapus was first elected as Chairman and Independent Director of STI ESG on September 25, 2013. He also served as a member of the Executive and Corporate Governance Committees as well as the

Chairman of the Audit and Risk Committee of STI ESG. He was elected as a Non-Executive Director of STI ESG on December 16, 2022.

Mr. Lapus is a member of the Board of Governors of iACADEMY. He is also an Independent Director of Philippine Life Financial Assurance Corporation, Alliance Global Group, Inc. and Emperador Inc.

Dr. Lapus is also the Chairman of the Board of LSERV Corporation and the AIM-ALT Center for Tourism of the Asian Institute of Management where he previously sat as a Trustee.

A multi-awarded Executive in the Private Sector, Dr Lapus has successfully managed corporations and banks to industry leaderships. He served as President and CEO of the Land Bank of the Philippines, Managing Director of Triumph International (Phils) Inc, and CFO of the Ramcar Group. A Certified Public Accountant, he started his professional career at SyCip, Gorres, Velayo & Co.

With a solid track record as a professional executive, Dr Lapus has the distinction of having been tapped into the cabinets of three Philippine Presidents, namely: Pres C. Aquino, Ramos and Arroyo. He served as Secretary of Trade and Industry; Secretary of Education; President/CEO of the Land Bank of the Philippines and Undersecretary of Agrarian Reform.

Dr. Jesli A Lapus earned his Doctor of Public Administration (Honoris Causa) from the Polytechnic University of the Philippines; Master in Business Management at the Asian Institute of Management and did his Post-Graduate Studies at Harvard University (Investments Appraisal and Management), INSEAD (Transfer of Technology), UCLA (Personal Financial Planning) and BITS Sweden (Project Management).

Dr. Lapus is an accredited member of the Singapore Institute of Directors (SID), Singapore's national association for company directors.

Robert G. Vergara, 63, Filipino, Independent Director

Mr. Vergara has been an Independent Director of STI Holdings since July 27, 2017. He is the Chairman of the Audit and Risk Committee and also serves as a member of the Related Party Transactions Committee of STI Holdings.

Mr. Vergara is also an Independent Director of STI ESG. He is the Chairman of the Audit and Risk Committee and a member of Corporate Governance Committee of STI ESG.

Mr. Vergara is the President of Vergara Advisory Management, Inc. founded in June 2018. He currently sits as an Independent Director of STI Holdings, Inc., SM Investments Corporation, Metro Pacific Health, AIG Philippines Insurance, Inc., as Chairman and Member of the Board of Directors of Cabanatuan Electric Corporation and as President and Member of the Board of Trustees of Manila Polo Club, Inc.

Mr. Vergara served as the President and General Manager and Vice-Chairman of the Board of Trustees of the Government Service Insurance System (GSIS). As President and General Manager of GSIS from September 2010 to October 2016. Mr. Vergara also served as Vice Chairman and Director of National Reinsurance Corporation of the Philippines, Manila Hotel Corporation, and Member of the Board of Directors of Philippine Stock Exchange, Philippine Health Insurance Corporation, Philippine National Construction Corporation and Housing and Urban Development Coordinating Council.

Mr. Vergara was the Managing Director and Founding Partner of Cannizaro (Hong Kong) Limited from October 2006 to September 2010. From 2002 to 2006, he was a Director of Lionhart (Hong Kong)

Ltd. He was a Principal in Morgan Stanley Asia Ltd. from 1997-2001 and served as the Managing Director of IFM Asia Ltd. from 1990 to 1997.

He obtained his Master in Business Administration from Harvard Graduate School of Business Administration. He graduated magna cum laude from Ateneo De Manila University with Bachelor of Science degrees in Management Engineering and Mathematics.

Ma. Leonora Vasquez-De Jesus, 73, Filipino, Independent Director

Ms. Vasquez-De Jesus has been an independent director of STI Holdings since September 20, 2019. She is the Chairperson of the Related Party Transactions Committee as well as a member of the Audit and Risk and Corporate Governance Committees.

She is also an Independent Director of STI ESG. She is the Chairperson of the Corporate Governance Committee, and a member of the Audit and Risk, and Compensation Committees.

She is currently an Independent Director of BDO-One Network Bank, Inc. since 2018. She is presently the Chairperson of the Bank's Board Audit Committee, and a member of the Corporate Governance Committee, and Related Party Transactions Committee.

Ms. De Jesus also serves as Director of Risks, Opportunities Assessment and Management (ROAM), Inc., an accredited SEC trainor on corporate governance.

She is also a member of the New Generation Organization of Women Corporate Directors and Women Corporate Directors since September and November 2023, respectively.

In the past, Ms. De Jesus was an Independent Director of Dominion Holdings, Inc., BDO Leasing and Finance, Inc., Equitable Savings Bank, PCI Capital Corporation, and BDO Elite Savings Bank, Inc. (formerly GE Money Bank, Inc.), and a Director of SM Development Corporation.

She was formerly the University President of the Pamantasan ng Lungsod ng Maynila and was also professorial lecturer at the University of the Philippines-Diliman, Ateneo de Manila University, and at the De La Salle Graduate School of Business and Governance.

She attended a course on Portfolio Management at the New York Institute of Finance; and a Housing Finance course at the Wharton School of Business.

She was also a member of the Board of Governors of the Philippine National Red Cross. Ms. Vasquez-De Jesus was a trustee of the Government Service Insurance System (GSIS) from 1998 until 2004, and also served as a director of the Development Bank of the Philippines.

She was a member of the cabinets of Presidents Corazon C. Aquino, (as Undersecretary in the Office of the President); of Fidel V. Ramos (as Head of the Presidential Management Staff, and concurrently Secretary of the Cabinet; and of Joseph E. Estrada (as Head, Presidential Management Staff and later as Chairman of the Housing and Urban Development Coordinating Council).

She holds Bachelor's (Cum Laude), Master's and Doctorate degrees in Psychology from the University of the Philippines.

Ms. Vasquez-De Jesus was also given several awards: Presidential Medal of Merit – for distinguished and exemplary service rendered to the Republic given by President Fidel V. Ramos, June 23, 1998.; National Awardee – The Outstanding Women in the Nation's Service (TOWNS), 1995; Career Executive Service Officer Plaque of Distinguished Service – in recognition of having been appointed as member of the President's Cabinet as Head of the Presidential Management Staff (the highest recognition of a

public manager's competence, performance and commitment to public service), July 28, 1998. First Prize Winner – Thesis/Dissertation Writing Contest in Psychology for 1983-1985, given by the Psychological Association of the Philippines, August 1985; and, UP ROTC Citation for Academic Excellence.

She has likewise authored a book on Completed Staff Work, written a number of academic papers, and worked as an independent consultant for a number of multinational companies and government agencies.

Raymond Anthony N. Alimurung, 51, Filipino, Independent Director

Mr. Alimurung has been an independent director of STI Holdings since September 20, 2019. He is a member of the Audit and Risk, Corporate Governance and Related Party Transactions Committees.

He presently holds the position of a general partner at Kaya Founders, an early-stage investment firm. Before this role, he served as Lazada's first Filipino CEO, overseeing its Philippine expansion from 2018 to 2022. Additionally, Mr. Alimurung held the position of CEO at aCommerce Philippines and gained experience working with Amazon.

Mr. Alimurung obtained his MBA from the Stanford Graduate School of Business. He also holds a Doctor of Medicine from the University of the Philippines College of Medicine where he graduated in the top fifteen percent (15%) of his class. He graduated Cum Laude from the Ateneo De Manila University with a degree in BS Biology.

Justice Antonio T. Carpio (Ret.), 75, Filipino, Independent Director

Justice Antonio T. Carpio has been an independent director of STI Holdings since December 19, 2022. He is the Chairman of the Corporate Governance Committee as well as a member of the Related Party Transactions Committee.

Justice Carpio also serves as an Independent Governor of iACADEMY, Inc.

Justice Carpio is a retired Justice of the Supreme Court of the Philippines.

He served in the Supreme Court for eighteen (18) years from 2001 to 2019. He obtained his law degree from the College of Law of the University of the Philippines, where he graduated valedictorian and cum laude in 1975. He earned his undergraduate degree in Economics from Ateneo de Manila University in 1970.

Fresh out of law school, Justice Carpio went into private practice and founded the Carpio Villaraza and Cruz Law firm. He was a Professorial Lecturer of the U.P. College of Law from 1983 until 1992 when he was appointed Chief Presidential Legal Counsel, with cabinet rank, by then President Fidel V. Ramos. Justice Carpio was a member of the Board of Regents of the University of the Philippines from 1993 to 1998.

For his "distinguished and exemplary service" to the Republic, Justice Carpio was awarded in 1998 the Presidential Medal of Merit by then President Fidel V. Ramos. In 2015, he was named an Outstanding Alumnus in Public International Law by the UP Alumni Association.

In 2015, the Department of Foreign Affairs sponsored Justice Carpio on a world lecture tour on the West Philippine Sea dispute. Justice Carpio presented the Philippines' perspective on the dispute before think-tanks and universities in 30 cities covering 17 countries.

In May 2017, Justice Carpio published the book titled “The South China Sea Dispute: Philippine Sovereign Rights and Jurisdiction in the West Philippine Sea.” For his adherence to the Rule of Law and defense of Philippine sovereignty and sovereign rights in the West Philippine Sea, both his alma mater, the University of the Philippines and the Ateneo de Manila University, conferred on him the Doctor of Laws, honoris causa, in December 2020 and May 2021, respectively. Earlier in 2009, his grade school and high school alma mater, the Ateneo de Davao University, conferred on him the Doctor of Laws, honoris causa, for his adherence to the Rule of Law. In February 2021, the De La Salle University awarded Justice Carpio the Ka Pepe Diokno Award for his defense of Philippine sovereignty and the civil liberties of the Filipino people.

Justice Carpio was the Chair of the Second Division of the Supreme Court and the Chair of the Senate Electoral Tribunal. Justice Carpio retired from the Supreme Court with a zero backlog of cases.

Yolanda M. Bautista, 72, Filipino, Treasurer

Ms. Bautista has served as the Treasurer of STI Holdings since March 17, 2010. She is likewise a member of the Executive Committee of STI Holdings.

Ms. Bautista is also the Chief Finance Officer and Treasurer of STI ESG. She is likewise a member of the Compensation and Retirement Committees of STI ESG.

Ms. Bautista is the Chairman and President of Corporate Reference, Inc and Yellow Meadows Business Ventures, Inc.

Ms. Bautista serves as Director and Treasurer of Eximious Holdings, Inc. (formerly, Capital Managers and Advisors, Inc.), Banlife Insurance Co., Inc., Tantivy Holdings, Inc., DLS-STI College, Inc., and iACADEMY. She is also the Group Chief Finance Officer of Philippine Life Financial Assurance Corporation and Philhealthcare, Inc. as well as the Chief Finance Officer and Treasurer of STI West Negros University. Ms. Bautista is a Director of Attenborough Holdings Corp., Philippine Healthcare Educators, Inc., Global Resource for Outsourced Workers, Inc., Grow Vite Staffing Services, Inc. and Bloom with Looms Logistics, Inc. She serves as Treasurer of Total Consolidated Asset Management, Inc., Aberlour Holding Company, Daven Holdings, Inc., Harbourside Holding Corporation, Maestro Holdings, Inc., Marray Holdings, Inc., Kusang Loob Foundation, Inc., SG Holdings, Inc., Philippines First Condominium Corporation, P & O Management Services Phils., Inc., TechGlobal Data Center, Inc., Techzone Condominium Corporation and Techzone Philippines, Inc.

Ms. Bautista is a Certified Public Accountant. She graduated Magna Cum Laude from the University of Sto. Tomas with a Bachelor of Science degree in Commerce, major in Accounting.

Arsenio C. Cabrera, Jr., 64, Filipino, Corporate Secretary and Corporate Information Officer

Atty. Arsenio C. Cabrera, Jr. is the Corporate Secretary and Corporate Information Officer of STI Holdings.

He is also the Corporate Secretary, General Counsel, and Corporate Information Officer of STI ESG.

Atty. Cabrera is a Managing Partner of Herrera Teehankee & Cabrera Law Offices. He also serves as Corporate Secretary of Agustin Tanco Foundation, Inc., Amina, Inc., Arani Realty Corporation, Asiateleservices, Inc., Attenborough Holdings Corporation, BOIE Drug, Inc., BOIE, Incorporated, BOIE Prime, Inc., Calatagan Bay Realty, Inc., Canlubang Golf and Country Club, Inc., Cement Center, Inc., Citicore Holdings Investment, Inc., Classic Finance, Inc., Comm & Sense, Inc., Digitalme Services, Inc., Drysor, Inc., ESA Group of Companies, Inc., Eximious Holdings, Inc., EUJO Phils. Incorporated, Fieldtech Asia, Inc., First Optima Realty Corporation, GEOGRACE Resources Philippines, Inc., Greener and Partner Properties, Inc., Heritage Park Management, Inc., iACADEMY, International Hardwood &

Veneer Company of the Philippines, Juska, Inc., Lasik Surgery, Inc., Maestro Holdings, Inc., Manila Bay Hosiery Mills, Inc., Manila Bay Spinning Mills, Inc., Megacore Holdings, Inc., NiHAO Mineral Resources International, Inc., Palisades Condominium Corporation, Pay Philexchange, Inc., Philippine American Drug Company, Philippine First Condominium Corporation, PhilsFirst, PhilLife, PhilCare, Inc., Philplans., Renaissance Condominium Corporation, Rosehills Memorial Management Philippines, Inc., Sinoma Energy Conservation (Philippines) Waste Heat Recovery Co., Inc., Sinoma Energy Conservation (Cebu) Waste Heat Recovery Co., Inc., Sonak Holdings, Inc., STI WNU, Tantivy Holdings, Inc., Techglobal Data Center, Inc., TechZone Philippines, Inc., Total Consolidated Asset Management, Inc., Trend Developers, Inc., Ujobi Global Philippines, Inc., Venture Securities, Inc., Villa Development Corporation, Vital Ventures Management Corp. and WVC Development Corporation.

He was also elected as Chairman of Bauhinia 17 Equity Holdings, Inc., Excelsior Holdings, Inc., Excelsium, Inc., PlusHomes Communities, Inc. and Rue Bau 17 Holdings, Inc.

Atty. Cabrera holds degrees in Bachelor of Laws (Second Honors) and Bachelor of Science in Legal Management from the Ateneo De Manila University.

Ana Carmina S. Herrera, 48, Filipino, Assistant Corporate Secretary

Atty. Herrera is a Senior Associate of Herrera Teehankee and Cabrera Law Offices. She also performs the role of Corporate Secretary of, STI College Batangas, Inc., STI College of Kalookan, Inc., STI Diamond College, Inc. and STI Tuguegarao, Inc. She also serves as Assistant Corporate Secretary in a number of other corporations: Amica Corporation, Attenborough Holdings Corporation, Banclife Insurance Co., Inc., , Comm & Sense, Inc., JAE Finance Philippines Corp., iACADEMY, Maestro Holdings, Inc., Palisades Condominium Corporation, PhilhealthCare, Inc., Philippine Life Financial Assurance Corporation, Renaissance Condominium Corporation, STI Holdings and Venture Securities, Inc.

Atty. Herrera received her Bachelor of Laws degree from the University of the Philippines in 2000.

Attendance details of each director from July 1, 2023 up to June 30, 2024 Board of Directors and Committee meetings are set out below:

MEETINGS	ATTENDANCE	
	Directors Present	Directors Absent
14 July 2023 – Audit and Risk Committee Meeting	*Robert G. Vergara Jesli A. Lapus *Dr. Ma. Leonora Vasquez-De Jesus *Raymond Anthony N. Alimurung Martin K. Tanco	
15 August 2023 – Audit and Risk Committee Meeting	*Robert G. Vergara Jesli A. Lapus *Dr. Ma. Leonora Vasquez-De Jesus *Raymond Anthony N. Alimurung Martin K. Tanco	
11 October – Audit and Risk Committee Meeting	*Robert G. Vergara Jesli A. Lapus *Dr. Ma. Leonora Vasquez-De Jesus *Raymond Anthony N. Alimurung	Martin K. Tanco

MEETINGS	ATTENDANCE	
	Directors Present	Directors Absent
13 October 2023 – Regular Board Meeting	Eusebio H. Tanco Monico V. Jacob Joseph Augustin Eusebio L. Tanco Maria Vanessa Rose L. Tanco Martin K. Tanco Paolo Martin O. Bautista Jesli A. Lapus *Robert G. Vergara *Dr. Ma. Leonora Vasquez-De Jesus *Raymond N. Alimurung *Justice Antonio T. Carpio (Ret.)	
20 October 2023 – Regular Board Meeting	Eusebio H. Tanco Joseph Augustin Eusebio L. Tanco Maria Vanessa Rose L. Tanco Martin K. Tanco Paolo Martin O. Bautista Jesli A. Lapus *Robert G. Vergara *Dr. Ma. Leonora Vasquez-De Jesus *Raymond N. Alimurung *Justice Antonio T. Carpio (Ret.)	Monico V. Jacob
20 October 2023 – Audit and Risk Committee Meeting	*Robert G. Vergara Jesli A. Lapus *Dr. Ma. Leonora Vasquez-De Jesus *Raymond Anthony N. Alimurung Martin K. Tanco	
14 November 2023 – Corporate Governance Committee Meeting	*Justice Antonio T. Carpio (Ret.) *Dr. Ma. Leonora Vasquez-De Jesus *Raymond Anthony N. Alimurung	
21 December 2023 – Regular Board Meeting	Eusebio H. Tanco Monico V. Jacob Joseph Augustin Eusebio L. Tanco Maria Vanessa Rose L. Tanco Martin K. Tanco Paolo Martin O. Bautista Jesli A. Lapus *Robert G. Vergara *Dr. Ma. Leonora Vasquez-De Jesus *Justice Antonio T. Carpio (Ret.)	*Raymond Anthony N. Alimurung

MEETINGS	ATTENDANCE	
	Directors Present	Directors Absent
21 December 2023 – Organizational Board Meeting	Eusebio H. Tanco Monico V. Jacob Joseph Augustin Eusebio L. Tanco Maria Vanessa Rose L. Tanco Martin K. Tanco Paolo Martin O. Bautista Jesli A. Lapus *Robert G. Vergara *Dr. Ma. Leonora Vasquez-De Jesus *Raymond N. Alimurung *Justice Antonio T. Carpio (Ret.)	
27 February 2024 – Regular Board Meeting	Eusebio H. Tanco Monico V. Jacob Joseph Augustin Eusebio L. Tanco Maria Vanessa Rose L. Tanco Martin K. Tanco Paolo Martin O. Bautista Jesli A. Lapus *Robert G. Vergara *Dr. Ma. Leonora Vasquez-De Jesus *Raymond N. Alimurung *Justice Antonio T. Carpio (Ret.)	
16 April 2024 – Regular Board Meeting	Eusebio H. Tanco Monico V. Jacob Joseph Augustin Eusebio L. Tanco Maria Vanessa Rose L. Tanco Martin K. Tanco Paolo Martin O. Bautista Jesli A. Lapus *Robert G. Vergara *Dr. Ma. Leonora Vasquez-De Jesus *Raymond N. Alimurung *Justice Antonio T. Carpio (Ret.)	
16 April 2024 – Executive Committee Meeting	Eusebio H. Tanco Monico V. Jacob Yolanda M. Bautista Martin K. Tanco	
20 May 2024 – Corporate Governance Committee Meeting	*Justice Antonio T. Carpio (Ret.) *Dr. Ma. Leonora Vasquez-De Jesus *Raymond Anthony N. Alimurung	
28 May 2024 – Regular Board Meeting	Eusebio H. Tanco Monico V. Jacob Joseph Augustin Eusebio L. Tanco Maria Vanessa Rose L. Tanco Martin K. Tanco Paolo Martin O. Bautista Jesli A. Lapus	

MEETINGS	ATTENDANCE	
	Directors Present	Directors Absent
	*Robert G. Vergara *Dr. Ma. Leonora Vasquez-De Jesus *Raymond N. Alimurung *Justice Antonio T. Carpio (Ret.)	

Note - *Independent Director

(2) Significant Employees

In general, the Parent Company values its human resources. It expects the employees to do their share in achieving the Parent Company’s set objectives. There is no person in the Parent Company who is not an executive officer but is expected to make significant contribution in the business of the Parent Company.

(3) Family Relationships

Mr. Joseph Augustin L. Tanco is the son of Mr. Eusebio H. Tanco. Ms. Ma. Vanessa Rose L. Tanco is the daughter of Mr. Eusebio H. Tanco.

Mr. Martin Tanco and Mr. Eusebio H. Tanco are cousins.

There are no other family relationships up to the 4th civil degree, either by consanguinity or affinity among the current Directors other than those already disclosed in this report.

(4) Involvement in Certain Legal Proceedings

None of the above-named directors and executive officers of the Parent Company have been involved in any of the following events for the past five (5) years and up to the date of this SEC Form 17-A:

- (a) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- (b) any conviction by final judgment;
- (c) being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- (d) being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

Item 10. EXECUTIVE COMPENSATION

- (1) The directors are paid ₱25,000.00 each for every board and committee meeting attended by them. There is no arrangement for compensation of directors.

From FY 2021-2022 up to 2023-2024, the CEO and top four (4) executive officers as a group, did not receive compensation from the Parent Company. There is no employment contract between the Parent Company and any of its executive officers.

- (2) The following table summarizes the aggregate compensation for the fiscal years ended June 30, 2022, 2023 and 2024. The amounts set forth in the table below have been prepared based on what the Parent Company paid its directors and named executive officers as a group and other officers for the fiscal years ended June 30, 2021, 2022 and 2023 and what the Parent Company expects to pay for the fiscal year ending June 30, 2024.

The compensation for board members comprises of per diems.

ANNUAL COMPENSATION

Name and Principal Position	Year Ended	Salary (₱)	Bonus (₱)	Other annual compensation (₱)
All other Officers as a Group	2022	4,816,367	-	-
	2023	3,411,390	-	-
	2024	5,968,538	-	-
	2025 ^a	5,968,538		
All Named Executive Officers ^b and Board of Directors as a Group	2022			1,814,912
	2023			1,577,485
	2024			3,540,936
	2025 ^a			3,540,935

Notes:

^a Figure is an estimated amount

^b Named executives include: Eusebio H. Tanco (Chairman of the Board), Monico V. Jacob (President and CEO), Joseph Augustin L. Tanco (Vice President, Investor Relations), Yolanda M. Bautista (Treasurer and CFO) Paolo Martin O. Bautista (Vice President/Chief Investment Officer and Chief Risk Officer) and Atty. Arsenio Cabrera Jr. (Corporate Secretary).

- (3) There are no actions to be taken with regard to any bonus, profit sharing, or other compensation plan, contract or arrangement in which any director, nominee for election as a director, or executive officer of the Parent Company will participate.
- (4) There are no actions to be taken with regard to any pension or retirement plan in which any such person will participate.
- (5) There are no actions to be taken with regard to the granting or extension to any such person of any option, warrant or right to purchase any securities.

Item 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(1) Security Ownership of Certain Record and Beneficial Owners and Management

(a) Security Ownership of Certain Record/Beneficial Owners as of June 30, 2024

As of June 30, 2024, the following stockholders are the only owners of more than 5% of the Parent Company's voting capital stock, whether directly or indirectly, as record owner or beneficial owner:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record owner	Citizenship	No. of Shares Held	Percent
Common	PCD Nominee Corporation 37/F Tower I, Enterprise Center, 6766 Ayala Avenue cor. Paseo de Roxas, Makati City		Filipino	3,257,045,406 ²	32.88 %
Common	Mr. Eusebio H. Tanco (Chairman of the Board) (Direct and Indirect shares through PCD Nominee Corporation) 543 Fordham Street, Wack-Wack Village, Mandaluyong City	Mr. Eusebio H. Tanco	Filipino (Direct) (Indirect-thru PCD Filipino) Total	1,253,666,793 398,508,651 ----- 1,652,175,444 =====	12.66% 4.02% ----- 16.68% =====
Common	Prudent Resources, Inc. 7/F STI Holdings Center, 6764 Ayala Avenue, Makati City	Mr. Eusebio H. Tanco, the Chairman and President of Prudent Resources, Inc. is authorized to vote its shares in the Company.	Filipino (Direct) (Indirect-thru PCD Filipino) Total	1,614,264,964 6,820,085 ----- 1,621,085,049 =====	16.30% .06% ----- 16.36% =====
Common	PCD Nominee 37/F Tower I, Enterprise Center, 6766 Ayala Avenue cor. Paseo de Roxas, Makati City		Non-Filipino	838,895,475	8.47%

² Eusebio H. Tanco is the beneficial owner of 398,508,651 shares. Prudent Resources, Inc. is the beneficial owner of 6,820,085 shares. Biolim Holdings and Management Corp. (Formerly: Rescom Developers, Inc.) is the beneficial owner of 18,282,861 shares. STI Education Services Group, Inc. is the beneficial owner of 102,524,000 shares. Tantivy Holdings, Inc. (Formerly: Insurance Builders, Inc.) is the beneficial owner of 3,000,000 shares

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record owner	Citizenship	No. of Shares Held	Percent
Common	Biolim Holdings and Management Corp. (formerly Rescom Developers, Inc.) 7/F STI Holdings Center, 6764 Ayala Avenue, Makati City	Mr. Eusebio H. Tanco, the President of Biolim Holdings and Management Corp. (formerly Rescom Developers, Inc.) is authorized to vote its shares in the Company.	Filipino (Direct)	794,343,934	8.02%
			(Indirect-thru PCD Filipino)	18,282,861	0.18%
			Total	812,626,795	8.20%
Common	Eujo Philippines, Inc. (Direct and Indirect shares through PCD Nominee Corporation) 7/F STI Holdings Center, 6764 Ayala Avenue, Makati City	Mr. Eusebio H. Tanco, the President of Eujo Philippines, Inc. is authorized to vote its shares in the Company.	Filipino	806,157,130	8.14%
Common	Tantivy Holdings, Inc. (Formerly, Insurance Builders, Inc.) (Direct and Indirect shares through PCD Nominee Corporation) 7/F STI Holdings Center, 6764 Ayala Avenue, Makati City	Mr. Eusebio H. Tanco, the President of Tantivy Holdings, Inc. (Formerly, Insurance Builders, Inc.) is authorized to vote its shares in the Company.	Filipino (Direct)	626,776,992	6.33%
			(Indirect-thru PCD Filipino)	3,000,000	0.03%
			Total	629,776,992	6.36%
Common	STI Education Services Group, Inc. STI Academic Center Ortigas-Cainta, Ortigas Avenue Extension, Cainta, 1900 Rizal	Mr. Monico V. Jacob, the President of STI, is authorized to vote the shares of STI ESG in the Company	Filipino (Direct)	397,908,895	4.02%
			(Indirect-thru PCD Filipino)	102,524,000	1.03%
			Total	500,432,895	5.05%

Note: PCD Nominee Corporation is a wholly owned subsidiary of the Philippine Central Depository, Inc. (PCD), and is the registered owner of the shares in the records of the Parent Company's transfer agent. The participants of the PCD (with respect to securities in the principal accounts) or the clients of such participants (with respect to securities in the participants' client accounts) are, as far as the PCD and PCD Nominee Corporation are concerned, the presumed beneficial owners of such lodged shares. PCD Nominee Corporation merely holds legal title (and not beneficial title) to the Parent Company's lodged shares to facilitate the book-entry trading and settlement of the Parent Company's shares. Except as disclosed above, no natural person or juridical entity whose shares are lodged in the name of PCD Nominee Corporation is known to the Parent Company to be directly or indirectly the record or beneficial owner of more than five percent (5%) of the Parent Company's voting securities.

(b) Security Ownership of Management as of June 30, 2024

The following table sets forth as of June 30, 2024 the beneficial ownership of each director and executive officer of the Parent Company:

Title of Class	Name of Beneficial Owner	Amount & Nature of Beneficial Ownership		Citizenship	Percent of Class
Common	Eusebio H. Tanco (Director and Chairman of the Board)	1,253,666,793 398,508,651 ----- 1,652,175,444 =====	Direct Indirect - thru PCD Total	Filipino	12.66% 4.02% ----- 16.68% =====
Common	Monico V. Jacob (Director, President and CEO)	1 33,784,056 ----- 33,784,057 =====	Direct Indirect - thru PCD Total	Filipino	0.00% 0.34% ----- 0.34% =====
Common	Maria. Vanessa Rose L. Tanco (Director)	1 28,818,000 ----- 28,818,001 =====	Direct Indirect - thru PCD Total	Filipino	0.00% 0.29% ----- 0.29% =====
Common	Yolanda M. Bautista (Treasurer & Chief Finance Officer)	1 5,000,000 ----- 5,000,001 =====	Direct Indirect - thru PCD Total	Filipino	0.00% 0.05% ----- 0.05% =====
Common	Arsenio C. Cabrera, Jr. (Corporate Secretary)	6,500,000	Indirect - thru PCD	Filipino	0.07%
Common	Joseph Augustin L. Tanco (Director and VP for Investor Relations)	1 2,500,000 ----- 2,500,001 =====	Direct Indirect - thru PCD Total	Filipino	0.00% 0.03% ----- 0.03% =====
Common	Paolo Martin Bautista (Director and Chief Investment Officer and Chief Risk Officer)	4,000,000	Indirect - thru PCD	Filipino	0.04%
Common	Martin K. Tanco (Director)	114,491,907	Indirect - thru PCD	Filipino	1.16%
Common	Jesli A. Lapus (Non-Executive Director)	6,000,000	Indirect - thru PCD	Filipino	0.06%
Common	Robert G. Vergara (Independent Director)	1,000	Direct	Filipino	0.00%
Common	Ma. Leonora V. De Jesus (Independent Director)	1,000	Direct	Filipino	0.00%
Common	Raymond Anthony N. Alimurung (Independent Director)	1,000	Direct	Filipino	0.00%
Common	Justice Antonio T. Carpio (Independent Director)	10,000	Direct	Filipino	0.00%
Common	Directors and Officers as a Group	1,853,282,411	Direct and Indirect	Filipino	18.71%

(c) Voting Trust Holders of 5% or More

As of June 30, 2024, no person holds at least 5% or more of a class under a voting trust or similar agreement.

(d) Changes in Control

There is no change of control in the Parent Company since April 1, 2014

Item 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (a) enterprises or individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Parent Company; (b) associates; and (c) enterprises or individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the company, key management personnel, including directors and officers of the Group and close members of the family of any such enterprise or individual.

The Parent Company has the following major transactions with related parties:

Consultancy Agreement with STI ESG

The Parent Company entered into an agreement with STI ESG on the rendering of advisory services starting January 1, 2013.

Consultancy Agreement with STI WNU

The Parent Company entered into an agreement with STI WNU on the rendering of advisory services starting January 1, 2015.

Service Level Agreement with Comm & Sense

On March 7, 2018, a Service Level Agreement between the Parent Company and Comm & Sense, Inc. owned by Mr. Joseph Augustin L. Tanco, Director and Vice President for Investor Relations of STI Holdings, was executed. Comm & Sense is in charge of the conceptualization and execution of press releases for the Parent Company's 17-A and 17-Q reports during each fiscal year. Comm & Sense shall provide strategic public relations consultation services, media networking and monitoring and editorial/creative services to the Parent Company.

AHC

The Parent Company became a stockholder owning 40% of AHC in November 2014 following the SEC approval of the increase in the authorized capital stock of AHC. In February 2015, STI Holdings acquired the remaining 60% ownership of AHC from various individuals making it a 100% owned subsidiary.

AHC is a holding company which is a party to the Joint Venture Agreement and Shareholders' Agreement (the "Agreements") among Philippine Women's University (PWU), Unlad Resources Development Corporation (Unlad) and the Benitez Group. Under the Agreements, AHC is set to own up to 20% of Unlad. AHC is also a party to the Omnibus Agreement it executed with STI Holdings and Unlad.

On March 1, 2016, AHC executed a Deed of Assignment wherein AHC assigned to STI Holdings its loan to Unlad, including capitalized foreclosure expenses, amounting to ₱66.7 million for a cash consideration of ₱73.8 million.

Advisory Agreement with iACADEMY

The Parent Company entered into an agreement with iACADEMY on the rendering of advisory services starting January 1, 2019.

To date, there are no complaints received by the Parent Company regarding related-party transactions.

For further details, refer to Note 31, Related Party Transactions, of the Audited Consolidated Financial Statements.

Transactions with Promoters

There are no transactions with promoters within the past five (5) years.

PART IV - CORPORATE GOVERNANCE

Item 13. CORPORATE GOVERNANCE

STI Holdings filed the latest version of its Manual on Corporate Governance with the Securities and Exchange Commission (SEC) on May 31, 2017 (the “Revised Manual”).

STI Holdings strives to fully comply with the best practices and principles of good corporate governance contained in the Revised Manual.

STI Holdings annually assesses its compliance with the SEC Code of Corporate Governance for Publicly Listed Companies and the Revised Manual through the Integrated Annual Corporate Governance Reports (the “iACGR Reports”) that are submitted to the SEC. Moreover, the Board of Directors of STI Holdings also completes annual Board performance self-assessments. The results of these Board performance self assessments are submitted to the Compliance Officer who prepares and files the iACGR Reports.

On January 27, 2020, STI Holdings submitted to the SEC, a duly notarized Certification issued by the Compliance Officer, stating that it had substantially adopted all the provisions of the Revised Code of Corporate Governance, as prescribed by SEC Memorandum Circular No. 9, Series of 2014, as amended.

The 2023 Integrated Annual Corporate Governance Report of STI Holdings was submitted to the SEC and PSE on May 28, 2024 and posted on the Parent Company’s Official Website <http://www.stiholdings.com> on May 29, 2024.

There have been no deviations from the Revised Manual.

STI Holdings ensures that it has at least two (2) independent directors or such number of independent directors that constitutes twenty percent (20%) of the total number of directors on its Board of Directors, whichever is higher but in no case less than two (2) independent directors. There are four (4) incumbent independent directors on the Board of Directors of STI Holdings.

The Parent Company is exerting all efforts to further strengthen compliance to principles and practices of good corporate governance. Once in a year, it organizes an in-house corporate governance seminar for all the directors and key officers of STI Holdings and its subsidiaries and affiliate companies.

The Parent Company's Board of Directors and Management, employees, and Stockholders, believe that corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness within the organization.

The purpose of the Parent Company is to maximize the organization's long-term success, creating sustainable value for its stockholders, stakeholders, and the nation.

Item 14. SUSTAINABILITY REPORT

The Parent Company's 2024 Sustainability Report is hereby attached in pursuance to SEC Memorandum Circular No. 4, Series of 2019.

PART V - EXHIBITS AND SCHEDULES

Item 15. EXHIBITS AND REPORTS ON SEC FORM 17 - C

- (a) Exhibits - See accompanying Index to the Supplementary Schedules
- (b) Reports on SEC Form 17 - C (from July 2023 - June 2024)
 - 1. Item 9 Other Events filed with the SEC on 8 November 2023

STI Holdings doubles net income to ₱874 M

MANILA – STI Holdings, one of the biggest networks of private schools in the Philippines, has announced a net income of ₱873.8 million for the fiscal year 2023, more than doubling the previous year's figure of ₱416.2 million.

In its annual disclosure to the Philippine Stock Exchange, the company said the 110% increase in net income for the year ended June 30, 2023 was the result of the robust increase in enrollment in School Year (SY) 2022-2023.

STI Holdings registered a total of 94,312 students for SY 2022-2023, a 14% or 11,683 student increase from the 82,629 enrollees in SY 2021-2022. Additionally, there was a 17% rise in new student enrollment, with 41,565 students joining in SY 2022-2023 compared to 35,566 the previous year.

STI ESG's owned and franchised schools saw an influx of 81,697 students, a 12% increment from the previous year. iACADEMY and STI WNU also achieved enrollment growths of 4% and 35%, respectively.

Moreover, enrollees in programs regulated by the Commission on Higher Education (CHED) constituted 70% of the total student population in SY 2022-2023, up from 68% in SY 2021-2022.

Revenues from tuition and other school fees surged by ₱636.6 million due to the impressive enrollment growth. By the end of June 30, 2023, the tuition income stood at ₱3.1 billion, reflecting a rise from ₱2.4 billion in the same period the previous year.

STI Holdings' consolidated total assets as at June 30, 2023 amounted to ₱15.1 billion compared to ₱14.6 billion as at June 30, 2022. Current assets grew by ₱360 million, from ₱3.4 billion to ₱3.8 billion.

The overall increase in consolidated total assets is the result of another school year of strong operations.

Furthermore, the company's consolidated gross revenues rose by 27% to reach ₱3.4 billion for the year ended June 30, 2023, a significant growth from the ₱2.7 billion recorded in 2022.

STI Holdings' financial year, consistent with its academic calendar, begins on July 1 and concludes on June 30 of the following year.

The company continues its mission to provide quality education, with institutions under its network prioritizing investments in faculty development and innovative solutions for enhanced student learning experiences.

In its report, STI Holdings highlighted that its faculty members regularly undergo competency-based certifications and training programs. These are designed to ensure that educators are adept in their subject matter and can effectively deliver daily lessons.

With the challenges posed by the pandemic, the training programs transitioned online during SYs 2020-2021 and 2021-2022. However, starting SY 2022-2023, the Group adopted a combination of in-person and online training.

STI ESG and STI WNU have also adapted to the changing educational landscape by implementing flexible learning modalities.

iACADEMY also introduced the Hyflex Learning Format for tertiary students in SY 2022-2023. This approach seamlessly integrates face-to-face and online learning, offering synchronous and asynchronous sessions. It also provides students with the flexibility to choose their preferred mode of participation.

For Senior High School, iACADEMY adopted a Hybrid setup, allowing a mix of onsite and online classes. The institution utilizes Microsoft Teams for online delivery and eLMS as a platform for learning materials, assessments, and grading.

2. Item 9 Other Events filed with the SEC on 9 November 2023

The Annual Stockholders' Meeting of the Corporation shall be on 21 December 2023 at 3:00 P.M. via remote communication through Microsoft Teams. Furthermore, the Corporation's stockholders of record as of 24 November 2023 shall be entitled to notice of and to vote at the Annual Stockholders' Meeting.

The last day to submit nominations for the Board of Directors of the Corporation is on 13 November 2023. 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.

3. Item 9 Other Events filed with the SEC on 14 November 2023

During the 14 November 2023 meeting of the Corporate Governance Committee of the Corporation, the following individuals were pre-screened and determined to possess the qualifications required and none of the disqualifications provided for by law, relevant rules and regulations and the Company's Manual on Corporate Governance to become members of the Company's Board of Directors:

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

Independent Directors:

8. Robert G. Vergara
9. Ma. Leonora Vasquez-De Jesus
10. Raymond Anthony N. Alimurung
11. Justice Antonio T. Carpio (Ret.)

4. Item 9 Other Events filed with the SEC on 24 November 2023

STI Holdings posts ₱651 million in revenues as enrollment breaches six-digit mark

MANILA - STI Holdings, owner of the largest network of private schools in the Philippines, sustained its gains for the first quarter of its fiscal year as it generated ₱650.6 million in gross revenues for the three-month period ended September 30, 2023.

The amount is ₱150.2 million - or about 30% - higher than the ₱500.4 million it posted during the same period last year, the company said in its quarterly disclosure to the Philippine Stock Exchange.

STI Holdings also posted ₱19.8 million in net income for the said three-month period. The amount represents a significant bounceback for the company as it reported a loss of ₱47.6 million during the same period last year.

In its recent annual report, the company earlier said it registered a net income of ₱873.8 million for the fiscal year 2022-2023, more than doubling the previous year's figure of ₱416.2 million.

"The increase was primarily driven by the 27% increase in the total number of students of the Group for SY (School Year) 2023-2024. Gross profit likewise increased by ₱108.5 million or 40% year-on-year," it said.

Enrollment in the schools breached the six-digit mark as the number of students for SY 2023-2024 reached almost 120,000 compared to 94,312 enrollees in SY 2022-2023.

The total count of new students for the current academic year reached 55,982, marking a 35% growth from 41,565 new students in the previous school year.

Enrollment in programs regulated by the Commission on Higher Education registered an impressive 25% increase to more than 83,000 students compared to enrollees in SY 2022-2023 of over 66,000.

A total of 103,982 of the entire student population of 119,543 enrolled in schools operated by the STI Education Services Group. The rest were students of iACADEMY and STI WNU.

Total assets as of September 30, 2023, amounted to ₱16.7 billion, which is 11%, or ₱1.6 billion, higher than the ₱15.1 billion balance as of June 30, 2023. The increase was driven by the ₱1.2 billion increase in receivables and the ₱341.7 million increase in cash and cash equivalents.

STI Holdings' financial year, consistent with its academic calendar, begins on July 1 and concludes on June 30 of the following year.

5. **Item 9 Other Events filed with the SEC on 21 December 2023**

During the meeting of the Board of Directors of the Corporation held on 21 December 2023, the Board approved the declaration of cash dividends in the amount of Php0.030 per share or an aggregate amount of Two Hundred Ninety Seven Million One Hundred Forty Four Thousand Two Hundred Seven Pesos and Seventy Two Centavos (Php297,144,207.72) (the "Cash Dividends") from the unrestricted retained earnings of the Corporation as of 30 June 2023 based on the Parent Company Audited Financial Statements as of 30 June 2023.

The Cash Dividends are payable to stockholders of record as of 10 January 2024 and shall be payable on 31 January 2024, upon compliance with all necessary regulations.

6. **Items 4 and 9 Resignation, Removal or Election of Registrant's Directors or Officers and Other Events filed with the SEC on 21 December 2023**

Item 4 Resignation, Removal or Election of Registrant's Directors or Officers and Other Events

a) Election of Directors

During the Annual Stockholders' Meeting of STI Education Systems Holdings, Inc. (the "Company") held on 21 December 2023, the stockholders elected the following Directors of the Corporation 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. Maria Vanessa Rose L. Tanco
4. Joseph Augustin Eusebio L. Tanco
5. Martin K. Tanco
6. Paolo Martin O. Bautista
7. Jesli A. Lapus

Independent Directors:

8. Robert G. Vergara
9. Ma. Leonora Vasquez-De Jesus
10. Raymond Anthony N. Alimurung
11. Justice Antonio T. Carpio (Ret.)

b) Election of Officers, Committee Heads and Members

During the Organizational Meeting of the Board of Directors immediately succeeding the stockholders' meeting, the following were elected officers of the Corporation to serve as such for the ensuing year and until the election and qualification of their successors:

Eusebio H. Tanco	:	Chairman
Monico V. Jacob	:	President & Chief Executive Officer
Yolanda M. Bautista	:	Treasurer & Chief Financial Officer
Joseph Augustin Eusebio L. Tanco	:	Vice President for Investor Relations
Paolo Martin O. Bautista	:	Vice President/Chief Investment Officer/ Chief Risk Officer
Wilfred S. Racadio	:	Chief Audit Executive
Robert G. Vergara	:	Lead Independent Director
Cyril S. Cunanan	:	Compliance Officer
Juan Luis Fausto B. Tubongbanua	:	Data Protection Officer
Arsenio C. Cabrera, Jr.	:	Corporate Secretary/ Corporate Information Officer
Anna Carmina S. Herrera	:	Assistant Corporate Secretary

Executive Committee

Chairman	:	Eusebio H. Tanco
Members	:	Monico V. Jacob Yolanda M. Bautista Martin K. Tanco

Audit and Risk Committee

Chairman	:	Robert G. Vergara
Members	:	Ma. Leonora Vasquez-De Jesus Raymond Anthony N. Alimurung Jesli A. Lapus Martin K. Tanco

Corporate Governance Committee

Chairman	:	Justice: Antonio T. Carpio (Ret.)
Members	:	Ma. Leonora Vasquez-De Jesus Raymond Anthony N. Alimurung

Related Party Transactions Committee

Chairman	:	Ma. Leonora Vasquez-De Jesus
Members	:	Robert G. Vergara Raymond Anthony N. Alimurung Justice Antonio T. Carpio (Ret.) Jesli A. Lapus

Item 9 Other Events

a) Appointment of External Auditor

The stockholders appointed Sycip Gorres Velayo & Co. as the Corporation's external auditor for the fiscal year ending 30 June 2024.

7. Item 9 Other Events filed with the SEC on 2 filed with the SEC on 19 February 2024

STI Holdings posts 132% increase in net income for first half of financial year

MANILA – STI Holdings, owner of the largest network of private schools in the Philippines, sustains its gains from impressive enrollment numbers as it reported a net income after tax of ₱517.8 million for the six-month period ended December 31, 2023, which is 132% higher than the figures it posted during the same period in the previous year.

In a disclosure filed Wednesday with the Philippine Stock Exchange, STI Holdings also said that the company's earnings before interest, taxes, depreciation, and amortization (EBITDA) for the same six-month period drew nearer the billion mark at ₱934.6 million. This represents an increase of ₱327.4 million from ₱607.2 million registered during the same period in 2022.

The company's gross revenues surged to nearly ₱2 billion, higher by 36% or ₱520.0 million from the same period last year of ₱1.4 billion.

According to STI Holdings, the impressive financial results were mainly driven by the rise in overall student enrollment.

The company earlier said enrollment in the schools breached the six-digit mark as the number of students for School Year (SY) 2023-2024 reached almost 120,000 compared to 94,312 enrollees in SY 2022-2023, representing an increase of 27%.

Enrollment in programs regulated by the Commission on Higher Education registered an impressive 25% increase to more than 83,000 students compared to enrollees in SY 2022-2023 of over 66,000.

A total of 103,982 of the entire student population of 119,543 enrolled in schools operated by the STI Education Services Group. The rest were students of iACADEMY and STI WNU.

STI Holdings' financial year is consistent with its academic calendar which begins on July 1 and concludes on June 30 of the following year.

For the three-month period ended December 31, 2023, representing the second quarter of its financial year, STI Holdings said it generated gross revenues of ₱1.3 billion, which were higher by 39% or ₱369.7 million from the same period of ₱938.5 million posted from the previous year.

The company also recorded a net income after tax of ₱498.1 million this quarter, almost double the ₱271.0 million recorded for the three-month period ended December 31, 2022.

8. Item 9 Other Events filed with the SEC on 2 filed with the SEC on 27 February 2024

Please be advised that, in a meeting of the Board of Directors of STI Education Systems Holdings, Inc. (the “Company”) held today, 27 February 2024, the Board ratified the execution of a Term Sheet between the Company and Philippine School of Business Administration (“PSBA Manila”) and Philippine School of Business Administration, Inc.-Quezon City (“PSBA Quezon City”) (PSBA Manila and PSBA Quezon City are collectively referred to as “PSBA”). The Term Sheet covers the takeover by the Company of the operations of PSBA as well as the acquisition of licenses, trademarks, trade names and school-related assets owned by PSBA (the “Transaction”).

The Term Sheet and the implementation of the Transaction are subject to several conditions including the execution of mutually acceptable definitive agreements, the fulfillment of conditions precedent, the approval of the stockholders of PSBA and regulatory approvals.

The Company will provide further disclosures upon the execution of the definitive agreements for the implementation of the Transaction.

9. Item 9 Other Events filed with the SEC on 2 filed with the SEC on 29 February 2024

PSBA acquisition to bolster business mindset among young Filipinos - STI Holdings

MANILA - STI Holdings, owner of the largest network of private schools in the Philippines, today said that the company’s decision to acquire the Philippine School of Business Administration (PSBA) in both Quezon City and Manila, is a strategic move aimed at bolstering business and entrepreneurship education in the country.

STI Holdings disclosed last Tuesday to the Philippine Stock Exchange (PSE) that its board has given the green light to a term sheet for the takeover of PSBA, which includes operations of the 61-year-old school, as well as the acquisition of licenses, trademarks, trade names and school-related assets owned by PSBA.

The decision comes in response to a noticeable shift in sentiment among Filipino Gen Zs, with an increasing number expressing a preference for entrepreneurship over traditional corporate career paths, according to STI Holdings President Monico V. Jacob.

“We are now seeing how the landscape of employment evolves. It makes sense that education must evolve as well. The acquisition is a significant step in this direction for the company,” he said.

This inclination towards entrepreneurship among the younger generation is corroborated by a study conducted by PhilCare, a leading HMO and affiliate of STI Holdings, which revealed a strong desire among Filipino GenZs, millennials, and Gen Xers to venture into business.

The PhilCare study said Filipino Gen Z individuals displayed a clear preference for entrepreneurship, as evidenced by their strong inclination towards starting their own businesses. This was closely followed by a desire for flexible work arrangements over rigid schedules; a preference for multiple part-time positions, or what they call “gigs”; and a penchant for independent work rather than collaborative environments.

A separate survey, also commissioned by PhilCare, underscored this trend even among other Filipinos, revealing that a significant 53 percent of respondents from both the

millennial and Gen X demographics expressed a strong preference for entrepreneurship over traditional employment.

Jaeger Tanco, President of PhilCare and Vice President for Investor Relations at STI Holdings, emphasized that this trend underscores the importance of the education sector adapting to meet evolving demands, with entrepreneurship offering significant potential for economic growth and job creation.

“Our studies show that for many young Filipinos, entrepreneurship is not just a college course or a subject; it has become a mindset. Institutions must reimagine their role in shaping the future workforce. It's no longer enough to impart knowledge; we must also nurture this entrepreneurial spirit through hands-on experiences, mentorship programs, and real-world challenges,” he said.

Founded in 1963, PSBA has evolved into one of the country's premier business schools, offering a range of undergraduate and graduate programs, including Accountancy, Business Administration, and specialized MBA programs.

STI Holdings owns three major institutions in the education sector: STI Education Services Group, STI West Negros University, and iACADEMY, offering a diverse array of programs from ICT to business and design.

The acquisition of PSBA by STI Holdings, subject to regulatory approvals and final agreements, marks a significant expansion in the educational portfolio of the company, aligning with its commitment to provide quality education and meet the evolving needs of the workforce.

Recent financial disclosures from STI Holdings reveal robust growth, with a net income after tax of ₱517.8 million for the six-month period ended December 31, 2023, representing a remarkable 132% increase from the previous year.

The surge in enrollment numbers, surpassing the six-digit mark for the 2023-2024 academic year, has been a key driver of this financial success, indicating strong demand for educational offerings provided by STI Holdings.

10. Item 9 Other Events filed with the SEC on 2 filed with the SEC on 2 May 2024

In connection with developments regarding the transactions by and among STI Education Systems Holdings, Inc. (the “Company”), Philippine School of Business Administration (“PSBA Manila”) and Philippine School of Business Administration, Inc.- Quezon City (“PSBA Quezon City”) (PSBA Manila and PSBA Quezon City are collectively referred to as “PSBA”) involving the following: (a) the acquisition by the Company or its affiliates, assignees or successors-in-interest of a 3,000 square meter parcel of land located at Aurora Boulevard, Quezon City which forms part of the properties owned by PSBA Manila (the “Subject Property”); (b) the acquisition by the Company or its affiliates, assignees or successors-in-interest of the tangible and intangible assets of PSBA (collectively, the “School Related Assets”) used or relating to the operation by PSBA of its schools located in Manila and Quezon City (collectively, the “PSBA Schools”); and (c) the grant by PSBA of a right of first refusal over the properties owned by PSBA Manila located in Manila (the “PSBA Manila Property”) and Quezon City, net of the Subject Property (the “Remaining PSBA Quezon City Properties”).

On 2 May 2024, STI Education Services Group, Inc. (“STI ESG”), a wholly owned subsidiary of the Company, entered into a Contract to Sell with PSBA Manila for the sale and purchase

of the Subject Property. The purchase price for the Subject Property is less than ten percent (10%) of the total assets of the Company. The sale and purchase of the Subject Property is subject to regulatory approvals and the fulfillment of certain conditions precedent. Subject to regulatory approvals and upon fulfillment of such conditions precedent, STI ESG and PSBA Manila shall execute a Deed of Absolute Sale over the Subject Property.

On 2 May 2024, STI College of Novaliches, Inc. (“STI Novaliches”), an affiliate of the Company, entered into an Asset Purchase Agreement with PSBA for the acquisition by STI Novaliches of the School Related Assets. The purchase price for the School Related Assets is less than ten percent (10%) of the total assets of the Company. The sale and purchase of the School Related Assets is subject to regulatory approvals and the fulfillment of certain conditions. Subject to regulatory approvals and the fulfillment of certain conditions, STI Novaliches and PSBA shall execute Deeds of Assignment for the sale and purchase of the School Related Assets.

On 2 May 2024, the Company entered into a Right of First Refusal Agreement with PSBA Manila. Pursuant to the Right of First Refusal Agreement, PSBA Manila granted the Company a right of first refusal over the PSBA Manila Property and the Remaining PSBA Quezon City Properties for a period of three (3) years counted from 1 June 2024.

The Company will provide further disclosures upon the execution of other agreements relating to its transactions with PSBA.

11. Item 9 Other Events filed with the SEC on 2 filed with the SEC on 21 May 2024

STI Holdings nine-month income breaches ₱1-billion mark

MANILA – Riding on the impressive enrollment numbers it generated in the current academic year, STI Holdings, owner of the largest network of private schools in the Philippines, reported a net income of ₱1.1 billion for the nine-month period, which ended March 31, 2024.

The amount represents a 93% increase in profits compared to the ₱579.3 million in net income the company posted during the same period last year, STI Holdings said in a disclosure sent to the Philippine Stock Exchange last Wednesday.

The company also said it earned gross revenues of almost ₱3.4 billion for the same nine-month period ended March 31, 2024, which is 38% higher compared to the ₱2.4 billion in revenues it generated during the same period in the previous year.

Gross profit for said nine-month period amounted to ₱2.4 billion, which is also a significant increase from the ₱1.6 billion STI Holdings gained for the same period last year. Gross profit margin also increased from 68% to 70% year on year.

“The increase was primarily driven by the 27% increase in the total number of students of the Group for SY 2023-2024,” STI Holdings said.

Education institutions under STI Holdings are composed mostly of STI-branded schools being operated by the STI Education Services Group, Inc. STI ESG has a network of 63 operating schools, comprising 60 colleges and three education centers.

Other schools belonging to STI Holdings are STI WNU in Bacolod City and iACADEMY.

STI Holdings earlier said enrollment in their schools for School Year (SY) 2023-2024 reached almost 120,000 compared to 94,312 enrollees in SY 2022-2023, representing an increase of 27 %.

Enrollment in programs regulated by the Commission on Higher Education increased by an impressive 25% to more than 83,000 students, compared to over 66,000 enrollees in SY 2022-2023.

STI Holdings' financial year is consistent with its academic calendar, which begins on July 1 and concludes on June 30 of the following year.

For the three months ended March 31, 2024, representing the third quarter of its financial year, STI Holdings reported gross revenues of ₱1.4 billion, higher by 42% than the ₱982.2 million it posted from the same period in the previous year.

Net income for the said three-month period was also strong at ₱600.3 million, which is 69 % higher than the ₱355.9 million the company earned in the same period last year.

SIGNATURES

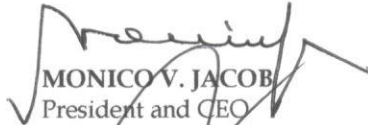
Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code, this report is signed on behalf of the registrant by the undersigned, thereunto duly authorized in the City of Makati on OCT 15 2024.

STI EDUCATION SYSTEMS HOLDINGS, INC.

By:


EUSEBIO H. TANCO
Chairman of the Board


YOLANDA M. BAUTISTA
Treasurer


MONICO V. JACOB
President and CEO

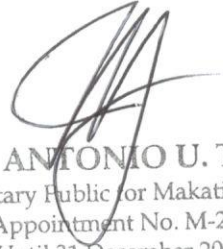

ARSENIO C. CABRERA, JR.
Corporate Secretary

OCT 15 2024

SUBSCRIBED AND SWORN to before me this _____, affiants exhibiting to me their respective Passport or SSS Numbers, as follows:

<u>Names</u>	<u>CTC/Passport/SSS Numbers</u>	<u>Date and Place of Issuance</u>
Eusebio H. Tanco	Passport No. P0992946B	11 March 2019, DFA Manila, Philippines
Monico V. Jacob	Passport No. P6179864B	26 January 2021, DFA Manila, Philippines
Yolanda M. Bautista	SSS No. 03-2678038-9	
Arsenio C. Cabrera, Jr.	Passport No. P6534927B	23 March 2021, DFA NCR South, Philippines

Doc. No. 246
Page No. 31
Book No. II
Series of 2024


MIGUEL ANTONIO U. TENSUAN
Notary Public for Makati City
Appointment No. M-213
Until 31 December 2025
5/F SGV II Building,
6758 Ayala Avenue, Makati City
Roll of Attorneys No. 87628
PTR No. 10074462 / Makati / 02 January 2024
IBP No. 470792 / Makati / 08 October 2024



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of **STI Education Systems Holdings, Inc. and subsidiaries (the Group)** is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, as at June 30, 2024 and 2023 and for the years ended June 30, 2024, 2023, and 2022, in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.


In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements, including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with the Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.


EUSEBIO H. TANCO
Chairman of the Board


MONICO V. JACOB
President and Chief Executive Officer


YOLANDA M. BAUTISTA
Treasurer and Chief Financial Officer

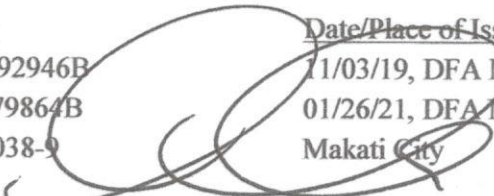
Signed this 25 OCT 2024 day of October 2024

REPUBLIC OF THE PHILIPPINES
(CITY OF MAKATI CITY) S.S.

SUBSCRIBED AND SWORN to me this 25 OCT 2024 day of _____, 2024 at MAKATI CITY City. Affiants exhibited to me their respective Passport/SSS Numbers as follows:

Name	Number	Date/Place of Issuance
Eusebio H. Tanco	Passport No. PO992946B	11/03/19, DFA Manila
Monico V. Jacob	Passport No. P6179864B	01/26/21, DFA NCR East
Yolanda M. Bautista	SSS No. 03-2678038-9	Makati City

Doc/ No. 267
Page No. 55
Book No. L
Series of 2024


MA. ESMERALDA R. CUNANAN
Notary Public for and in Makati City
Until December 31, 2025
Appt. No. M-013 (2024-2025) Makati City
Attorney's Roll No. 34562
MCLE Compliance No. VII-0004055/valid until 4-14-2025
PTR No. 10074031/1-2-2024/Makati City
IBP Lifetime Member No. 05413
G/F Dela Rosa Carpark 1, Dela Rosa St.
Legaspi Village, Makati City

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0	0	0	0	0	0	0	0	1	7	4	6
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COMPANY NAME

S	T	I	E	D	U	C	A	T	I	O	N	S	Y	S	T	E	M	S	H	O	L	D	I	N	G	S	
I	N	C	.	A	N	D	S	U	B	S	I	D	I	A	R	I	E	S									

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

7	t	h	F	l	o	o	r	,	S	T	I	H	o	l	d	i	n	g	s	C	e	n	t	e	r
,	6	7	6	4	A	y	a	l	a	A	v	e	n	u	e	,	M	a	k	a	t	i	C	i	
t	y	1	2	2	6																				

Form Type
1 7 - A

Department requiring the report
C R M D

Secondary License Type, If Applicable
N A

COMPANY INFORMATION

Company's Email Address info@stiholdings.com.ph	Company's Telephone Number (632) 8844 9553	Mobile Number N/A
No. of Stockholders 1,264	Annual Meeting (Month / Day) Third Friday of November	Fiscal Year (Month / Day) June 30

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person Arsenio C. Cabrera, Jr.	Email Address accabrera@htc-law.com.ph	Telephone Number/s (632) 8813-7111	Mobile Number -
--	--	--	---------------------------

CONTACT PERSON'S ADDRESS

5/F SGV-II BUILDING, 6758 AYALA AVENUE, MAKATI CITY

NOTE 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies



INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
STI Education Systems Holdings, Inc.
7th Floor, STI Holdings Center
6764 Ayala Avenue
Makati City

Opinion

We have audited the consolidated financial statements of STI Education Systems Holdings, Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at June 30, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended June 30, 2024 and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended June 30, 2024, in accordance with Philippine Financial Reporting Standards (PFRSS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



Adequacy of Allowance for Expected Credit Losses on Receivables

The Group's application of the expected credit loss (ECL) model in calculating the allowance for doubtful accounts is significant to our audit as it involves the exercise of significant management judgment. Key areas of judgment include: segmenting the Group's credit risk exposures, defining default, determining assumptions to be used in the ECL model such as timing and amounts of expected net recoveries from defaulted accounts and incorporating forward-looking information (called overlays) in calculating ECL. The Group's allowance for ECL and provision for ECL on receivables as of and for the year ended June 30, 2024 amounted to ₱227.4 million and ₱30.5 million, respectively.

The disclosures on allowance for expected credit losses are included in Notes 4 and 6 to the consolidated financial statements.

Audit response

We obtained an understanding of the methodologies and models used for the Group's different credit exposures and assessed whether these considered the requirements of PFRS 9, *Financial Instruments*, to reflect an unbiased and probability-weighted outcome, the time value of money, and the best available forward-looking information.

We (a) assessed the Group's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) tested the definition of default against historical analysis of accounts and credit risk management policies and practices in place; (c) tested historical loss rates by inspecting historical recoveries and write-offs; (d) checked the classification of outstanding exposures to their corresponding aging buckets; and (e) evaluated the forward-looking information used for overlay through statistical test and corroboration using publicly available information and our understanding of the Group's receivable portfolios.

Further, we checked the data used in the ECL models, such as the historical aging analysis and default and recovery data, by reconciling data from source system reports to the loss allowance analysis/models and financial reporting systems. To the extent that the loss allowance analysis is based on credit exposures that have been disaggregated into subsets with similar risk characteristics, we traced or re-performed the disaggregation from source systems to the loss allowance analysis.

We recalculated impairment provisions on a sample basis. We reviewed the disclosures made in the consolidated financial statements based on the requirements of PFRS 9.

Recoverability of Goodwill

Under PFRS, the Group is required to annually test the amount of goodwill for impairment. As at June 30, 2024, the Group's goodwill attributable to each of the Group's cash-generating units (CGUs) that are expected to benefit from the business combination (i.e., each school operation) amounted to ₱252.3 million, which is considered significant to the consolidated financial statements. In addition, management's assessment process requires significant judgments and is based on assumptions, specifically forecasted revenue growth, long-term growth rate and discount rate.

The Group's disclosures about goodwill are included in Notes 4 and 16 to the consolidated financial statements.



Audit response

We involved our internal specialist in evaluating the methodology and assumptions used. These assumptions include forecasted revenue growth, long-term growth rate and discount rate. We compared the key assumptions used, such as forecasted revenue growth and long-term growth rate against the historical performance of the CGUs and other relevant external data. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, specifically those that have the most significant effect on the determination of the recoverable amount of the goodwill.

Other Information

Management is responsible for the other information. The other information comprises the SEC Form 17-A for the year ended June 30, 2024 but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the SEC Form 20-IS (Definitive Information Statement) and Annual Report for the year ended June 30, 2024, which are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.



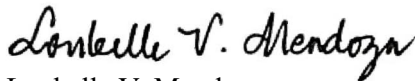
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is
Loubelle V. Mendoza.

SYCIP GORRES VELAYO & CO.



Loubelle V. Mendoza

Partner

CPA Certificate No. 115161

Tax Identification No. 301-422-247

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-145-2024, July 18, 2024, valid until July 17, 2027

PTR No. 10079978, January 6, 2024, Makati City

October 11, 2024



STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	June 30	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	₱1,855,500,909	₱1,958,767,553
Receivables (Note 6)	466,906,156	470,634,562
Inventories (Note 7)	157,140,374	129,498,300
Prepaid expenses and other current assets (Note 8)	170,794,876	192,952,697
Equity instruments at fair value through profit or loss (FVPL) (Note 9)	8,137,500	8,990,000
	2,658,479,815	2,760,843,112
Noncurrent asset held for sale (Notes 10 and 12)	1,020,728,064	1,020,728,064
Total Current Assets	3,679,207,879	3,781,571,176
Noncurrent Assets		
Property and equipment (Notes 11 and 29)	9,926,170,807	9,684,707,918
Investment properties (Note 12)	1,187,012,953	1,037,538,155
Investments in and advances to associates and joint venture (Notes 13 and 14)	21,108,679	20,749,617
Equity instruments at fair value through other comprehensive income (FVOCI) (Note 15)	76,670,624	72,061,627
Deferred tax assets - net (Notes 3 and 30)	43,029,099	50,743,290
Goodwill, intangible and other noncurrent assets (Note 16)	508,621,805	435,809,520
Total Noncurrent Assets	11,762,613,967	11,301,610,127
TOTAL ASSETS	₱15,441,821,846	₱15,083,181,303
LIABILITIES AND EQUITY		
Current Liabilities		
Current portion of bonds payable (Note 19)	₱–	₱2,175,083,335
Accounts payable and other current liabilities (Note 17)	942,427,213	773,228,468
Current portion of interest-bearing loans and borrowings (Note 18)	536,274,021	262,837,889
Unearned tuition and other school fees (Note 22)	179,614,183	141,137,203
Current portion of lease liabilities (Note 29)	86,894,606	98,513,595
Income tax payable	25,297,811	1,086,546
Total Current Liabilities	1,770,507,834	3,451,887,036
Noncurrent Liabilities		
Bonds payable (Note 19)	814,967,275	813,339,649
Interest-bearing loans and borrowings - net of current portion (Note 18)	1,549,840,391	808,707,735
Lease liabilities - net of current portion (Note 29)	403,178,658	438,246,184
Pension liabilities - net (Note 28)	129,780,991	139,799,322
Deferred tax liabilities - net (Note 30)	110,477,037	109,306,874
Other noncurrent liabilities (Note 20)	90,693,651	112,084,004
Total Noncurrent Liabilities	3,098,938,003	2,421,483,768
Total Liabilities <i>(Carried Forward)</i>	4,869,445,837	5,873,370,804



	June 30	
	2024	2023
Total Liabilities (Brought Forward)	₱4,869,445,837	₱5,873,370,804
Equity Attributable to Equity Holders of the Parent Company		
(Note 21)		
Capital stock	4,952,403,462	4,952,403,462
Additional paid-in capital	1,119,127,301	1,119,127,301
Cost of shares held by a subsidiary	(498,142,921)	(498,142,921)
Cumulative actuarial gain (Note 28)	44,378,717	5,481,945
Unrealized fair value adjustment on equity instruments at FVOCI (Note 15)	20,349,810	15,104,760
Other equity reserve	(1,686,369,660)	(1,686,369,660)
Share in associates':		
Cumulative actuarial gain (Note 13)	321,569	321,569
Unrealized fair value loss on equity instruments at FVOCI (Note 13)	(114)	(114)
Retained earnings	6,529,002,580	5,219,942,618
Total Equity Attributable to Equity Holders of the Parent Company	10,481,070,744	9,127,868,960
Equity Attributable to Non-controlling Interests (Note 21)	91,305,265	81,941,539
Total Equity	10,572,376,009	9,209,810,499
TOTAL LIABILITIES AND EQUITY	₱15,441,821,846	₱15,083,181,303

See accompanying Notes to Consolidated Financial Statements.



STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended June 30		
	2024	2023	2022
REVENUES (Note 22)			
Sale of services:			
Tuition and other school fees	₱4,302,280,455	₱3,073,613,413	₱2,436,975,046
Educational services	175,161,712	149,075,492	125,387,103
Royalty fees	17,314,956	14,736,299	12,386,738
Others	72,480,280	53,066,737	73,548,480
Sale of educational materials and supplies	133,086,265	114,976,012	29,334,526
	4,700,323,668	3,405,467,953	2,677,631,893
COSTS AND EXPENSES			
Cost of educational services (Note 24)	1,318,252,381	1,040,010,599	955,509,592
Cost of educational materials and supplies sold (Note 25)	102,702,452	90,603,824	24,171,066
General and administrative expenses (Note 26)	1,498,548,715	1,330,808,026	1,129,340,841
	2,919,503,548	2,461,422,449	2,109,021,499
INCOME BEFORE OTHER INCOME (EXPENSES)			
AND INCOME TAX	1,780,820,120	944,045,504	568,610,394
OTHER INCOME (EXPENSES)			
Interest expense (Note 18, 19, 23 and 29)	(293,301,395)	(311,019,124)	(313,339,583)
Rental income (Notes 12, 29 and 31)	197,888,955	178,082,749	71,020,655
Interest income (Notes 5, 6, 10 and 23)	57,677,714	22,595,338	38,060,878
Foreign exchange gain – net	17,257,709	2,455,311	45,835,968
Recovery of accounts written off (Note 6)	6,526,844	11,326,257	9,722,680
Dividend income (Notes 9 and 15)	2,890,090	2,495,044	1,206,828
Equity in net earnings (losses) of associates and joint venture (Note 13)	2,009,402	2,258,739	(20,242,197)
Fair value loss on equity instruments at FVPL (Note 9)	(852,500)	(620,000)	(387,500)
Gain on:			
Early extinguishment of loan (Note 18)	3,076,465	–	–
Settlement of receivables, net of provision for impairment of noncurrent asset held for sale (Notes 10 and 12)	–	–	10,832,534
Derecognition of contingent consideration (Notes 17 and 34)	–	–	25,000,000
Other income (expenses) - net (Note 29)	(574,027)	6,490,801	(9,277,015)
	(7,400,743)	(85,934,885)	(141,566,752)
INCOME BEFORE INCOME TAX			
	1,773,419,377	858,110,619	427,043,642
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 30)			
Current	160,530,048	10,017,458	4,088,974
Deferred	4,538,331	(25,741,122)	6,711,275
	165,068,379	(15,723,664)	10,800,249
NET INCOME (Carried Forward)			
	1,608,350,998	873,834,283	416,243,393



	Years Ended June 30		
	2024	2023	2022
NET INCOME <i>(Brought Forward)</i>	₱1,608,350,998	₱873,834,283	₱416,243,393
OTHER COMPREHENSIVE INCOME (LOSS)			
Items not to be reclassified to profit or loss in subsequent years:			
Remeasurement gain (loss) on pension liabilities (Note 28)	43,734,635	(18,793,451)	8,639,206
Income tax effect	(4,346,024)	1,885,573	(182,627)
Fair value change in equity instruments at FVOCI (Note 15)	5,315,161	1,872,852	1,141,043
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	44,703,772	(15,035,026)	9,597,622
TOTAL COMPREHENSIVE INCOME	₱1,653,054,770	₱858,799,257	₱425,841,015
Net Income Attributable To			
Equity holders of the Parent Company	₱1,591,191,183	₱870,268,404	₱414,028,434
Non-controlling interests	17,159,815	3,565,879	2,214,959
	₱1,608,350,998	₱873,834,283	₱416,243,393
Total Comprehensive Income Attributable To			
Equity holders of the Parent Company	₱1,635,333,005	₱855,341,131	₱423,521,830
Non-controlling interests	17,721,765	3,458,126	2,319,185
	₱1,653,054,770	₱858,799,257	₱425,841,015
Basic/Diluted Earnings Per Share on Net Income Attributable to Equity Holders of the Parent Company (Note 32)	₱0.16	₱0.09	₱0.04

See accompanying Notes to Consolidated Financial Statements.



STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED JUNE 30, 2024, 2023 AND 2022

Equity Attributable to Equity Holders of the Parent Company (Note 21)

	Capital Stock	Additional Paid-in Capital	Cost of Shares Held by a Subsidiary	Cumulative Actuarial Gain (Note 28)	Unrealized Fair Value Adjustment on Instruments at FVOCI (Note 15)	Other Equity Reserve	Share in Associates' Cumulative Actuarial Gain (Note 13)	Share in Associates' Unrealized Fair Value Loss on Instruments at FVOCI (Note 13)	Retained Earnings	Total	Equity Attributable to Non-controlling Interests (Note 21)	Total Equity
Balance at July 1, 2023	₱4,952,403,462	₱1,119,127,301	(₱498,142,921)	₱5,481,945	₱15,104,760	(₱1,686,369,660)	₱321,569	(₱114)	₱5,219,942,618	₱9,127,868,960	₱81,941,539	₱9,209,810,499
Net income	-	-	-	-	-	-	-	-	1,591,191,183	1,591,191,183	17,159,815	1,608,350,998
Other comprehensive income	-	-	-	38,896,772	5,245,050	-	-	-	44,141,822	561,950	44,703,772	
Total comprehensive income	-	-	-	38,896,772	5,245,050	-	-	-	1,591,191,183	1,635,333,005	17,721,765	1,653,054,770
Dividend declaration	-	-	-	-	-	-	-	-	(282,131,221)	(282,131,221)	-	(282,131,221)
Share of non-controlling interest on dividends declared by a subsidiary (Note 21)	-	-	-	-	-	-	-	-	-	-	(8,358,039)	(8,358,039)
Balance at June 30, 2024	₱4,952,403,462	₱1,119,127,301	(₱498,142,921)	₱44,378,717	₱20,349,810	(₱1,686,369,660)	₱321,569	(₱114)	₱6,529,002,580	₱10,481,070,744	₱91,305,265	₱10,572,376,009
Balance at July 1, 2022	₱4,952,403,462	₱1,119,127,301	(₱498,142,921)	₱27,664,542	₱13,255,113	(₱1,686,369,660)	₱321,569	(₱114)	₱4,485,334,148	₱8,413,593,440	₱81,371,202	₱8,494,964,642
Net income	-	-	-	-	-	-	-	-	870,268,404	870,268,404	3,565,879	873,834,283
Other comprehensive income	-	-	-	(16,776,920)	1,849,647	-	-	-	(14,927,273)	(107,753)	(15,035,026)	
Total comprehensive income	-	-	-	(16,776,920)	1,849,647	-	-	-	870,268,404	855,341,131	3,458,126	858,799,257
Dividend declaration	-	-	-	-	-	-	-	-	(141,065,611)	(141,065,611)	-	(141,065,611)
Transfer of remeasurement gain on pension liabilities to retained earnings	-	-	-	(5,405,677)	-	-	-	-	5,405,677	-	-	-
Share of non-controlling interest on dividends declared by a subsidiary (Note 21)	-	-	-	-	-	-	-	-	-	-	(2,887,789)	(2,887,789)
Balance at June 30, 2023	₱4,952,403,462	₱1,119,127,301	(₱498,142,921)	₱5,481,945	₱15,104,760	(₱1,686,369,660)	₱321,569	(₱114)	₱5,219,942,618	₱9,127,868,960	₱81,941,539	₱9,209,810,499
Balance at July 1, 2021	₱4,952,403,462	₱1,119,127,301	(₱498,142,921)	₱19,277,239	₱12,149,020	(₱1,670,477,910)	₱321,569	(₱114)	₱4,165,349,454	₱8,100,007,100	₱81,152,838	₱8,181,159,938
Net income	-	-	-	-	-	-	-	-	414,028,434	414,028,434	2,214,959	416,243,393
Other comprehensive income	-	-	-	8,387,303	1,106,093	-	-	-	9,493,396	104,226	9,597,622	
Total comprehensive income	-	-	-	8,387,303	1,106,093	-	-	-	414,028,434	423,521,830	2,319,185	425,841,015
Dividend declaration	-	-	-	-	-	-	-	-	(94,043,740)	(94,043,740)	-	(94,043,740)
Acquisition of De Los Santos-STI College minority shares of stock (Note 21)	-	-	-	-	-	(15,891,750)	-	-	-	(15,891,750)	(74,378)	(15,966,128)
Share of non-controlling interest on dividends declared by a subsidiary (Note 21)	-	-	-	-	-	-	-	-	-	-	(2,026,443)	(2,026,443)
Balance at June 30, 2022	₱4,952,403,462	₱1,119,127,301	(₱498,142,921)	₱27,664,542	₱13,255,113	(₱1,686,369,660)	₱321,569	(₱114)	₱4,485,334,148	₱8,413,593,440	₱81,371,202	₱8,494,964,642

See accompanying Notes to Consolidated Financial Statements.



STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended June 30		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱1,773,419,377	₱858,110,619	₱427,043,642
Adjustments to reconcile income before income tax to net cash flows:			
Depreciation and amortization (Notes 11, 12, 16, 24 and 26)	625,124,560	613,400,100	599,456,835
Interest expense (Notes 18, 19, 23 and 29)	293,301,395	311,019,124	313,339,583
Interest income (Notes 5, 6, 10 and 23)	(57,677,714)	(22,595,338)	(38,060,878)
Net change in net pension liabilities (Note 28)	33,716,304	12,350,444	11,885,169
Dividend income (Notes 9 and 15)	(2,890,090)	(2,495,044)	(1,206,828)
Unrealized foreign exchange gain – net	(7,993,470)	(2,338,828)	(44,559,464)
Equity in net losses (earnings) of associates and joint venture (Note 13)	(2,009,402)	(2,258,739)	20,242,197
Fair value loss on equity instruments at FVPL (Note 9)	852,500	620,000	387,500
Gain on:			
Early extinguishment of loan	(3,076,465)	–	–
Sale of property and equipment	(485,335)	(826,707)	(1,634,265)
Settlement of receivables, net of provision for impairment of noncurrent asset held for sale (Notes 10 and 12)	–	–	(10,832,534)
Provision for impairment of:			
Goodwill (Notes 16 and 26)	14,268,891	–	3,806,174
Investments in and advances to associates and joint venture (Notes 13 and 26)	1,650,340	–	–
Derecognition of contingent consideration (Notes 17 and 34)	–	–	(25,000,000)
Income on rent concessions (Note 29)	–	–	(6,054,606)
Operating income before working capital changes	2,668,200,891	1,764,985,631	1,248,812,525
Decrease (increase) in:			
Receivables	(41,220,119)	33,687,911	(62,665,075)
Inventories	(27,642,073)	29,647,945	20,585,916
Prepaid expenses and other current assets	(37,353,753)	(87,582,686)	(20,929,696)
Increase (decrease) in:			
Accounts payable and other current liabilities	122,795,329	(8,434,772)	(99,287,435)
Unearned tuition and other school fees	81,844,568	44,988,021	15,087,482
Other noncurrent liabilities	(21,390,354)	88,727,969	10,394,664
Net cash generated from operations	2,745,234,489	1,866,020,019	1,111,998,381
Income tax paid	(76,745,411)	(3,101,596)	(3,627,008)
Interest received	56,033,045	22,402,910	20,968,006
Net cash provided by operating activities	2,724,522,123	1,885,321,333	1,129,339,379
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property and equipment (Notes 11 and 37)	(931,528,841)	(332,240,724)	(121,215,122)
Investment properties (Notes 12 and 37)	(742,694)	(147,999,761)	(34,230,335)
Subsidiary, net of cash received (Note 39)	27,652	9,232,049	–
Equity instruments at FVPL (Note 9)	–	–	(9,997,500)
Acquisition of/payments for intangible and other noncurrent assets	(108,399,492)	(49,262,888)	(9,082,578)
Proceeds from:			
Sale of property and equipment	508,916	826,964	1,652,430
Sale of noncurrent asset held for sale (Note 10)	–	19,000,000	–
Dividends received (Notes 9 and 15)	2,890,090	2,495,944	1,998,712
Net cash used in investing activities	(1,037,244,369)	(497,948,416)	(170,874,393)

(Forward)



	Years Ended June 30		
	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of:			
Bonds (Note 19)	(₱2,180,000,000)	₱-	₱-
Long-term loans (Note 18)	(473,050,203)	(459,544,756)	(449,544,753)
Dividends (Note 21)	(287,597,966)	(142,953,699)	(95,665,835)
Interests	(224,187,601)	(263,727,425)	(281,249,555)
Lease liabilities (Note 29)	(122,452,098)	(133,436,395)	(78,349,815)
Net proceeds from availment of long-term loans (Note 18)	1,488,750,000	-	-
Net cash used in financing activities	(1,798,537,868)	(999,662,275)	(904,809,958)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
	7,993,470	2,338,828	44,559,464
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(103,266,644)	390,049,470	98,214,492
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,958,767,553	1,568,718,083	1,470,503,591
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	₱1,855,500,909	₱1,958,767,553	₱1,568,718,083

See accompanying Notes to Consolidated Financial Statements.



STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

a. General

STI Education Systems Holdings, Inc. (STI Holdings or the Parent Company) and its subsidiaries (hereafter collectively referred to as the “Group”) are all incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC). STI Holdings was originally established in 1928 as the Philippine branch office of Theo H. Davies & Co., a Hawaiian corporation. It was reincorporated as a Philippine corporation and registered with the SEC on June 28, 1946. STI Holdings’ shares were listed on the Philippine Stock Exchange (PSE) on October 12, 1976. The primary purpose of the Parent Company is to invest in, purchase or otherwise acquire and own, hold, use, sell, assign, transfer, lease, mortgage, pledge, exchange, or otherwise dispose of real properties as well as personal and movable property of any kind and description, including shares of stock, bonds, debentures, notes, evidence of indebtedness and other securities or obligations of any corporation or corporations, association or associations, domestic or foreign and to possess and exercise in respect thereof all the rights, powers and privileges of ownership, including all voting powers of any stock so owned, but not to act as dealer in securities, and to invest in and manage any company or institution. STI Holdings aims to focus on education and education-related activities and investments.

STI Holdings’ registered office address, which is also its principal place of business, is 7th Floor, STI Holdings Center, 6764 Ayala Avenue, Makati City 1226.

b. STI Education Services Group, Inc. and Subsidiaries (collectively referred to as “STI ESG”)

In September 2012, STI ESG became a subsidiary of the Parent Company through a share-for-share swap agreement with the shareholders of STI ESG. STI Holdings’ ownership of STI ESG is at 98.7% as at June 30, 2024 and 2023.

STI ESG is involved in establishing, maintaining, and operating educational institutions to provide pre-elementary, elementary, secondary, including Senior High School (SHS), and tertiary as well as post-graduate courses, post-secondary and lower tertiary non-degree programs. The Group also develops, adopts and/or acquires, entirely or in part, such curricula or academic services as may be necessary in the pursuance of its main activities, relating but not limited to information technology services, information technology-enabled services, education, hotel and restaurant management, engineering, business studies, psychology and criminology.

STI ESG has investments in several entities which own and operate STI schools. STI schools may be operated either by: (a) STI ESG; (b) its subsidiaries; or (c) independent entrepreneurs (referred to as the “franchisees”) under the terms of licensing agreements with STI ESG.

Other features of the licensing agreements are as follows:

- Exclusive right to use proprietary marks and information such as but not limited to courseware programs, operational manuals, methods, standards, systems, that are used exclusively in the STI network of schools;
- Continuing programs for faculty and personnel development, including evaluation and audit of pertinent staff;
- Development and adoption of the enrollment and registration system;



- Assistance on matters pertaining to financial and accounting procedures, faculty recruitment and selection, marketing and promotion, record keeping and others.

Merger with Several Majority and Wholly-owned Subsidiaries

On December 9, 2010, STI ESG's stockholders approved the following mergers:

- Phase 1: The merger of three (3) majority owned schools and fourteen (14) wholly-owned schools with STI ESG, with STI ESG as the surviving entity. The Phase 1 merger was approved by the Commission on Higher Education (CHED) and the SEC on March 15, 2011 and May 6, 2011, respectively.
- Phase 2: The merger of one (1) majority owned school and eight (8) wholly-owned pre-operating schools with STI ESG, with STI ESG as the surviving entity. The Phase 2 merger was approved by CHED and the SEC on July 18, 2011 and August 31, 2011, respectively.
- Phase 3: On August 30, 2017, the SEC approved the application for merger of STI College Taft, Inc. (STI Taft) and STI College Dagupan, Inc. (STI Dagupan) with STI ESG as the surviving entity.

On September 25, 2013, STI ESG's BOD approved an amendment to the Phase 1 and 2 mergers whereby STI ESG would issue shares, at par value, to the stockholders of the non-controlling interests. In 2014, STI ESG issued 1.9 million additional shares at par value to the stockholders of one of the merged schools. As at October 11, 2024, the amendment is still pending approval by the SEC.

Also, STI ESG requested for confirmatory ruling on the tax-free mergers covered by Phase 1 and Phase 3, from the Bureau of Internal Revenue (BIR). As a response to the request made for the Phases 1 and 3 mergers, the BIR informed STI ESG through letters dated November 25, 2022 and September 28, 2022, respectively, that Section 40 C.2 of the Tax Code, as amended by Republic Act (RA) No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, now mandates that for purposes of availing the tax exemption, prior BIR confirmatory ruling is no longer required. In this regard, STI ESG applied for the issuance of the Certificates Authorizing Registration (CAR) for the tax-free transfers of real estate in exchange for shares pursuant to the provisions of Section 40. C.2 of the Tax Code. As of October 11, 2024, STI ESG has not received the CARs from the BIR.

STI College San Fernando City, Inc. (STI La Union), a franchised school, informed the CHED in June 2021, and the Department of Education (DepEd) and the Technical Education and Skills Development Authority (TESDA) in July 2021, of its decision not to accept enrollees for SY 2021-2022. Previous to this, the following owned schools have ceased operations: STI Cebu, STI College Iloilo, Inc. (STI Iloilo), STI College Pagadian, Inc. (STI Pagadian) and STI College Tuguegarao, Inc. (STI Tuguegarao). In addition, the following franchised schools likewise ceased to operate: STI College Bohol, Inc. (STI Bohol), STI College Recto, Inc. (STI Recto), Sungold Technologies, Inc. (STI Zamboanga), STI College Pasay, Inc. (STI Pasay), STI College Dipolog, Inc. (STI Dipolog), STI College San Francisco, Inc. (STI San Francisco) and STI College Parañaque, Inc. (STI Parañaque). These schools closed as a result of the pandemic. In SY 2021-2022, NAMEI Polytechnic Institute of Mandaluyong, Inc. (NPIM) accepted enrollees for Junior High School (JHS) and SHS only. The grade school students were advised to transfer to another school or were refunded the fees paid, if any. For SY 2022-2023, the JHS and SHS students of NPIM were given the option to transfer to STI Sta Mesa, a school owned by STI ESG. NPIM ceased operations effective June 30, 2022. Management continues to identify strategic opportunities to improve efficiency within the Group. The cessation of operations of the STI schools mentioned above did not have a material financial impact on the Group.



On August 5, 2022, CHED approved the transfer of school operations of STI College Quezon Avenue, Inc. (STI Quezon Avenue) to Tanay, Rizal subject to compliance with certain requirements. Earlier, in September 2020, STI Quezon Avenue announced the suspension of its operations. In September 2022, CHED granted STI Quezon Avenue government recognitions to offer Bachelor of Science (BS) in Business Administration, BS in Tourism Management and BS in Hospitality Management. The government recognition to offer BS in Information Technology was issued in October 2022. The government recognitions received in 2022 replaced the government recognitions issued by CHED in 2009 due to the transfer of location of STI Quezon Avenue from Quezon City to Tanay, Rizal. STI Quezon Avenue has resumed operations on its new site in Tanay, Rizal beginning SY 2022-2023.

In a meeting held on November 29, 2023, the BOD of STI Quezon Avenue approved the amendments in its Articles of Incorporation and By-Laws as follows: (1) change of corporate name from “STI College Quezon Avenue, Inc.” to “STI Colleges of Rizal, Inc.”, (2) have perpetual existence, (3) change of fiscal year beginning July 1 of each year and end on June 30 of the following year, among others. As at October 11, 2024, the amendments are pending approval by the SEC. In April 2024, STI Quezon Avenue requested the endorsements of CHED, TESDA and DepEd of its proposed amendments in connection with its application with the SEC to amend its Articles of Incorporation and By Laws with the proposed amendments. As at October 11, 2024, TESDA has provided a favorable endorsement while STI Quezon Avenue has yet to receive the responses from CHED and DepEd.

On March 16, 2023, STI ESG and the majority owners of STI College Alabang, Inc. (STI Alabang) entered into a deed of absolute sale wherein STI ESG acquired 60.0% of the issued and outstanding capital stock of STI Alabang from the former franchisee for ₱1.00. Prior to this, STI ESG owned 40.0% of STI Alabang’s issued and outstanding capital stock. With the acquisition of the 60.0% ownership, STI Alabang became a wholly-owned subsidiary of STI ESG (see Note 39).

As at June 30, 2024, STI ESG’s network of operating schools totals 63 schools with 37 owned schools and 26 franchised schools comprising 60 colleges and 3 education centers.

c. STI West Negros University, Inc. (STI WNU)

In October 2013, the Parent Company acquired majority ownership interest in STI WNU. The consideration for the acquisition of STI WNU includes contingent consideration amounting to ₱151.5 million. As at June 30, 2024 and 2023, liability for contingent consideration recognized as “Nontrade payable” amounted to ₱17.0 million (see Notes 17 and 34). As at June 30, 2024 and 2023, the Parent Company owns 99.9% of STI WNU.

STI WNU owns and operates STI West Negros University in Bacolod City. It offers primary, JHS and SHS, tertiary and post-graduate programs. It also provides technical-vocational education training services under TESDA and/or operates a Training Center as well as an Assessment Center in relation to the said services.

On September 16, 2024, CHED granted STI WNU its autonomous status by virtue of CHED Memorandum Order No. 7 Series of 2024. Autonomous schools have the freedom to open new programs without securing prior approval from CHED, priority in the grant of subsidies, and other financial incentives from CHED, and exemption from regular CHED monitoring and evaluation and issuance of Special Order for their graduates, among other benefits.



d. iACADEMY, Inc. (iACADEMY) (Formerly: Information and Communications Technology Academy, Inc.)

iACADEMY is a premier school offering specialized programs in SHS and college that are centered on Computing, Business and Design. It is known for its strong industry partnerships and non-traditional programs such as Software Engineering, Game Development, Web Development, Real Estate Management, Animation, Multimedia Arts and Design, Fashion Design and Technology, Music Production and Sound Design, Film and Visual Effects and Data Science. iACADEMY also offers programs in Accountancy, Marketing Management and Psychology. It started in 2002 as a wholly-owned subsidiary of STI ESG until its acquisition by STI Holdings on September 30, 2016, thus making iACADEMY a wholly-owned subsidiary of STI Holdings. iACADEMY conducts its classes in two strategically located facilities: the Nexus building along Yakal Street in Makati City and the 5th Floor of Filinvest Cebu Cyberzone Tower Two Cor W. Geonzon St., Cebu IT Park, Apas, Cebu City. On September 7, 2017, the Board of Governors (BOG) of iACADEMY approved the merger of iACADEMY and Neschester Corporation (Neschester), with iACADEMY as the surviving entity. The stockholders of both companies confirmed, ratified and approved the merger on the same date. The Plan of Merger between iACADEMY and Neschester was filed with the SEC on January 24, 2018 and was approved on April 10, 2018. In addition, on September 7, 2017, the stockholders and BOG of iACADEMY approved the increase in its authorized capital stock from ₱500.0 million (with a par value of ₱1.00 per share) to ₱1,000.0 million (with a par value of ₱1.00 per share) . The increase in authorized capital stock was likewise approved by the SEC on April 10, 2018. On May 11, 2018, iACADEMY issued 494,896,694 shares to STI Holdings in exchange for the net assets of Neschester as a result of the merger.

On December 4, 2018, iACADEMY and Neschester requested for a confirmatory ruling on the tax-free merger from the BIR. On October 13, 2022, iACADEMY received a letter from the BIR as a response to the request made for the merger. In the said letter, the BIR informed iACADEMY that Section 40.C.2 of the Tax Code, as amended by RA No. 11534 or the CREATE Act, now mandates that for purposes of availing the tax exemption, prior BIR confirmatory ruling is no longer required. In this regard, iACADEMY and Neschester can implement the said transaction, including, but not limited to the issuance of CAR by the concerned Revenue District Office (RDO). On February 8, 2023, iACADEMY applied for the CAR with the concerned RDO. The BIR issued the CAR to iACADEMY on February 8, 2024. On September 4, 2024, iACADEMY duly settled the applicable transfer taxes and Registry of Deeds fees associated with the transfer of title from Neschester to iACADEMY. The Registry of Deeds officially issued the Transfer Certificate of Title in the name of iACADEMY in October 2024.

On June 1, 2022, the BOG and stockholders of iACADEMY, at separate meetings, approved the amendments in its Articles of Incorporation as follows: (1) amendment of its primary purpose to include (a) establishment of educational institutions in Metro Manila and a branch in Cebu City; and (b) that iACADEMY shall have all the express powers of a corporation under Section 35 of the Revised Corporation Code, including the establishment and maintenance of branches and school campuses within the Philippines, subject to the rules and regulations of DepEd, CHED and TESDA. The SEC approved the amendments on July 28, 2022.

On February 7, 2023, the BOG and stockholders of iACADEMY, at separate meetings, approved the change in the corporate name from Information and Communications Technology Academy, Inc. to iACADEMY, Inc. iACADEMY applied for the amendment of its AOI and By-Laws with the SEC on February 23, 2023. The SEC approved the change in corporate name on April 3, 2024.



e. Attenborough Holdings Corp. (AHC)

AHC is a holding company which is a party to the Joint Venture Agreement and Shareholders' Agreement among the Parent Company, Philippine Women's University (PWU) and Unlad Resources Development Corporation (Unlad). Under the Agreements, AHC is set to own up to 20.0% of Unlad. AHC is also a party to the Omnibus Agreement it executed with the Parent Company and Unlad (see Note 34).

Since February 2015, STI Holdings owns 100.0% of AHC.

On March 1, 2016, AHC executed a Deed of Assignment wherein AHC assigned to STI Holdings its loan to Unlad, including capitalized foreclosure expenses, amounting to ₱66.7 million for a cash consideration of ₱73.8 million. The Deed of Assignment provides that the cash consideration will be payable in cash of ₱10.0 million upon execution of the Deed of Assignment and the remaining balance of ₱63.8 million upon demand. Accordingly, AHC recognized a receivable from the Parent Company amounting to ₱63.8 million. Further, all the rights related to the receivable from Unlad have been transferred to STI Holdings (see Note 34).

The establishment, operation, administration and management of schools are subject to the existing laws, rules and regulations, policies, and standards of DepEd, TESDA and the CHED pursuant to Batas Pambansa Bilang 232, otherwise known as the "Education Act of 1982," Republic Act (RA) No. 7796, otherwise known as the "TESDA Act of 1994," and RA No. 7722, otherwise known as the "Higher Education Act of 1994," respectively.

The accompanying consolidated financial statements were approved and authorized for issuance by the BOD of STI Holdings on October 11, 2024.

2. Basis of Preparation and Material Accounting Policies

Basis of Preparation

The accompanying consolidated financial statements have been prepared on a historical cost basis, except for noncurrent asset held for sale which has been measured at fair value less costs to sell and equity instruments at fair value through other comprehensive income (FVOCI) and equity instruments at FVPL which have been measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱), which is the Parent Company's functional and presentation currency, and all values are rounded to the nearest peso, except when otherwise indicated.

Seasonality of Operations

The Group's business is linked to the academic cycle which spans one academic year. The academic cycle for STI ESG and STI WNU is one academic year that starts in late August and September for JHS and SHS and the tertiary level, respectively, and ends in June of the following year. For iACADEMY, classes start in August and end in May and July of the following year for SHS and tertiary level, respectively. In SY 2022-2023, the Group gradually transitioned from remote learning to full conduct of face-to-face classes while classes for SY 2023-2024 were all conducted face-to-face for STI ESG and STI WNU, whereas iACADEMY implemented the Hybrid Learning Format.

STI ESG and STI WNU continued to implement the ONline and ONsite Education at STI (ONE STI) Learning Model that was introduced in SY 2020-2021 and continued through SY 2021-2022. This model was in response to stringent social distancing measures including but not limited to class suspension, prohibition of mass gatherings, and imposition of community quarantine, among others, which were implemented to contain the outbreak of the Coronavirus Disease 2019 (COVID-19). The



ONE STI Learning Model is an innovative approach to student development that uses digital tools and online technology combined with invaluable hands-on practice and onsite engagements to achieve the students' academic objectives through a responsive learning experience.

The Group utilizes the electronic Learning Management System (eLMS), a cloud-based software application, to manage the delivery of educational courses and/or training programs for its students. eLMS supports collaboration through integrated tools such as wikis, forums, and discussion groups. It also includes an internal messaging system with bidirectional support for emails and text messaging, as well as a portfolio system that enables students to compile work that supports their learning and achievements. eLMS is a world-class and award-winning learning management system that schools and universities across the globe are using. This platform facilitates two-way interaction between teachers and students where they can collaborate, assign, and submit homework, take assessments, and track learning progress, among others. The Group has extensive experience with online learning, having utilized eLMS since 2016. This platform was crucial during the pandemic when online learning became the predominant modality. As the Group has transitioned back to full in-person instruction, it continues to leverage eLMS to enhance students' learning experiences through courseware content, performance tasks, and digital resources, among others, thereby ensuring continuity of education even amidst potential physical classroom disruptions.

The faculty members of the Group regularly undertake competency-based certifications and training programs. During SY 2021-2022, these training programs were conducted online. Beginning in SY 2022-2023, the Group adopted a hybrid approach, combining in-person and online training sessions. These training programs are essential to maintaining an acceptable level of competency among faculty members, ensuring they possess the industry-based experience and credentials necessary to effectively teach their assigned courses.

Classes of SHS and JHS students of STI ESG and STI WNU for SY 2022-2023 started on August 30, 2022 while classes of tertiary students started on September 5, 2022. Face-to-face classes across all levels for SY 2023-2024 started on August 29, 2023, except for STI WNU's School of Graduate Studies (SGS) which started classes on September 2, 2023. STI ESG and STI WNU both implemented a flexible learning delivery modality in the first semester of SY 2022-2023. For tertiary courses, all professional and identified general education courses were delivered onsite while other general education courses were delivered using blended modality, with a distribution of 50.0% onsite/face-to-face and 50.0% online/asynchronous. With the passage of CHED Memorandum Order No. 16 dated November 11, 2022 providing clarity and support to Higher Education Institutions (HEIs) towards progressive transitioning to full onsite learning, STI ESG opted to conduct full face-to-face classes for tertiary enrollees starting on its second semester of SY 2022-2023 while STI WNU continued with its flexible learning delivery modality for tertiary and blended modality for SHS until the end of SY 2022-2023. iACADEMY implemented the Hyflex Learning Format for tertiary for SY 2022-2023. Meanwhile, SHS followed the Hybrid Learning setup until the end of SY 2022-2023. This allowed grades 11 and 12 students to alternately attend onsite and online classes throughout the week according to a definite schedule. Both the Hyflex and Hybrid Learning Models combine face-to-face and online remote instructions. Classes and learning activities were conducted in-person, synchronously online, and asynchronously online using various learning technologies while classes for specialized and contextualized subjects like Science and ICT, were held onsite in the laboratories. Under the Hyflex Learning Model, students had the flexibility to choose between attending in-person or online classes. This flexibility was not available in the Hybrid Learning Format, where students followed a fixed schedule alternating between onsite and online classes. The Hyflex model offered greater adaptability during the peak of the COVID-19 pandemic when stringent measures were in place. Classes for SHS and tertiary started on August 2, 2022 and August 30, 2022, respectively in SY 2022-2023. For SY 2023-2024, iACADEMY implemented the Hybrid Learning Format for all levels. Classes for



iACADEMY's SHS and tertiary students started on August 3, 2023 and August 29, 2023, respectively, in SY 2023-2024.

The Group remains committed to ensuring adherence to the guidelines set by the Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF), CHED, DepEd, local government units (LGUs), and all pertinent agencies that have released information and guidance on the conduct of face-to-face classes.

The revenues of the Group, which are mainly from tuition and other school fees, are recognized as income over the corresponding academic year to which they pertain. Accordingly, the revenue of the Group is expected to be lower during the first quarter of the fiscal year as compared to the other quarters if the number of enrollees remains constant. This information is provided to allow for a proper appreciation of the results of operations of the Group. However, management has concluded that the Group's operation is not highly seasonal.

Statement of Compliance

The accompanying consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs). PFRSs include statements named PFRSs, Philippine Accounting Standards (PAS) and Philippine Interpretations based on equivalent interpretations from the International Financial Reporting Interpretations Committee (IFRIC) adopted by the Philippine Financial Reporting Standards Council (FRSC).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at June 30, 2024 and 2023 and for the years ended June 30, 2024, 2023 and 2022.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Parent Company controls an investee, if and only if, the Parent Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Parent Company has less than a majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Parent Company's voting rights and potential voting rights

The subsidiaries of STI Holdings, which are all incorporated in the Philippines, are as follows:

Subsidiaries	Principal Activities	Effective Percentage of Ownership					
		2024		2023		2022	
		Direct	Indirect	Direct	Indirect	Direct	Indirect
STIESG	Educational Institution	99	–	99	–	99	–
STI WNU	Educational Institution	99	–	99	–	99	–
iACADEMY	Educational Institution	100	–	100	–	100	–
AHC	Holding Company	100	–	100	–	100	–

(Forward)



Subsidiaries	Principal Activities	Effective Percentage of Ownership					
		2024		2023		2022	
		Direct	Indirect	Direct	Indirect	Direct	Indirect
STI College Batangas, Inc. (STI Batangas)	Educational Institution	–	99	–	99	–	99
STI College of Kalookan, Inc. (STI Caloocan) ^(a)	Educational Institution	–	99	–	99	–	99
STI College Novaliches, Inc. (STI Novaliches)	Educational Institution	–	99	–	99	–	99
STI College of Santa Maria, Inc. (STI Sta. Maria)	Educational Institution	–	99	–	99	–	99
STI College Tanauan, Inc. (STI Tanauan)	Educational Institution	–	99	–	99	–	99
STI Iloilo	Educational Institution	–	99	–	99	–	99
STI Lipa, Inc. (STI Lipa)	Educational Institution	–	99	–	99	–	99
STI Pagadian	Educational Institution	–	99	–	99	–	99
STI Training Academy, Inc. (STI Training Academy)	Educational Institution	–	99	–	99	–	99
STI Tuguegarao	Educational Institution	–	99	–	99	–	99
NAMEI Polytechnic Institute, Inc.	Educational Institution	–	93	–	93	–	93
NPIM ^(b)	Educational Institution	–	99	–	99	–	99
De Los Santos-STI College, Inc. (De Los Santos-STI College) ^(c)	Educational Institution	–	99	–	99	–	99
STI Alabang ^(d)	Educational Institution	–	99	–	99	–	39
STI Quezon Avenue ^(e)	Educational Institution	–	99	–	99	–	99
Clinquant Holdings, Inc (CHI) ^(f)	Investment Company	–	99	–	–	–	–

^(a) A subsidiary of STI ESG through a management contract.

^(b) NPIM ceased operations effective June 30, 2022.

^(c) In June 2016, De Los Santos-STI College advised CHED of the suspension of its operations for SYs 2016-2017 and 2017-2018 as a result of the implementation of the Government's K to 12 program. De Los Santos-STI College became a wholly-owned subsidiary of STI ESG effective August 4, 2021 (see Note 21). De Los Santos-STI College has not resumed its school operations as at October 11, 2024.

^(d) On March 16, 2023, STI ESG acquired 60.0% of the issued and outstanding capital stock of STI Alabang from the former franchisee (see Notes 13, 16, 31 and 39). STI Alabang became a wholly-owned subsidiary of STI ESG effective March 31, 2023.

^(e) A wholly-owned subsidiary of De Los Santos-STI College.

^(f) On June 20, 2024, STI ESG and Total Consolidated Asset Management, Inc. (TCAMI) executed a deed of absolute sale for STI ESG's acquisition of 100.0% of the total issued and outstanding capital stock of TCAMI's subsidiary, CHI. CHI became a wholly-owned subsidiary as at June 30, 2024 (see Notes 11 and 39).

Accounting Policies of Subsidiaries. The separate financial statements of subsidiaries are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The consolidated financial statements include the accounts of STI ESG and its subsidiaries as at June 30, except for the accounts of STI Tuguegarao and STI Iloilo whose financial reporting date ends on December 31, and STI Batangas, STI Novaliches, STI Tanauan, STI Lipa, STI Pagadian, STI Sta. Maria, De Los Santos-STI College and STI Quezon Avenue whose financial reporting date ends on March 31. Adjustments are made for the effects of significant transactions or events that occur between the financial reporting date of the aforementioned subsidiaries and the financial reporting date of the Group's consolidated financial statements.

Non-controlling Interests. Non-controlling interests represent the portion of profit or loss and net assets in the subsidiaries not held by the Parent Company and are presented in the profit or loss and within equity in the consolidated statement of financial position, separately from equity attributable to equity holders of the Parent Company.

On transactions with non-controlling interests without loss of control, the difference between the fair value of the consideration and the book value of the share in the net assets acquired or disposed is treated as an equity transaction and is presented as part of "Other equity reserve" within the equity section in the consolidated statement of financial position.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and amended standards effective July 1, 2023. The adoption of these new standards and amendments did not have any significant impact on the consolidated financial statements except otherwise stated.



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

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

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

The amendments to the Practice Statement provide non-mandatory guidance. The amendments had an impact on the Group’s accounting policy disclosures, but not on the measurement, recognition or presentation of any items in the consolidated financial statements.

- Amendments to PAS 8, *Definition of Accounting Estimates*

The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as ‘Pillar Two legislation’ and ‘Pillar Two income taxes’, respectively.

The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon adoption of the amendments in June 2023.

Meanwhile, the disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after July 1, 2023. The objective of Pillar Two is for large multinational enterprises to pay a minimum level of tax on the income arising in each jurisdiction where they



operate. Since the Group is not a multinational enterprise group, the amendment is currently not applicable to the Group.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective for Fiscal Year 2025

- 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 for Fiscal Year 2026

- 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 has not early adopted the previously mentioned standards. The Group continues to assess the impact of the above new, amended and improved accounting standards and interpretations that are effective subsequent to June 30, 2024 on its consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the consolidated financial statements when these amendments are adopted.

Business Combination Involving Entities under Common Control

Where there are business combinations in which all the combining entities within the Group are ultimately controlled by the same ultimate parent before and after the business combination and that the control is not transitory (business combinations under common control), the Group may account such business combinations under the acquisition method of accounting or pooling of interests method, if the transaction was deemed to have substance from the perspective of the reporting entity. In determining whether the business combination has substance, factors such as the underlying purpose of the business combination and the involvement of parties other than the combining entities such as the non-controlling interest, shall be considered.

In cases where the business combination has no substance, the Group shall account for the transaction similar to a pooling of interests. The assets and liabilities of the acquired entities and that of the Group are reflected at their carrying values. The difference in the amount recognized and the fair value of the consideration given, is accounted for as an equity transaction, i.e., as either a contribution or distribution of equity. Further, when a subsidiary is disposed in a common control transaction, the difference in the amount recognized and the fair value of the consideration received, is also accounted for as an equity transaction. The Group records the difference as excess of consideration over carrying amount of disposed subsidiary and presents as separate component of equity in the consolidated statement of financial position.



Comparatives shall be restated to include balances and transactions of the entities that had been acquired at the beginning of the earliest period presented as if the companies had always been combined.

Business Combination 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 interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and 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.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PFRS 9, *Financial Instruments*, is measured at fair value with changes in fair value recognized in profit or loss in accordance with PFRS 9. Other contingent consideration that is not within the scope of PFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

Goodwill acquired in a business combination 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).

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

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.

a. Financial assets

Initial Recognition and Measurement. Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI and fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash 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. In making this assessment, the Group determines whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes consideration only for the time value of money, credit risk and other basic lending risks and costs associated with holding



the financial asset for a particular period of time. In addition, interest can include a profit margin that is consistent with a basic lending arrangement. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual terms that introduce exposure to risks or volatility in the contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. It is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument.

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 designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments), and
- Financial assets at FVPL

a. *Financial assets at amortized cost (debt instruments).* The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortized cost are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest (EIR) method, less any impairment in value. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

As at June 30, 2024 and 2023, the Group's financial assets at amortized cost include cash and cash equivalents, receivables (except for advances to officers and employees) and rental and utility deposits under "Goodwill, intangible and other noncurrent assets" account.

b. *Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).* Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading nor are contingent consideration recognized in a business combination in accordance with PFRS 3. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments at FVOCI are not subject to impairment assessment.



As at June 30, 2024 and 2023, the Group's listed and non-listed equity investments are classified as financial assets at FVOCI.

- c. *Financial assets at FVPL.* Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition as at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model.

Financial assets at FVPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of comprehensive income.

As at June 30, 2024 and 2023, the Group's listed equity investments for trading are classified as financial assets at FVPL.

Impairment of Financial Assets. The Group recognizes an allowance for ECLs for all debt instruments not held at FVPL. 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.

The Group applies a simplified approach in calculating ECLs for receivables from students. Therefore, the Group does not track changes in credit risk but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. As for the other financial assets, the Group applied a general approach in the calculation since these accounts had no significant deterioration in credit risk since their initial recognition.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition. A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of ownership of the asset nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also



recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

b. Financial liabilities

Initial Recognition and Measurement. Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, or as other financial liabilities.

The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognized initially at fair value and in the case of other financial liabilities, net of directly attributable transaction costs which include STI ESG's bond issuance costs, such as, taxes and various fees paid to investment banks, law firms, auditors, regulators, and so on.

As at June 30, 2024 and 2023, the Group does not have financial liabilities at FVPL. The Group's financial liabilities include accounts payable and other current liabilities (except for statutory payables and advance rent), non-trade payable, bonds payable, interest-bearing loans and borrowings, lease liabilities and other non-current liabilities (except for advance rent, deferred lease liability and deferred output VAT) as at June 30, 2024 and 2023 are measured at amortized cost.

Subsequent Measurement. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the EIR method.

Gains and losses are recognized in the consolidated statement of comprehensive income when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in the consolidated statement of comprehensive income.

Other financial liabilities include interest-bearing loans and borrowings, bonds payable, accounts payable and other current liabilities (excluding government and other statutory liabilities), lease liabilities, and other noncurrent liabilities (excluding advance rent and deferred lease liability).

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

The terms are substantially different if the discounted 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 10.0% different from the discounted present value of the remaining cash flows of the original financial liability. If an exchange of debt instruments or 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 exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortized over the remaining term of the modified liability.

Inventories

Inventories are valued at the lower of cost and net realizable value (NRV). Cost is determined using the weighted average method. The NRV of educational materials is the selling price in the ordinary course of business, less estimated costs necessary to make the sale. The NRV of promotional materials and school materials and supplies is the current replacement cost.



Prepaid Expenses and Other Current Assets

Prepaid expenses are carried at cost and are amortized on a straight-line basis over the period of expected usage, which is equal to or less than 12 months or within the normal operating cycle.

Creditable Withholding Taxes (CWT). CWT represents the amount of tax withheld by counterparties from the Group. These are recognized upon collection and are utilized as tax credits against income tax due as allowed by the Philippine taxation laws and regulations. CWT is presented as part of “Prepaid taxes” under the “Prepaid expenses and other current assets” account in the consolidated statement of financial position. CWT is stated at its estimated NRV.

Noncurrent Asset Held for Sale

The Group classifies a noncurrent asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such noncurrent asset classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the sale.

The criteria for held for sale classification are regarded as met only when the asset is available for immediate sale in its present condition and the sale is highly probable. Management must be committed to a plan to sell, which is expected to be completed within one year from the date of the classification, and an active program to locate a buyer and complete the plan must have been initiated. Further, the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value. Actions required to complete the plan to sell should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Investment properties are not depreciated or amortized once classified as held for sale. Noncurrent asset held for sale is presented separately as part of current assets in the consolidated statement of financial position.

Property and Equipment

The Group’s property and equipment consists of land, buildings, equipment, furniture and fixtures, leasehold improvements, library holdings, construction in-progress and right-of-use (ROU) assets that do not qualify as investment properties.

Property and equipment, except land, are stated at cost less accumulated depreciation, amortization and any impairment in value, excluding the costs of day-to-day servicing. The initial cost of property and equipment comprises its construction cost or purchase price and any directly attributable costs of bringing the property and equipment to its working condition and location for its intended use. Such cost includes the cost of replacing part of such property and equipment when that cost is incurred and the recognition criteria are met. Land is stated at cost less any impairment in value.

The Group recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling or removing the underlying asset.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. ROU assets are subject to impairment.



Depreciation and amortization are computed using the straight-line method over the following estimated useful lives or lease term (in the case of ROU assets), whichever is shorter:

<u>Asset Type</u>	<u>Number of Years</u>
Buildings	20 to 25 years
Office and school equipment	3 to 15 years
Office and school furniture and fixtures	3 to 5 years
Leasehold improvements	5 years or terms of the lease agreement, whichever is shorter
Transportation equipment	3 to 5 years
Computer equipment and peripherals	3 years
Library holdings	5 years
Renewable energy equipment	5 years
Machineries and equipment	10 years
Right-of-use asset - land	25 years
Right-of-use asset - building	2 to 10 years
Right-of-use asset - transportation equipment	3 to 5 years

The estimated useful lives and the depreciation and amortization method are reviewed periodically to ensure that the periods and depreciation and amortization method are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation and amortization is charged to current operations.

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 on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of comprehensive income in the year the asset is derecognized.

Construction-in-progress represents structures under construction and is stated at cost less any impairment in value. This includes cost of construction and other direct costs, including any interest on borrowed funds during the construction period. Construction-in-progress is not depreciated until the relevant assets are completed and become available for operational use.

Investment Properties

Investment properties include land and office condominium units and buildings held by the Group for capital appreciation and rental purposes. Investment properties also include a right-of-use asset involving a building that is being subleased. Buildings are carried at cost less accumulated depreciation and any impairment in value, while land is carried at cost less any impairment in value. The carrying amount includes the cost of constructing a significant portion of an existing investment property if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Depreciation of office condominium units and buildings is computed on a straight-line basis over 20 to 25 years. Unless the Group is reasonably certain to obtain ownership of the leased building at the end of the lease term, the recognized right-of-use asset is depreciated on a straight-line basis over the shorter of their estimated useful life and lease term. The asset's useful life and method of depreciation are reviewed and adjusted, if appropriate, at each financial year-end.



Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated statement of comprehensive income in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sell.

For a transfer from investment property to owner-occupied property or inventories, the cost of the property for subsequent accounting is its carrying value at the date of the change in use. If the property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use.

Construction-in-progress represents structures under construction and is stated at cost less any impairment in value. This includes the cost of construction and other direct costs, including any interest on borrowed funds during the construction period. Construction-in-progress is not depreciated until the relevant assets are completed and become available for use, capital appreciation or rental purposes.

Asset Acquisition

When property is acquired through corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents an acquisition of a business.

When such an acquisition is not judged to be an acquisition of a business, it is not treated as a business combination. Rather, the cost to acquire the entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Accordingly, no goodwill or additional deferred tax arises.

Investments in Associates and Joint Venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The Group has interest in Philippine Healthcare Educators, Inc. (PHEI) a joint venture company. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's interests in associates and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.



The consolidated statement of comprehensive income reflects the Group’s share of the results of operations of the associate or joint venture. Any change in the OCI of those investees is presented as part of the Group’s OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group’s share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial reporting dates of the associates, joint venture and the Parent Company are identical, except for Global Resource for Outsourced Workers, Inc. (GROW) and PHEI which follow December 31 and March 31, as their financial reporting dates, respectively, and the associates’ and joint venture accounting policies conform to those used by the Group for like transactions and events in similar circumstances. Adjustments are made for the Group’s share in the effects of significant transactions or events that occur between the financial reporting date of the above-mentioned associates and joint venture and the financial reporting date of the Group’s consolidated financial statements.

After application of the equity method, the Group determines whether it is necessary to recognize any impairment loss on its investment in associates and joint venture. The Group determines at each financial reporting date whether there is any objective evidence that the investment in associates and joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and joint venture and its carrying value and recognizes the amount in profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

The associates of STI ESG, which are all incorporated in the Philippines, are as follows:

Associate	Principal Activities	Effective Percentage of Ownership		
		2024	2023	2022
Accent Healthcare/STI-Banawe, Inc. (STI Accent) ^(a)	Medical and related services	49	49	49
STI – College Marikina, Inc. (STI Marikina)	Educational Institution	24	24	24
GROW	Recruitment Agency	20	20	20
STI Alabang ^(b)	Educational Institution	–	–	40

^(a) Dormant entity

^(b) On March 16, 2023, STI ESG acquired 60.0% of the issued and outstanding capital stock of STI Alabang from the former franchisee (see Note 31). STI Alabang became a wholly-owned subsidiary of STI ESG effective March 31, 2023.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization in the case of intangible assets with finite lives, and any accumulated impairment losses.



The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive income in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The Group has assessed that the useful life of intangible assets having a finite useful life to be the shorter of its contractual term or economic life. Amortization is on a straight-line basis over the estimated useful lives of three (3) years.

Impairment of Nonfinancial Assets

The carrying values of investments in and advances to associates and joint ventures, property and equipment, investment properties, intangible assets and advances to suppliers are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Group makes a formal estimate of recoverable amount. Recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is assessed as part of the CGU to which it belongs. Where the carrying amount of an asset (or CGU) exceeds its recoverable amount, the asset (or CGU) is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or CGU). In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded securities or other available fair value indicators.

Provisions for impairment are recognized in the consolidated statement of comprehensive income in the expense categories consistent with the function of the impaired asset, except for assets previously revalued where the revaluation was taken to equity. In this case, the impairment is also recognized in equity up to the amount of any previous revaluation.

For nonfinancial assets, excluding goodwill and intangible assets with indefinite useful life, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation and



amortization expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

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 CGUs, to which goodwill relates. Where 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 the goodwill has been allocated, an impairment loss is recognized in the consolidated statement of comprehensive income. Impairment losses relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods. The Group performs its annual impairment test of goodwill at the end of each reporting period.

Capital Stock and Additional Paid-in Capital

Common stock is measured at par value for all shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax. Proceeds and/or fair value of consideration received in excess of par value are recognized as additional paid-in capital.

Cost of Shares Held by a Subsidiary

Cost of shares held by a subsidiary is accounted for similar to treasury shares which are recorded at cost. Own equity instruments which are reacquired are deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or the cancellation of the Group's own equity instruments.

Retained Earnings and Dividend on Common Stock of the Parent Company

The amount included in retained earnings includes profit attributable to the Parent Company's equity holders and is reduced by dividends on capital stocks. Dividends on capital stocks are recognized as a liability and deducted from equity when approved by the BOD of the Parent Company. Dividends for the year that are approved after the financial reporting date are dealt with as an event after the financial reporting period.

Earnings Per Share Attributable to the Equity Holders of the Parent Company

Earnings per share is computed by dividing net income attributed to equity holders of the Parent Company for the year by the weighted average number of shares issued and outstanding after giving retroactive effect to stock split and stock dividend declaration, if any.

Diluted earnings per share (EPS) is calculated by dividing the net income attributable to equity holders of the Parent Company by the weighted average number of common shares outstanding during the year adjusted for the effects of any dilutive convertible common shares.

Revenue Recognition

Revenue is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group assesses whether it is acting as a principal or an agent in every revenue arrangement. It is acting as a principal when it has the primary responsibility for providing the goods or services. The Group also acts as a principal when it has the discretion in establishing the prices and bears inventory and credit risk. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and value-added tax (VAT).



The following specific recognition criteria must also be met before revenue is recognized:

Tuition and Other School Fees. Revenue from tuition and other school fees is satisfied over time and is recognized as income over the corresponding school term to which they pertain on the basis of the time lapsed over the service period. Fees received pertaining to the school year commencing after the financial reporting date are recorded under the “Unearned tuition and other school fees” account in the consolidated statement of financial position. Unearned tuition and other school fees are amortized over the related school term.

Educational Services and Royalty Fees. Revenues from educational services and royalty fees are satisfied over time based on a percentage of monthly franchise receipts and is recognized on an accrual basis in accordance with the terms of the licensing agreements.

Sale of Educational Materials and Supplies. Revenue is satisfied at a point in time and is recognized at the time of sale when control of the goods is transferred to the customer.

Other Revenues. Other revenues include income related to the software license subscriptions provided to franchised schools. These revenues are satisfied at a point in time and are recognized at the time of sale when control or rights to the goods or services are transferred to the customer.

The following are the revenue streams outside the scope of PFRS 15:

Rental Income. Rental income is recognized on a straight-line basis over the term of the lease agreement.

Interest Income. Interest income is recognized as the interest accrues considering the effective yield on the asset.

Dividend Income. Revenue is recognized when the Group’s right to receive the payment is established.

The following are contract balances relative to PFRS 15, *Revenue from Contracts with Customers*:

Receivables. Receivables represent 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 Liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized. Contract liabilities are recognized as revenue when the Group performs its performance obligations under the contract. The Group’s “Unearned tuition and other school fees” account represents contract liabilities which will be recognized as revenue when the related educational services are rendered. This includes advance payment for tuition and other school fees for the school year commencing after the financial reporting date.

Costs and Expenses

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Costs and expenses are recognized in profit or loss in the year these are incurred.



Pension Cost

The Group has the following pension plans (Plan) covering substantially all of its regular and permanent employees:

<u>Entity</u>	<u>Type of Plan</u>
STI ESG	Funded, noncontributory defined benefit plan
STI WNU	Funded, noncontributory defined benefit plan
iACADEMY	Unfunded, noncontributory defined benefit plan
STI ESG's subsidiaries	Unfunded, noncontributory defined benefit plan

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

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

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

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 comprehensive income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the consolidated statement of comprehensive 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 defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

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).

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.



Defined Contribution Plan. De Los Santos-STI College and STI Quezon Avenue were members of the Catholic Educational Association of the Philippines Retirement Plan (CEAP) up to May 2022. CEAP's coverage was a funded, noncontributory, defined contribution plan for De Los Santos-STI College's and STI Quezon Avenue's qualified employees under which De Los Santos-STI College and STI Quezon Avenue paid fixed contributions based on the employees' monthly salaries. De Los Santos-STI College and STI Quezon Avenue, however, were covered under Republic Act (RA) No. 7641, the Philippine Retirement Law, which provided for its qualified employees a defined benefit (DB) minimum guarantee. The DB minimum guarantee was equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of RA No. 7641 (see Note 28).

Leases

The determination whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement. A reassessment is made after the inception of the lease only if one of the following applies: (a) there is a change in contractual terms, other than a renewal or extension of the agreement; (b) a renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term; (c) there is a change in the determination of whether the fulfillment is dependent on a specified asset; or (d) there is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) and the date of renewal or extension period for scenario (b).

Right-of-use Assets. The Group classifies its ROU assets as part of property and equipment and investment properties. Refer to the accounting policies for property and equipment and investment properties.

Lease Liabilities. At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the remaining lease term. The lease payments include fixed payments (including in-substance fixed payments, as applicable) less any lease incentives receivable and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate (IBR) at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term Leases and Leases with Low-value Assets. The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.



Lease Modification. Lease modification is defined as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term).

The Group shall account for a modification to a lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease. If a change in lease payments does not meet the definition of a lease modification, that change would generally be accounted for as a negative variable lease payment. A lessee recognizes the effect of the rent concession by recognizing the reduction in payment as other income in profit or loss in the consolidated statement of comprehensive income.

Group as a Lessor. The Group has lease agreements for the lease of its investment properties. Leases where the Group does not transfer substantially all the risk and benefits of ownership of the asset are classified as operating lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Taxes

Current Tax. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the financial reporting date.

Deferred Tax. Deferred tax is provided using the liability method on temporary differences at the financial reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or 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 income nor taxable income or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries and associates and interests in joint venture, 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 are recognized for all deductible temporary differences and carryforward benefit of net operating loss carryover (NOLCO), unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT), and to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of NOLCO and MCIT can be utilized, except:

- 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 income nor taxable income or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint venture, 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 income will be available against which the temporary differences can be utilized.



The carrying amount of deferred tax assets is reviewed at each financial reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each financial reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the financial reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transactions either in OCI or directly in equity.

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 taxation authority.

Value-added Tax (VAT). Revenue, expenses and assets are recognized net of the amount of VAT, except:

- when the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; or
- receivables and payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of “Prepaid taxes” under the “Prepaid expenses and other current assets” account or “Accounts payable and other current liabilities” account in the consolidated statement of financial position.

Operating Segment

For management purposes, the Group is organized into business units based on the geographical location of the students and assets. Financial information about operating segments is presented in Note 3 to the consolidated financial statements.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable.

Events after the Reporting Period

Post year-end events that provide additional information about the Group’s financial position at the financial reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.



3. Segment Information

For management purposes, the Group is organized into business units based on the geographical location of the students and assets, and has five reportable segments as follows:

- a. Metro Manila
- b. Northern Luzon
- c. Southern Luzon
- d. Visayas
- e. Mindanao

Management monitors operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with profit and loss in the consolidated financial statements.

On a consolidated basis, the Group's performance is evaluated based on consolidated net income and EBITDA, defined as earnings before interest expense, interest income, provision for (benefit from) income tax, depreciation and amortization, gain on foreign exchange differences, equity in net losses (earnings) of associates and joint venture, fair value loss on equity instruments at FVPL and nonrecurring gains such as gain on early extinguishment of loan, gain on derecognition of contingent consideration, gain on settlement of receivables (net of provision for impairment of noncurrent asset held for sale), and income on rent concessions. Depreciation and interest expense for purposes of this computation exclude those related to ROU assets and lease liabilities, respectively.

The following table shows the reconciliation of the consolidated net income to consolidated EBITDA:

	Year Ended June 30		
	2024	2023	2022
Consolidated net income	₱1,608,350,998	₱873,834,283	₱416,243,393
Depreciation and amortization* (see Notes 11, 12, 16, 24 and 26)	536,371,580	527,925,632	524,769,336
Interest expense* (see Notes 18, 19 and 23)	258,635,208	277,879,376	281,966,280
Provision for (benefit from) income tax	165,068,379	(15,723,664)	10,800,249
Interest income (see Notes 5, 6, 10 and 23)	(57,677,714)	(22,595,338)	(38,060,878)
Foreign exchange gain – net	(17,257,709)	(2,455,311)	(45,835,968)
Equity in net losses (earnings) of associates and joint venture (see Note 13)	(2,009,402)	(2,258,739)	20,242,197
Fair value loss on equity instruments at FVPL (see Note 9)	852,500	620,000	387,500
Gain on:			
Early extinguishment of loan (see Note 18)	(3,076,465)	–	–
Derecognition of contingent consideration (see Notes 17 and 33)	–	–	(25,000,000)
Settlement of receivables, net of provision for impairment of noncurrent asset held for sale (see Notes 10 and 12)	–	–	(10,832,534)
Income on rent concessions** (see Note 29)	–	–	(6,054,606)
Consolidated EBITDA	₱2,489,257,375	₱1,637,226,239	₱1,128,624,969

*Depreciation and interest expense exclude those related to ROU assets, presented under "Property and equipment" and "Investment properties" accounts, and lease liabilities, respectively.

**Presented as part of "Other income (expenses) - net".

Inter-Segment Transactions

Segment revenue, segment expenses and operating results include transfers among geographical segments. The transfers are accounted for at market prices charged to unrelated customers for similar services. Such transfers are eliminated upon consolidation.



Geographical Segment Data

The following tables present revenue and income information regarding geographical segments for the years ended June 30, 2024, 2023 and 2022:

	June 30, 2024					
	Metro Manila	Northern Luzon	Southern Luzon	Visayas	Mindanao	Consolidated
Revenues						
External revenue	₱2,513,519,589	₱287,297,914	₱1,165,127,321	₱656,552,012	₱77,826,832	₱4,700,323,668
Results						
Income before other income (expenses) and income tax	790,050,745	110,244,141	588,827,547	269,910,116	21,787,571	1,780,820,120
Equity in net earnings of associates and joint venture	2,009,402	–	–	–	–	2,009,402
Interest expense	(279,429,495)	(3,719,018)	(6,390,653)	(1,313,970)	(2,448,259)	(293,301,395)
Interest income	52,313,851	26,102	3,074,077	2,256,891	6,793	57,677,714
Other income	221,397,021	349,570	2,618,648	1,511,745	336,552	226,213,536
Provision for income tax	(132,141,408)	(2,212,353)	(5,150,583)	(25,564,035)	–	(165,068,379)
Net Income	₱654,200,116	₱104,688,442	₱582,979,036	₱246,800,747	₱19,682,657	₱1,608,350,998
EBITDA						₱2,489,257,375
	June 30, 2023					
	Metro Manila	Northern Luzon	Southern Luzon	Visayas	Mindanao	Consolidated
Revenues						
External revenue	₱1,795,363,020	₱239,585,468	₱835,133,394	₱468,767,206	₱66,618,865	₱3,405,467,953
Results						
Income before other income (expenses) and income tax	347,641,458	59,994,011	345,144,878	189,083,546	2,181,611	944,045,504
Equity in net earnings of associates and joint venture	2,258,739	–	–	–	–	2,258,739
Interest expense	(298,316,780)	(3,865,002)	(5,278,958)	(1,501,233)	(2,057,151)	(311,019,124)
Interest income	21,174,847	29,320	123,621	1,260,017	7,533	22,595,338
Other income	191,111,066	1,159,502	5,667,640	1,896,181	395,773	200,230,162
Benefit from (provision for) income tax	11,158,774	577,047	(355,163)	4,343,006	–	15,723,664
Net Income	₱275,028,104	₱57,894,878	₱345,302,018	₱195,081,517	₱527,766	₱873,834,283
EBITDA						₱1,637,226,239



	June 30, 2022					
	Metro Manila	Northern Luzon	Southern Luzon	Visayas	Mindanao	Consolidated
Revenues						
External revenue	₱1,432,614,200	₱189,663,625	₱680,470,698	₱310,073,376	₱64,809,994	₱2,677,631,893
Results						
Income (loss) before other income (expenses) and income tax	181,703,296	31,823,797	246,948,516	111,137,645	(3,002,860)	568,610,394
Equity in net losses of associates and joint venture	(20,242,197)	–	–	–	–	(20,242,197)
Interest expense	(299,611,661)	(3,883,675)	(6,249,868)	(835,656)	(2,758,723)	(313,339,583)
Interest income	37,684,497	32,615	163,395	155,531	24,840	38,060,878
Gain on derecognition of contingent consideration	25,000,000	–	–	–	–	25,000,000
Other income	127,889,989	–	693,110	371,051	–	128,954,150
Benefit from (provision for) income tax	(11,766,572)	1,302,025	(848,610)	512,908	–	(10,800,249)
Net Income (Loss)	₱40,657,352	₱29,274,762	₱240,706,543	₱111,341,479	(₱5,736,743)	₱416,243,393
EBITDA						₱1,128,624,969

The following tables present certain assets and liabilities information regarding geographical segments as at June 30, 2024 and 2023:

	June 30, 2024					
	Metro Manila	Northern Luzon	Southern Luzon	Visayas	Mindanao	Consolidated
Assets and Liabilities						
Segment assets ^(a)	₱10,443,965,112	₱682,262,822	₱1,792,286,647	₱1,114,551,083	₱71,579,918	₱14,104,645,582
Noncurrent asset held for sale	1,020,728,064	–	–	–	–	1,020,728,064
Investments in and advances to associates and joint venture	21,108,679	–	–	–	–	21,108,679
Goodwill	236,629,190	–	–	15,681,232	–	252,310,422
Deferred tax assets – net	13,185,635	2,797,372	12,557,491	13,192,004	1,296,597	43,029,099
Total Assets	₱11,735,616,680	₱685,060,194	₱1,804,844,138	₱1,143,424,319	₱72,876,515	₱15,441,821,846
Segment liabilities ^(b)	₱766,131,191	₱57,008,678	₱251,954,267	₱137,836,962	₱25,101,760	₱1,238,032,858
Interest-bearing loans and borrowings	2,086,114,412	–	–	–	–	2,086,114,412
Bonds payable	814,967,275	–	–	–	–	814,967,275
Pension liabilities – net	68,782,774	5,921,760	13,681,541	39,964,238	1,430,678	129,780,991
Lease liabilities	297,847,771	42,466,080	101,690,258	18,828,574	29,240,581	490,073,264
Deferred tax liabilities – net	110,477,037	–	–	–	–	110,477,037
Total Liabilities	₱4,144,320,460	₱105,396,518	₱367,326,066	₱196,629,774	₱55,773,019	₱4,869,445,837
Other Segment Information						
Capital expenditure -						
Property and equipment and investment properties						₱961,101,989
Depreciation and amortization ^(c)						536,371,580
Noncash expenses other than depreciation and amortization						91,147,657

^(a) Segment assets exclude noncurrent asset held for sale, investments in and advances to associates and joint venture, goodwill and net deferred tax assets.

^(b) Segment liabilities exclude interest-bearing loans and borrowings, bonds payable, net pension liabilities, lease liabilities and net deferred tax liabilities.

^(c) Depreciation and amortization excludes those related to ROU assets.



	June 30, 2023					
	Metro Manila	Northern Luzon	Southern Luzon	Visayas	Mindanao	Consolidated
Assets and Liabilities						
Segment assets ^(a)	₱10,600,397,084	₱717,138,215	₱1,382,644,996	₱897,933,931	₱126,266,793	₱13,724,381,019
Noncurrent asset held for sale	1,020,728,064	–	–	–	–	1,020,728,064
Investments in and advances to associates and joint venture	20,749,617	–	–	–	–	20,749,617
Goodwill	250,898,081	–	–	15,681,232	–	266,579,313
Deferred tax assets – net	25,626,907	3,065,113	4,796,366	15,559,510	1,695,394	50,743,290
Total Assets	₱11,918,399,753	₱720,203,328	₱1,387,441,362	₱929,174,673	₱127,962,187	15,083,181,303
Segment liabilities ^(b)	₱703,581,220	₱59,149,312	₱115,631,192	₱116,585,816	₱32,588,682	₱1,027,536,222
Interest-bearing loans and borrowings	1,071,545,624	–	–	–	–	1,071,545,624
Bonds payable	2,988,422,984	–	–	–	–	2,988,422,984
Pension liabilities – net	84,438,951	5,775,501	12,226,482	34,838,456	2,519,932	139,799,322
Lease liabilities	321,668,393	57,706,097	103,871,119	25,298,373	28,215,797	536,759,779
Deferred tax liabilities – net	109,306,873	–	–	–	–	109,306,873
Total Liabilities	₱5,278,964,045	₱122,630,910	₱231,728,793	₱176,722,645	₱63,324,411	₱5,873,370,804
Other Segment Information						
Capital expenditure -						
Property and equipment and investment properties						₱487,673,587
Depreciation and amortization ^(c)						527,925,632
Noncash expenses other than depreciation and amortization						109,043,611

^(a) Segment assets exclude noncurrent asset held for sale, investments in and advances to associates and joint venture, goodwill and net deferred tax assets.

^(b) Segment liabilities exclude interest-bearing loans and borrowings, bonds payable, net pension liabilities, lease liabilities and deferred tax liabilities.

^(c) Depreciation and amortization excludes those related to ROU assets.



4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with PFRSs requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and related notes. The estimates used are based upon management's evaluation of relevant facts and circumstances as at the date of the consolidated financial statements, giving due consideration to materiality. Actual results could differ from such estimates.

The Group believes the following represents a summary of these significant judgments, estimates and assumptions and related impact and associated risks in its consolidated financial statements.

In response to the COVID-19 outbreak, which has caused global economic disruption, the Group has implemented programs to minimize the risks and ensure operational continuity. These measures primarily affected SY 2020-2021 through the first term of SY 2022-2023.

Management has considered the impact of COVID-19 pandemic on the Group's significant accounting judgments and estimates during the aforementioned school years and there are no changes to the significant judgments and estimates in the June 30, 2024 consolidated financial statements from those applied in previous financial periods, other than for those disclosed under this section.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Recognition of Revenue from Tuition and Other School Fees, Educational Services and Royalty Fees over time. The Group concluded that tuition and other school fees, educational services and royalty fees are to be recognized over time on the basis of time lapsed over the service period. This approach reflects the principle that revenue should be recognized as the Group satisfies its performance obligations in rendering its services to students and franchisees. Since the students and franchisees receive and consume the benefits of the services as they are provided, there is no need for another entity to re-perform the services that the Group has provided to date. This demonstrates that students simultaneously receive and consume the benefits of the Group's performance as it is performed. This likewise demonstrates that STI ESG's franchisees simultaneously receive and consume the benefits of STI ESG's performance as it is performed.

Recognition of revenue from the sale of educational materials and supplies at the point in time. Revenue from the sale of educational materials and supplies is recognized at the point in time when the control of the asset is transferred to the customer, generally upon receipt of the goods by franchisees and students. It is also the point in which the customer is obliged to pay for the asset without any further conditions or actions and the Group has transferred physical possession of the asset.

Asset Acquisition. On June 20, 2024, STI ESG and TCAMI, a related party, executed a deed of absolute sale for STI ESG's acquisition of 100% of the total issued and outstanding capital stock of TCAMI's wholly-owned subsidiary, CHI. Management considered the substance of the assets and activities of the acquired entity and assessed that the acquisition of a subsidiary does not represent a business, but rather an acquisition of the land, the primary asset of the subsidiary at the date of acquisition. The cost of the acquisition is allocated to the assets acquired based upon their relative fair values and no goodwill or deferred tax is recognized (see Notes 11 and 39).



Determination of Control Arising from a Management Contract. STI ESG has a management contract with STI Caloocan. Management has concluded that STI ESG, in substance, has the power to direct its relevant activities and has the means to obtain majority of the benefits of STI Caloocan, a non-stock corporation, through the management contract. Management has assessed that it has control over STI Caloocan and accordingly, classifies the entity as subsidiary effective from the date control was obtained.

Noncurrent Asset Held for Sale. Quezon City Dacion Properties - On June 24, 2021, the Parent Company's BOD approved the sale to an interested buyer of the Parent Company's properties located in Quezon City ("Quezon City dacion properties") which were obtained by the Parent Company through the deeds of dacion in 2016 as these properties have not been used in business since acquisition. Management considered these properties to meet the criteria to be classified as held for sale for the following reasons:

- The BOD approved the disposition of the Quezon City dacion properties
- The Quezon City dacion properties are available for immediate sale in its present condition
- Negotiations with an interested buyer have been initiated
- The properties will be sold at a price approximating its current fair value
- Management expects to complete the sale within one year from the date of classification

As a result of the classification as noncurrent asset held for sale, the Parent Company ceased to account for the properties as investment properties effective June 30, 2021 and carried such properties at the lower of its carrying amount and fair value less costs to sell. No impairment loss was recognized as a result of such classification (see Notes 10 and 12).

In May and June 2022, the Parent Company issued to certain brokers an authority to sell and to perform all efforts in connection with the sale of the Quezon City properties to prospective buyers.

In 2023, the Parent Company started its negotiation with a certain real estate group for the sale of the properties.

As of June 30, 2024 and October 11, 2024, the Parent Company is still in negotiation with the said real estate group who is currently looking for a real estate developer to partner with in the development of the land. Consequently, the properties remain to be presented as "Noncurrent asset held for sale" and carried at the lower of carrying amount and fair value less cost to sell.

Property Acquired through Extrajudicial Foreclosure Sale - As discussed in Note 10, the receivable from STI Tanay is secured by real estate mortgages over certain properties which include STI Tanay's land and building, including improvements thereon, and a third-party mortgage over land and building including improvements thereon, located in Pasig City (Pasig Property).

As at June 30, 2022, management considered the Pasig Property to have met the criteria to be classified as held for sale for the following reasons:

- STI Tanay and the mortgagors have a one-year redemption period from the date the certificate of sale was annotated (i.e., August 5, 2021); hence, management expects to complete the sale within one year from the date of classification
- The Pasig Property is available for immediate sale/redemption in its present condition
- The Pasig Property will be redeemed at a reasonable price in relation to its fair value
- STI Tanay is the specified buyer of the property and actions to complete the redemption have been initiated



With the classification of noncurrent asset held for sale, STI ESG ceased the accounting for the Pasig Property as investment properties and the property was carried at the lower of its carrying amount or fair value less costs to sell in the consolidated statement of financial position as at June 30, 2022.

Contingencies. The Group is currently a party in a number of cases involving claims and disputes related to collection of receivables and labor cases. The Group's estimate of the probable costs for the resolution of these claims has been developed in consultation with outside legal counsels handling defense in these matters and is based upon an analysis of potential results. Management and its legal counsels believe that the Group has substantial legal and factual bases for its position and are of the opinion that losses arising from these legal actions, if any, will not have a material adverse impact on the consolidated financial statements. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of strategies relating to these proceedings (see Note 34).

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial 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.

Measurement of Expected Credit Losses. ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive.
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the credit-adjusted effective interest rate.

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECLs are the discounted product of the Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD), defined as follows:

- *Probability of Default.* The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months, or over the remaining life of the obligation. PD estimates are estimates at a certain date, which are calculated based on statistical rating models based on internally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the PD.
- *Loss Given Default.* LGD represents the Group's expectation of the extent of loss on a defaulted exposure, taking into account the mitigating effect of collateral, its expected value when realized and the time value of money.
- *Exposure at Default.* EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.

Simplified Approach for Receivables from Students. The Group applies the simplified approach in calculating ECLs of receivables from students. The Group develops loss rates based on days past due for each grouping of receivables per school term. The methodology is initially based on the Group's



historically observed default rates. The Group then adjusts the historical credit loss experience using forward-looking information. At every reporting date, the historical default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical default rates, forecast economic conditions and ECLs is a significant estimate. 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 Group's impairment calculations are outputs of statistical models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the impairment models that are considered accounting judgments and estimates include:

- The Group's criteria for defining default and for assessing if there has been a significant increase in credit risk;
- The segmentation of financial assets when impairment is assessed on a collective basis;
- The choice of inputs and the various formulas used in the impairment calculation;
- Determination of relationships between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs; and
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the impairment models.

It is the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary. The Group has considered the impact of the COVID-19 pandemic on the ECLs of its financial instruments, particularly receivables from students which were primarily affected from SY 2020-2021 through the first term of SY 2022-2023. The amount and timing of the ECLs, as well as the probability assigned thereto, have been based on the available information as at report date.

Incorporation of Forward-looking Information. The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

The macro-economic variables include the following key indicators for the Philippines: unemployment rates, inflation rates and GDP growth rate. The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the consolidated financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

The Group has not identified any uncertain event that it has assessed to be relevant to the risk of a default occurring but where it is not able to estimate the impact on ECL due to lack of reasonable and supportable information.

The Group recognized provision for ECL (net of reversal) amounting to ₱30.5 million, ₱85.2 million and ₱112.7 million for the years ended June 30, 2024, 2023 and 2022, respectively. Allowance for ECL on receivables amounted to ₱227.4 million and ₱382.4 million as at June 30, 2024 and 2023, respectively. The carrying amounts of receivables as at June 30, 2024 and 2023 are disclosed in Note 6.



Valuation of Noncurrent Asset Held for Sale. PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, requires noncurrent assets held for sale to be carried at the lower of fair value less costs to sell and its carrying amount.

Noncurrent asset held for sale amounting to ₱1,020.7 million as at June 30, 2024 and 2023 represents the carrying value of the land, building and land improvements located in Quezon City (“Quezon City dacion properties”) which were obtained by the Parent Company through the deeds of dacion in 2016 (see Notes 10 and 34).

Noncurrent asset held for sale as of June 30, 2022 includes the carrying value of STI ESG’s Pasig Property amounting to ₱19.0 million which was redeemed by STI Tanay/the mortgagors in July 2022 (see Note 10).

Provision for impairment loss on STI ESG’s Pasig Property amounted to ₱34.3 million for the year ended June 30, 2022. No impairment on noncurrent asset held for sale was recognized for the years ended June 30, 2024 and 2023.

Estimating Useful Lives of Nonfinancial Assets. Management determines the estimated useful lives and the related depreciation and amortization charges for its property and equipment, investment properties (excluding land) and intangible assets based on the period over which the property and equipment, investment properties and intangible assets are expected to provide economic benefits. Management’s estimation of the useful lives of property and equipment, investment properties and intangible assets is based on a collective assessment of industry practice, internal technical evaluation, and experience with similar assets while for intangible assets with a finite life, estimated useful life is based on economic useful benefit of the intangible assets. These estimations are reviewed periodically and could change significantly due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. A reduction in the estimated useful lives of property and equipment, investment properties and intangible assets would increase recorded expenses and decrease noncurrent assets.

There were no changes in the estimated useful lives of the Group’s property and equipment, investment properties and intangible assets as at June 30, 2024 and 2023. The carrying values of nonfinancial assets subject to depreciation and amortization are as follows:

	2024	2023
Property and equipment (excluding land and construction in-progress) (see Note 11)	₱6,227,889,335	₱6,176,004,577
Investment properties (excluding land and construction and in-progress) (see Note 12)	510,205,636	548,171,442
Intangible assets (see Note 16)	40,778,815	48,483,245

Impairment of Nonfinancial Assets. PFRSs require nonfinancial assets, excluding goodwill and intangible assets with indefinite useful life, to be tested for impairment when certain impairment indicators are present, irrespective of whether there are any indications of impairment. Nonfinancial assets include property and equipment, investment properties, investment in and advances to associates and joint venture and intangible assets and other noncurrent assets.

Management is required to make estimates and assumptions to determine the future cash flows to be generated from the continued use and ultimate disposition of these assets in order to determine the value of these assets. While the Group believes that the assumptions used are reasonable and appropriate, these estimates and assumptions can materially affect the consolidated financial statements. Future



adverse events may cause management to conclude that the affected assets are impaired and may have a material impact on the financial condition and results of operations of the Group.

The carrying value of property and equipment, investment properties, investment in and advances to associates and joint venture and intangible assets and other noncurrent assets are disclosed in Notes 11, 12, 13, 14 and 16, respectively.

The Group recognized a provision for impairment of its investment in a joint venture amounting to ₱1.7 million for the year ended June 30, 2024. No impairment was recognized for the years ended June 30, 2023 and 2022. As at June 30, 2024 and 2023, the carrying value of the investments in and advances to associates and joint venture amounted to ₱21.1 million and ₱20.7 million, respectively (see Note 13).

Impairment of Goodwill and Intangible Assets with Indefinite Useful Life. Acquisition method requires extensive use of accounting estimates and judgments to allocate the purchase price to the fair market values of the acquiree's identifiable assets, liabilities and contingent liabilities at the acquisition date. It also requires the acquirer to recognize any goodwill as the excess of the acquisition cost over the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. The Group's business acquisitions have resulted in goodwill and intangible assets with indefinite useful life which are subject to an annual impairment testing. This requires an estimation of the value in use of the CGUs to which the goodwill and intangible assets with indefinite useful life are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The Group also reviewed its business and operations to take into consideration the estimated impact and effects of the COVID-19 pandemic on its operations. Using the updated information and various scenarios of future financial performance and cash flows, an assessment of the recoverability of certain assets as at reporting date was conducted.

The recoverable amounts of CGUs have been determined based on value in use calculations using cash flow projections covering a five-year period based on long-range plans approved by management. The significant assumptions used in the value in use calculations are forecasted revenue growth, long-term growth rate and discount rate.

Management used an appropriate discount rate for cash flows equal to the prevailing rates of return for a group having substantially the same risks and characteristics. Management used the weighted average cost of capital (WACC) wherein the source of the costs of equity and debt financing are weighted. The weighted average cost of capital is the overall required return on the CGUs. A pre-tax discount rate of 13.2% to 13.4% and from 10.18% to 10.% were used as at June 30, 2024 and 2023, respectively. The growth rate used in extrapolating cash flows beyond the period covered by the CGUs' recent budgets was 5.00%.

Impairment testing showed that the CGUs' recoverable amounts were greater than their carrying amounts, except for NPIM (2024) and STI Iloilo (2022). The Group recognized a provision for impairment of goodwill amounting to ₱14.3 million and ₱3.8 million for the years ended June 30, 2024 and 2022, respectively. No impairment was recognized for the year ended June 30, 2023. Goodwill amounted to ₱252.3 million and ₱266.6 million as at June 30, 2024 and 2023, respectively; while intangible assets with indefinite useful life amounted ₱27.6 million as at June 30, 2024 and 2023 (see Note 16).



Realizability of Deferred Tax Assets. Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of NOLCO and MCIT to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of NOLCO and MCIT 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.

Deferred tax assets recognized and deductible temporary differences and unused NOLCO for which no deferred tax assets have been recognized as at June 30, 2024 and 2023 are disclosed in Note 30 to the consolidated financial statements.

Measurement of Lease Liabilities. The Group's lease liabilities are measured based on the present value of lease payments over the lease term using the Group's IBR.

▪ *Determination of Lease Term*

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements).

The Group determined that renewal periods of leases with longer periods are not included as part of the lease term as these are not reasonably certain to be exercised.

▪ *Estimating the Incremental Borrowing Rate*

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

The Group's lease liabilities as at June 30, 2024 and 2023 are disclosed in Note 29 to the consolidated financial statements.

Determining Pension Liabilities. The determination of the obligation for and cost of pension benefits is dependent on the selection of certain assumptions provided by the Group to its actuaries in calculating such amounts. Those assumptions are described in Note 28 and include, among others, discount rate and future salary increases. In accordance with Revised PAS 19, *Employee Benefits*, actual results that differ from the Group's assumptions are included in OCI and are not reclassified to profit or loss in subsequent periods. While it is believed that the Group's assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Group's pension and other pension obligations.

The carrying value of net pension liabilities as at June 30, 2024 and 2023 are disclosed in Note 28 to the consolidated financial statements.



5. Cash and Cash Equivalents

	2024	2023
Cash on hand and in banks	₱1,054,977,974	₱909,786,970
Cash equivalents	800,522,935	1,048,980,583
	₱1,855,500,909	₱1,958,767,553

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

Interest earned from cash in banks and cash equivalents for the years ended June 30, 2024, 2023 and 2022 amounted to ₱51.2 million, ₱16.7 million and ₱3.1 million, respectively (see Note 23).

6. Receivables

	2024	2023
Tuition and other school fees	₱491,275,539	₱650,156,822
Rent, utilities and other related receivables (see Note 31)	72,890,694	89,504,738
Educational services (see Note 31)	62,356,116	55,534,769
Advances to officers and employees (see Note 31)	36,078,187	31,742,292
Others	31,688,795	26,134,019
	694,289,331	853,072,640
Less allowance for expected credit losses	227,383,175	382,438,078
	₱466,906,156	₱470,634,562

The terms and conditions of the receivables are as follows:

- a. Tuition and other school fees receivables include receivables from students, DepEd, CHED and Development Bank of the Philippines (DBP).

On March 17, 2021, STI ESG executed a Memorandum of Agreement (MOA) with DBP for the implementation of the DBP Resources for Inclusive and Sustainable Education Program (DBP RISE). The program grants financial assistance to deserving students from the ranks of underprivileged Filipino families who aspire to pursue studies in DBP-accredited public and private tertiary schools. DBP RISE covers (1) the total cost of tuition fees for all year levels of the entire course or program based on the partner school's tuition fees structure which is determined at the beginning of the first term of the course or program starting SY 2020-2021, and (2) student support fund which covers other school fees, miscellaneous fees, and living allowance that will be determined and set by DBP. STI ESG and DBP executed a similar MOA in November 2021 and May 2023 covering the implementation of DBP RISE for deserving students enrolled beginning SY 2021-2022, SY 2022-2023 and SY 2023-2024. Receivables from DBP amounted to ₱2.2 million, ₱1.6 million and ₱2.0 million as at June 30, 2024, 2023 and 2022, respectively.

These receivables are noninterest bearing. Receivables from students are normally collected on or before the date of major examinations while receivables from DepEd, CHED and DBP are expected to be collected in full within the next fiscal year.



- b. Rent, utilities and other related receivables are normally collected within the next fiscal year (see Note 29).
- c. Educational services receivables pertain to receivables from STI ESG’s franchisees arising from educational services, royalty fees and other charges. These receivables are generally noninterest-bearing and are normally collected within 30 days. Interest is charged on past due accounts.

Interest earned from past due accounts amounted to ₱6.4 million, ₱5.8 million and ₱2.0 million for the years ended June 30, 2024, 2023 and 2022, respectively (see Note 23).

- d. Advances to officers and employees substantially represent advances for official business expenses which are necessary and reasonable to carry out the operations of the entities within the Group. These advances are normally liquidated within one month from the date the advances are obtained.
- e. Others mainly include receivables from a former franchisee of STI ESG, vendors and contractor and receivables from Social Security System amounting to ₱1.3 million, ₱11.3 million and ₱7.6 million as at June 30, 2024, respectively, and ₱1.6 million, ₱10.3 million and ₱5.4 million as at June 30, 2023, respectively. These receivables are expected to be collected within the year.

The movements in allowance for expected credit losses are as follows:

	2024		
	Tuition and Other School Fees	Others	Total
Balance at beginning of year	₱370,760,197	₱11,677,881	₱382,438,078
Provisions (reversal) (see Note 26)	30,669,950	(206,178)	30,463,772
Write-off	(182,457,448)	(3,061,227)	(185,518,675)
Balance at end of year	₱218,972,699	₱8,410,476	₱227,383,175

	2023		
	Tuition and Other School Fees	Others	Total
Balance at beginning of year	₱296,195,835	₱16,188,662	₱312,384,497
Provisions (reversal) (see Note 26)	89,733,241	(4,510,781)	85,222,460
Effect of business combination (see Note 39)	2,190,557	–	2,190,557
Write-off	(17,359,436)	–	(17,359,436)
Balance at end of year	₱370,760,197	₱11,677,881	₱382,438,078

Recovery of accounts pertaining to tuition and other school fees which were previously written off amounted to ₱6.5 million, ₱11.3 million and ₱9.7 million for the years ended June 30, 2024, 2023 and 2022, respectively.



7. Inventories

	2024	2023
At cost:		
Educational materials:		
Uniforms	₱118,251,924	₱98,227,803
Textbooks and other education-related materials	7,392,150	9,793,330
	125,644,074	108,021,133
Promotional materials:		
Proware materials	19,680,220	13,775,504
Marketing materials	1,199,015	428,244
	20,879,235	14,203,748
School materials and supplies	10,617,065	7,273,419
	₱157,140,374	₱129,498,300

Inventories recognized as obsolete, substantially composed of old tertiary uniforms and textbooks, are fully provided with allowance for inventory obsolescence. Accordingly, the carrying value of these inventories carried at net realizable value is nil as at June 30, 2024, 2023 and 2022. Allowance for inventory obsolescence amounted to ₱25.1 million, ₱24.1 million and ₱18.5 million as at June 30, 2024, 2023 and 2022, respectively. Additional provision for inventory obsolescence resulting from the excess of cost over the net realizable value of these obsolete inventories recognized for the years ended June 30, 2024, 2023 and 2022 amounted to ₱1.0 million, ₱5.6 million and ₱2.0 million, respectively (see Note 26).

Inventories charged to cost of educational materials and supplies sold amounted to ₱102.7 million, ₱90.6 million and ₱24.2 million for the years ended June 30, 2024, 2023 and 2022, respectively (see Note 25).

8. Prepaid Expenses and Other Current Assets

	2024	2023
Input VAT – net	₱69,665,004	₱47,648,116
Prepaid taxes	38,744,218	77,642,338
Advances to suppliers	28,421,208	32,598,735
Prepaid subscriptions and licenses	23,159,013	18,301,411
Prepaid insurance	6,257,333	6,049,277
Software maintenance cost	984,218	1,480,531
Others	3,563,882	9,232,289
	₱170,794,876	₱192,952,697

Net input VAT represents the remaining balance after application against any output VAT and is recoverable in future periods. As at June 30, 2024, the balance includes the input VAT related to the (1) STI ESG's acquisition of a parcel of land in South Park District, Alabang, Muntinlupa City amounting to ₱24.7 million (see Note 16), (2) payment to contractors from the construction of STI WNU's new School of Basic Education (SBE) building and ancillary works on its Engineering building (see Note 11). Input VAT as at June 30, 2023 is primarily from STI ESG's acquisition of two parcels of land in Meycauayan City, Bulacan (see Note 12), the renovation of STI WNU's Engineering building and the construction of STI WNU's new SBE building. This account also includes input VAT recognized on the purchase of other goods and services.



Prepaid taxes primarily pertain to prepayments for creditable withholding taxes, business and real property taxes. Prepayments for business and real property taxes are recognized as expense over the applicable period, typically within 12 months ending December of every year. Excess prior year credits and a substantial portion of creditable withholding taxes as at June 30, 2023 were applied against income tax due in 2024.

Advances to suppliers as at June 30, 2024 primarily relate to prepayments for the procurement of students' school uniforms. This account also includes advances for expenses related to commencement exercises, purchase of supplies and materials, repairs and maintenance works for the school buildings.

Prepaid subscriptions and licenses substantially pertain to Microsoft, Adobe Acrobat, Adobe Creative Cloud, eLMS, Sophos Firewall, Toon Boom Harmony and Google Workspace subscriptions which were paid in advance in preparation for the succeeding school year. These subscriptions are normally renewed annually and are recognized as expense in accordance with the terms of the respective agreements.

Prepaid insurance primarily represents vehicle insurance coverage, health insurance coverage of employees, and fire and other risks insurance on buildings, which were paid in advance and are recognized as expense over the period of coverage which is within the next reporting period.

Software maintenance costs as at June 30, 2024 substantially pertain to the annual support and maintenance charges for the use of STI ESG's accounting system. The balance as at June 30, 2023 includes the annual support and maintenance charges for the use of the Group's enrollment system. These software maintenance costs are recognized as expense over time in accordance with the terms of the respective agreements.

Other prepaid expenses include advance payments made for the use of a recruitment platform, membership fees and subscriptions, association dues, and annual monitoring fee for STI ESG's bond issue.

9. Equity Instruments at Fair Value through Profit or Loss (FVPL)

Equity instruments at FVPL represents the Group's investment in quoted equity shares of RL Commercial REIT, Inc. (RCR) held for trading amounting to ₱8.1 million and ₱9.0 million as at June 30, 2024 and 2023, respectively.

In September 2021, STI ESG acquired quoted equity shares of RCR amounting to ₱10.0 million for 1,550,000 shares at ₱6.45 per share. STI ESG recognized fair value loss on equity instruments at FVPL amounting to ₱0.9 million, ₱0.6 million and ₱0.4 million for the years ended June 30, 2024, 2023 and 2022, respectively.

STI ESG recognized dividend income from RCR amounting to ₱0.6 million for the years ended June 30, 2024 and 2023 and ₱0.4 million for the year ended June 30, 2022.



10. Noncurrent Asset Held for Sale

Quezon City Dacion Properties

Noncurrent asset held for sale amounting to ₱1,020.7 million as at June 30, 2024 and 2023 represents the carrying value of the land, building and land improvements located in Quezon City (“Quezon City dacion properties”) which were obtained by the Parent Company through the deeds of dacion in 2016 (see Notes 12 and 34).

On June 24, 2021, the Parent Company’s BOD approved the sale of the Quezon City dacion properties to a potential buyer as these properties have not been used in business since its receipt. With the classification as noncurrent asset held for sale, the Parent Company carried the said properties at the lower of its carrying amount and fair value less costs to sell. No impairment loss was recognized for the years ended June 30, 2024, 2023 and 2022 as a result of such classification.

In May and June 2022, the Parent Company issued to certain brokers an authority to sell and to perform all efforts in connection with the sale of the Quezon City dacion properties to prospective buyers.

In 2023, the Parent Company started its negotiation with a certain real estate group for the sale of the properties.

As of June 30, 2024 and October 11, 2024, the Parent Company is still in negotiation with the said real estate group who is currently looking for a real estate developer to partner with in the development of the land. Consequently, the properties remain to be presented as “Noncurrent asset held for sale” and carried at the lower of carrying amount and fair value less cost to sell.

Property Acquired through Extrajudicial Foreclosure

Pursuant to a deed of assignment executed by STI ESG and DBP in 2019, DBP assigned, transferred, and conveyed, without recourse, to STI ESG, all its collectibles from STI Tanay for a consideration of ₱75.5 million. DBP likewise granted to STI ESG all the rights, title and interest in and to the loan, the Promissory Notes and the underlying collaterals and security covering the loan and Promissory Notes, as well as full power and authority to demand, collect and receive payment on the said loan and Promissory Notes.

The receivable from STI Tanay is secured by real estate mortgages over the following properties: (a) land and building where STI Tanay is situated, including all improvements thereon, and registered in the name of STI Tanay (Tanay Property) (see Note 12); and (b) land and building including improvements thereon, located in Pasig City (Pasig Property). STI ESG started foreclosure proceedings after several demand/collection letters were sent to STI Tanay.

Fees aggregating to ₱8.8 million, representing legal and filing fees, publication, and other costs from the execution of the deed of assignment by and between DBP and STI ESG, were incurred up to the dates of the extrajudicial foreclosure sale of the mortgaged real estate properties situated in Pasig City and Tanay, Rizal. STI ESG recognized as interest income the accrued interests and default charges on the assigned loans of STI Tanay aggregating to ₱33.0 million in 2022. This covers interests and penalty charges from the execution of the deed of assignment by and between DBP and STI ESG up to the date of the extrajudicial foreclosure sale of the real estate mortgaged as collateral on the loans.



On March 16, 2021, the extrajudicial foreclosure sale for the Pasig Property was completed and STI ESG was declared as the winning bidder. On July 14, 2021, the Clerk of Court and Ex-Officio Sheriff of Pasig City issued the certificate of sale to STI ESG and the same was annotated on August 5, 2021. Consequently, STI ESG recognized the said property as part of land and building under “Investment properties” at appraised values amounting to ₱44.2 million and ₱9.7 million, respectively. The difference between the fair value and derecognized receivable from STI Tanay amounting to ₱19.0 million was recognized as part of “Gain on settlement of receivables” for the year ended June 30, 2022.

STI Tanay and the mortgagors were given a one-year redemption period from the date the certificate of sale was annotated. On June 30, 2022, STI Tanay and the mortgagors sought the redemption of the Pasig Property for ₱19.0 million. STI ESG executed the Certificate of Redemption and the release and cancellation of the third-party mortgage of the Pasig Property. Pending the actual tender of the redemption price, STI ESG did not recognize the redemption and accordingly reclassified the Pasig Property from “Investment properties” to “Noncurrent asset held for sale” in view of the expected redemption upon actual receipt of the redemption price.

With the classification of noncurrent asset held for sale, STI ESG ceased the accounting for the Pasig Property as investment properties and the property was carried at the lower of its carrying amount or fair value less costs to sell. Consequently, STI ESG recognized a provision for impairment on the Pasig Property amounting to ₱34.3 million to bring the carrying value to its redemption price. The gain on settlement of receivable and the provision for impairment of noncurrent asset held for sale were presented as part of “Gain on settlement of receivables, net of provision for impairment of noncurrent asset held for sale” in the 2022 consolidated statement of comprehensive income.

On July 29, 2022, STI Tanay, the mortgagors and STI ESG entered into a Memorandum of Agreement (the “Agreement”) for the settlement of the outstanding obligations of STI Tanay (including receivable for educational services rendered by STI ESG as discussed in Note 6) through the performance of the following terms and conditions as set forth in the Agreement: (1) assignment and conveyance by STI Tanay of the Tanay property to STI ESG; (2) payment of the ₱19.0 million for the redemption of the Pasig property (discussed above); (3) assignment of STI Tanay’s rights to the unbilled or unclaimed DepEd SHS Vouchers for SYs 2019-2020, 2020-2021, and 2021-2022 to STI ESG (future collections to be applied to receivable for educational services from STI Tanay); (4) assignment of STI Tanay’s rights to the use of the name of “STI College Tanay”; and (5) change of corporate name of STI Tanay. On the same day, STI ESG received the full payment of ₱19.0 million for the redemption of the Pasig Property. Accordingly, STI ESG derecognized noncurrent asset held for sale amounting to ₱19.0 million (see Notes 11 and 12).



11. Property and Equipment

	Land	Buildings	Office and School Equipment	Office and School Furniture and Fixtures	Leasehold Improvements	Transportation Equipment	Computer Equipment and Peripherals	Library Holdings	Renewable Energy Equipment	Construction In-Progress	Right-of-use Asset – Land	Right-of-use Asset – Building	Right-of-use Asset – Transportation Equipment	Total
Cost, Net of Accumulated Depreciation and Amortization														
Balance at beginning of year	₱3,398,447,562	₱5,519,063,199	₱124,266,616	₱45,109,721	₱49,148,012	₱1,499,010	₱71,945,622	₱15,559,610	₱–	₱110,255,779	₱114,453,562	₱219,374,326	₱15,584,899	₱9,684,707,918
Additions	182,873,095	118,374,468	46,774,273	26,658,510	10,775,238	11,890,276	57,219,192	3,587,157	10,554,665	491,652,421	–	38,527,512	7,624,742	1,006,511,549
Reclassification to investment properties (see Note 12)	(187,440,604)	–	–	–	–	–	–	–	–	–	–	–	–	(187,440,604)
Reclassification of completed construction in-progress	–	291,706,615	5,800,166	–	–	–	–	–	–	(297,506,781)	–	–	–	–
Reclassification	–	–	–	–	–	570,000	–	–	–	–	–	–	(570,000)	–
Disposal	–	–	(23,416)	(36)	–	–	(129)	–	–	–	–	–	–	(23,581)
Depreciation and amortization (see Notes 24 and 26)	–	(355,928,960)	(56,621,857)	(20,281,798)	(18,457,604)	(2,518,738)	(41,668,421)	(4,203,289)	(1,310,027)	–	(8,079,494)	(57,881,587)	(10,632,700)	(577,584,475)
Balance at end of year	₱3,393,880,053	₱5,573,215,322	₱120,195,782	₱51,486,397	₱41,465,646	₱11,440,548	₱87,496,264	₱14,943,478	₱9,244,638	₱304,401,419	₱106,374,068	₱200,020,251	₱12,006,941	₱9,926,170,807
At June 30, 2024:														
Cost	₱3,393,880,053	₱8,533,545,274	₱1,022,470,939	₱430,483,368	₱275,139,636	₱33,758,152	₱620,127,822	₱228,245,341	₱10,554,666	₱304,401,419	₱148,107,223	₱372,273,014	₱65,760,255	₱15,438,747,162
Accumulated depreciation and amortization	–	(2,960,329,952)	(902,275,157)	(378,996,971)	(233,673,990)	(22,317,604)	(532,631,558)	(213,301,863)	(1,310,028)	–	(41,733,155)	(172,252,763)	(53,753,314)	(5,512,576,355)
Net book value	₱3,393,880,053	₱5,573,215,322	₱120,195,782	₱51,486,397	₱41,465,646	₱11,440,548	₱87,496,264	₱14,943,478	₱9,244,638	₱304,401,419	₱106,374,068	₱200,020,251	₱12,006,941	₱9,926,170,807
	Land	Buildings	Office and School Equipment	Office and School Furniture and Fixtures	Leasehold Improvements	Transportation Equipment	Computer Equipment and Peripherals	Library Holdings	Renewable Energy Equipment	Construction In-Progress	Right-of-use Asset – Land	Right-of-use Asset – Building	Right-of-use Asset – Transportation Equipment	Total
Cost, Net of Accumulated Depreciation and Amortization														
Balance at beginning of year	₱3,392,351,300	₱5,715,373,328	₱158,442,081	₱41,980,063	₱23,240,374	₱1,544,710	₱39,236,559	₱18,007,902	₱–	₱27,661,428	₱122,558,699	₱116,369,390	₱15,749,657	₱9,672,515,491
Additions	–	52,104,361	37,772,765	23,729,250	8,985,162	1,599,201	59,941,289	5,058,392	–	150,483,407	–	159,123,118	10,696,440	509,493,385
Reclassification from investment properties (see Note 12)	46,593,333	69,136,320	–	–	–	–	–	–	–	–	–	–	–	115,729,653
Reclassification to investment properties (see Note 12)	(40,497,071)	(20)	–	–	–	–	–	–	–	–	–	–	–	(40,497,091)
Reclassification of completed construction in-progress	–	28,167,727	141,000	2,450,560	37,492,453	(186,253)	–	(362,684)	–	(67,889,056)	–	–	186,253	–
Lease termination/modification (see Note 29)	–	–	–	–	–	–	–	–	–	–	–	(1,156,865)	(1,588,667)	(2,745,532)
Effect of business combination (see Note 39)	–	–	123,199	–	40,505	–	1,860,144	139,042	–	–	–	–	–	2,162,890
Disposal	–	–	(89)	(68)	–	–	(54)	(46)	–	–	–	–	–	(257)
Depreciation and amortization (see Notes 24 and 26)	–	(345,718,517)	(72,212,340)	(23,050,084)	(20,610,482)	(1,458,648)	(29,092,316)	(7,282,996)	–	–	(8,105,137)	(54,961,317)	(9,458,784)	(571,950,621)
Balance at end of year	₱3,398,447,562	₱5,519,063,199	₱124,266,616	₱45,109,721	₱49,148,012	₱1,499,010	₱71,945,622	₱15,559,610	₱–	₱110,255,779	₱114,453,562	₱219,374,326	₱15,584,899	₱9,684,707,918
At June 30, 2023:														
Cost	₱3,398,447,562	₱8,141,817,520	₱976,888,067	₱405,967,556	₱249,323,275	₱19,947,875	₱572,118,429	₱224,194,008	₱–	₱110,255,779	₱148,128,581	₱383,560,592	₱63,927,995	₱14,694,577,239
Accumulated depreciation and amortization	–	(2,622,754,321)	(852,621,451)	(360,857,835)	(200,175,263)	(18,448,865)	(500,172,807)	(208,634,398)	–	–	(33,675,019)	(164,186,266)	(48,343,096)	(5,009,869,321)
Net book value	₱3,398,447,562	₱5,519,063,199	₱124,266,616	₱45,109,721	₱49,148,012	₱1,499,010	₱71,945,622	₱15,559,610	₱–	₱110,255,779	₱114,453,562	₱219,374,326	₱15,584,899	₱9,684,707,918



The cost of fully depreciated property and equipment still used by the Group amounted to ₱1,975.2 million and ₱1,687.5 million as at June 30, 2024 and 2023, respectively. There were no idle property and equipment as at June 30, 2024 and 2023.

Additions

Land Acquired through Acquisition of Shares. On June 20, 2024, STI ESG and TCAMI, a related party, executed a Deed of Absolute Sale for the acquisition of 76.0 million common shares, each with a par value of ₱1.0, representing 100% of the total issued and outstanding capital stock of CHI, for ₱180.0 million. CHI is the registered and beneficial owner of a 10,000-square-meter parcel of land located on President Jose P. Laurel Highway, Barangay Darasa, Tanauan City, Batangas. This property will be the future site of STI Academic Center Tanauan. The land was valued at ₱182.9 million, after allocating the acquisition cost to other identifiable assets and liabilities of CHI which had a net liability carrying amount of ₱2.9 million (see Note 39).

Solar Project. STI ESG likewise conducted roof deck waterproofing activities and subsequently installed solar panels at its head office building located in the STI Ortigas-Cainta campus during the fiscal year ended June 30, 2024. The solar panels have a total capacity of 212 kilowatts and have yielded cost savings for both administrative and school energy consumption for the year ended June 30, 2024. The associated contract cost for the solar panel project is ₱10.6 million, while the roof deck waterproofing activities have a total project cost of ₱6.1 million. The roof deck waterproofing works and design and installation of solar power system for the STI Ortigas-Cainta campus were completed in November 2023.

Reclassification from Investment Properties. As at June 30, 2023, property and equipment includes land and building, together with all improvements thereon (Tanay property), where STI Tanay was situated. The Tanay property, with a carrying value of ₱115.7 million as at the date of transfer of STI Quezon Avenue to Tanay, Rizal, has been reclassified from “Investment properties” to “Property and equipment” in September 2022 upon the transfer of STI Quezon Avenue’s operations to Tanay, Rizal starting SY 2022-2023 (see Notes 1, 10 and 12).

Property and Equipment under Construction. In preparation for SY 2023-2024, several wholly owned schools of STI ESG have undergone exterior and interior renovation projects with a total project cost amounting to ₱55.5 million. As at June 30, 2023, the remaining construction-in-progress related to these projects amounted to ₱20.6 million. These projects have been completed within the first semester of SY 2023-2024. As at June 30, 2023, the construction in progress account includes the canteen area and basketball court roofing project for STI Legazpi amounting to ₱1.1 million. This project has a total cost of ₱25.7 million and was completed in February 2024.

As at June 30, 2024, STI ESG reported costs of construction-in-progress aggregating to ₱236.9 million mainly pertaining to (1) construction of the new building in STI Ortigas-Cainta campus, (2) class room expansion projects (3) renovation and rehabilitation project of STI ESG’s Tanay property, (4) construction of a three-storey building at STI Lipa, (5) roof deck waterproofing activities and installation of solar panels, and (6) renovation and rehabilitation projects. The classroom expansion projects, roof deck waterproofing efforts, solar panel installations, and renovation and rehabilitation initiatives, are currently in progress for several wholly owned schools.

The school building under construction at the STI Ortigas-Cainta campus has a total project cost of ₱217.3 million and is expected to accommodate an additional 4,500 students beginning SY 2024-2025. The first and second floors of the building were completed in September 2024 and are now being used for SY 2024-2025. The rest of the building is scheduled for completion by the end of December 2024.



The Group, in anticipation of a growing student population, has undertaken classroom expansion projects for several schools, namely, STI Las Pinas, STI Cubao, STI Sta Mesa, STI Caloocan, STI Lucena, STI San Jose del Monte, and STI Lipa. These expansion projects, mainly involving the partitioning of vacant or multi-purpose areas, have a total cost of ₱105.0 million and are expected to be fully completed by end of November 2024. The additional classrooms are expected to accommodate approximately 10,000 students.

STI ESG has undertaken renovation works at its Tanay property. The initial phase, which addressed exterior facilities, amounted to a total contract cost of ₱14.5 million and was completed in January 2024. The subsequent phase, which focused on interior improvements, was completed in August 2024 with a project cost of ₱14.6 million.

The design and construction of a three-storey building at STI Lipa has a total contract amount of ₱40.0 million, which includes all costs of materials, labor, tools, equipment, and incidental expenses to be incurred for the completion of the project. This project is expected to be completed in October 2024.

The construction-in-progress account as at June 30, 2024 also includes the ongoing installation of solar panels in several wholly-owned schools of STI ESG. These projects have an aggregate cost of ₱23.0 million and were all completed as at September 30, 2024.

Moreover, some of STI ESG's wholly owned schools have also undergone various renovation and rehabilitation projects in preparation for the next school year. As at June 30, 2024, some of these projects with a combined cost of ₱6.2 million were completed as at July 31, 2024 while one project with a total cost of ₱8.4 million is expected to be completed by end of October 2024.

As at June 30, 2024, the remaining construction-in-progress account includes the costs of construction of STI WNU's new university canteen and kitchen laboratory for its College of Hotel and Tourism Management, and rehabilitation of student lounge and walkway in the total amount of ₱67.5 million.

As at June 30, 2023, the construction-in-progress account includes the costs of construction of the new SBE Building, rehabilitation of the main building and other repair works and the remaining ancillary works for the Engineering Building aggregating to ₱74.3 million.

As at June 30, 2023, property and equipment includes the construction/fit-out of iACADEMY's campus in Cebu which is located at 5th Floor Filinvest Cebu Cyberzone Tower Two, Salinas Drive Cor W. Geonzon St., Cebu IT Park, Apas, Cebu City. The total costs incurred as at June 30, 2023 for this project aggregated to ₱40.8 million, inclusive of materials, cost of labor and overhead and all other costs incurred for the completion of the project. Construction/fit-out work started in October 2022 and was completed in January 2023.

Collaterals

As at June 30, 2023, iACADEMY's outstanding long-term loan is secured by a real estate mortgage on the Yakal land and building, and all other facilities, machineries, equipment and improvements therein (see Note 18). As at June 30, 2023, the total carrying value of the mortgaged land, building, machineries and equipment amounted to ₱1,357.5 million. As at June 30, 2024, the long-term loan has been fully paid.

Transportation equipment, recognized as right-of-use assets, are pledged as security for the related lease liabilities as at June 30, 2024 and 2023 (see Note 29). The net book value of these equipment amounted to ₱12.0 million and ₱15.6 million as at June 30, 2024 and 2023, respectively.



12. Investment Properties

	2024					Total
	Land	Condominium Units	Right-of-Use Asset - Building	Construction In-Progress		
Cost:						
Balance at beginning of year	₱489,366,713	₱779,564,396	₱133,183,838	₱-		₱1,402,114,947
Additions	-	742,694	-	-		742,694
Reclassification from property and equipment (see Note 11)	187,440,604	-	-	-		187,440,604
Balance at end of year	676,807,317	780,307,090	133,183,838	-		1,590,298,245
Accumulated depreciation:						
Balance at beginning of year	-	309,052,401	55,524,391	-		364,576,792
Depreciation (see Note 26)	-	26,549,301	12,159,199	-		38,708,500
Balance at end of year	-	335,601,702	67,683,590	-		403,285,292
Net book value	₱676,807,317	₱444,705,388	₱65,500,248	₱-		₱1,187,012,953
	2023					Total
	Land	Condominium Units	Right-of-Use Asset - Building	Construction In-Progress		
Cost:						
Balance at beginning of year	₱352,742,258	₱703,141,550	₱133,183,838	₱86,671,554		₱1,275,739,200
Additions	142,720,717	5,279,044	-	-		147,999,761
Reclassification of completed construction-in-progress	-	86,671,554	-	(86,671,554)		-
Reclassification from property and equipment (see Note 11)	40,497,071	55,298,011	-	-		95,795,082
Reclassification to property and equipment (see Note 11)	(46,593,333)	(70,825,763)	-	-		(117,419,096)
Balance at end of year	489,366,713	779,564,396	133,183,838	-		1,402,114,947
Accumulated depreciation:						
Balance at beginning of year	-	228,926,408	42,575,161	-		271,501,569
Depreciation (see Note 26)	-	26,517,445	12,949,230	-		39,466,675
Reclassification from property and equipment (see Note 11)	-	55,297,991	-	-		55,297,991
Reclassification to property and equipment (see Note 11)	-	(1,689,443)	-	-		(1,689,443)
Balance at end of year	-	309,052,401	55,524,391	-		364,576,792
Net book value	₱489,366,713	₱470,511,995	₱77,659,447	₱-		₱1,037,538,155

As at June 30, 2024 and 2023, investment properties primarily include ROU asset - building and condominium units of the Group which are held for office or commercial lease.

Investment properties also include a parcel of land and land improvements located in Davao City currently held by the Parent Company for capital appreciation and are not used in business. These properties (including the Quezon City dacion properties discussed in Note 10) were obtained by the Parent Company from Unlad through the Deeds of Dacion executed on March 31, 2016 (pursuant to a Memorandum of Agreement as discussed in Note 34) for a total dacion price of ₱911.0 million as settlement of the outstanding obligations of Unlad and PWU to the Parent Company, arising from the loans extended by the Parent Company to PWU and Unlad when the Parent Company acceded, in November 2011, to the Joint Venture Agreement and Shareholders' Agreement (the "Agreements") by and among PWU, Unlad, an Individual and Mr. Eusebio H. Tanco (EHT), STI Holdings' BOD Chairman, for the formation of a strategic arrangement with regard to the efficient management and operation of PWU (see Note 34). PWU is a private non-stock, non-profit educational institution, which provides basic, secondary, and tertiary education to its students while Unlad is a real estate company controlled by the Benitez Family and has some assets which are used to support the educational thrust of PWU. The Quezon City dacion properties and the Davao property were initially recognized as "Investment properties" at fair value amounting to ₱1,280.5 million at dacion date.



Description of valuation techniques used and key inputs to valuation of investment properties

The fair values of the Group’s investment properties were determined by an independent professionally qualified appraiser accredited by the SEC. The fair value represents 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.

Land

Level 3 fair value of land was derived using the market approach. The market approach is a comparative approach to value which considers the sale of similar or substitute properties and related market data and establishes a value estimate by a process involving comparison. Listings and offerings may also be considered. Sales price of comparable land in close proximity (external factor) are adjusted for differences in key attributes (internal factors) such as location and size.

Using the latest available valuation report as at June 30, 2024 and 2023, the following shows the valuation technique used in measuring the fair value of the land, as well as the significant unobservable inputs used:

	2024	2023
Fair value of Davao property	₱486,226,000	₱421,932,000
Valuation date	August 28, 2024	September 9, 2022
Valuation technique	Market approach	Market approach
Unobservable input	Internal factors – location, size, depth, influence, and time element	Internal factors – location, size, depth, influence, and time element
Relationship of unobservable inputs to fair value	The higher the price per square meter, the higher the fair value	The higher the price per square meter, the higher the fair value
	2024	2023
Fair value of STI ESG’s land	₱667,106,385	₱484,056,385
Valuation date	June 2023/May 2022	June 2023/May 2022
Valuation technique	Market approach	Market approach
Unobservable input	Net price per square meter	Net price per square meter
Relationship of unobservable inputs to fair value	The higher the price per square meter, the higher the fair value	The higher the price per square meter, the higher the fair value

Condominium Units

Level 3 fair values of STI ESG’s condominium units have also been derived using the market approach.

Using the latest available valuation report as at June 30, 2024 and 2023, the following table shows the valuation technique used in measuring the fair value of STI ESG’s condominium units, as well as the significant unobservable inputs used:

Fair value	₱1,597,923,000
Valuation date	June 2023/May 2022
Valuation technique	Market approach
Unobservable input	Net price per square meter
Relationship of unobservable inputs to fair value	The higher the price per square meter, the higher fair value

The highest and best use of the Davao property is institutional land development, while the highest and best use of STI ESG’s land and condominium units is commercial utility.



Land Acquired through Deed of Absolute Sale. On October 1, 2022, STI ESG acquired two parcels of land, together with all the improvements thereon, with a total area of 2,459 square meters, located in Meycauayan City, Bulacan for an aggregate amount of ₱140.1 million, inclusive of taxes and transfer fees, from which STI ESG recognized input VAT amounting to ₱16.2 million (see Note 8). This property is intended to be the future site of STI Academic Center Meycauayan. On the same date, Deeds of Assignment of Lease Agreements and Assumption of Rights and Obligations were executed and entered into by and among STI ESG, the seller of the aforementioned property, and the existing lessees on the purchased property agreeing that STI ESG will assume all rights and obligations under the lease contracts. The lease agreements have varying terms, with one remaining active lease as at the reporting date, set to expire in 2025.

Reclassification from Property and Equipment. In 2024, STI ESG reclassified the vacant lot located on Diversion Road, Brgy. San Rafael, Mandurriao, Iloilo City to “Investment properties” following the cessation of STI Iloilo's operations in the area. The carrying value of the property at the time of reclassification is at ₱187.4 million (see Note 11). In 2023, STI ESG reclassified the parcels of land, including the improvements thereon, located in Las Piñas City as part of “Investment properties”. The carrying value at the time of reclassification is ₱40.5 million (see Note 11). These properties, a part of which being is rented as warehouse, have existing leases with varying terms expiring in 2026 up to 2029.

Land and Buildings Acquired through Extrajudicial Foreclosure. As at June 30, 2022, investment properties include land and buildings acquired through extrajudicial foreclosure.

Pursuant to the deed of assignment executed by STI ESG and DBP (see Note 10), STI ESG started the foreclosure proceedings for the Tanay property after several demand/collection letters were sent to Tanay. On March 15, 2022, the extrajudicial foreclosure sale for the Tanay Property was completed and STI ESG was declared as the winning bidder. On April 11, 2022, the Office of the Clerk of Court and Ex-Officio Sheriff of Morong, Rizal issued the certificate of sale and the same was annotated on May 5, 2022. Consequently, STI ESG recognized the said property as part of land and building, under “Investment properties” at appraised values amounting to ₱ 44.1 million and ₱ 66.9 million, respectively. The difference between the fair value and derecognized receivable from STI Tanay amounting to ₱26.1 million was recognized as gain on settlement of receivables, presented as part of “Gain on settlement of receivables, net of provision for impairment of noncurrent held for sale” for the year ended June 30, 2022. On August 1, 2022, STI Tanay and STI ESG executed a Deed of Dacion En Pago to transfer, convey and assign, the mortgaged property located in Tanay, Rizal, free from all liens, encumbrances, claims and occupants. STI ESG released and discharged STI Tanay and the mortgagors of their obligations to the extent of the Dacion Price amounting to ₱81.2 million.

The Tanay property was subsequently reclassified from “Investment properties” to “Property and equipment” in September 2022 following the transfer of STI Quezon Avenue’s operations to Tanay, Rizal starting SY 2022-2023 (see Notes 1, 10 and 11).

Right-of-use Asset - Building. On May 2, 2014, iACADEMY entered into a lease agreement with Metrobank Trust and Banking Group for a building along Sen. Gil J. Puyat Avenue for a period of 15 years and three months subject to renewal upon mutual agreement. The annual rental is subject to 5.0% escalation every three years or the average of the Consumer Price Index for the last three years, whichever is higher. iACADEMY subleases the building to third parties.

On September 6, 2022, iACADEMY entered into a sublease agreement with a third party on this leased building, particularly the ground floor unit 1 and the entirety of the second floor up to and including the roof deck of the building, for a period of five (5) years commencing on March 15, 2023 and ending on March 14, 2028. Beginning August 1, 2023, the subleased premises included the ground floor units 2 and 3.



Investment Property under Construction. As at June 30, 2022, the construction-in-progress account pertains substantially to the renovation of office condominium units owned by STI ESG. This includes mechanical and electrical set-up costs, structured cabling, plumbing, interior fit-out, and management services. The related contract costs amounted to ₱88.0 million as at June 30, 2023, inclusive of materials, cost of labor and overhead and all other costs for the fit-out requirements of the lessee. The renovation works for the said office condominium units were completed in August 2022, with variation orders on mechanical works amounting to ₱0.7 million completed in December 2023.

Rental

Rental income earned from investment properties amounted to ₱178.7 million, ₱165.0 million and ₱66.1 million for the years ended June 30, 2024, 2023 and 2022, respectively (see Note 29). Direct operating expenses, including real property taxes, insurance, janitorial, security services and repairs and maintenance, arising from investment properties for the years ended June 30, 2024, 2023 and 2022 amounted to ₱23.4 million, ₱28.1 million and ₱15.0 million, respectively.

13. Investments in and Advances to Associates and Joint Venture

	2024	2023
Investments		
Acquisition costs	₱46,563,409	₱46,563,409
Accumulated equity in net earnings (losses):		
Balance at beginning of year	(26,143,098)	(28,401,837)
Equity in net earnings of associates and joint venture	2,009,402	2,258,739
Balance at end of year	(24,133,696)	(26,143,098)
Accumulated share in associates' other comprehensive loss:		
Balance at beginning and end of year	329,306	329,306
	22,759,019	20,749,617
Less allowance for impairment loss	1,650,340	-
	21,108,679	20,749,617
Advances (see Note 31)	48,134,540	48,134,540
Less allowance for impairment loss	48,134,540	48,134,540
	-	-
	₱21,108,679	₱20,749,617

The carrying values of the Group's investments in and advances to associates and joint venture are as follows:

	2024	2023
Associates:		
STI Accent*	₱48,134,540	₱48,134,540
GROW	18,814,679	16,733,574
Joint venture - PHEI (see Note 14)	3,944,340	4,016,043
	70,893,559	68,884,157
Allowance for impairment loss	(49,784,880)	(48,134,540)
	₱21,108,679	₱20,749,617

*The share in equity of STI Accent for the years ended June 30, 2024 and 2023 is not material to the consolidated financial statements.



As at June 30, 2024 and 2023, the carrying amount of the investments in STI Marikina and STI Accent amounted to nil.

Provision for impairment on investment in joint venture for the year ended June 30, 2024 amounted to ₱1.7 million (see Note 26). There were no movements in allowance for impairment in value of investments in and advances to associates and joint venture for the years ended June 30, 2023 and 2022.

Information about the associates is discussed below:

STI Accent. STI Accent is engaged in providing medical and other related services. It ceased operations on June 20, 2012 after the contract of usufruct between STI Accent and Dr. Fe Del Mundo Medical Center Foundation Philippines, Inc. to operate the hospital and its related healthcare service businesses was rescinded in May 2012. As at June 30, 2024 and 2023, allowance for impairment loss on STI ESG's investment in STI Accent and related advances amounted to ₱48.1 million.

Others. The carrying amount of the Group's investments in STI Alabang (as of June 2022) and GROW represents the aggregate carrying values of individually immaterial associates.

The aggregate financial information of individually immaterial associates follows:

	2024	2023	2022
Current assets	₱188,843,745	₱51,770,628	₱192,276,126
Noncurrent assets	36,129,515	62,726,577	40,302,973
Current liabilities	(101,648,317)	(68,142,818)	(201,489,565)
Noncurrent liabilities	(12,207,467)	(1,590,507)	(16,855,871)
Equity	₱111,117,476	₱44,763,880	₱14,233,663

	2024	2023	2022
Revenues	₱389,594,161	₱313,535,150	₱286,407,241
Expenses	(377,531,625)	299,621,317	(316,911,622)
Total comprehensive income (loss)	12,062,536	₱13,913,833	(₱30,504,381)

Share in total comprehensive income (loss)	₱2,009,402	₱2,258,739	(₱20,242,197)
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Terms and conditions relating to advances to associates and joint venture are disclosed in Note 31 to the consolidated financial statements.

14. Interest in Joint Venture

On March 19, 2004, STI ESG, together with the University of Makati (UMak) and another shareholder, incorporated PHEI in the Philippines. STI ESG and UMak each owns 40.0% of the equity of PHEI with the balance owned by another shareholder. PHEI is envisioned as the College of Nursing of UMak.

The following were certain key terms under the agreement signed in 2003 by STI ESG and UMak:

- a. STI ESG shall be primarily responsible for the design of the curriculum for the Bachelor's Degree in Nursing (BSN) and Master's Degree in Nursing Informatics, with such curriculum duly approved by the University Council of UMak;



- b. UMak will allow the use of its premises as the campus of BSN while the premises of iACADEMY will be the campus of the post graduate degree; and
- c. STI ESG will recruit the nursing faculty while UMak will provide the faculty for basic courses that are non-technical in nature.

On October 2, 2023, the BOD of PHEI approved the cessation of its school operations effective December 31, 2023.

The BOD of STI ESG, in its February 27, 2024 meeting, approved the termination of the Joint Venture Agreement (JVA) between STI ESG and the University of Makati. This JVA, which was signed in March 2004, caused the establishment of PHEI. In the same board meeting, the BOD also directed the amendment of the AOI of PHEI for the purpose of shortening the corporate life of PHEI.

In a meeting of the BOD of PHEI held on March 26, 2024, the BOD of PHEI agreed to call for a special stockholders' meeting for the purpose of amending its AOI to shorten its corporate life to March 31, 2025.

STI ESG recognized a provision for impairment of its investment in a joint venture amounting to ₱1.7 million for the year ended June 30, 2024 (nil for the years ended June 30, 2023 and 2022). The cost of STI ESG's investment in PHEI amounted to ₱5.0 million while its carrying value amounted to ₱2.3 million and ₱4.0 million as at June 30, 2024 and 2023, respectively.

The Group's share in the net losses of its joint venture amounted to ₱0.1 million, ₱0.2 million and ₱0.05 million for the years ended June 30, 2024, 2023 and 2022, respectively.

15. Equity Instruments at Fair Value through Other Comprehensive Income (FVOCI)

	2024	2023
Quoted equity shares	₱10,197,060	₱6,179,340
Unquoted equity shares	66,473,564	65,882,287
	₱76,670,624	₱72,061,627

a. Quoted Equity Shares

The quoted equity shares above pertain to shares listed in the PSE, as well as traded club shares. These are carried at fair value with cumulative changes in fair values presented as a separate component in equity under the "Unrealized fair value adjustment on equity instruments at FVOCI" account in the consolidated statements of financial position. The fair values of these shares are based on the quoted market price as at the financial reporting date.

b. Unquoted Equity Shares

Unquoted equity shares pertain to shares which are not listed in a stock exchange.

STI ESG owns 57,971 shares of De Los Santos Medical Center, Inc. (DLSMC). The carrying value of the investment in DLSMC amounted to ₱32.3 million and ₱31.0 million as at June 30, 2024 and 2023, respectively.



STI ESG recognized dividend income from unquoted equity shares at FVOCI amounting to ₱1.1 million, ₱1.8 million and ₱0.8 million for the years ended June 30, 2024, 2023 and 2022, respectively.

The rollforward analysis of the “Unrealized fair value adjustment on equity instruments at FVOCI” account as shown in the equity section of the consolidated statements of financial position follows:

	2024	2023
Balance at beginning of year	₱15,324,159	₱13,451,307
Unrealized fair value adjustment on equity instruments at FVOCI	5,315,161	1,872,852
Balance at end of year (see Note 21)	₱20,639,320	₱15,324,159

16. Goodwill, Intangible and Other Noncurrent Assets

	2024	2023
Goodwill	₱252,310,422	₱266,579,313
Advances to suppliers	87,176,799	71,594,233
Deposit for purchase of shares	60,484,800	–
Intangible assets	40,778,815	48,483,245
Rental and utility deposits (see Note 29)	33,584,837	34,113,820
Deposit for asset acquisition	20,412,500	–
Deferred input VAT	10,824,959	10,824,959
Others	3,048,673	4,213,950
	₱508,621,805	₱435,809,520

Goodwill

As at June 30, 2024 and 2023, the Group’s goodwill acquired through business combinations have been allocated to certain schools which are considered as separate CGUs:

	2024	2023
STI Caloocan	₱64,147,877	₱64,147,877
STI Cubao	28,327,670	28,327,670
STI Alabang (see Note 39)	23,023,960	23,023,960
STI Pasay-EDSA	22,292,630	22,292,630
STI Novaliches	21,803,322	21,803,322
STI Bacolod	15,681,232	15,681,232
STI Global City	11,360,085	11,360,085
STI Sta. Mesa	11,213,342	11,213,342
STI Lipa	8,857,790	8,857,790
STI Ortigas-Cainta	7,476,448	7,476,448
NAMEI	6,962,343	6,962,343
STI Dagupan	6,835,818	6,835,818
STI Meycauayan	5,460,587	5,460,587
STI Tanauan	4,873,058	4,873,058
STI Las Piñas	2,922,530	2,922,530
STI Batangas	2,585,492	2,585,492
STI Kalibo	2,474,216	2,474,216

(Forward)



	2024	2023
STI Naga	₱2,305,368	₱2,305,368
STI Sta. Maria	1,776,696	1,776,696
STI Calbayog	1,325,721	1,325,721
STI Dumaguete	604,237	604,237
NPIM	–	14,268,891
	₱252,310,422	₱266,579,313

Management performs its impairment test at the end of each reporting period for all the CGUs. The recoverable amounts are computed based on value-in-use calculations using cash flow projections. Future cash flows are discounted using a pre-tax rate ranging from 13.20% to 13.4% and from 10.18% to 10.6% as at June 30, 2024 and 2023, respectively. The cash flow projections are based on a five-year financial planning period as approved by senior management. The Management used forecasted revenue increase ranging from 0.33% to 56.62% and 0.02% to 66.10% in June 2024 and 2023, respectively, for the next five years. The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 5.00% in June 2024 and 2023. The Group recognized a provision for impairment on goodwill amounting to ₱ 14.3 million and ₱ 3.8 million for the years ended June 30, 2024 and 2022, respectively (see Note 26). No impairment was recognized for the year ended June 30, 2023.

Key assumptions used in the value-in-use calculations

The calculations of value-in-use for the CGUs are most sensitive to the following assumptions:

- Forecasted revenue growth – Revenue forecasts are management’s best estimates considering factors such as historical/industry trends, target market analysis, government regulations and other economic factors. Revenue forecast of each CGU is primarily dependent on the number of students enrolled and tuition fee rates, which vary for each school.
- Long-term growth rate – Rates are based on published industry research.
- Discount rate – Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its WACC. The Group used the WACC rate as affected by the beta of companies with similar activities and capital structure with the CGUs. WACC is also affected by costs of debt and capital based on average lending rates for a 10-year term due to the assumption that the CGUs will exist beyond ten (10) years.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the CGUs, management believes that a reasonably possible change in the assumptions would not cause the carrying values of the CGUs to materially exceed their recoverable amounts.

Advances to Suppliers

Advances to suppliers as at June 30, 2024 relate substantially to advance payments made for various transactions, including the (1) construction of the new school building at STI Ortigas Cainta, (2) learning classroom expansion project in certain STI ESG wholly-owned schools, (3) acquisition of equipment and furniture, (4) various ongoing major renovation and rehabilitation projects of the other schools owned and operated by STI ESG, (5) construction of STI WNU’s new university canteen, (6) construction of a kitchen laboratory in STI WNU College of Hotel and Tourism Management, and (7) rehabilitation of STI WNU’s student lounge. The related costs of these projects will be recognized as “Property and equipment” when the goods are received, or the services are completely rendered.



Advances to suppliers as at June 30, 2023 relate to payments made in advance for several transactions, including the (1) construction of canteen and basketball roofing projects at STI Legazpi, (2) renovation of STI ESG’s property in Tanay, Rizal, (3) acquisition of equipment and furniture, (4) various projects of the other schools owned and operated by STI ESG, (5) design and set-up of the new enrollment system for STI ESG, and (6) construction of STI WNU’s new SBE building and renovation of its Engineering building. All projects were completed as at June 30, 2024 except for the design and set-up of STI ESG’s new enrollment system, which remains ongoing as at report date. The related costs for these projects were recognized as “Property and equipment” when the goods were received, or the services were completely rendered while the related cost for the new enrollment system will be recognized as “Intangible assets” upon completion of the project.

Deposit for Purchase of Shares

On June 20, 2024, STI ESG and TCAMI executed a Share Purchase Agreement for STI ESG’s acquisition of 190.0 million common shares with par value of ₱1.0 per share, representing 100.0% of the total issued and outstanding capital stock (Subject Shares) of TCAMI’s wholly-owned subsidiary, Phosphene Holdings, Inc. (PHI), for ₱403.2 million. A 15.0% deposit, equivalent to ₱60.5 million, has been paid upon the effective date of the Share Purchase Agreement. The remaining balance of ₱342.7 million is due on the third anniversary of the Share Purchase Agreement.

The agreement grants STI ESG the right to cancel the purchase of the Subject Shares at any time within the three-year period. If STI ESG opts to cancel, PHI shall refund the deposit within thirty (30) days from receipt of the written notice of cancellation. The transfer of the shares shall take place on the third anniversary of the Share Purchase Agreement’s effective date or at an earlier date mutually agreed upon by the Parties.

PHI owns a 25,202-square-meter parcel of land located at President Jose P. Laurel Highway, Barangay Darasa, Tanauan City, Batangas.

Intangible Assets

Intangible assets substantially pertain to the license to operate a maritime school which the Group identified as intangible assets for purposes of estimating the fair value of the net assets acquired. Such intangible assets with indefinite useful life, representing the fair value of the license and agreements, amounted to ₱27.6 million as at June 30, 2024 and 2023.

This account also includes the Group’s accounting, school management and payroll software which are being amortized over their estimated useful lives.

The rollforward analyses of this account follow:

	2024	2023
Cost, net of accumulated amortization:		
Balance at beginning of year	₱48,483,245	₱49,174,773
Additions	1,127,155	1,291,276
Amortization (see Notes 24 and 26)	(8,831,585)	(1,982,804)
Balance at end of year	₱40,778,815	₱48,483,245
Cost	₱114,969,334	₱113,842,179
Accumulated amortization	(74,190,519)	(65,358,934)
Net carrying amount	₱40,778,815	₱48,483,245



Rental and Utility Deposits

This account includes security deposits paid to utility companies and for warehouse, school and office space rentals in accordance with the respective lease agreements.

Deposit for Asset Acquisition

On June 10, 2024, STI ESG and Avida Land Corp. (Avida) executed a contract to sell for STI ESG's acquisition of a parcel of land with a total area of 3,266 square meters located at South Park District, Alabang, Muntinlupa City for a total purchase price of ₱228.8 million, inclusive of taxes. The purchase price is payable in three installments (i) the amount of ₱45.1 million, inclusive of ₱24.7 million VAT, was settled on June 10, 2024; (ii) the amount of ₱81.6 million shall be paid by STI ESG upon the execution of the Deed of Sale on Installments (the "Deed"); and (iii) the amount of ₱102.1 million shall be paid by STI ESG on the 16th month after the execution of the Deed.

On September 30, 2024, STI ESG and Avida executed the Deed. On the same date, STI ESG settled the second installment amounting to ₱81.6 million. STI ESG likewise paid ₱9.2 million for taxes and other charges related to the sale. STI ESG shall be entitled to the physical possession and control over the lot upon execution of the Deed. Similarly, the Deed also provided that STI ESG should start the construction within two years from the execution of the Deed.

This lot will be the future site of the new STI Academic Center Alabang.

Deferred Input VAT

This account represents input VAT which is expected to be recovered beyond one year (see Note 8).

17. Accounts Payable and Other Current Liabilities

	2024	2023
Accounts payable (see Note 31)	₱484,981,548	₱457,352,866
Dividends payable (see Note 21)	30,302,513	27,411,219
Nontrade payable (see Notes 1 and 34)	17,000,000	17,000,000
Accrued expenses:		
School-related expenses	63,307,426	49,350,139
Interest	49,507,925	23,550,067
Contracted services	49,288,035	55,619,790
Salaries, wages and benefits	39,866,784	30,598,314
Utilities	20,281,193	9,176,207
Advertising and promotion	3,058,569	3,365,457
Rent (see Note 29)	515,965	2,366,145
Others	2,558,624	5,352,839
Due to an affiliate (see Note 31)	59,511,839	-
Student organization fund	31,689,869	26,034,726
Statutory payables	30,172,258	31,788,805
Network events fund	21,150,343	16,304,070
Current portion of advance rent (see Note 20)	12,476,599	1,592,747
Current portion of refundable deposits (see Note 20)	10,084,051	5,663,137
Others	16,673,672	10,701,940
	₱942,427,213	₱773,228,468



The terms and conditions of the above liabilities are as follows:

- a. Accounts payable are noninterest-bearing and are normally settled within a 30 to 60-day term.
- b. Dividends payable pertain to dividends declared which are unclaimed as at reporting date and are due on demand.
- c. Nontrade payable pertains to a contingent consideration in relation to the acquisition of STI WNU. The Parent Company and the Agustin family decided to amicably settle ₱50.0 million of the nontrade payable by (a) executing in counterparts the Compromise Agreement dated September 6, 2021 and September 10, 2021 and (b) filing a *Joint Motion for Judgment Based on Compromise Agreement* dated September 20, 2021. In the Compromise Agreement, the Parent Company agreed to pay the Agustin family the amount of ₱25.0 million as final and full settlement of the ₱50.0 million, which is the subject of the cases filed by the Agustin family (see Note 34). On September 14, 2021, the Parent Company paid ₱25.0 million to the Agustin family. Accordingly, the Parent Company recognized other income on derecognition of contingent consideration amounting to ₱25.0 million. As at June 30, 2024, the remaining balance of nontrade payable amounting to ₱17.0 million pertains to the portion of the contingent consideration to be released upon collection of STI WNU's trade receivables guaranteed as collectible by the Agustin family. As part of the Compromise Agreement, the parties also agreed to review the financial records of STI WNU to determine the status of collection (see Note 34).
- d. Accrued expenses, student organization fund, network events fund and other payables are expected to be settled within the next financial year.
- e. Due to an affiliate is noninterest-bearing and is expected to be settled within the next fiscal year. Terms and conditions of payables to related parties are disclosed in Note 31 to the consolidated financial statements.
- f. Statutory payables primarily include taxes payable and other payables to government agencies which are normally settled within 30 days.
- g. Advance rent pertains to amount received by the Group which will be earned and applied within the next financial year.
- h. Refundable deposits pertain to security deposits from existing lease agreements which are expected to be settled within the next financial year.

18. Interest-bearing Loans and Borrowings

	2024	2023
Term loan facilities ^(a)	₱2,086,114,412	₱854,984,834
Corporate Notes Facility ^(b)	–	213,518,514
Landbank ACADEME Program ^(c)	–	3,042,276
	2,086,114,412	1,071,545,624
Less current portion	536,274,021	262,837,889
Noncurrent portion	₱1,549,840,391	₱808,707,735

^(a)Net of unamortized debt issuance costs of ₱13.9 million and ₱4.8 million as at June 30, 2024 and 2023, respectively.

^(b)Inclusive of unamortized premium of ₱3.5 million as at June 30, 2023.

^(c)Net of unamortized debt issuance costs of ₱7.9 thousand as at June 30, 2023.



Term Loan Agreement with Bank of the Philippine Islands (BPI)

STI ESG. On March 7, 2024, STI ESG and BPI entered into a five-year term loan agreement providing for a credit facility up to the amount of ₱1,000.0 million. This credit facility is unsecured and is available and ending on the earliest of (i) December 31, 2024, (ii) the date the total facility is fully drawn by STI ESG, or (iii) the date the total facility is terminated or cancelled in accordance with the terms of the Term Loan Agreement. The proceeds of this loan could be used to (i) partially refinance STI ESG's bonds due in March 2024, (ii) finance the campus expansion projects, and (iii) for other general corporate requirements.

On March 18, 2024, STI ESG availed a ₱500.0 million loan from this facility at an interest rate of 8.4211% per annum. The proceeds from this loan were used to partially finance the 7-year bonds which were redeemed in full upon maturity on March 23, 2024.

Principal repayments shall be in ten (10) equal installments based on a semi-annual amortization schedule which will commence six (6) months from the date of initial borrowing until the maturity date. Each such installment shall be paid by STI ESG on a repayment date occurring semi-annually from the date of initial borrowing until the maturity date. Interest and principal payment for the succeeding borrowings shall coincide with that of the initial borrowing.

STI ESG has elected to fix the interest on each drawdown on a semi-annual basis equivalent to the higher of (i) the base rate-floating plus margin; and (ii) the applicable Bangko Sentral ng Pilipinas (BSP) Target Reverse Repurchase Rate (TRRP) plus margin, payable and repriced semi-annually. Base Rate means the PHP Bloomberg Valuation (BVAL) or PHP BVAL Reference Rates (or in the event of its elimination or discontinuance, its replacement as may be determined by the Bankers' Association of the Philippines (BAP) or BSP, as displayed on Bloomberg (or such applicable platform) at approximately 5:00 PM on the relevant Interest Rate Setting Date or Interest Rate Repricing Date; BSP TRRP means the monetary policy interest rate of the BSP as published daily in the BSP website. On May 10, 2024, BPI agreed to STI ESG's request to amend the Term Loan Agreement with respect to the basis of floating interest rate at each drawdown equivalent to the higher of (i) the base rate-floating plus margin; and (ii) the applicable BSP TRRP plus 50 basis points, payable and repriced semi-annually. This will take effect on the next drawdown or the next repricing date, whichever comes first, subject to execution of the amended Term Loan Agreement.

Interest Period commences on the date of the Borrowing and having a duration of six (6) months and each six (6)-month period thereafter commencing upon the expiry of the immediately preceding Interest Period; provided that, in case of multiple Borrowings, for each Borrowing subsequent to the initial Borrowing, the first Interest Period for that subsequent Borrowing shall commence on the date of such Borrowing and shall end on the last day of the current Interest Period for the initial Borrowing as established above in order to synchronize the interest periods of all Borrowings. Interest Rate Setting Date means two (2) Business Days prior to each Borrowing Date or, if that is not a Business Day, on the immediately preceding Business Day. Interest Rate Repricing Date shall mean two (2) Business Days prior to each semi-annual date coinciding with the Interest Payment Date. The interest rate for the Term Loan Facility with BPI was repriced at the rate of 7.8735% per annum effective September 18, 2024.

STI ESG shall have the option to prepay the loan, wholly or partially, at any time during the term of the loan. Each partial prepayment shall be in integral multiples of ₱10.0 million. The amount payable in respect of any prepayment of the loan shall comprise of (i) any accrued interest on the principal amount of the loan to be prepaid; and (ii) the principal amount of the Loan to be prepaid; and (iii) prepayment penalty equivalent to 1.0% of the amount prepaid when the prepayment is done on any date other than the Interest Rate Setting Date.



The embedded floating interest rate and prepayment option on the loan drawdown with BPI was assessed as clearly and closely related to the loan, thus, not for bifurcation.

These loans are unsecured and are due based on the following original schedule:

Fiscal year	Amount
2025	₱100,000,000
2026	100,000,000
2027	100,000,000
2028	100,000,000
2029	100,000,000
	<u>₱500,000,000</u>

Breakdown of STI ESG's Term Loan with BPI as of June 30, 2024 follows:

	Amount
Balance at beginning of year	₱-
Proceeds	500,000,000
Balance at end of year	500,000,000
Deferred finance cost	(3,536,184)
Balance at end of year	496,463,816
Less current portion	99,249,589
Balance classified as noncurrent	<u>₱397,214,227</u>

On September 18, 2024, STI ESG settled the principal payment due under STI ESG's Term Loan facility with BPI amounting to ₱50.0 million.

Financial Covenants. The Agreement prescribes that the following financial covenants shall be observed and computed annually based on STI ESG's audited consolidated financial statements as at and for the year ending June 30 of each year:

1. Debt-to-equity (D/E) ratio not exceeding 2.5:1.0, computed by dividing Total Debt over total Equity of STI ESG.
2. Debt Service Cover Ratio (DSCR) of at least 1.05x, which is the ratio between (a) the EBITDA based on the latest Financial Statements, and (b) Debt Service.

The term "Total Debt" means the aggregate (as of the relevant date for calculation) of all interest-bearing Indebtedness of STI ESG, and the term "Equity" means the sum of capital stock (common and preferred stocks), additional paid-in capital, deposit for future subscriptions, retained earnings (appropriated and unappropriated) and shareholders' advances that are intended to be infused as capital stock, as shown in the applicable Financial Statements of STI ESG. Provided that preferred stocks shall only be considered as part of capital stock if the said preferred stocks do not earn interest.

Debt Service means the principal amortizations, interest payments and financing fees and charges falling due for the next twelve (12) months following the end of STI ESG's fiscal year. Debt Service and EBITDA shall be based on the latest Audited Consolidated Financial Statements.



STI ESG's D/E ratio and DSCR, as defined in the Term Loan Agreement with BPI, as at June 30, 2024 are as follows:

Total liabilities ^(a)	₱2,901,081,687
Total equity	6,996,685,045
D/E ratio	0.41:1.00

^(a) Including only all interest-bearing Indebtedness

EBITDA (see Note 3) ^(b)	₱1,992,058,511
Total interest-bearing liabilities ^(c)	834,054,745
DSCR ^(d)	2.39:1.00

^(b) EBITDA for the last twelve months

^(c) Total interest-bearing debts and interests due in the next twelve months

^(d) The first drawdown from the BPI loan facility was made on March 18, 2024

As of June 30, 2024, STI ESG is in compliance with the BPI loan covenants.

Term Loan Agreement with Metropolitan Bank & Trust Company (Metrobank)

STI ESG. On March 8, 2024, STI ESG and Metrobank entered into a five-year term loan agreement up to the amount of ₱2,000.0 million. The credit facility is unsecured and is available up to December 31, 2024. The proceeds of this loan could be used to (i) partially refinance STI ESG's bonds due in March 2024, (ii) finance the campus expansion projects, and (iii) for other general corporate requirements. Principal repayments shall be made in equal or nearly equal consecutive ten (10) installments based on a semi-annual amortization schedule which will commence six (6) months from the date of initial borrowing until the maturity date, with the last installment in an amount sufficient to fully pay the loan. Each such installment shall be paid by STI ESG on a repayment date occurring semi-annually from the date of borrowing or initial borrowing, until the maturity date. In case there is more than one (1) borrowing, the repayment date shall be adjusted to coincide with the interest payment date occurring in the same calendar month.

STI ESG has elected to fix the interest on each drawdown on a semi-annual basis based on the higher of the aggregate of the six (6) month reference rate plus 1.50% per annum, and the aggregate of the BSP TRRP Rate plus 0.50% per annum. Reference rate is defined as the relevant tenor of the Bloomberg Valuation Curve for Philippine government securities, currently referred to as BVIS0923 Index in Bloomberg, as published on the PDS market page and PDS official website.

Interest Period commences on the date of borrowing or initial borrowing, in case there is more than one (1) borrowing, and having a duration of six months and each semi-annual period thereafter commencing upon the expiry of the immediately preceding interest period, provided, that the first interest period with respect to a borrowing subsequent to the initial borrowing shall commence on the date of such subsequent borrowing and shall end on the last day of the current interest period of the initial borrowing within which such subsequent borrowing was made to synchronize all subsequent interest periods. Interest Rate Setting Date is the business day immediately preceding the date of borrowing and each semi-annual period occurring after such business day but coinciding with the interest payment date.

On March 18, 2024, STI ESG made a drawdown amounting to ₱1,000.0 million subject to an interest rate of 7.8503% per annum. Interest rate for the Term Loan Facility with Metrobank was repriced at the rate of 7.8135% per annum effective September 18, 2024. The proceeds from this loan were used to partially finance the 7-year bonds which were redeemed in full upon maturity on March 23, 2024.



STI ESG may, at its option, prepay the loan in part or in full, together with accrued interest thereon. Each partial prepayment shall be in whole multiples of ₱10.0 million. Each prepayment shall be made on an interest payment date, otherwise prepayment shall be subject to a prepayment penalty of 1% of the amount prepaid.

The embedded floating interest rate and prepayment option on the loan drawdown with Metrobank was assessed as clearly and closely related to the loan, thus, not for bifurcation.

These loans are unsecured and are due based on the following original schedule:

Fiscal year	Amount
2025	₱200,000,000
2026	200,000,000
2027	200,000,000
2028	200,000,000
2029	200,000,000
	<u>₱1,000,000,000</u>

Breakdown of STI ESG's Term Loan with Metrobank as at June 30, 2024 follows:

	Amount
Balance at beginning of year	₱-
Proceeds	1,000,000,000
Balance at end of year	1,000,000,000
Deferred finance cost	(7,072,368)
Balance at end of year	992,927,632
Less current portion	198,499,178
Balance classified as noncurrent	<u>₱794,428,454</u>

On September 18, 2024, STI ESG settled the principal payment due under STI ESG's Term Loan facility with Metrobank amounting to ₱100.0 million.

Financial Covenants. The Agreement prescribes that the following financial covenants shall be observed and computed annually based on STI ESG's audited consolidated financial statements as at and for the year ending June 30 of each year:

1. Debt-to-equity (D/E) ratio of not more than 1.5x, shall mean the proportion of the Total Debt to Equity, and
2. Debt Service Cover Ratio (DSCR) of at least 1.05x, shall mean the proportion of EBITDA to Debt Service.

The term "Total Debt" shall mean all obligations of STI ESG which, in accordance with generally accepted accounting principles and practices in the Philippines, are required to be included as liabilities of STI ESG in its statement of financial position, including accrued income taxes and other proper accruals, but excluding "Unearned tuition and other school fees" and "Lease liabilities", as computed based on PFRS 16, and the term "Equity" shall mean the equity interest of the owners of the capital stock of STI ESG computed and determined in accordance with generally accepted accounting principles and practices in the Philippines.



The term “EBITDA” shall mean the net income or net earnings of STI ESG, before deducting interest expense, taxes, depreciation and amortization, and as defined in its Audited Consolidated Financial Statements for the immediately preceding fiscal year, and the term “Debt Service” shall mean the aggregate (as of the relevant date for calculation) of all outstanding interest-bearing debits/obligations of STI ESG that are due/payable in the next fiscal year, computed and determined in accordance with generally accepted accounting principles and practices in the Republic of the Philippines.

STI ESG’s D/E ratio and DSCR, as defined in the Term Loan Agreement with Metrobank, as at June 30, 2024 are as follows:

Total liabilities ^(a)	₱3,816,204,623
Total equity	6,996,685,045
D/E ratio	0.55:1.00

^(a) Excluding unearned tuition and other school fees and lease liabilities

EBITDA (see Note 3) ^(b)	₱1,992,058,511
Total interest-bearing liabilities ^(c)	834,054,745
DSCR ^(d)	2.39:1.00

^(b) EBITDA for the last twelve months

^(c) Total interest-bearing debts and interests due in the next twelve months

^(d) The first drawdown from the Metrobank loan facility was made on March 18, 2024

As of June 30, 2024, STI ESG is in compliance with the Metrobank loan covenants.

Term Loan Agreement with China Banking Corporation (Chinabank)

STI ESG. On May 7, 2019, STI ESG and Chinabank entered into a seven-year term loan agreement up to the amount of ₱1,200.0 million. The credit facility is unsecured and is available for a period of one year from May 7, 2019, the date of signing of the loan agreement. The proceeds of this loan shall be used for the (i) financing of campus expansion projects (ii) acquisition of schools (iii) refinancing of short-term loans incurred for projects and (iv) other general corporate purposes. The agreement provides for a grace period in principal repayments of two (2) years from the initial drawdown date. Principal repayments shall be made in ten (10) equal semi-annual installments beginning six (6) months from the end of the grace period.

As stated in the Term Loan Agreement, STI ESG has elected to fix the interest on each drawdown on a per annum basis based on the higher of 1-year PHP BVAL rate plus an interest spread of 1.50% per annum divided by the Applicable Interest Premium Factor, or the agreed Floor rate divided by the Applicable Interest Premium Factor. On the Initial Interest Rate Resetting Date, the applicable interest rate per annum for all drawdowns would be collectively reset based on the higher of 1-year BVAL rate plus an interest spread of 1.50% per annum divided by the Applicable Interest Premium Factor, or the agreed Floor rate divided by the Applicable Interest Premium Factor.

STI ESG may, on any Interest Resetting Date and upon serving a written notice, elect to fix the interest rate for the remaining period of the loan based on the higher of applicable BVAL rate plus an interest spread of 1.50% per annum divided by the Applicable Interest Premium Factor, or the agreed Floor rate divided by the Applicable Interest Premium Factor.

On July 3, 2020, STI ESG and Chinabank executed the Amendment to the Term Loan Agreement dated May 7, 2019 to amend the availability period of the Term Loan Facility. The Term Loan Facility was made available to STI ESG on any business day for the period beginning on the date of the Term Loan Agreement and ending on the earliest of: (a) July 31, 2020; (b) the date the Term Loan Facility is fully



drawn; or (c) the date the Lender’s commitment to extend the Term Loan Facility to STI ESG is canceled or terminated in accordance with the Term Loan Agreement. At various dates during the year ended March 31, 2020, STI ESG availed of loans aggregating to ₱800.0 million subject to interest rates ranging from 5.81% to 6.31% per annum. In July 2020, STI ESG availed of loans aggregating to ₱400.0 million subject to an interest rate of 5.81% per annum. As at July 31, 2020, the Term Loan Facility was fully drawn at ₱1,200.0 million. The proceeds from these loans were used for capital expenditures and working capital requirements. Interest rates for all drawdowns from the Term Loan Facility were repriced at the rates of 6.5789% and 8.0472% per annum effective September 19, 2022 and 2023, respectively. Starting from September 19, 2024, the interest rate was adjusted to 7.8749% per annum.

Provided that no event of default has occurred and is continuing, STI ESG may prepay, after the second (2nd) anniversary date of the initial drawdown, all or part of the loan, together with the accrued interest and other charges accruing thereon up to the date of prepayment. Prepayments shall not be subject to any penalties if made on an interest rate resetting date. Otherwise, STI ESG shall pay the prepayment premium based on the principal amount to be prepaid (i) from the 2nd anniversary date of the Initial Drawdown up to the 5th anniversary date of the Initial Drawdown subject to prepayment penalty at 103%; (ii) After the 5th anniversary date of the Initial Drawdown until one business day before the loan maturity date at 100% of the prepaid amount.

The embedded floating interest rate and prepayment option on the loan drawdown with Chinabank was assessed as clearly and closely related to the loan, thus, not for bifurcation.

Breakdown of STI ESG’s Term Loan follows:

	2024	2023
Balance at beginning of year	₱720,000,000	₱960,000,000
Repayments	(120,000,000)	(240,000,000)
Balance at end of year	600,000,000	720,000,000
Unamortized debt issuance costs	(3,277,036)	(4,657,489)
Balance at end of year	596,722,964	715,342,511
Less current portion	238,525,254	120,000,000
Noncurrent portion	₱358,197,710	₱595,342,511

These loans are unsecured and are due based on the following original schedule:

Fiscal Year	Amount
2022	₱120,000,000
2023	240,000,000
2024	240,000,000
2025	240,000,000
2026	240,000,000
2027	120,000,000
	₱1,200,000,000

On September 16, 2021, Chinabank approved STI ESG’s request to allow a principal prepayment in the amount of ₱240.0 million. Further, Chinabank reduced the prepayment penalty from 3.0% to 1.5% based on the amount to be prepaid. On September 20, 2021, STI ESG made a prepayment aggregating to ₱243.9 million, inclusive of the 1.5% prepayment penalty. The prepayment was applied in the direct order of maturity and as such, applied on amortizations due on March 19, 2022 and September 19, 2022.



On September 23, 2022, Chinabank approved STI ESG's request to allow a principal prepayment in the amount of ₱240.0 million. On the same day, STI ESG made a prepayment aggregating to ₱244.5 million, inclusive of interests on the outstanding term loan facility covering September 19 to 23, 2022 and 1.5% prepayment penalty. The prepayment was applied in the direct order of maturity and as such, applied on scheduled amortizations due on March 19, 2023 and September 19, 2023. On March 19, 2024 and September 19, 2024, STI ESG settled the principal payments due amounting to ₱120.0 million each under the Term Loan facility with Chinabank.

The revised repayment schedule of STI ESG's Term Loan Facility with Chinabank as at June 30, 2024 are as follows :

Fiscal Year	Amount
2025	240,000,000
2026	240,000,000
2027	120,000,000
	<u>₱600,000,000</u>

Financial Covenants. The Agreement prescribes that the following financial covenants shall be observed and computed based on STI ESG's unaudited interim consolidated financial statements as at and for the six-month period ending December 31 of each year and based on the audited consolidated financial statements as at and for the year ending June 30 of each year:

1. Debt-to-equity (D/E) ratio of not more than 1.5x, computed by dividing Total Liabilities by Total Equity. For purposes of this computation, Total Liabilities shall exclude Unearned Tuition and Other School Fees, and
2. Debt Service Cover Ratio (DSCR) of a minimum of 1.05x, which is the ratio of EBITDA to Debt Service.

“Total Liabilities” shall mean, for purposes of determining STI ESG's compliance with any required Debt to Equity Ratio, the total economic obligations of STI ESG (excluding unearned tuition and other school fees) that are recognized and measured in the fiscal year end audited consolidated financial statements in accordance with PFRS and GAAP, as maybe applicable and unaudited consolidated financial statements ending December 31 of each year, as may be applicable.

“Total Equity” shall mean, for purposes of determining STI ESG's compliance with any required Debt to Equity Ratio, the amount of STI ESG's total stockholders' equity, recognized and measured in the fiscal year-end audited consolidated financial statements in accordance with PFRS and GAAP, as maybe applicable and unaudited consolidated financial statements ending December 31 of each year, as may be applicable.

On August 15, 2022, Chinabank approved the request of STI ESG for the waiver of the DSCR requirement for the periods ended June 30, 2023 and December 31, 2023. With the waiver, STI ESG is compliant with the above covenants as at December 31, 2023 and June 30, 2023. Under the Term Loan agreement, the Debt-to-equity ratio and DSCR testing is done semi-annually, that is, as at June 30 and December 31 of each year.

The Group's DSCR, as defined in the Term Loan Agreement of STI ESG with Chinabank, as at June 30, 2024 is 2.39:1.00 while the Group's D/E ratio, as defined in the same loan agreement is 0.59:1.00. As at June 30, 2024, STI ESG is compliant with the required covenants.



iACADEMY. On September 28, 2017, *iACADEMY*, as Borrower, and Neschester, as Third Party Mortgagor, entered into an Omnibus Loan and Security Agreement (Omnibus Agreement) with Chinabank granting *iACADEMY* a Term Loan Facility amounting to ₱800.0 million to refinance the ₱200.0 million short-term loan and partially finance the cost of construction of *iACADEMY*'s Yakal campus. The long-term loan is secured by a real estate mortgage on the Yakal land and the building constructed thereon, and all other facilities, machineries equipment and improvements therein (see Note 11). The long-term loan shall mature on the 10th year anniversary of the initial drawdown on the Term Loan Facility (the Loan Maturity Date). The maturity date of subsequent drawdowns made within the availability period shall coincide with the Loan Maturity Date.

iACADEMY made the following drawdowns:

	Amount	Interest at Drawdown Date
September 29, 2017	₱200,000,000	4.4025%
January 10, 2018	130,000,000	4.4057%
April 5, 2018	240,000,000	4.6932%
May 15, 2018	130,000,000	5.1928%
October 26, 2018	100,000,000	7.9266%
	₱800,000,000	

On September 28, 2018, the total drawdown amounting to ₱700.0 million was repriced at an interest rate of 6.8444% per annum. The loan facility has a term of 10 years, with a 3-year grace period on the principal repayment. The principal is payable semi-annually starting September 29, 2020, while the interest is payable semi-annually in arrears every March 29 and September 29 of each year. The interest rate shall be repriced one business day prior to each of the later interest payment date of the two relevant interest periods. Interest rate is determined based on the 1-year PHP Bloomberg Valuation Service (BVAL) reference rate plus a margin of 1.50% per annum which interest rate shall in no case be lower than the sum of the BSP Overnight Lending Facility Rate and one-half percent (0.50%) per annum.

On September 13, 2019, Chinabank approved *iACADEMY*'s request to partially prepay the term loan. *iACADEMY* paid ₱200.0 million on September 30, 2019. On September 27, 2019, the total loan balance of ₱600.0 million was repriced at an interest rate of 5.3030% per annum.

With the prepayment made on September 30, 2019, Chinabank approved the future repayment of the loan principal as follows:

Fiscal year	Amount
2021	₱80,000,000
2022	80,000,000
2023	80,000,000
2024	80,000,000
2025	80,000,000
2026	80,000,000
2027	80,000,000
2028	40,000,000
	₱600,000,000

On September 29, 2020, *iACADEMY* paid the ₱40.0 million regular amortization. The ₱560.0 million loan balance was repriced at 3.3727% per annum on September 28, 2020.



On September 16, 2021, Chinabank approved iACADEMY's request to partially prepay the term loan in the amount of ₱120.0 million and the waiver of the 3.0% prepayment penalty. On September 29, 2021, iACADEMY made a prepayment of ₱120.0 million plus ₱40.0 million regular amortization. The prepayment shall be applied in the inverse order of maturity according to the repayment schedule. The prepayment penalty was also waived by Chinabank.

With the prepayment made, Chinabank approved the future repayment of the loan principal as follows:

Fiscal year	Amount
2022	₱40,000,000
2023	80,000,000
2024	80,000,000
2025	80,000,000
2026	80,000,000
	₱360,000,000

On March 9, 2023, Chinabank approved iACADEMY's request to allow a partial principal prepayment in the amount of ₱100.0 million and a waiver of the 3.0% prepayment penalty. On March 29, 2023, iACADEMY made a prepayment of ₱100.0 million plus the regular amortization of ₱40.0 million. The prepayment is applied in the inverse order of maturity according to the repayment schedule.

iACADEMY settled the regular principal amortization amounting to ₱ 40.0 million on September 29, 2023.

Further, on March 7, 2024, Chinabank approved iACADEMY's request for a partial principal prepayment amounting to ₱40.0 million and a waiver of the 3.0% prepayment penalty. Subsequently, iACADEMY made a partial prepayment amounting to ₱ 40.0 million on March 29, 2024. The prepayment was applied in the inverse order of maturity according to the repayment schedule. The regular principal amortization of ₱40.0 million was also settled on March 29, 2024.

On June 24, 2024, Chinabank approved iACADEMY's request to fully prepay the term loan and the waiver of the 3.0% prepayment penalty. On June 28, 2024, iACADEMY fully paid the ₱20.0 million loan balance.

Breakdown of iACADEMY's Term Loan follows:

	2024	2023
Balance at beginning of year	₱140,000,000	₱320,000,000
Payments	(140,000,000)	(180,000,000)
	-	140,000,000
Unamortized debt issuance costs	-	(357,677)
Balance at end of year	-	139,642,323
Less current portion	-	79,795,613
Noncurrent portion	₱-	₱59,846,710

Interest rates were repriced at the rates of 3.2068% and 5.6699% per annum effective September 28, 2021 and 2022, respectively. Starting September 28, 2023, the interest rate was adjusted to 8.0845% per annum.

Interest expense for the years ended June 30, 2024, 2023 and 2022 amounted to ₱9.9 million, ₱12.6 million and ₱12.9 million, respectively.



iACADEMY incurred costs related to the availment of the loan amounting to ₱8.2 million. These costs were capitalized and amortized using the EIR method. These are presented as a contra-liability account in the consolidated statements of financial position. The carrying value of the transaction costs amounted to ₱0.4 million as at June 30, 2023. Amortization of transaction costs recognized as interest expense amounted to ₱0.4 million, ₱1.3 million and ₱1.0 million for the years ended June 30, 2024, 2023 and 2022, respectively.

Financial Covenants. The Omnibus Agreement contains, among others, covenants regarding incurring additional debt and declaration of dividends, to the extent that such will result in a breach of the required debt service cover (DSCR) and debt-to-equity (D/E) ratios. The required financial ratios are:

- (1) DSCR of a minimum of 1.05x, which is the ratio of EBITDA for the immediately preceding twelve (12) months to debt service due in the next 12 months.
- (2) D/E ratio of not more than 2.0x, computed by dividing total liabilities (excluding unearned tuition and other school fees) by total equity.

Prior to the full settlement of the loan and as at June 30, 2023, iACADEMY is compliant with the above covenants.

Corporate Notes Facility

On March 20, 2014, STI ESG entered into a Corporate Notes Facility Agreement (Credit Facility Agreement) with Chinabank granting STI ESG a credit facility amounting to ₱3,000.0 million with a term of either 5 or 7 years. The facility is available in two tranches of ₱1,500.0 million each. The net proceeds from the issuance of the notes were used for capital expenditures and other general corporate purposes.

On May 9, 2014, the first drawdown date, STI ESG elected to have a 7-year term loan with floating interest based on the 1-year PDST-F plus a margin of two percent (2.00%) per annum, which interest rate shall in no case be lower than the BSP overnight rate plus a margin of three-fourths percent (0.75%) per annum, which is subject to repricing.

An Accession Agreement to the Credit Facility Agreement was executed on December 16, 2014 among STI ESG, STI WNU and Chinabank whereby STI WNU acceded to the Credit Facility entered into by STI ESG with Chinabank in March 2014. In addition, an Amendment and Supplemental Agreement was also executed by the parties on the same date. The Amendment and Supplemental Agreement allowed STI WNU to draw up to ₱300.0 million from the facility.

On December 19, 2014, STI ESG advised Chinabank that it will not be availing of tranche 2 of the Credit Facility Agreement thus limiting the facility available to STI ESG to ₱1,500.0 million.

In 2015, STI ESG availed a total of ₱1,200.0 million loans with interest ranging from 4.34% to 4.75% per annum. The interest rate for the outstanding balance of Corporate Notes Facility amounting to ₱240.0 million was repriced at 5.5556% and 5.7895%, per annum, effective February 1, 2021 and September 20, 2021, respectively.

The Credit Facility Agreement, together with the Accession Agreement, contains, among others, covenants regarding incurring additional debt and declaration of dividends, to the extent that such will result in a breach of the required debt-to-equity and debt service cover ratios. STI ESG and STI WNU were required to maintain a debt-to-equity ratio of not more than 1.00:1.00 and debt service cover ratio of not less than 1.10:1.00.



On January 19, 2017, STI ESG, STI WNU and Chinabank executed a Second Amendment and Supplemental Agreement to the Corporate Notes Facility Agreement. Significant amendments are as follows:

- a) change in interest rate of either (1) the 1-year benchmark rate (PDST-R2) plus a margin of 1.50% per annum which interest rate shall in no case be lower than 3.75% per annum or (2) the 3-month benchmark rate plus a margin of 1.50% per annum which interest rate shall in no case be lower than 3.50% per annum.
- b) amendments on the required financial ratios, whereby STI ESG shall maintain the following ratios which shall be computed based on the consolidated financial statements:
 - (1) Debt-to-equity ratio of not more than 1.50x, computed by dividing total debt by total equity. For the purpose of this computation, total debt shall exclude unearned tuition and other school fees;
 - (2) Debt service cover ratio of a minimum of 1.05x.

On January 29, 2021, STI ESG and Chinabank executed a Third Amendment and Supplemental Agreement to the Corporate Notes Facility Agreement with an outstanding balance of ₱240.0 million. Significant changes to the terms and conditions of the Corporate Notes Facility Agreement of STI ESG are as follows:

- a) amendment of the maturity date from July 31, 2021 to September 19, 2026, where semi-annual amortization of ₱30.0 million shall be every March 19 and September 19 of each year to commence from March 19, 2023;
- b) amendment of the interest rate repricing date for the interest period commencing on January 31, 2021 while all succeeding interest rate repricing dates shall be on the interest payment date of the interest period ending on September 19 of every year, thereafter;
- c) amendment of the interest period commencing on January 31, 2021 and each successive period of six months commencing from September 19, 2021 and ending on the relevant maturity date; and
- d) amendment of the 1-year Benchmark Rate plus a margin of 1.50% per annum which interest rate shall in no case be lower than 5.50% per annum for the interest period covering January 31, 2021 to September 18, 2021 and 6.25% per annum for each succeeding interest period thereafter.

The above modification of terms and conditions resulted in the recognition of premium on corporate notes facility amounting to ₱8.3 million. The premium on the interest-bearing loans and borrowings will be amortized and presented as a reduction of future interest expense. The impact of the loss on loan modification and loan premium amortization was fully offset at the end of the loan period. Amortization of loan premium amounting to ₱0.4 million, ₱2.1 million, and ₱2.5 million for the years ended June 30, 2024, 2023 and 2022, respectively, were recognized as a reduction of interest expense in the consolidated statements of comprehensive income. The interest rate for the Corporate Notes Facility was repriced at the rate of 6.5789% per annum effective September 20, 2022.



Breakdown of STI ESG’s Credit Facility Agreement follows:

	2024	2023
Balance at beginning of year	₱210,000,000	₱240,000,000
Payments	210,000,000	30,000,000
	–	210,000,000
Add unamortized premium on corporate notes	–	3,518,514
Balance at end of year	–	213,518,514
Less current portion	–	60,000,000
Noncurrent portion	₱–	₱153,518,514

In January 2021, STI WNU fully paid its loan from the Corporate Notes Facility.

In March 2023, STI ESG settled the principal payment due on its Corporate Notes Facility amounting to ₱30.0 million.

As at June 30, 2023, these loans are unsecured and are due based on the following schedule (with the January 29, 2021 amendment):

Fiscal Year	Amount
2024	₱60,000,000
2025	60,000,000
2026	60,000,000
2027	30,000,000
	₱210,000,000

STI ESG is compliant with the required financial ratios under the Corporate Notes Facility as at June 30, 2023. As discussed in a related paragraph on the Term Loan Facility of STI ESG, Chinabank approved on August 15, 2022, the request of STI ESG for the waiver of the DSCR requirement for the periods ended June 30, 2023 and December 31, 2023.

On September 19, 2023, STI ESG settled the principal payment due on its Corporate Notes Facility amounting to ₱30.0 million. On the same day, STI ESG fully paid the remaining principal on the same facility amounting to ₱180.0 million. In view of this loan being fully paid, the unamortized premium associated with the Corporate Notes Facility amounting to ₱3.1 million as at September 19, 2023 was derecognized and taken up as “Gain on early extinguishment of loan” in the consolidated statement of comprehensive income for the year ended June 30, 2024. The unamortized premium associated with the Corporate Notes Facility amounted to ₱3.5 million as at June 30, 2023 (nil as at June 30, 2024).

Waivers of Certain Covenants

- a. On June 23, 2020, STI ESG requested Chinabank for waivers of certain covenants in its Term Loan Agreement and Corporate Notes Facility Agreement in connection with STI ESG’s availment of the Land Bank of the Philippines (LandBank) ACcess to Academic Development to Empower the Masses towards Endless Opportunities (ACADEME) Program.
- b. On July 23, 2020, Chinabank approved the waiver of the following covenants:
 - Assignment of revenues/income. STI ESG/Issuer shall not assign, transfer or otherwise convey any right to receive any of its income or revenues except when such assignment, transfer, or conveyance: (i) is made on an arm's length basis under normal commercial terms; or (ii) is required by Law; and, in either case, does not result in a Material Adverse Effect and provided that STI ESG/Issuer shall notify the Lender/Note Holder in the event



that any of the above transactions are entered into with related parties or any of the Subsidiaries or Affiliates of STI ESG/Issuer;

- Encumbrances. STI ESG/Issuer shall not permit any Indebtedness to be secured by or to benefit from any Lien, in favor of any creditor or class of creditors on, or in respect of, any present or future assets or revenues of the Issuer or the right of the Issuer in receiving income; and
 - Ranking of Notes. STI ESG/Issuer shall ensure that for so long as any Note is outstanding, the Issuer shall not incur or permit to arise any Indebtedness which ranks ahead of the Notes whether it be by virtue of being evidenced by a public instrument as provided by Article 2244, paragraph 14 of the Civil Code of the Philippines, as the same may be amended from time to time, or otherwise.
- c. On July 23, 2020, Chinabank approved the temporary waiver of the DSCR requirement on both the Term Loan and the Corporate Notes Facility Agreements with STI ESG covering the period ended March 31, 2021. On December 18, 2020, Chinabank approved the temporary waiver of the DSCR requirement covering the period ended December 31, 2020 and the period ended June 30, 2021.
- d. On August 15, 2022, Chinabank approved the request of STI ESG for the waiver of the DSCR requirement for the periods ended June 30, 2023 and December 31, 2023.
- e. On August 7, 2020, STI WNU requested Chinabank for consent to avail of LandBank's ACADEME Lending Program by way of participation to the extent of ₱10.0 million in the Term Loan/Rediscounting Facility approved by LandBank in favor of STI ESG and the waiver of certain covenants in the Corporate Notes Facility Agreement dated March 20, 2014 and the Accession Agreement dated December 16, 2014. On September 8, 2020, Chinabank approved the waiver of the following covenants in relation to the availment of STI WNU of LandBank's ACADEME Lending Program.
- the waiver of Section 7.01(s) re: Ranking of Notes which requires STI WNU to ensure that for as long as any Note is outstanding, STI WNU shall not incur or permit to arise any Indebtedness which ranks ahead of the Notes insofar as the same relates to the availment by STI WNU of LandBank's ACADEME Lending Program, to be secured by the corporate surety of STI Education Systems Holdings, Inc. and the assignment of the sub-promissory notes to be executed by the parents or benefactors of STI WNU's students in favor of LandBank;
 - the waiver of Section 7.02(g) of the Corporate Notes Facility Agreement re: Assignment of Revenues and Income which prohibits STI WNU from assigning, transferring or conveying its right to receive income or revenues insofar as such assignment relates to the requirement of LandBank to assign the sub-promissory notes to be executed by the parents or benefactors of STI WNU's students in favor of LandBank as security for the ACADEME Lending Program;
 - the waiver of Section 7.02(o) of the Corporate Notes Facility Agreement re: Encumbrances which prohibits STI WNU from permitting any Indebtedness to be secured by or to benefit from any Lien in favor of any creditor or class of creditors on or in respect of any present or future assets or revenues of STI WNU or the right of STI WNU in receiving income in relation to the requirement of LandBank to assign the sub promissory notes to be executed by the parents or benefactors of STI WNU's students in favor of LandBank as security for the ACADEME Lending Program; and



- f. On August 7, 2020, iACADEMY requested Chinabank for consent to avail of LandBank's ACADEME Lending Program by way of participation to the extent of ₱10.0 million in the Term Loan/Rediscounting Facility approved by LandBank in favor of STI ESG in the amount of ₱250.0 million and waiver of certain covenants in the Omnibus Loan and Security Agreement dated September 28, 2017. On September 8, 2020, Chinabank approved the waiver of the following covenants in relation to the availment of iACADEMY of LandBank's ACADEME Lending Program:
- the waiver of Section 16.01(u) of the Omnibus Agreement re: Ranking of Notes which requires iACADEMY to ensure that for as long as any Note is outstanding, iACADEMY shall not incur or permit to arise any Indebtedness which ranks ahead of the Notes insofar as the same relates to the availment by iACADEMY of LandBank's Academe Lending Program, to be secured by the corporate surety of STI Education Systems Holdings, Inc. and the assignment of the sub promissory notes to be executed by the parents or benefactors of iACADEMY's students in favor of LandBank;
 - the waiver of Section 16.02(k) of the Omnibus Agreement re: Encumbrances which prohibits iACADEMY from permitting any Indebtedness to be secured by or to benefit from any Lien in favor of any creditor or class of creditors on or in respect of any present or future assets or revenues of iACADEMY or the right of iACADEMY to receive income in relation to the requirement of LandBank to assign the sub promissory notes to be executed by the parents or benefactors of iACADEMY's students in favor of LandBank as security for the ACADEME Lending Program; and
 - the waiver of Section 16.02(m) of the Omnibus Agreement re: Assignment of Revenues and Income which prohibits iACADEMY from assigning, transferring or conveying its right to receive income or revenues insofar as such assignment relates to the requirement of LandBank to assign the sub promissory notes to be executed by the parents or benefactors of iACADEMY's students in favor of LandBank as security for the ACADEME Lending Program.

LandBank ACADEME Program

On July 22, 2020, LandBank approved a ₱250.0 million Term Loan/Rediscounting Line Facility under its ACADEME Lending Program in favor of STI ESG to finance the 'study now, pay later' program of the government for students amid the financial difficulties facing families due to the COVID-19 pandemic. The LandBank ACADEME Program is a refinancing/rediscounting facility for Promissory Notes issued by the parents or benefactors of students to enable said students to enroll, continue and complete their studies. The school can borrow up to 70% of the amount stated in the Promissory Note issued by the parents/benefactors of the students. This loan from LandBank is subject to 3.0% interest per annum. Interest and principal are payable annually in arrears. The term of the borrowing is coterminous with the promissory note to be issued by the parents/benefactors of the students, which in no case shall exceed three (3) years. The loans covered by these promissory notes to be issued by the parents/benefactors of students are interest-free.

On September 16, 2020, the Rediscounting Agreement with LandBank was executed by STI ESG in relation to this loan arrangement. Further, on the same date, the Comprehensive Surety Agreement securing this facility was executed by STI Holdings in favor of LandBank. This agreement shall remain in full force and effect while the obligations of STI ESG under the LandBank ACADEME Program remain outstanding and/or not paid to the satisfaction of Landbank. STI ESG has drawn from its Term Loan/Rediscounting Line Facility an aggregate amount of ₱22.1 million in 2021. The term of the borrowing is coterminous with the promissory notes executed by the parents/benefactors of the students. STI ESG paid ₱9.5 million during the year ended June 30, 2023. Total payments made up to



June 30, 2023 is ₱19.1 million. In August 2023, STI ESG made a payment of ₱2.1 million while the remaining balance of the loan was fully paid on January 31, 2024. The carrying value of the loan amounted to ₱3.0 million as at June 30, 2023 (nil as at June 30, 2024).

Interest Expense

Except for the LandBank loan, the benchmark rate for the loans of STI ESG and iACADEMY is the BVAL reference rate for one-year tenor for the Chinabank Term Loan Facility and the Corporate Notes Facility. For STI ESG’s BPI and Metrobank Term Loan Facilities, the benchmark rate is the BVAL reference rate for six months.

Interest incurred on the loans (including amortization of debt issuance costs and premium) for the years ended June 30, 2024, 2023 and 2022 amounted to ₱103.3 million, ₱82.3 million and ₱89.8 million, respectively (see Note 23).

19. Bonds Payable

	2024	2023
Principal:		
Fixed-rate bonds due 2027	₱820,000,000	₱820,000,000
Fixed-rate bonds due 2024	–	2,180,000,000
	820,000,000	3,000,000,000
Less unamortized debt issuance costs	5,032,725	11,577,016
Balance at end of year	814,967,275	2,988,422,984
Less current portion	–	2,175,083,335
Noncurrent portion	₱814,967,275	₱813,339,649

On March 23, 2017, STI ESG issued the first tranche of its ₱5,000.0 million fixed-rate bonds program under its 3-year shelf registration with the SEC which ended on March 9, 2020. The bonds, amounting to an aggregate of ₱3,000.0 million were listed through the Philippine Dealing & Exchange Corp. (PDEX), with interest payable quarterly and were issued with a fixed rate 5.8085% for the 7-year series, due 2024, and 6.3756% for the 10-year series, due 2027. The bonds were rated ‘PRS Aa’ by the Philippine Rating Services Corporation (PhilRatings) in 2017. In January 2021, PhilRatings changed the Issue Credit Rating for STI ESG’s outstanding bond issuance to PRS A plus, with a Negative Outlook, from PRS Aa, with a Stable Outlook. Obligations rated PRS A have favorable investment attributes and are considered as upper-medium grade obligations. Although these obligations are somewhat more susceptible to the adverse effects of changes in economic conditions, STI ESG’s capacity to meet its financial commitments on the obligation is still strong. A ‘plus’ or ‘minus’ sign may be added to further qualify ratings. A Negative Outlook, on the other hand, indicates that there is a potential for the present credit rating to be downgraded in the next twelve (12) months.

Proceeds of the issuance were used to finance the campus expansion projects, refinancing of the short-term loans incurred for the acquisition of land, and for other general corporate requirements of STI ESG.

The bonds include an embedded derivative in the form of an early redemption option that gives STI ESG the option, but not the obligation, to redeem in whole (and not in part), the outstanding bonds before the relevant maturity date, based on a certain price depending on the fixed early redemption option dates. Management has assessed that the early redemption option is closely related to the bonds and would not require to be separated from the value of the bonds and accounted for as a derivative.



Subsequent reassessment is required when there has been a change in the terms of the contract that significantly modifies the cash flows.

On March 23, 2024, the 7-year fixed rate bonds with a principal amount of ₱2,180.0 million matured and were fully redeemed by STI ESG in accordance with terms of the Trust Agreement and the Supplemental Trust Agreement.

A summary of the terms of STI ESG’s issued bonds follows:

Issued	Interest Payable	Term	Interest Rate	Principal Amount	Carrying Value		Features
					2024	2023	
2017	Quarterly	10 years	6.3756%	₱820,000,000	₱814,967,275	₱813,339,649	Callable from the 7th anniversary issue and every year thereafter until the 9th anniversary of issue date
2017	Quarterly	7 years	5.8085%	2,180,000,000	-	2,175,083,335	Callable on the 3rd month after the 5th anniversary of issue date and on the 6th anniversary of issue date
				₱3,000,000,000	₱814,967,275	₱2,988,422,984	

Covenants

The bonds provide certain restrictions and requirements with respect to, among others, change in majority ownership and management, merger or consolidation with other corporation resulting in loss of control over the overall resulting entity and sale, lease, transfer or otherwise disposal of all or substantially all of its assets. The bonds’ Trust Agreement and Supplemental Trust Agreement (“the Bond Trust Agreements”) also contain, among others, covenants regarding incurring additional debt and declaration of dividends. STI ESG is required to maintain a debt-to-equity ratio of not more than 1.50:1.00 and debt service cover ratio of not less than 1.05:1.00 computed based on the consolidated financial statements. Testing of compliance with required ratios are done every June 30 and December 31 of each year.

STI ESG’s debt-to-equity (D/E) ratio, as defined in the Bond Trust Agreements, as at June 30, 2024 and 2023 are 0.59:1.00 and 0.79:1.00, respectively.

In August 2020, STI ESG obtained the required consent of the holders of the Bonds (the “Record Bondholders”), which include among others, the waiver of the DSCR requirement up to June 30, 2023 (see Amendments to the Trust Agreement).

In April 2024, China Bank-Trust and STI ESG executed a second supplemental agreement to (i) replace the financial covenant on DSCR of not less than 1.05:1.00 with an Interest Coverage Ratio (ICR) of not less than 3.00:1.00 and (ii) amendment of the definition of EBITDA (see discussions in the succeeding paragraphs). STI ESG’s ICR as at June 30, 2024 is 9.37:1.00.

As at June 30, 2024 and 2023, STI ESG is compliant with the required covenants.

Supplemental Trust Agreement. On July 20, 2020, STI ESG delivered to China Banking Corporation – Trust and Asset Management Group, in its capacity as trustee (the “Trustee”) for the Series 7Y Bonds due 2024 and the Series 10Y Bonds due 2027 (collectively, the “Bonds”) a Consent Solicitation Statement (the “Consent Solicitation Statement”) and the annexed Consent Form (the “Consent Form”) in connection with the proposed amendments to the Trust Agreement dated March 10, 2017 (the “Trust Agreement”) governing the Bonds issued by STI ESG. Pursuant to the Consent Solicitation Statement, STI ESG sought the consent of the Record Bondholders to certain proposed



amendments to the Trust Agreement. The Proposed Amendments are (1) the waiver of Section 7.02(a) of the Trust Agreement which prohibits the Issuer from incurring or suffering to exist any Lien upon any assets or revenues, present and future, of the Issuer in relation to the requirement of LandBank to assign the sub-promissory notes to be executed by the parents or benefactors of the Issuer's students in favor of LandBank as security for the ACADEME Lending Program; (2) the waiver of Section 7.02(b) of the Trust Agreement which prohibits the Issuer from incurring Indebtedness or entering into any loan facility agreement secured by or to be secured by a lien upon any assets and revenues, present and future, whether registered or unregistered, of the Issuer, unless the Issuer has made or will make effective provisions, satisfactory to the Record Bondholders in the latter's absolute discretion, whereby the Lien thereby created will secure, on an equal first ranking and ratable basis, any and all obligations of the Issuer under the Trust Agreement and such other Indebtedness which the Lien purports to secure; (3) the waiver of Section 7.02(f) of the Trust Agreement which prohibits the Issuer from assigning, transferring or conveying its right to receive income or revenues insofar as such assignment relates to the requirement of LandBank to assign the subpromissory notes to be executed by the parents or benefactors of STI ESG's students in favor of LandBank as security for the ACADEME Lending Program; and (4) the waiver of the DSCR up to June 30, 2023, as provided under Section 7.01(k) of the Trust Agreement. The Proposed Amendments will not alter the interest rate or maturity date of the Bonds, the Issuer's obligation to make principal and interest payments on the Bonds, or the substantive effect of any other covenant or provision of the Bonds. The Trustee certified as of August 15, 2020, that it has obtained the required consent of the Record Bondholders holding or representing at least fifty percent (50.0%) plus one peso (Php1.00) of the aggregate principal amount of the Bonds to the Proposed Amendments to the Trust Agreement governing the Bonds.

On August 19, 2020, pursuant to the Consent Solicitation Statement, STI ESG and the Trustee executed the Supplemental Trust Agreement incorporating the Proposed Amendments, as follows:

- Amendments Relating to Negative Covenants Waiver

Effective as of the Execution Date, the following amendments shall be deemed to have been made to Section 7.02 (Negative Covenants of the Issuer) of the Trust Agreement:

(a) Section 7.02(a) of the Trust Agreement is hereby amended to read as follows: "directly or indirectly, incur or suffer to exist, or permit any Subsidiary to directly or indirectly incur or suffer to exist, any Lien other than Permitted Liens upon any assets and revenues, present and future, of the Issuer and its Subsidiaries, as the case may be, except for the assignment by the Issuer to LandBank of sub-promissory notes to be executed by the parents or benefactors of the Issuer's students as security for the ACADEME Lending Program of LandBank";

(b) Section 7.02(b) of the Trust Agreement is hereby amended to read as follows: "incur Indebtedness or enter into, or permit any Subsidiary to enter into, any loan facility agreement secured by or to be secured by a Lien upon any assets and revenues, present and future, whether registered or unregistered, of the Issuer or any Subsidiary, as the case may be, except for the assignment by the Issuer to LandBank of sub-promissory notes to be executed by the parents or benefactors of the Issuer's students as security for the ACADEME Lending Program of LandBank";

- Amendment Relating to DSCR Waiver

Effective as of the date stated in the Majority Bondholders' Consent, the following amendment shall be deemed to have been made to Section 7.01(k) of the Trust Agreement:



(k) maintain and observe the following financial ratios:

- (i) DSCR of not less than 1.05:1:00, provided that this Debt Service Coverage Ratio requirement shall be waived up to June 30, 2023.

Second Supplemental Trust Agreement. On April 8, 2024, STI ESG delivered to China Banking Corporation through its Trust and Asset Management Group, the “Trustee” for the Series 10Y Bonds due 2027, the Consent Solicitation Statement and the annexed Consent Form seeking the amendments to the Trust Agreement dated March 10, 2017 (the “Trust Agreement”) and Supplemental Trust Agreement dated August 19, 2020 governing the Bonds issued by STI ESG. The proposed amendments are the (i) replacement of the financial covenant on Debt Service Coverage Ratio of not less than 1.05:1.00 with an ICR of not less than 3.00:1.00 and (ii) amendment of the definition of EBITDA.

ICR means the EBITDA with reference to STI ESG’s audited or unaudited, as the case may be, consolidated financial statements for the immediately preceding twelve (12) months, divided by the interest due for the next twelve (12) months. The term “EBITDA” shall mean the net income of STI ESG based on the consolidated financial statements for the immediately preceding twelve (12) months for that relevant period after adding back (a) depreciation and amortization, (b) interest and other financial expenses, (c) income tax, and adding back or deducting, as applicable (d) all other items as enumerated in the EBITDA computation shown in the quarterly and annual consolidated financial statements of STI ESG, each item determined in accordance with PFRS.

The proposed amendments on the use of the ICR will better reflect the financial capability of STI ESG to service the interest payments on the Bonds and other loans as they fall due and shall also provide STI ESG with operational flexibility. The Proposed Amendment revising the definition of EBITDA will better gauge the core profitability of STI ESG and the cash income it generates year on year.

On April 23, 2024, the Trustee certified that it has obtained the consent of the bondholders as of April 1, 2024 of the Series 10Y Bonds due 2027, holding or representing at least fifty percent (50%) plus one peso (Php1.00) of the aggregate principal amount of the said bonds then outstanding, who have validly executed and properly delivered consent forms to the Trustee, in accordance with the terms of the Consent Solicitation Statement.

Thus, on April 26, 2024, pursuant to the Consent Solicitation Statement, STI ESG and China Banking Corporation, through its Trust and Asset Management Group, executed the “Second Supplemental Trust Agreement” to effect the amendments to the Trust Agreement dated March 10, 2017 and Supplemental Trust Agreement dated August 19, 2020.

Following are the amendments made:

Section 7.01(k) of the Amended Trust Agreement shall be amended as set forth below:

“Section 7.01 Affirmative Covenants of the Issuer

The Issuer hereby covenants and agrees that, for as long as the Bonds or any portion thereof remain outstanding, the Issuer shall:

(k) maintain and observe the following financial ratios:

- (i) an Interest Coverage Ratio of not less than 3.00:1; and
- (ii) a maximum Debt-to-Equity Ratio of 1.5:1.



For purposes of this Section 7.01(k):

- (iii) the term “Interest Coverage Ratio” means (a) the Issuer’s EBITDA utilizing the Issuer’s audited or unaudited, as the case may be, consolidated financial statements for the immediately preceding twelve (12) months, divided by (b) the interest due for the next twelve (12) months.
- (iv) the term “EBITDA” shall mean the net income of the Issuer based on the consolidated financial statements for the immediately preceding twelve (12) months for that relevant period after adding back (a) depreciation and amortization, (b) interest and other financial expenses, (c) income tax, and adding back or deducting, as applicable (d) all other items as enumerated in the EBITDA computation shown in the quarterly and annual consolidated financial statements of the Issuer, each item determined in accordance with PFRS.”

All references in the Amended Trust Agreement to the defined term “Debt Service Coverage Ratio” or “DSCR” shall be replaced by ICR, as applicable.

STI ESG’s D/E ratio and ICR, as defined in the Second Supplemental Trust Agreement, as at June 30, 2024 are as follows:

Total liabilities ^(a)	₱4,131,238,695
Total equity	6,996,685,045
<u>Debt-to-equity ratio</u>	<u>0.59:1.00</u>

^(a) Excluding unearned tuition and other school fees

EBITDA (see Note 3) ^(b)	₱1,992,058,511
Interest expense ^(c)	212,659,106
<u>Interest coverage ratio</u>	<u>9.37:1.00</u>

^(b) EBITDA for the last twelve months

^(c) Total interests due in the next twelve months

As at June 30, 2024, STI ESG has complied with the required covenants.

Bond Issuance Costs

STI ESG incurred costs related to the issuance of the bonds in 2017 amounting to ₱53.9 million. These costs were capitalized and amortized using the EIR method. The carrying value of the unamortized bond issuance costs amounted to ₱5.0 million and ₱11.6 million at June 30, 2024 and 2023, respectively. Amortization of bond issuance costs amounting to ₱6.5 million, ₱7.9 million and ₱7.4 million for the years ended June 30, 2024, 2023 and 2022, respectively, were recognized as part of “Interest expense” account in the consolidated statements of comprehensive income.

Interest Expense

Interest expense (including amortization of bond issuance costs) associated with the bonds payable recognized in the consolidated statements of comprehensive income amounted to ₱151.0 million, ₱186.8 million and ₱186.3 million for the years ended June 30, 2024, 2023 and 2022, respectively (see Note 23).



20. Other Noncurrent Liabilities

	2024	2023
Advance rent - net of current portion (see Notes 17 and 29)	₱44,992,331	₱57,809,767
Refundable deposits - net of current portion (see Notes 17 and 29)	30,125,618	49,331,720
Deposit for future stock subscription	8,000,000	-
Deferred lease liability	7,228,397	4,410,235
Deferred output VAT	347,305	532,282
	₱90,693,651	₱112,084,004

Advance rent pertains to amount received by the Group which will be earned and applied to future rentals for periods more than one year after the reporting date.

Refundable deposits are held by the Group throughout the term of the lease and are refunded in full to the lessee at the end of the lease term if the lessee has performed fully and observed all of the conditions and provisions in the lease. Refundable deposits are presented in the consolidated statements of financial position at amortized cost. The difference between the fair value at initial recognition and the notional amount of the refundable deposit is charged to “Deferred lease liability” and amortized on a straight-line basis over the respective lease term.

Current portion of advance rent and refundable deposits are presented and disclosed in Note 17.

Deposit for future stock subscription represents the contribution received by STI Training Academy from a third party as advance payment for future subscription to its shares of stock. As at June 30, 2024, such contribution has been recorded as deposit for future stock subscription under “Other noncurrent liabilities” in the 2024 consolidated statement of financial position, pending the application for the increase in authorized capital stock and/or the completion of the necessary documentation for the capital stock increase and subscriptions.

21. Equity

Capital Stock

Details as at June 30, 2024 and 2023 are as follows:

	Shares	Amount
Common stock - ₱0.50 par value per share		
Authorized	10,000,000,000	₱5,000,000,000
Issued and outstanding	9,904,806,924	4,952,403,462



Set out below is the Parent Company's track record of registration of its securities:

Date of Approval	Number of Shares		Issue/ Offer Price
	Authorized	Issued	
December 4, 2007*	1,103,000,000	307,182,211	₱0.50
November 25, 2011**	1,103,000,000	795,817,789	0.60
September 28, 2012***	10,000,000,000	5,901,806,924	2.22
November 7, 2012	10,000,000,000	2,627,000,000	0.90
November 28, 2012	10,000,000,000	273,000,000	0.90

* Date when the registration statement covering such securities was rendered effective by the SEC.

** Date when the Parent Company filed SEC form 10-1(k) (Notice of Exempt Transaction) with the SEC in accordance with the Securities Regulation Code and its Implementing Rules and Regulations.

*** Date when the SEC approved the increase in authorized capital stock.

As at June 30, 2024 and 2023, the Parent Company has a total number of shareholders on record of 1,264.

Cost of Shares Held by a Subsidiary

This account represents 500,433,895 STI Holdings shares owned by STI ESG as at June 30, 2024 and 2023 amounting to ₱498.1 million which are treated as treasury shares in the consolidated statements of financial position.

In August and September 2024, STI ESG sold portion of its investment in STI Holdings for a total consideration of ₱25.0 million, reducing its shareholding by 23.0 million shares, from 500.4 million shares to 477.4 million shares. As a result, STI ESG's ownership interest in STI Holdings decreased from 5.05% to 4.82%, respectively, as at October 11, 2024.

Dividends received by STI ESG related to these shares amounting to ₱15.0 million, ₱7.5 million and ₱5.0 million for the years ended June 30, 2024, 2023 and 2022, respectively, were offset against the dividends declared as shown in the consolidated statements of changes in equity.

Other Comprehensive Income and Non-controlling Interests

	2024		
	Attributable to Equity Holders of the Parent Company	Non-controlling interests	Total
Cumulative actuarial gain (see Note 28)	₱44,378,717	₱70,052	₱44,448,769
Fair value changes in equity instruments at FVOCI (see Note 15)	20,349,810	289,510	20,639,320
Share in associates' cumulative actuarial gain (see Note 13)	321,569	7,853	329,422
Share in associates' unrealized fair value loss on equity instruments designated at FVOCI (see Note 13)	(114)	(2)	(116)
	₱65,049,982	₱367,413	₱65,417,395



2023			
	Attributable to Equity Holders of the Parent Company	Non-controlling interests	Total
Cumulative actuarial gain (loss) (see Note 28)	₱5,481,945	(₱421,787)	₱5,060,158
Fair value changes in equity instruments at FVOCI (see Note 15)	15,104,760	219,399	15,324,159
Share in associates' cumulative actuarial gain (see Note 13)	321,569	7,853	329,422
Share in associates' unrealized fair value loss on equity instruments designated at FVOCI (see Note 13)	(114)	(2)	(116)
	<u>₱20,908,160</u>	<u>(₱194,537)</u>	<u>₱20,713,623</u>
2022			
	Attributable to Equity Holders of the Parent Company	Non-controlling interests	Total
Cumulative actuarial gain (loss) (see Note 28)	₱27,664,542	(₱290,829)	₱27,373,713
Fair value changes in equity instruments at FVOCI (see Note 15)	13,255,113	196,194	13,451,307
Share in associates' cumulative actuarial gain (see Note 13)	321,569	7,853	329,422
Share in associates' unrealized fair value loss on equity instruments designated at FVOCI (see Note 13)	(114)	(2)	(116)
	<u>₱41,241,110</u>	<u>(₱86,784)</u>	<u>₱41,154,326</u>

Dividends declared by subsidiaries to non-controlling interest owners amounted to ₱8.4 million, ₱2.9 million and ₱2.0 million for the years ended June 30, 2024, 2023 and 2022, respectively.

Retained Earnings

- a) On December 21, 2023, cash dividends amounting to ₱0.030 per share or the aggregate amount of ₱297.1 million were declared by the Parent Company's BOD in favor of all stockholders of record as at January 10, 2024, paid on January 31, 2024.

On December 19, 2022, cash dividends amounting to ₱0.015 per share or the aggregate amount of ₱148.6 million were declared by the Parent Company's BOD in favor of all stockholders of record as at January 6, 2023, paid on January 31, 2023.

On December 3, 2021, cash dividends amounting to ₱0.01 per share or the aggregate amount of ₱99.0 million were declared by the Parent Company's BOD in favor of all stockholders of record as at January 6, 2022, paid on January 31, 2022.

- b) Consolidated retained earnings include retained earnings of subsidiaries amounting to ₱4,598.5 million and ₱3,653.5 million as at June 30, 2024 and 2023, respectively, which are not available for dividend declaration. The Parent Company's retained earnings available for dividend declaration, computed based on the guidelines provided in the SEC Memorandum Circular No. 16 of 2023 / No. 11 of 2008, amounted to ₱2,048.5 million and ₱1,667.4 million as at June 30, 2024 and 2023, respectively.



Policy on Dividends Declaration. On September 29, 2017, the Parent Company's BOD adopted a policy on the declaration of dividends starting with Fiscal Year 2017-2018.

The BOD approved a dividend declaration policy of not less than 25.0% of the core income of STI Holdings from the previous fiscal year, subject to compliance with the requirements of applicable laws and regulations, statutory limitations and/or restrictions, terms and conditions which may be imposed on STI Holdings by lenders or other financial institutions, and its investment plans and financial condition.

Core income is defined as consolidated net income after income tax derived from STI Holdings' main business which is education, and other recurring income.

The amount of dividends will be reviewed periodically by the BOD in light of the earnings, financial conditions, cash flows, capital requirements and other considerations, while maintaining a level of capitalization that is commercially sound and sufficient to ensure that the Parent Company can operate on a standalone basis.

Dividends shall be declared and paid out of the Parent Company's unrestricted retained earnings which shall be payable in cash, property or stock to all shareholders on the basis of outstanding stock held by them. Unless otherwise required by law, the BOD, at its sole discretion, shall determine the amount, type and date of payment of the dividends to the shareholders, taking into account various factors, including:

- the level of the Parent Company's earnings, cash flow, return on equity and retained earnings;
- its results for and its financial condition at the end of the year in respect of which the dividend is to be paid and its expected financial performance;
- the projected levels of capital expenditures and other investment programs;
- restrictions on payments of dividends that may be imposed on it by any of its financing arrangements and current or prospective debt service requirements; and
- such other factors as the BOD deems appropriate.

Other Equity Reserve

Other equity reserve primarily consists of equity adjustment amounting to ₱1.7 billion resulting from the share swap transaction of the Parent Company with the shareholders of STI ESG, as discussed in Note 1.

On August 4, 2021, the minority shareholders of De Los Santos-STI College and STI ESG entered into deeds of absolute sale wherein STI ESG purchased shares aggregating 480,000, representing 48.0% of the issued and outstanding capital stock of De Los Santos-STI College, for a total consideration of ₱16.0 million. As a result, De Los Santos-STI College became a wholly owned subsidiary of STI ESG effective August 4, 2021. Consequently, the carrying value of the equity attributable to non-controlling interest in De Los Santos-STI College amounting to ₱74.4 thousand was derecognized and other equity reserve amounting to ₱15.9 million, representing the difference between the consideration paid by STI ESG and the carrying value of non-controlling interest in De Los Santos-STI College, was recognized in the consolidated financial statements.



22. Revenues

Disaggregated Revenue Information

The disaggregated revenue information is presented in the consolidated statements of comprehensive income and segment information, as discussed in Note 3 to the consolidated financial statements, in a manner that reflects the various sources and categories of revenues generated by the Group for the years ended June 30, 2024, 2023 and 2022.

Timing of Revenue Recognition

	2024	2023	2022
Services transferred over time	₱4,494,757,123	₱3,237,425,204	₱2,574,748,887
Goods and services transferred at a point in time	205,566,545	168,042,749	102,883,006
	₱4,700,323,668	₱3,405,467,953	₱2,677,631,893

Contract Balances

The Group's receivables are disclosed in Note 6 while the contract liabilities are presented as "Unearned tuition and other school fees" in the consolidated statements of financial position. There is no significant change in the contract liability and the timing of revenue recognition for SY2023-2024 and SY2022-2023.

Revenue recognized from amounts included in the contract liabilities at the beginning of the period amounted to ₱141.1 million, ₱116.8 million and ₱101.8 million for the years ended June 30, 2024, 2023 and 2022, respectively.

There was no revenue recognized from performance obligations satisfied in previous years for the years ended June 30, 2024, 2023, and 2022.

Performance Obligations

The performance obligations related to revenue from tuition and other school fees are satisfied over time since the students and the franchisees receive and consume the benefit provided by the Group upon performance of the services. The payment for these services is normally due within the related school term.

The performance obligations related to revenues from educational services and royalty fees are also satisfied over time since the franchised schools receive and consume the benefit provided by the Group upon performance of the services. The payment for these services is normally due within thirty (30) days.

On the other hand, the performance obligations related to the sale of educational materials and supplies and other revenues are satisfied upon receipt by the customers since the control of the goods and products is transferred at this point. The payment for the sale of educational materials and supplies is generally due within thirty (30) days from delivery.

As at June 30, 2024 and 2023, the transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) which are expected to be satisfied within one year amounted to ₱179.6 million and ₱141.1 million, respectively. This represents advance payment for tuition and other school fees for the school year commencing after the financial reporting date and will be recognized as tuition and other school fees within the related school term(s). On the other hand, the Group does not have any performance obligations that are expected to be satisfied in more than one year.



23. Interest Income and Interest Expense

Sources of interest income are as follows:

	2024	2023	2022
Cash and cash equivalents (see Note 5)	₱51,155,982	₱16,711,920	₱3,108,065
Past due receivables (see Notes 6 and 10)	6,441,145	5,820,824	34,952,813
Others	80,587	62,594	–
	₱57,677,714	₱22,595,338	₱38,060,878

Sources of interest expense are as follows:

	2024	2023	2022
Bonds payable (see Note 19)	₱150,979,292	₱186,813,143	₱186,337,411
Interest-bearing loans and borrowings (see Note 18)	103,266,244	82,281,389	89,839,830
Lease liabilities (see Note 29)	34,666,187	33,139,748	31,373,303
Others	4,389,672	8,784,844	5,789,039
	₱293,301,395	₱311,019,124	₱313,339,583

24. Cost of Educational Services

	2024	2023	2022
Faculty salaries and benefits (see Notes 27 and 28)	₱574,421,385	₱434,472,779	₱359,442,565
Depreciation and amortization (see Notes 11 and 16)	386,064,977	384,604,355	372,600,174
Student activities and programs	243,089,138	141,439,488	88,514,478
Software maintenance	34,327,276	32,904,196	25,828,391
School materials and supplies	31,585,338	9,807,567	5,069,829
Rental (see Note 29)	29,663,477	24,713,816	20,894,547
Courseware development costs	1,703,088	3,727,475	997,224
Internet connectivity assistance	–	–	69,967,107
Others	17,397,702	8,340,923	12,195,277
	₱1,318,252,381	₱1,040,010,599	₱955,509,592

25. Cost of Educational Materials and Supplies Sold

	2024	2023	2022
Educational materials and supplies	₱88,654,988	₱83,025,948	₱21,025,868
Promotional materials	14,047,464	7,577,876	3,145,198
	₱102,702,452	₱90,603,824	₱24,171,066



26. General and Administrative Expenses

	2024	2023	2022
Salaries, wages and benefits (see Notes 27 and 28)	₱467,261,558	₱378,969,060	₱317,771,243
Depreciation and amortization (see Notes 11, 12 and 16)	239,059,583	228,795,745	226,856,661
Light and water	182,352,592	162,612,112	75,314,030
Outside services	154,406,805	123,792,905	82,208,118
Professional fees	100,855,267	82,160,272	83,929,578
Advertising and promotions	52,594,676	41,129,952	38,044,909
Provision for:			
Expected credit losses (see Note 6)	30,463,772	85,222,460	112,657,925
Impairment of goodwill (see Note 16)	14,268,891	—	3,806,174
Impairment of investments in and advances to associates and joint venture (see Note 13)	1,650,340	—	—
Inventory obsolescence (see Note 7)	1,013,523	5,601,458	2,018,596
Repairs and maintenance	46,823,774	40,917,234	24,587,811
Taxes and licenses	45,590,196	37,647,631	32,598,434
Transportation	39,313,699	33,810,126	28,992,570
Meetings and conferences	24,218,836	21,942,686	18,493,792
Insurance	20,046,483	17,066,209	17,694,309
Entertainment, amusement and recreation	18,107,420	13,095,556	11,797,222
Rental (see Note 29)	12,468,643	10,577,723	10,382,988
Communication	11,822,826	11,499,109	11,383,618
Office supplies	11,424,364	11,598,032	7,125,420
Software maintenance	8,492,904	5,313,857	5,696,056
Association dues	5,830,526	2,094,983	1,907,658
Payment channels and bank charges	4,889,308	2,439,590	1,582,290.0
Others	5,592,729	14,521,326	14,491,439
	₱1,498,548,715	₱1,330,808,026	₱1,129,340,841

27. Personnel Costs

	2024	2023	2022
Salaries and wages (see Notes 24 and 26)	₱872,215,886	₱702,369,984	₱589,063,558
Pension expense (see Note 28)	43,751,131	18,219,693	16,772,554
Other employee benefits	125,715,926	92,852,162	71,377,696
	₱1,041,682,943	₱813,441,839	₱677,213,808



28. Pension Plans

Defined Benefit Plans

The Group has funded and unfunded, noncontributory, defined benefit pension plans covering substantially all of its faculty members and regular employees. The benefits are based on the employees' salaries and length of service.

Under the existing regulatory framework, RA No. 7641 (Retirement Pay Law) requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

Retirement benefits are payable in the event of termination of employment due to: (i) early, normal, or late retirement; (ii) physical disability; (iii) voluntary resignation; or (iv) involuntary separation from service. For plan members retiring under normal, early or late terms, the retirement benefit is equal to a percentage of final monthly salary for every year of credited service.

In case of involuntary separation from service, the benefit is determined in accordance with the Termination Pay provision under the Philippine Labor Code or similar legislation on involuntary termination.

The funds are administered by the trustee banks under the supervision of the Board of Trustees of the plan. The Board of Trustees is responsible for the investment of the assets. It defines the investment strategy as often as necessary, at least annually, especially in the case of significant market developments or changes to the structure of the plan participants. When defining the investment strategy, it takes account of the plans' objectives, benefit obligations and risk capacity. The investment strategy is defined in the form of a long-term target structure (Investment policy). The Board of Trustees implements the Investment policy in accordance with the investment strategy as well as various principles and objectives.

On June 20, 2024, the BOD of STI ESG approved the "STI Education Services Group, Inc. Multi-Employer Retirement Plan (STI ESG Multi-employer Retirement Plan)". As at October 11, 2024, STI ESG is in the process of completing the necessary requirements to update the retirement plan registered with the BIR.

The following tables summarize the components of the Group's net pension expense recognized in the consolidated statements of comprehensive income for the years ended June 30, 2024, 2023 and 2022 and the net pension assets/liabilities recognized in the consolidated statements of financial position as at June 30, 2024 and 2023:

	2024	2023	2022
Pension expense (recognized under "Salaries, wages and benefits" account):			
Current service cost	₱13,129,593	₱11,360,639	₱12,121,771
Past service cost	21,903,585	-	-
Net interest cost	8,717,953	6,859,054	4,650,783
	₱43,751,131	₱18,219,693	₱16,772,554



	2024	2023	2022
Net pension liabilities (recognized in the consolidated statements of financial position):			
Present value of defined benefit obligations	₱255,917,521	₱219,785,836	₱186,297,728
Fair value of plan assets	(126,136,530)	(79,986,514)	(77,642,301)
	₱129,780,991	₱139,799,322	₱108,655,427

The Group offsets its pension assets and pension liabilities on a per company basis for presentation in the consolidated statements of financial position since pension assets are restricted for the settlement of pension liabilities only.

	2024	2023	2022
Changes in the present value of defined benefit obligations:			
Balance at beginning of period	₱219,785,836	₱186,297,728	₱186,305,635
Current service cost	13,129,593	11,360,639	12,121,771
Past service cost	21,903,585	–	–
Interest cost	13,703,300	11,901,428	8,170,086
Benefits paid	(4,229,091)	(9,179,694)	(9,172,562)
Actuarial loss (gain) on obligations:			
Deviations of experience from assumptions	8,413,738	8,052,313	2,477,632
Financial assumptions	(16,789,440)	11,353,422	(13,604,834)
Balance at end of year	₱255,917,521	₱219,785,836	₱186,297,728
Changes in the fair value of plan assets:			
Balance at beginning of period	₱79,986,514	₱77,642,301	₱80,896,171
Interest income	4,985,347	5,042,374	3,519,303
Contributions	10,034,827	5,869,249	2,492,754
Benefits paid	(4,229,091)	(9,179,694)	(9,093,156)
Actuarial gain (loss) on plan assets	35,358,933	612,284	(2,487,996)
Net transfer	–	–	2,315,225
Balance at end of year	₱126,136,530	₱79,986,514	₱77,642,301

The principal assumptions used in determining pension liabilities of the Group as of July 1 are shown below:

	2024	2023	2022
Discount rate	6.21%-6.22%	5.03%-6.52%	4.29%-5.03%
Future salary increases	4.00%-8.00%	4.00%-5.00%	3.00%-5.00%

As of June 30, 2024, the discount rate and future salary increase rate range from 6.69% to 6.74% and from 3% to 8%, respectively.



The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions.

The major categories of the Group's total plan assets as a percentage of the fair value of the total plan assets are as follows:

	2024	2023	2022
Cash and cash equivalents	0%	0%	8%
Short-term fixed income	49%	61%	55%
Investments in equity securities	50%	33%	31%
Investments in debt securities	1%	6%	6%
	100%	100%	100%

The plan assets of the Group are maintained by the respective Trust Departments of the Union Bank of the Philippines, Land Bank of the Philippines and Rizal Commercial Banking Corporation Trust and Investments Group.

Details of the Group's net assets available for plan benefits and their related market values are as follows:

	2024	2023
Cash	₱408,199	₱265,939
Short-term fixed income	61,819,089	49,143,130
Investments in:		
Equity securities	62,932,774	26,748,450
Government securities	969,961	3,828,671
Others	6,506	324
	₱126,136,529	₱79,986,514

Short-term Fixed Income. Short-term fixed income investment includes time deposits and special savings deposits.

Investments in Equity Securities. Investments in equity securities pertain to STI ESG's Retirement Fund investment in the shares of the Parent Company which has a fair value of ₱0.90 and ₱0.38 per share as at June 30, 2024 and 2023, respectively.

Total unrealized losses from investments in equity securities of related parties amounted to ₱28.0 million and ₱8.4 million as at June 30, 2024 and 2023, respectively.

Investments in Government Securities. Investments in government securities include treasury bills and fixed-term treasury notes with maturities ranging from two (2) months to three (3) years and bear interest rates ranging from 5.875% to 6.00%. These securities are fully guaranteed by the Government of the Republic of the Philippines.

Management performs Asset-Liability Matching Study annually. The overall investment policy and strategy of the Group's defined benefit plans are guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay pension benefits as they fall due while also mitigating the various risk of the plans. The Group's current strategic investment strategy consists of 49.0% of short-term fixed income, 50.0% of equity instruments and 1.0% of debt securities.



The average duration of the defined benefit obligation of the entities in the Group as at June 30, 2024 ranges from 12 to 15 years.

Shown below is the maturity analysis of the undiscounted benefit payments as at June 30, 2024 and 2023:

	2024	2023
Less than one year	₱94,133,115	₱55,907,643
More than one year to five years	70,743,829	73,749,876
More than five years to ten years	129,253,524	115,724,353
More than ten years to fifteen years	158,240,097	156,198,950
More than fifteen years to twenty years	242,671,984	192,146,488
More than twenty years	242,671,984	243,397,179

The Group expects to contribute ₱9.3 million to its retirement fund in 2025.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming all other assumptions are held constant:

	Effect on Present Value of Define Benefit Obligation		
	2024	2023	2022
Discount rates			
Increase by 1%	(₱15,178,823)	(₱13,703,195)	(₱9,340,032)
Decrease by 1%	16,691,831	16,309,156	14,089,707
Future salary increases			
Increase by 1%	17,033,996	16,291,595	14,345,858
Decrease by 1%	(15,040,385)	(14,065,887)	(12,594,429)
Employee turnover			
Increase by 10%	1,874,012	2,625,302	1,528,582
Decrease by 10%	(1,874,012)	(2,625,302)	(1,528,582)

Defined Contribution Plans

Up to May 2022, De Los Santos-STI College and STI Quezon Avenue had a funded, noncontributory defined contribution plan (De Los Santos Plan) covering all regular and permanent employees and had been a participating employer in CEAP Retirement Plan. The De Los Santos Plan had a defined contribution format wherein the obligation is limited to specified contributions to the De Los Santos Plan and the employee's contribution was optional.

De Los Santos-STI College and STI Quezon Avenue's contributions consist of future service cost and past service cost. Although the De Los Santos Plan has a defined contribution format, the Group regularly monitored compliance with RA No. 7641.

In May 2022, after settling the retirement obligations to its employees, the retirement funds from CEAP aggregating to ₱6.1 million have been transferred to one of the trustee banks that administers the retirement funds of the Group.



29. Leases

As Lessor

The Group entered into several lease agreements, as lessors, on their buildings and condominium units under operating lease agreements with varying terms and periods ranging from 2 to 10 years. Certain leases are subject to annual repricing based on a pre-agreed rate.

The Group also earns rental income from concessionaires and for the occasional use of the Group's properties primarily used for school operations such as auditorium, classrooms and gymnasiums.

Total rental income for the years ended June 30, 2024, 2023 and 2022 amounted to ₱197.9 million, ₱178.1 million and ₱71.0 million, respectively (see Notes 12 and 31).

The Group receives refundable deposits as security for its observance and faithful compliance with the terms and conditions of the lease agreements and advanced rental payment which will be applied on the last months of the lease. The current and noncurrent portion of advance rent and deposit liabilities are recorded under "Accounts payable and other current liabilities" and "Other noncurrent liabilities" account, respectively, in the consolidated statements of financial position. These pertain to the advances and refundable deposits made by the lessees to iACADEMY and STI ESG (see Notes 17 and 20).

Future minimum rental receivable for the remaining lease terms as at June 30, 2024 and 2023 follows:

	2024	2023
Within one year	₱178,756,280	₱189,514,903
After one year but not more than five years	353,666,964	539,402,118
Total	₱532,423,244	₱728,917,021

In September 2022, STI ESG entered into an agreement to lease a 610-square-meter portion of its STI Academic Center Pasay EDSA property to a third party. STI ESG has advanced the costs to complete the fit-out requirements which the third party will reimburse with an additional 7.5% to cover the cost of money. The related contract costs aggregated to ₱41.7 million, inclusive of materials, cost of labor and overhead, and cost of money as at report date (see Note 6).

As Lessee

The Group leases land and building spaces, where the corporate office and schools are located, under operating lease agreements with varying terms and periods ranging from 1 to 25 years. The lease rates are subject to annual repricing based on a pre-agreed rate. Certain transportation equipment were acquired under lease agreements with varying terms and periods ranging from 3 to 5 years.

Total rental expense charged to operations for the years ended June 30, 2024, 2023 and 2022 amounted to ₱42.1 million, ₱35.3 million and ₱31.3 million, respectively (see Notes 24 and 26).

The Group paid the lessors refundable deposits equivalent to several months of rental payments as security for their observance and faithful compliance with the terms and conditions of the agreement (see Note 16).



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

	2024	2023	2022
Depreciation expense of right-of-use assets included in property and equipment and investment properties (see Notes 11 and 12)	₱88,752,980	₱85,474,468	₱75,627,498
Interest expense on lease liabilities (see Note 23)	34,666,187	33,139,748	31,373,303
Expenses relating to short-term leases (see Notes 24 and 26)	40,070,808	32,729,999	29,903,826
Variable lease payments (see Notes 24 and 26)	2,061,312	2,561,540	1,373,709
	₱165,551,287	₱153,905,755	₱138,278,336

During the height of COVID-19 pandemic, some of the Group's lessors granted rent concessions. For the year ended June 30, 2022, these concessions included discounts ranging from 25.0% to 50.0% of rental payments, waiver of rent for a certain month, or deferral of rental over six to twelve months, among others. The Group applied the practical expedient provided by the amendments to PFRS 16 for rent concessions granted to the Group that meet the aforementioned criteria resulting in recognition of income from rent concessions aggregating to ₱6.1 million, recognized under "Other income (expenses) - net" in the 2022 consolidated statement of comprehensive income.

The Group likewise received several rent concessions with the lessors, which were accounted as lease modifications, aggregating to ₱1.7 million and ₱4.2 million during the years ended June 30, 2023 and 2022, respectively.

The rollforward analysis of lease liabilities as at June 30, 2024 and 2023 are as follows:

	2024	2023
Balance at beginning of year	₱536,759,779	₱473,316,566
Additions (see Note 11)	41,099,396	165,482,070
Interest expense (see Note 23)	34,666,187	33,139,748
Payments	(122,452,098)	(133,436,395)
Lease termination/modification	-	(1,742,210)
Balance at end of year	490,073,264	536,759,779
Less current portion	86,894,606	98,513,595
Non-current portion	₱403,178,658	₱438,246,184

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

	2024	2023
Within one year	₱117,840,608	₱112,348,981
After one year but not more than five years	372,148,462	356,600,903
More than five years	165,447,518	242,361,406
Total	₱655,436,588	₱711,311,290



30. Income Tax

All domestic subsidiaries qualifying as private educational institutions are subject to tax under RA No. 8424, “An Act Amending the National Internal Revenue Code, as amended, and For Other Purposes” which was passed into law effective January 1, 1998. Title II Chapter IV - Tax on Corporations - 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 DepEd, CHED, or TESDA, as the case may be, in accordance with the existing laws and regulations and shall pay a tax of ten percent (10.0%) on its taxable income.

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

- Minimum corporate income tax (MCIT) rate has reverted to 2.0% of gross income from a reduced rate of 1.0% that was in effect from July 1, 2020 to June 30, 2023
- Preferential income tax rate for proprietary educational institutions and hospitals which are nonprofit has reverted to 10.0% of the taxable income following a temporary reduction to 1.0% effective July 1, 2020 to June 30, 2023

Consequently, the Group recognized provision for current income tax using the preferential income tax rate of 10.0% (MCIT rate of 2%, as the case may be) in fiscal year 2024 in accordance with RMC 69-2023.

The components of recognized net deferred tax assets and net deferred tax liabilities are as follows:

	2024	2023
Deferred tax assets:		
Lease liabilities	₱47,688,102	₱49,876,344
Allowance for expected credit losses	15,798,159	29,176,207
Unearned tuition and other school fees	12,140,423	6,764,521
Pension liabilities	9,135,768	10,451,930
NOLCO	4,415,342	2,414,755
Advance rent	2,523,505	2,484,479
Excess of cost over net realizable value of inventories	2,513,524	2,412,171
Allowance for impairment of noncurrent asset held for sale	–	1,596,663
Unamortized loan premium	–	351,851
	94,214,823	105,528,921
Deferred tax liabilities:		
Right-of-use assets	(36,929,089)	(42,615,932)
Unrealized foreign exchange gain	(5,003,300)	(4,618,621)
Intangible assets	(2,762,187)	(2,762,187)
Excess of fair value over derecognized STI		
Tanay receivables	(3,042,063)	(2,036,577)
Unamortized debt issue costs	(1,503,786)	(803,676)
Excess of rental under operating lease computed on a straight-line basis	(1,148,067)	(971,059)

(Forward)



	2024	2023
Security deposit	(₱549,577)	(₱729,924)
Accrued rent income under PFRS 16	(208,020)	(208,020)
Unamortized deposit discount	(39,635)	(39,635)
	(51,185,724)	(54,785,631)
Net deferred tax assets	₱43,029,099	₱50,743,290
	2024	2023
Deferred tax liabilities:		
Excess of fair values over carrying values of net assets acquired in business combination	(₱120,027,896)	(₱120,802,485)
Right-of-use assets	(2,950,196)	(4,022,343)
	(122,978,092)	(124,824,828)
Deferred tax assets:		
Allowance for expected credit losses	6,878,358	8,985,415
Pension liabilities	3,834,772	3,472,212
Unamortized past service cost	919,582	932,451
Unearned tuition and other school fees	868,343	2,127,876
	12,501,055	15,517,954
Net deferred tax liabilities	(₱110,477,037)	(₱109,306,874)

Certain deferred tax assets of the Group were not recognized as at June 30, 2024 and 2023 as it is not probable that future taxable profits will be sufficient against which these can be utilized.

The following are the deductible temporary differences and unused NOLCO and MCIT for which no deferred tax assets were recognized:

	2024	2023
NOLCO	₱208,476,988	₱326,492,189
Allowance for impairment of advances to associates	49,784,880	48,134,540
Lease liabilities	12,937,125	16,397,611
MCIT	774,018	583,714
	₱271,973,011	₱391,608,054

The Group has incurred NOLCO for taxable years 2023 and 2024 which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years as follows:

Year	Availment Period	Amount	Additions	Applied	Expired	Amount
2024	2025-2027	₱-	₱44,546,510	₱-	₱-	₱44,546,510
2023	2024-2026	64,491,853	-	1,501,565	-	62,990,288
		₱64,491,853	₱44,546,510	₱1,501,565	₱-	₱107,536,798

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 a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.



The Group has incurred NOLCO for the years ended June 30, 2022 and 2021 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act as follows:

Year	Availment Period	Amount	Applied	Expired	Amount
2022	2023-2027	₱104,684,005	₱10,031,593	₱-	₱94,652,412
2021	2022-2026	137,530,575	87,592,589	-	49,937,986
2020	2021-2025	503,216	-	-	503,216
		₱242,717,796	₱97,624,182	₱-	₱145,093,614

The Parent Company's MCIT which can be claimed as a deduction from future regular income tax due follows:

Year Incurred	Expiry Date	Amount
2024	2027	₱387,000
2023	2026	193,500
2022	2025	193,518
2021	2024	196,696
		970,714
Less expired		196,696
		₱774,018

The reconciliation of the provision for income tax on income before income tax computed at the effect of the applicable statutory income tax rate to the provision for income tax as shown in the consolidated statements of comprehensive income is summarized as follows:

	2024	2023	2022
Provision for income tax at statutory income tax rate	₱443,354,844	₱214,527,655	₱106,760,911
Income tax effects of:			
Interest income already subjected to final tax	(12,788,996)	(4,177,980)	(777,016)
Royalty fees subjected to final tax	(4,328,739)	(3,684,075)	(3,096,685)
Dividend income	(722,523)	(623,761)	(301,707)
Equity in net losses (earnings) of associates and joint venture	(502,351)	(564,685)	5,060,549
Nondeductible expenses	3,814,998	6,392,400	1,617,450
Income on derecognition of contingent consideration	-	-	(6,250,000)
Difference in income tax rates and others	(263,758,854)	(227,593,218)	(92,213,253)
Provision for (benefit from) income tax	₱165,068,379	(₱15,723,664)	₱10,800,249

Others include income tax effect of change in unrecognized deferred tax assets and expired NOLCO and MCIT.



31. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (a) enterprises or individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Parent Company; (b) associates; and (c) enterprises or individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the company, key management personnel, including directors and officers of the Group and close members of the family of any such enterprise or individual.

The following are the Group's transactions with its related parties:

Related Party	Amount of Transactions during the Year			Outstanding Receivable (Payable)		Terms	Conditions
	2024	2023	2022	2024	2023		
<i>Associates</i>							
STI Accent							
Reimbursement for various expenses and other charges	₱–	₱–	₱–	₱48,134,540	₱48,134,540	30 days upon receipt of billings; noninterest-bearing	Unsecured; with provision for ECL
GROW							
Rental income and other charges	888,755	1,084,704	984,918	10,209,550	10,657,720	30 days upon receipt of billings	Unsecured; no impairment
Refundable deposits	21,166	–	–	(119,383)	(98,217)	Refundable upon end of contract	Unsecured
STI Alabang**							
Educational services and sale of educational materials and supplies	–	7,668,672	9,757,814	–	–	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
STI Marikina							
Educational services and sale of educational materials and supplies	15,336,320	10,461,238	7,733,087	892,949	248,242	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
<i>Affiliates*</i>							
TCAMI							
Deposit for purchase of shares of PHI	60,484,000	–	–	60,484,800	–	15% deposit; balance payable on the third anniversary of the share purchase agreement	Unsecured; no impairment
Purchase of shares of CHI	180,000,000	–	–	–	–	Full payment upon contract execution	Unsecured; no impairment
Philhealthcare, Inc.							
Facility sharing and other charges	6,692,230	13,926,146	12,871,190	25,747	455,516	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
HMO coverage	9,996,252	13,622,909	5,647,342	–	(4,911)	30 days upon receipt of billings; noninterest-bearing	Unsecured
Refundable deposits	–	–	129,496	(1,950,480)	(1,950,480)	Refundable upon end of contract	Unsecured
Phils First Insurance Co., Inc.							
Rental and other charges	4,994,661	4,842,840	4,646,051	–	–	30 days upon receipt of billings; noninterest-bearing	Unsecured
Insurance	17,717,607	16,997,815	15,642,703	(2,502)	(237,996)	30 days upon receipt of billings; noninterest-bearing	Unsecured
Philippines First Condominium Corporation							
Association dues and other charges	10,254,589	13,879,981	10,030,475	(847,182)	(59,126)	30 days upon receipt of billings; noninterest-bearing	Unsecured

(Forward)



Related Party	Amount of Transactions during the Year			Outstanding Receivable (Payable)		Terms	Conditions
	2024	2023	2022	2024	2023		
Philippine Life Financial Assurance Corporation							
Facility sharing, utilities other charges	₱915,688	₱13,075,942	₱12,785,210	₱133,059	₱300,368	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Insurance	790,708	370,925	558,035	–	–	30 days upon receipt of billings; noninterest-bearing	Unsecured
Refundable deposit	–	–	129,496	–	(1,950,480)	Refundable upon end of contract	Unsecured
GROW VITE Staffing Services							
Rental income and other charges	2,817,347	1,597,514	1,619,958	–	–	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Janitorial and staffing services	36,901,349	28,791,006	16,740,546	(19,838,477)	(2,104,323)	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Reimbursement for various expenses and other charges	88,675	932,996	145,938	157,914	182,738	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Refundable deposit	49,959	–	129,496	(421,744)	(371,785)	Refundable upon end of contract	Unsecured
STI Diamond							
Reimbursement for various expenses and other charges	(59,511,839)	–	–	(59,511,839)	–	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Officers and employees							
Advances for various expenses	69,713,869	58,855,408	19,976,405	36,078,187	31,748,600	Liquidated within one month; noninterest-bearing	Unsecured; no impairment
Others							
Facility sharing and other charges	300,000	643,051	313,181	653,986	965,550	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Advertising and promotion charges	430,000	400,000	772,581	–	–	30 days upon receipt of billings; noninterest-bearing	Unsecured
				₱74,079,125	₱85,915,956		

*Affiliates are entities under common control of a majority shareholder

**Became a wholly owned subsidiary effective March 16, 2023

Related party receivables and payables are generally settled in cash.

Outstanding receivables from related parties, before any allowance for impairment, and payables arising from these transactions are summarized below:

	2024	2023
Advances to associates and joint venture (see Note 13)	₱48,134,540	₱48,134,540
Advances to officers and employees (see Note 6)	36,078,187	31,748,600
Rent, utilities and other related receivables (see Note 6)	11,180,256	12,561,892
Educational services and sale of educational materials and supplies (see Note 6)	892,949	248,242
Deposit for purchase of shares (see Note 16)	60,484,800	–
Accounts payable (see Note 17)	(23,179,768)	(6,777,318)
Due to an affiliate (see note 17)	(59,511,839)	–
	₱74,079,125	₱85,915,956



Outstanding balances of transactions with subsidiaries that were eliminated at the consolidated financial statements follow:

Category	Amount of Transactions during the Year			Outstanding Receivable (Payable)		Terms	Conditions
	2024	2023	2022	2024	2023		
Subsidiaries							
AHC							
Payable to AHC	-	-	-	(P63,778,000)	(P63,778,000)	Payable upon demand; noninterest-bearing	Unsecured
Subscription payable	-	-	-	(64,000,000)	(64,000,000)	Noninterest-bearing	Unsecured
STI WNU							
Educational services and sale of educational materials and supplies	33,545,445	15,175,485	17,663,297	-	5,288,411	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment
Reimbursement for various expenses and other charges	7,818,817	6,257,059	5,332,698	-	2,970,677	30 days upon receipt of billings; noninterest-bearing	Unsecured; no impairment

The Parent Company executed a Surety Agreement in relation to its subsidiaries' loan facilities with LandBank (see Notes 18 and 34).

Compensation and Benefits of Key Management Personnel

Compensation and benefits of key management personnel of the Group are as follows:

	2024	2023	2022
Short-term employee benefits	P83,349,710	P73,010,947	P64,417,303
Post-employment benefits	4,050,244	3,382,213	5,453,649
	P87,399,954	P76,393,160	P69,870,952

Material Related Party Transactions Policy

The Parent Company's BOD shall approve all material related party transactions before their commencement. Transactions amounting to the materiality threshold of ten percent (10.0%) or more of the consolidated total assets that were entered into with an unrelated party that subsequently becomes a related party are excluded from the limits and approval process requirements. The Parent Company may set a lower threshold upon determination by the BOD of the risk of the related party transactions to cause damage to the Parent Company and its stockholders.

32. Basic and Diluted Earnings Per Share on Net Income Attributable to Equity Holders of the Parent Company

The table below shows the summary of net income and weighted average number of common shares outstanding used in the calculation of earnings per share:

	2024	2023	2022
Net income attributable to equity holders of STI Holdings (a)	P1,591,191,183	P870,268,404	P414,028,434
Common shares outstanding at beginning and end of period (b) (see Note 21)	9,904,806,924	9,904,806,924	9,904,806,924
Basic and diluted earnings per share on net income attributable to equity holders of STI Holdings (a)/(b)	P0.16	P0.09	P0.04



The basic and diluted earnings per share are the same for the years ended June 30, 2024, 2023, and 2022 as there are no dilutive potential common shares.

33. STI Gift of Knowledge Certificates (GOKs)

On December 9, 2002, the BOD of STI ESG approved the offer for sale and issue of up to ₱2.0 billion worth of GOKs.

The STI GOKs are noninterest-bearing certificates that entitle the holders or any designated scholars to redeem academic units in any member of the STI Group or equivalent academic units in any STI school on certain designated redemption dates or, to require STI ESG to pay in cash the par value of the outstanding STI GOKs on designated graduation dates. The redemption dates range from the SY 2004-2005 to six (6) years from date of issue of the STI GOKs. The graduation dates range from four (4) to ten (10) years from issue date. A total offer size of 2,409,600 academic units for the entire STI Group or its equivalent units in any STI school will be offered at serial redemption dates at their corresponding par values.

In 2003, the SEC issued an Order of Registration and a Certificate of Permit to Sell Securities for the said STI GOKs.

STI ESG is planning to amend the terms of the GOKs to conform with future business strategies. As at October 11, 2024, there has been no sale nor issuance of GOKs. Hence, pursuant to Section 17.2 (a) of the Securities Regulation Code (SRC), STI ESG is not required to file the reports required under Section 17 of the SRC.

34. Contingencies and Commitments

Contingencies

- a. *Agreements with PWU and Unlad.* On various dates in 2011, 2012 and 2013, the Parent Company and AHC extended loans and advances to PWU and Unlad by virtue of several agreements (collectively, "Loan Documents"), which were secured by mortgages over PWU and Unlad properties, entered into among the Parent Company, AHC, PWU and Unlad in the total principal amount of ₱513.0 million. Upon the non-adherence to the terms and conditions stated in the agreements, the Parent Company and AHC served notices of default to PWU and Unlad in December 2014, and demanded the payment of the total combined amount of approximately ₱926.0 million, inclusive of interests, penalties, fees and taxes.

Upon failure to pay the aforesaid loan, the Parent Company and AHC enforced its rights under the aforesaid agreements and mortgages and filed several Petitions for Extra-Judicial Foreclosure of Real Estate Mortgage on (a) PWU Indiana and Taft Properties with the Office of the Clerk of Court and Ex-Officio Sheriff of the Regional Trial Court (RTC) of Manila, (b) Unlad's properties in Quezon City and (c) Davao Property with the Office of the Clerk of Court and Ex-Officio Sheriff of the RTC of Quezon City and Davao, respectively, in February 2015.



On March 13, 2015, Dr. Helena Z. Benitez (HZB) filed a Creditor-Initiated Petition for Rehabilitation of PWU (PWU Rehabilitation Case) in RTC Manila (Rehabilitation Court). The Rehabilitation Case was dismissed by the Rehabilitation Court. The Motion for Reconsideration and responsive pleadings thereto subsequently filed by HZB and PWU were likewise denied by the Rehabilitation Court on January 21, 2016.

Extra-judicial foreclosure sales were conducted in various dates in 2015 and 2016 for the above-mentioned properties and the Parent Company was declared as the winning bidder for all extra-judicial foreclosure sales held.

On March 1, 2016, the Parent Company and AHC executed a Deed of Assignment wherein AHC assigned its loan to Unlad, including capitalized foreclosure expenses, amounting to ₱66.7 million for a cash consideration of ₱73.8 million. The Deed of Assignment provides that the cash consideration will be payable in cash of ₱10.0 million upon execution of the Deed of Assignment and the remaining balance of ₱63.8 million upon demand. Accordingly, AHC recognized a receivable from the Parent Company amounting to ₱63.8 million. Further, all the rights related to the receivable from Unlad have been transferred to STI Holdings.

On March 22, 2016, the Parent Company, PWU, Unlad, and HZB entered into a MOA for the extinguishment and settlement of the outstanding obligations of PWU and Unlad to the Parent Company. The MOA includes, among others, the execution of the following on March 31, 2016:

- Deed of Dacion en pago of Quezon City Properties and Davao Property (collectively referred to as the “Deeds”) in favor of the Parent Company
- Release and cancellation of mortgages over the Manila Properties to be executed by the Parent Company

The MOA also provided that the Parent Company would be committed to fund and advance all taxes, expenses and fees to the extent of ₱150.0 million in order to obtain the CAR and the issuance of new TCT and TD in favor of the Parent Company. In the event that such expenses would be less than ₱150.0 million, the excess would be given to Unlad. However, if the ₱150.0 million would be insufficient to cover the expenses, the Parent Company would provide the deficiency without any right of reimbursement from Unlad.

Consequently, the Parent Company recognized the Quezon City properties and the Davao property as “Investment properties”. On June 24, 2021, the Parent Company’s BOD approved the sale of the Quezon City dacion properties to a potential buyer and reclassified these as noncurrent asset held for sale as these properties have not been used in business since its receipt (see Notes 10 and 12). The Davao property remained as an investment property.

Relative to the above, the following cases have been filed:

- (i) *Arbitration Case filed by Mr. Conrado Benitez II.* Mr. Conrado L. Benitez II (the Claimant) filed on June 28, 2016 a Request for Arbitration, with the Philippine Dispute Resolution Center, Inc. (PDRCI), for and on behalf of PWU and Unlad, wherein he requested that the directors/trustees and stockholders/members of Unlad and PWU, EHT, the Parent Company, Mr. Alfredo Abelardo B. Benitez (ABB) and AHC (collectively, the “Respondents”) submit the alleged dispute over the settlement of the loan obligations of PWU and Unlad as provided in the arbitration clause of the Joint Venture Agreement and Omnibus Agreement (the “Loan Documents”).



In the said Arbitration Case, the Claimant asserted that PWU and Unlad are not in default in their obligations under the Loan Documents. The obligations provided therein, specifically obtaining a tax-free ruling for Property for Share Swap Transaction from the BIR, is an impossible condition. Consequently, the foreclosures on the securities of the Loan Documents, real properties of PWU and Unlad, were null and void because (a) failure to submit the case for arbitration and (b) PWU and Unlad are not in default. Based on such circumstances, the Claimant sought, among others, the (a) renegotiation, or (b) rescission of the Loan Documents. Should the Loan Documents be rescinded, the Claimant also sought that PWU and Unlad shall be allowed twelve months to sell the Davao and Quezon City Properties to return the alleged investments made by the Parent Company, EHT, ABB and AHC. Lastly, the Claimant sought the payment of attorney's fees of not less than ₱5.0 million, ₱0.5 million of which is for expenses and reimbursement of cost of suit, expenses, and other fees. After receiving the Notice of Arbitration and being informed that the required fees have not been paid by the Claimant, the Parent Company, AHC, and EHT filed an Entry of Appearance with Manifestation (Manifestation). In the Manifestation, they informed the PDRCI that the Claimant should be compelled to pay said fees before the arbitration proceedings can proceed.

The PDRCI issued a Notice dated August 26, 2016, which informed the parties to the instant case that the proceedings are suspended until the Claimant settles the outstanding provisional advance on cost for filing the instant case.

The Parent Company sent a letter dated July 2, 2020 addressed to the Office of the Secretariat-General of PDRCI. In the said letter, the Parent Company informed the PDRCI about the death of the Claimant. The Parent Company also moved for the PDRCI to dismiss and/or consider the case withdrawn due to the non-payment of the provisional advance on cost for more than three (3) years.

As at October 11, 2024, the PDRCI has not issued any response to said letter.

- (ii) *Derivative Suit* After filing the Request for Arbitration, Mr. Conrado L. Benitez II (the "Petitioner") then filed on June 29, 2016 a derivative suit for himself and on behalf of Unlad and PWU against directors/trustees and stockholders/members of Unlad and PWU, EHT, the Parent Company, ABB and AHC (collectively, the "Defendants") docketed as Civil Case No. 16-136130 in the RTC of Manila (the "Derivative Suit").

In the Derivative Suit, the Petitioner primarily asserts that the Parent Company, EHT, ABB and AHC should submit themselves to the arbitration proceedings filed with the PDRCI because the Loan Documents required any alleged dispute over the same to be resolved through arbitration. Consequently, the Petitioner alleges that the foreclosure proceedings and settlement of the obligations of PWU and Unlad as evidenced by the MOA dated March 22, 2016 executed by PWU and Unlad with the Parent Company and AHC are null and void for not complying with the aforesaid arbitration clause. Likewise, the Petitioner sought the payment of attorney's fees not less than ₱1.0 million and ₱0.1 million for expenses and cost of suit.

On July 26, 2016, the Parent Company and AHC filed their Joint Answer with Compulsory Counterclaim (Joint Answer). In the Joint Answer, the Parent Company and AHC asserted that the instant case is a mere harassment and nuisance suit, and a deliberate form of forum shopping when the Petitioner filed the Arbitration Case for the same purpose. Likewise, the Petitioner cannot compel the corporations to submit themselves to arbitration because (a) the parties to the Loan Documents have already settled any disputes, and (b) the said corporations are not stockholders and members of PWU and Unlad. Lastly, the relevant laws allow the Parent Company and AHC to institute foreclosure proceedings even if there is an arbitration clause.



Simultaneously, EHT filed his Answer wherein he asserted that the Petitioner cannot compel him to submit himself to arbitration when he is not a party to the Loan Documents.

Meanwhile, the other co-defendants, namely (a) ABB, and (b) Dr. Jose Francisco and Marco Benitez, filed their respective Answer(s) to the Complaint.

After the termination of Court-Annexed Mediation and pre-trial conference, the Petitioner manifested that the Trial Court should proceed to resolve the case based on the pleadings and affidavits already filed by the parties in accordance with the Interim Rules Governing Intra-Corporate Controversies.

The Trial Court issued an Order dated June 23, 2017 requiring the parties to file their respective Memoranda within twenty (20) days from receipt thereof in order for the Trial Court to proceed to render judgment, full or otherwise, based on all of the pleadings and evidence submitted by the parties in relation and pursuant to Rule 4, Section 4 of the Interim Rules of Procedure Governing Intra-Corporate Controversies under RA No. 8799 (Interim Rules). All of the parties filed their respective Memoranda on July 25, 2017.

On February 9, 2018, the Parent Company received the Decision dated January 19, 2018, which dismissed the case. In the Decision, the Trial Court deemed that Petitioner failed to establish fraud or bad faith on the part of the Defendants. Consequently, the Trial Court cannot contravene in the agreement among the Parent Company, Unlad, PWU and AHC to amicably settle the outstanding obligations of PWU and Unlad to AHC and the Parent Company.

On February 28, 2018, the Parent Company, AHC and EHT received the Plaintiffs' Petition for Review of the aforesaid Decision filed with the Court of Appeals – Manila and docketed as C.A. G.R. No. 154654.

While the said Petition for Review is pending, the Parent Company discovered that the Petitioner was able to cause the annotation of lis pendens on the titles of the three (3) Quezon City properties subject of the amicable settlement with PWU and Unlad.

Consequently, the Parent Company filed a Motion to Cancel Lis Pendens with the Court of Appeals where the case was pending. In the Motion, the Parent Company sought for the cancellation of said lis pendens due to impropriety and/or invalidity of the same.

The Court of Appeals issued a Resolution requiring all of the parties to file their respective Memoranda. On May 9, 2019, the Parent Company, AHC and EHT filed their Joint-Memorandum.

While the appeal of the Petitioner is pending, the Parent Company filed a Manifestation and Motion dated July 29, 2020. In the said Manifestation and Motion, the Parent Company informed the Court of Appeals about the death of the Petitioner on March 28, 2020. Consequently, the Parent Company moved for the resolution and dismissal of the said appeal.

The Petitioner's counsel filed a Notice and Motion dated August 14, 2020, which also informed the Court of Appeals about the death of the Petitioner. Consequently, said counsel moved that the Petitioner be substituted by his wife and children.

In response thereto, the Parent Company filed its Comment/Opposition dated August 24, 2020. In the Comment/Opposition, the Parent Company argued that the Petitioner cannot be substituted because he can only be substituted by a member of PWU and stockholder of Unlad.



The wife and children of the Petitioner cannot be members of PWU because membership in PWU is non-transferable.

In the Resolution dated October 28, 2021, the Court of Appeals granted the Motion for Substitution.

In the Resolution dated February 11, 2022, the Court of Appeals dismissed the Petition filed by the Plaintiffs. The Court of Appeals also granted the Motion to Cancel the Lis Pendens annotated on the Quezon City Properties.

On March 23, 2022, the Parent Company received the Motion for Reconsideration filed by the Heirs of Plaintiff Conrado Benitez II on the aforesaid Resolution dated February 11, 2022.

After the Court of Appeals required the parties to file their respective Comment to the said Motion for Reconsideration, the Parent Company filed its Comment/Opposition on May 23, 2022.

On April 11, 2023, the Court of Appeals declared that the Motion for Reconsideration filed by the Heirs of Plaintiff Benitez II is submitted for resolution.

As at October 11, 2024, the Court of Appeals has not issued its decision on the said Motion for Reconsideration.

(iii) *Ejectment Case against Philippine Women's College of Davao, Inc. involving Unlad's Davao Property.* On March 11, 2019, the Parent Company filed the Complaint for Unlawful Detainer against Philippine Women's College of Davao, Inc. (PWC-Davao), initially filed against Philippine Women's University of Davao, to recover possession of a portion of the parcel of land covered by Transfer Certificate of Title (TCT) No. T-129545 registered under the name of the former situated along University Ave and Richardo, Matina, Davao City being used as a parking area (the "Subject Premises") by the latter.

The Subject Premises formed part of the 40,184 sq.m., more or less, (the "Property") parcel of land formerly registered under the name of "Unlad". After Unlad transferred ownership of the Property to the Parent Company, the Parent Company demanded that PWC-Davao vacate the Subject Premises.

Despite said demands, PWC-Davao refused to vacate the Subject Premises.

On May 28, 2019, the Parent Company received the Answer with Compulsory Counterclaim dated May 14, 2019.

After a failed Court-Annexed Mediation, the parties continued the discussion on the possibility of an amicable settlement.

On July 1, 2022, the parties filed the Joint Motion for Approval of Compromise Agreement. Based on the Compromise Agreement, the Parent Company allowed PWC-Davao to use the Subject Premises for one (1) year or until June 29, 2023. In the event that the Parent Company needs to proceed with its plans over the Subject Premises, it will serve a written notice to vacate and/or turn-over of the Subject Premises to PWC-Davao sixty (60) calendar days before the intended day to vacate or turn-over.



On September 30, 2022, the Parent Company received the Decision dated July 4, 2022 issued by the Trial Court adopting the Compromise Agreement as the decision in this case.

With the issuance of said Decision, the case is deemed terminated.

- b. *Specific Performance Case filed by the Agustin family.* The Agustin family filed a Specific Performance case against the Parent Company for the payment by the latter of the remaining balance of the purchase price for the sale of the Agustin family's shares in STI WNU.

The Agustin family alleges in their Complaint that based on the Share Purchase Agreement and Deed of Absolute Sale they executed with the Parent Company, the price of their shares in STI WNU has been pegged at ₱400.0 million. Despite these two agreements, the Parent Company refuses to pay the full purchase price for the STI WNU shares they acquired from the Agustin family.

In its Answer, the Parent Company stated that the Agustin family is not entitled to the full purchase price of their STI WNU shares because they have not complied with all the requirements for its release. In particular, the Agustin family has not been able to deliver the Commission on Higher Education permits for the operation of STI WNU's Maritime Program as provided in the MOA, and the Share Purchase Agreement. In addition, there are other trade receivables in favor of STI WNU wherein full satisfaction of the same entitles the Agustin family to a portion of the balance of the purchase price.

In order to expedite the proceedings, the Agustin family was able to submit the case for summary judgment by the Trial Court. Despite the opposition thereto, the Trial Court rendered its Decision dated April 4, 2018 (the "Summary Judgment"). In the Summary Judgment, the Trial Court ordered the Parent Company to pay the Agustin family the amount of ₱50.0 million with legal interest from the filing of the case until full payment only.

On September 11, 2018, the Parent Company filed and paid the corresponding docket fees for its Notice of Appeal Ex Abudanti Ad Cautelam (Notice of Appeal) on the said Summary Judgment.

Upon motion by the Agustin family, the Trial Court granted their Motion for Execution Pending Appeal dated September 5, 2018.

While the record of the case was still with the Trial Court, the Parent Company immediately filed the Urgent Motion for Reconsideration with alternative prayer for Motion to Stay Discretionary Execution Pending Appeal dated December 14, 2018.

After due hearing by the Trial Court on the Motion(s), the Trial Court (a) denied the Urgent Motion for Reconsideration but (b) granted the Motion to Stay Discretionary Execution Pending Appeal upon posting of a supersedeas bond amounting to ₱100.0 million (the "Stay Order").

After the Agustin family filed a Motion for Reconsideration on the Stay Order, the Trial Court denied the same in its Order dated March 14, 2019.

Both parties sought their respective remedies before the Court of Appeals - Cebu to question (a) the Summary Judgment against the Company (CA G.R. CV No. 07140) and (b) the Stay Order against the execution of the Summary Judgment in favor of the Agustin family (CA G.R. CV No. 12663) (collectively, the "CA Cases").



While the aforesaid CA Cases were pending, the parties decided to amicably settle and terminated said cases by executing in counterparts the Compromise Agreement dated September 6, 2021, and September 10, 2021 and filing a *Joint Motion for Judgment Based on Compromise Agreement* dated September 20, 2021. In the Compromise Agreement, the Company agreed to pay the Agustin family the amount of ₱25.0 million as final and full settlement of the latter's claim against the former in the aforementioned cases (see Note 16).

In addition, the parties agreed to review the financial records of STI WNU to determine the status of the Agustin family guarantee on the collectability of the trade receivables, and the release, if any, of the ₱27.3 million to the Agustin family as provided in the *Share Purchase Agreement*.

Considering the aforesaid settlement and the Amended Decision, all cases and issues related thereto are deemed terminated.

- c. *Specific Performance Case.* STI College Cebu, Inc. (STI Cebu) and STI ESG's Finance Officer were named defendants in a case filed by certain individuals for specific performance and damages. In their Complaint, the Plaintiffs sought the execution of a Deed of Absolute Sale over a parcel of land situated in Cebu City on the bases of an alleged perfected contract to sell. The Defendants filed the Consolidated Answer to the Amended Complaint on August 30, 2017. In the Consolidated Answer, Defendants asserted that there is no perfected contract to sell or of sale between STI ESG and the Plaintiffs considering that (a) there is no Board approval on the sale of the Subject Property; (b) lack of definite terms and conditions thereof; and (c) STI ESG's Finance Officer has no authority to bind STI ESG on the alleged contract to sell or sale of the Subject Property.

After the parties completed the presentation of evidence and filed their respective Memoranda, the Defendants received the Decision of the Trial Court on June 22, 2020.

In the Decision dated June 18, 2020, the Trial Court determined that there was no perfected contract to sell the Property. The Trial Court affirmed that the Plaintiffs failed to obtain the consent of STI ESG. There was no evidence showing that STI ESG, through its BOD, (a) gave its consent to the sale or (b) authorized the Defendant Finance Officer to sell the Property in favor of the Plaintiffs.

The Trial Court, however, determined that the Defendant Finance Officer is liable to pay the Plaintiffs the total amount of ₱0.2 million representing temperate and exemplary damages ("Damages"). The Trial Court determined that the actions of STI ESG's Finance Officer insofar as (a) receipt of the earnest money, (b) lack of written authority from STI ESG during the negotiation and (c) continued assurances to the Plaintiffs in relation to the BIR ruling on the tax-free exchange and then sudden withdrawal from the transaction constitute bad faith.

Lastly, the Trial Court ordered STI ESG to return the amount of ₱0.3 million it received from the Plaintiffs as "earnest money" with an interest rate of six percent (6.0%) per annum from receipt thereof on March 30, 2011 until the latter's tender of the same to the Plaintiffs on July 2, 2015.

Both parties filed their respective Partial Motion for Reconsideration insofar as the (a) dismissal of the Complaint and (b) award of Damages.

On August 25, 2020, the Trial Court issued its Order, which modified the Decision only insofar as requiring STI ESG's Finance Officer to pay an additional ₱50.0 thousand as attorney's fees in favor of the Plaintiffs. The rest of the findings in the Decision is affirmed.



Both the Plaintiffs and the Finance Officer filed their respective Notice of Appeal.

On December 1, 2020, STI ESG and the Defendant Finance Officer received the Notice, which requires the Appellants (Plaintiffs and the Defendant Finance Officer) to file their respective Appellant's Brief within forty-five (45) days from receipt of the Notice.

After the parties filed their respective brief(s), STI ESG received the Decision dated February 27, 2023 on March 20, 2023. Based on the Decision, the Court of Appeals affirmed *in toto* the Trial Court's Order(s).

On May 3, 2023, STI ESG received the Motion for Reconsideration filed by the Plaintiffs.

After STI ESG filed its Opposition dated July 14, 2023 to the said Motion for Reconsideration, the Court of Appeals issued its Resolution dated November 6, 2023, which denied the Plaintiffs' Motion for Reconsideration.

On January 8, 2024, STI ESG received the Petition for Review filed by the Plaintiffs before the Supreme Court.

The Supreme Court has yet to issue the appropriate Resolution on the said Petition insofar as whether to dismiss the same or require STI ESG to file a Comment to the Plaintiffs' Petition for Review.

- d. *Complaint for Damages filed by GATE (formerly STI-College Santiago, Inc.)*. Global Academy of Technology and Entrepreneurship, Inc. (GATE) filed a complaint for Damages against STI ESG for its non-renewal of the Licensing Agreement despite the former's alleged compliance with the latter's audit recommendations. On the basis of such alleged invalid non-renewal of the Licensing Agreement, GATE seeks for (a) moral damages in the amount of ₱0.5 million, (b) exemplary damages in the amount of ₱0.5 million and (c) attorney's fees in the amount of 15.0% of the amount to be awarded and ₱3.0 thousand per court appearance.

On June 9, 2017, STI ESG filed its Answer to the Complaint. In the Answer, STI ESG reiterated its position that GATE has no cause of action against it because its decision not to renew the Licensing Agreement is in accordance with contractual stipulations therein that its renewal is upon mutual agreement of both parties. Considering the effectivity period of the Licensing Agreement expired on March 31, 2016 without being renewed by both parties, GATE cannot claim any damages for STI ESG's lawful exercise of its rights under the Licensing Agreement.

After the parties completed the presentation of their respective evidence, STI ESG received the Decision of the Trial Court on February 4, 2020.

In the Decision dated January 16, 2020, the Trial Court dismissed the instant case because the Plaintiffs failed to establish that STI ESG acted in abuse of rights when it refused to renew the Licensing Agreement with the Plaintiffs. The Trial Court confirmed that said Agreement clearly provided that the same can only be renewed by mutual agreement of the parties.

The Trial Court also ordered the payment by the Plaintiffs of STI ESG's counterclaim in the amount of ₱0.3 million as attorney's fees plus cost of suit.

Despite filing a Motion for Reconsideration, the Trial Court affirmed its dismissal of the Plaintiff's claim and the award of litigation cost in favor of STI ESG in an Order dated July 6, 2020.



On August 3, 2020, STI ESG received the Notice of Appeal filed by the Plaintiff.

After the parties filed their respective briefs, the Court of Appeals promulgated its Decision on July 12, 2022. In the Decision, the Court of Appeals affirmed the order of the Trial Court.

After the Plaintiff filed its Motion for Reconsideration on the said Decision, STI ESG filed its Comment and Opposition on September 5, 2022. The Court of Appeals affirmed its decision when it denied the Motion for Reconsideration filed by the Plaintiff.

On January 11, 2023, STI ESG, through counsel, received the Petition for Certiorari on Review (Petition) filed by the Plaintiff before the Supreme Court.

On September 14, 2023, STI ESG, through counsel, received the Resolution issued by the Supreme Court. In the Resolution, the Supreme Court denied the Petition filed by the Plaintiff.

After the Plaintiff filed its Motion for Reconsideration, the Supreme Court denied the same and affirmed with finality the dismissal of its Petition.

As at October 11, 2024, STI ESG has yet to receive a copy of the entry of judgment from the Supreme Court.

- e. *Syndicated Estafa*. This is a complaint filed against STI ESG and its director by the president of a franchisee of STI ESG with the Provincial Prosecution Office of Rizal.

In the complaint, said officer alleged that STI ESG illegally took over the operations of STI Tanay, and used the tuition fees it collected for its benefit. Based on his estimation, said alleged tuition fees was around ₱12.0 million.

On December 29, 2020, STI ESG, through its representative, filed its Counter-Affidavit and presented evidence/documents showing that STI ESG managed STI Tanay (a) when said officer initially allowed the same while there was an ongoing negotiation for the purchase of STI Tanay, and (b) the take-over provisions of the Licensing Agreement triggered by the violations committed by the franchisee on said agreement.

Moreover, STI ESG further asserted that the complaint should be dismissed because the aforesaid president failed to attach/present a written authority from STI Tanay, which allowed him to file the complaint, and represent said corporation in the proceedings.

Lastly, said president included as a respondent a director who was not involved in the operations and management of STI Tanay during the take-over of STI ESG.

On September 28, 2021, STI ESG received the Resolution dated February 4, 2021 which dismissed the complaint.

No Motion for Reconsideration was filed by the complainant.

Pursuant to the Memorandum of Agreement dated July 29, 2022 executed by the parties in a related case, this case is deemed terminated.



f. *Extra-Judicial Foreclosure*

- i. STI ESG filed two (2) Petition(s) for Extra-Judicial Foreclosure of Real Estate Mortgage under Act No. 3135, as amended (Petitions) over properties located in (a) Pasig and (b) Tanay, Rizal.

On November 4, 2019, DBP and STI ESG executed a Deed of Assignment wherein the latter acquired all the rights and obligations arising from the following:

- a. Term Loan Agreement dated February 10, 2014 between DBP and STI Tanay for a loan amounting to ₱51.0 million, which is supported by four (4) Promissory Notes (Subject Loan);
- b. Term Loan Agreement dated April 5, 2016 between DBP and STI Tanay for a loan amounting to ₱24.5 million, which is supported by five (5) Promissory Notes (Subject Loan);
- c. Credit Line Agreement dated June 7, 2018 wherein DBP extended a credit line to STI Tanay up to a maximum amount of ₱6.0 million (Credit Line);
- d. Real Estate Mortgage dated May 5, 2014 executed by STI Tanay in favor of DBP over a parcel of land and improvements with an area of 5,502 sq.m. located in Tanay, Rizal, which contains a provision allowing the foreclosure of mortgage extrajudicially in accordance with Act No. 3135 (Mortgage); and
- e. Additional Real Estate Mortgage dated April 8, 2016 executed by STI Tanay, and Alejandro J. Bernardo married to Loretta Jabson Bernardo (Third Party Mortgagor) in favor of DBP over a parcel of land with an area of 567 sq.m. located in Pasig City (Subject Property), which contains a provision allowing the foreclosure of mortgage extrajudicially in accordance with Act No. 3135 (Mortgage).

The said Deed of Assignment includes other loans obtained by STI Tanay from DBP (collectively, the “Loans”).

Due to STI Tanay’s failure to pay the Loans, STI ESG sent a Notice of Default dated February 14, 2020 to STI Tanay and the Third Party Mortgagor. In the said Notice, STI ESG declared that the loans of STI Tanay amounting to ₱ 80.3 million as of December 31, 2019 to be immediately due and demandable, and STI ESG demanded full payment thereof.

Due to STI Tanay’s failure to pay said Loans, STI ESG filed the instant Petition to foreclose the property covered by the Mortgage for the satisfaction of the former’s outstanding obligation in the subject Loan and Credit Line amounting to ₱99.0 million as of November 30, 2020.

The Extrajudicial Foreclosure Sale for the property located in Pasig City was conducted on March 16, 2021 and STI ESG was declared as the winning bidder. A Certificate of Sale was annotated on the title on August 5, 2021. Within the one (1) year redemption period, Mr. Alejandro Bernardo, through counsel, manifested his intention to redeem the Pasig Property. On November 17, 2021, STI ESG submitted the Statement of Account, which will be used to compute the redemption price for the Subject Property.



With respect to the Tanay Property, the Extrajudicial Foreclosure Sale was conducted on March 15, 2022. At the conclusion of the Extrajudicial Foreclosure Sale, STI ESG was declared as the winning bidder. STI ESG obtained the Certificate of Sale covering the Tanay Property dated April 11, 2022. The said Certificate of Sale was annotated on the title by the Registry of Deeds of Rizal, Morong Branch on May 5, 2022.

Pursuant to the Memorandum of Agreement dated July 29, 2022 executed by the parties in the Complaint for annulment of Extrajudicial Foreclosure Proceedings, the Tanay Property was conveyed/assigned to STI ESG while the Pasig Property was redeemed by the Plaintiffs.

This case is deemed terminated.

- ii. *Complaint for Annulment of Extrajudicial Foreclosure Proceedings.* This is a Complaint for annulment of Extrajudicial Foreclosure Proceedings with application for 72-hour and 20-day Temporary Restraining Order (TRO) and/or Writ of Preliminary Injunction (Complaint) filed by STI Tanay and Spouses Alejandro J. Bernardo and Loretta Jabson Bernardo (Mortgagors) (collectively, the "Plaintiffs") against the named Defendants.

On June 22, 2021, STI ESG received the Complaint. Based on the Complaint, the Plaintiffs alleged that STI ESG, as the assignee of the loan of STI Tanay with DBP, foreclosed on the Mortgagors' parcel of land with an area of 567 sq.m. located in Pasig City (Subject Property).

While the Complaint did not allege any procedural and/or substantive defects in the foreclosure proceedings, the Plaintiffs attempted to use the alleged illegal take-over of the operations of STI Tanay to support the instant case.

Based on the said allegations in the Complaint, the Plaintiffs sought for the issuance of restraining orders to enjoin the registration of the Certificate of Sale and the alleged take-over of STI Tanay.

After the due proceedings on the TRO, the Trial Court denied the issuance of the TRO and/or Writ of Preliminary Injunction on July 12, 2021.

On November 12, 2021, STI ESG and a director defendant (Defendants) filed a Joint Answer Ad Cautelam. In the Joint Answer, the Defendants asserted the dismissal of the Complaint because the Plaintiffs did not raise any valid grounds to annul the foreclosure of mortgage. Moreover, the Plaintiffs have manifested their intention to redeem the subject Property, which further affirms the validity of the foreclosure proceedings.

The pre-trial conference for the case was originally scheduled on January 18, 2022. However, the same was cancelled in light of the Supreme Court's directives to physically close all courts in areas under Alert Level 3 due to the surge of COVID-19 cases. The National Capital Region (NCR) and the province of Rizal were under Alert Level 3 until January 31, 2022.

After the pre-trial conference, the case was referred to Judicial Dispute Resolution upon motion by the parties.



After several negotiations for settlement, the parties entered into a Memorandum of Agreement on July 29, 2022. Based on the Memorandum of Agreement, the parties agreed to settle all liabilities by (a) assignment and conveyance of the Tanay Property and (b) redemption of the Pasig Property by the Plaintiffs. Other commercial terms and conditions were agreed upon by the parties to terminate all pending cases and release of any other claims against each other.

Upon motion by the parties, the aforesaid Agreement was submitted for approval by the parties.

Considering the foregoing circumstances, the case is deemed terminated due to the amicable settlement by the parties.

- g. Due to the nature of their business, STI ESG, STI WNU and iACADEMY are involved in various legal proceedings, both as plaintiff and defendant, from time to time. The majority of outstanding litigation involves illegal dismissal cases under which faculty members have brought claims against STI ESG and STI WNU by reason of their faculty contract and/or employment contracts. STI ESG, STI WNU and iACADEMY are not engaged in any legal or arbitration proceedings (either as plaintiff or defendant), including those which are pending or known to be contemplated and their respective BOD have no knowledge of any proceedings pending or threatened against STI ESG, STI WNU and iACADEMY or any facts likely to give rise to any litigation, claims or proceedings which might materially affect their financial position or business. Management and their legal counsels believe that STI ESG, STI WNU and iACADEMY have substantial legal and factual bases for their position and are of the opinion that losses arising from these legal actions and proceedings, if any, will not have a material adverse impact on the Group's consolidated financial position as well as in the results of their operations.

Commitments

a. Financial Commitments

The ₱250.0 million Term Loan/Rediscounting Line Facility approved for STI ESG is secured by a Comprehensive Surety issued by the Parent Company in favor of LandBank executed on September 16, 2020. This agreement shall remain in full force and effect while the obligations of STI ESG under the LandBank ACADEME Program remain outstanding and/or not paid to the satisfaction of Landbank. The term of the borrowing is coterminous with the promissory notes executed by the parents/benefactors of the students. STI ESG has drawn from this Term Loan/Rediscounting Line Facility an aggregate amount of ₱22.1 million, of which ₱3.0 million is the balance outstanding as of June 30, 2023. Of the ₱3.0 million outstanding loan, ₱2.1 million was settled in August 2023 while the balance amounting to ₱ 0.9 million was fully paid on January 31, 2024.

STI ESG has ₱65.0 million domestic bills purchase lines from various local banks as at June 30, 2024, specifically for the purchase of local and regional clearing checks. Interest on drawdown from such facility is waived except when drawn against returned checks, on which the interest shall be the prevailing lending rate of such local bank. This facility is on a clean basis. As at June 30, 2024 and 2023, there is no outstanding availment from these lines.



b. Capital Commitments

As of June 30, 2024, STI ESG's significant contractual commitments include: (1) construction of the new building in STI Ortigas-Cainta campus, (2) learning classroom expansion for some schools (3) renovation and rehabilitation project of STI ESG's Tanay property, (4) construction of a three-storey building at STI Lipa, (5) installation of solar panels, and (6) lot acquisition.

STI ESG has an ongoing project to put up a new school building within the STI Ortigas-Cainta campus. The total contract for this project amounts to ₱217.3 million, with ₱129.1 million already disbursed as at June 30, 2024.

The learning classroom expansion projects for several STI ESG schools have a total cost of ₱105.0 million of which payments aggregating to ₱55.9 million have been made as at June 30, 2024.

The renovation and rehabilitation works at STI ESG's Tanay property is also in the works with a total contract cost of ₱29.1 million. STI ESG has reported a total disbursement amounting to ₱21.5 million for this project. The construction of a three-storey building at STI Lipa is in full swing. This project has a total contract cost of ₱40.0 million, of which payments aggregating to ₱19.3 million have been made as at June 30, 2024.

Furthermore, STI ESG has ventured into sustainable initiatives, particularly in solar energy projects. The installation of solar panels, including the roof deck waterproofing activities, at its STI Ortigas-Cainta campus has been completed as at report date. This project has a total cost of ₱16.7 million, of which ₱14.9 million has been paid as at June 30, 2024. The Group also has ongoing solar energy projects in several STI ESG wholly owned schools with an aggregate cost of ₱20.5 million as at June 30, 2024. Of this amount, ₱5.9 million has been disbursed as at June 30, 2024.

As at June 30, 2024, STI ESG likewise has a contractual commitment with Avida amounting to ₱228.8 million, inclusive of VAT, for the parcel of land located at South Park District, Alabang, Muntinlupa City - the future site of the new STI Academic Center Alabang. Of this amount, ₱45.1 million has been settled as at June 30, 2024.

STI WNU likewise has contractual commitments and obligations for the construction of school buildings and upgrade of its facilities aggregating to ₱404.4 million and ₱274.7 million as at June 30, 2024 and 2023, respectively. Of these, ₱301.5 million and ₱175.2 million have been paid as at June 30, 2024 and 2023, respectively.

iACADEMY has contractual commitments and obligations for the construction of its Yakal and Cebu Campus totaling ₱1,100.7 million as at June 30, 2024 and 2023. Of these, ₱1,033.9 million and ₱1,029.3 million have been paid as at June 30, 2024 and 2023, respectively.

c. Others

- i. On December 13, 2023, STI ESG and Home Development and Mutual Fund (Pag-IBIG) entered into a memorandum of agreement on the implementation of Pag-IBIG Health and Education Loan Programs (Pag-IBIG HELPs). Under the loan program, the qualified Pag-IBIG member shall be able to pay his/her beneficiary's educational-related expenses to STI ESG at a special discount rate of 20% of the tuition fee, subject to the terms and conditions of the program as follows:

- Entitled to the discount are Pag-IBIG Fund members and their immediate family members;



- The discount is applicable to tuition fees only of incoming college and senior high school students and transferees for tertiary programs and senior high tracks, and specializations; and
 - The discount cannot be availed in conjunction with another promo/discount.
- ii. On April 21, 2017, STI ESG, Mr. Tony Tan Caktiong, STI Tanauan, and Injap Investments, Inc., referred collectively as the Joint Venture Parties, entered into an agreement to transform STI Tanauan into a Joint Venture Company which shall operate a farm-to-table school that offers courses ranging from farm production to food services.

With the onset of the COVID 19 pandemic, this plan was put in abeyance.

After several years, the economic outlook of all parties concerned has changed and this plan is now permanently put on hold.

A portion of the property in Tanauan, Batangas intended to be the site of this joint venture activity, has been acquired by STI ESG in June 2024 (see Note 11). The acquired property will be the future site of STI Academic Center Tanauan.

- iii. On December 17, 2018, the CHED, Unified Student Financial Assistance System for Tertiary Education Board (UniFAST) and STI ESG signed a memorandum of agreement to avail of the Tertiary Education Subsidy (TES) and Student Loan Program (SLP) for its students under the Universal Access to Quality Tertiary Education Act (UAQTEA) and its Implementing Rules and Regulations (IRR). RA No. 10931 or the UAQTEA and its IRR provide among others, that to support the cost of tertiary education or any part or portion thereof, TES and SLP are established for all Filipino students who shall enroll in undergraduate and post-secondary programs of private HEIs. Accordingly, the TES and the SLP shall be administered by the UniFAST Board.

Based on RA No. 10931, the annual TES for students, subject to guidelines and implementing rules and regulations on the release of TES, enrolled in SUCs or CHED-recognized LUCs is ₱40.0 thousand. Students enrolled in select HEIs who are qualified to receive the TES, are entitled to ₱60.0 thousand. The TES sharing agreement states that ₱40.0 thousand shall go to the TES student grantee and ₱20.0 thousand to the private HEI. The subsidy is for Tuition and other related school fees and should cover the living allowance, books, supplies, transportation and miscellaneous expense. Additional benefits are likewise given to Persons with Disabilities (PWDs) and graduates of programs with licensure exams amounting to ₱30.0 thousand per annum and ₱10.0 thousand, respectively. Under this TES Program, CHED pays directly the schools where these students enrolled.

In July 2023, UniFast issued Memorandum Circular No. 5 for the allocation of funds for new TES grants. Qualified student grantees for SY 2021-2022 from private HEIs in cities and municipalities without SUCs or LUCs, shall receive ₱40.0 thousand for the second semester of SY 2022-2023 to cover their full or partial payables for tuition and other school fees. Thereafter, qualified grantees shall be considered as continuing grantees, subject to validation, for the first semester of SY 2023-2024 onwards and shall receive a subsidy rate of ₱20.0 thousand per school year or ₱10.0 thousand per semester to cover the full or partial cost of tuition and other school fees. In case the tuition and other school fees is lower than ₱10.0 thousand per semester, the difference shall be given to the student. Administrative support cost remain at 1% of the total grant. Continuing TES grantees for the second semester of SY 2022-2023 shall receive ₱60.0 thousand per school year or ₱30.0 thousand per semester until they graduate. New TES grantees who are PWDs shall receive an additional subsidy



of ₱30.0 thousand per school year or ₱15.0 thousand per semester. New TES grantees for the first semester of SY 2023-2024 shall receive ₱20.0 thousand per school year or ₱10.0 thousand per semester to cover the full or partial cost of tuition and other school fees. New TES grantees who are PWDs shall receive an additional subsidy of ₱10.0 thousand per school year or ₱5.0 thousand per semester.

The qualified TES graduates for SY 2022-2023 onwards, in courses requiring licensure examinations shall receive a maximum one-time reimbursement of ₱8.0 thousand to cover the full or partial cost of taking the said licensure examinations.

- iv. On March 17, 2021, STI ESG executed a Memorandum of Agreement (MOA) with DBP for the implementation of the DBP Resources for Inclusive and Sustainable Education Program (DBP RISE). The program grants financial assistance to deserving students from the ranks of underprivileged Filipino families who aspire to pursue studies in DBP-accredited public and private tertiary schools. DBP RISE covers (1) the total cost of tuition fees for all year levels of the entire course or program based on the partner school's tuition fee structure which is determined at the beginning of the first term of the course or program starting SY 2020-2021, and (2) student support fund which covers other school fees, miscellaneous fees, and living allowance that will be determined and set by DBP. STI ESG and DBP executed a similar MOA in November 2021 and May 2023 covering the implementation of DBP RISE for deserving students enrolled starting SY 2021-2022, SY 2022-2023, and SY 2023-2024.

35. Financial Risk Management Objectives and Policies

The principal financial instruments of the Group comprise cash and cash equivalents and interest-bearing loans and borrowings. The main purpose of these financial instruments is to raise working capital and major capital investment financing for the Group's operations. The Group has various other financial assets and liabilities such as receivables, accounts payable and other current liabilities which arise directly from its operations.

The main risks arising from the Group's financial instruments are liquidity risk, credit risk and interest rate risk. The Group's BOD and management reviews and agrees on the policies for managing each of these risks as summarized below.

Liquidity Risk

Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet its currently maturing commitments. The Group's liquidity profile is managed to be able to finance its operations and capital expenditures and other financial obligations. To cover its financing requirements, the Group uses internally-generated funds and interest-bearing loans and borrowings. As part of its liquidity risk management program, the Group regularly evaluates the projected and actual cash flow information and continuously assesses conditions in the financial markets for opportunities to pursue fund-raising initiatives.

Any excess funds are primarily invested in short-dated and principal-protected bank products that provide the flexibility of withdrawing the funds anytime. The Group regularly evaluates available financial products and monitors market conditions for opportunities to enhance yields at acceptable risk levels.



The Group's current liabilities are mostly made up of trade liabilities with 30 to 60-day payment terms, current portion of interest-bearing loans and borrowings that are expected to mature within one year after reporting date. The balance of the Group's current liabilities as at June 30, 2023 include the 7-year bonds issued by STI ESG which matured in March 2024. On the other hand, the biggest components of the Group's current assets are cash and cash equivalents, receivables from students and franchisees and advances to associates and joint venture with collection period of thirty (30) to one hundred eighty (180) days.

As at June 30, 2024 and 2023, the Group's current assets amounted to ₱3,679.2 million and ₱3,781.6 million, respectively, while current liabilities amounted to ₱1,770.5 million and ₱3,451.9 million, respectively.

As part of the Group's liquidity risk management program, management regularly evaluates the projected and actual cash flow information.

In relation to the Group's interest-bearing loans and borrowings from a local bank, the debt service cover ratio, based on the consolidated financial statements of the Group, is also monitored on a regular basis. The debt service cover ratio is equivalent to the consolidated EBITDA divided by total principal and interests due in the next twelve months. The Group monitors its debt service cover ratio to keep it at a level acceptable to the Group, the lender banks, and the STI ESG bondholders. The Group's policy is to keep the debt service cover ratio not lower than 1.05:1.00. The local bank has granted the request of STI ESG for the waiver of the mandated DSCR while the second supplemental agreement replaced the DSCR measure with ICR, as discussed in Notes 18 and 19, respectively. The Group's policy is to keep the debt service coverage ratio not lower than 1.05:1.00. STI ESG's DSCR, as defined in the loan agreement, as at June 30, 2024 is 2.39:1.00. STI ESG's ICR, as defined in the bond trust agreement, as at June 30, 2024 is 9.37:1.00. The Group's policy is to keep the interest coverage ratio not lower than 3.00:1.00. STI ESG is compliant with the financial covenants imposed under the loan and bond trust agreements.

The tables below summarize the maturity profile of the Group's financial assets held for liquidity purposes and other financial liabilities as at financial reporting date based on undiscounted contractual payments.

	2024				Total
	Due and Demandable	Less than 3 Months	3 to 12 Months	More than 1 Year	
Financial Assets					
Loans and receivables:					
Cash and cash equivalents	₱1,855,500,909	₱-	₱-	₱-	₱1,855,500,909
Receivables*	67,109,364	158,034,645	98,236,524	107,447,436	430,827,969
Deposits (included as part of "Prepaid expenses and other current assets" and "Goodwill, intangible and other noncurrent assets" accounts)	-	-	1,395,549	33,584,837	34,980,386
Equity instruments at FVPL	8,137,500	-	-	-	8,137,500
Equity investments designated at FVOCI	-	-	-	76,670,624	76,670,624
	₱1,930,747,773	₱158,034,645	₱99,632,073	₱217,702,897	₱2,406,117,388
Financial Liabilities					
Other financial liabilities:					
Accounts payable and other current liabilities**	₱705,842,331	₱69,048,896	₱111,874,169	₱-	₱886,765,396
Nontrade payable	17,000,000	-	-	-	17,000,000
Bonds payable:					
Principal	-	-	-	820,000,000	820,000,000
Interest	-	-	52,279,919	139,030,060	191,309,979
Interest-bearing loans and borrowings:					
Principal	-	270,000,000	270,000,000	1,560,000,000	2,100,000,000
Interest	-	85,772,784	74,602,069	249,599,786	409,974,639
Lease liabilities	-	25,336,355	92,504,253	537,595,980	655,436,588
Other noncurrent liabilities***	-	-	-	38,125,618	38,125,618
	₱722,842,331	₱450,158,035	₱601,260,410	₱3,344,351,444	₱5,118,612,220



	2023				
	Due and Demandable	2 to 3 Months	3 to 12 Months	More than 1 Year	Total
Financial Assets					
Loans and receivables:					
Cash and cash equivalents	₱1,958,767,553	₱-	₱-	₱-	₱1,958,767,553
Receivables*	151,344,394	53,165,148	148,157,864	86,224,864	438,892,270
Deposits (included as part of "Prepaid expenses and other current assets" and "Goodwill, intangible and other noncurrent assets" accounts)	-	-	1,097,372	34,113,820	35,211,192
Equity instruments at FVPL	8,990,000	-	-	-	8,990,000
Equity investments designated at FVOCI	-	-	-	72,061,627	72,061,627
	₱2,119,101,947	₱53,165,148	₱149,255,236	₱192,400,311	₱2,513,922,642
Financial Liabilities					
Other financial liabilities:					
Accounts payable and other current liabilities**	₱614,191,398	₱9,711,502	₱72,880,168	₱29,652,982	₱726,436,050
Nontrade payable	17,000,000	-	-	-	17,000,000
Bonds payable:					
Principal	-	-	2,180,000,000	820,000,000	3,000,000,000
Interest	-	-	147,253,896	188,491,085	335,744,981
Interest-bearing loans and borrowings:					
Principal	-	39,795,613	223,042,276	810,000,000	1,072,837,889
Interest	-	33,307,108	41,342,217	93,256,159	167,905,484
Lease liabilities	-	39,076,921	70,912,433	601,321,936	711,311,290
Other noncurrent liabilities***	-	-	-	49,331,720	49,331,720
	₱631,191,398	₱121,891,144	₱2,735,430,990	₱2,592,053,882	₱6,080,567,414

*Excluding advances to officers and employees amounting to ₱36.1 million and ₱31.7 million as at June 30, 2024 and 2023, respectively.

** Excluding taxes payable, SSS, Philhealth, Pag-ibig benefits payable and advance rent amounting to ₱42.6 million and ₱29.8 million as at June 30, 2024 and 2023, respectively.

***Excluding advance rent, deferred lease liability and deferred output VAT amounting to ₱52.6 million and ₱62.8 million as at June 30, 2024 and 2023, respectively.

The Group's current ratios are as follows:

	2024	2023
Current assets	₱3,679,207,879	₱3,781,571,176
Current liabilities	1,770,507,834	3,451,887,036
Current ratios	2.08:1.00	1.10:1.00

Credit Risk

Credit risk is the risk that the Group will incur a loss arising from students, franchisees or other counterparties who fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk that the Group is willing to accept for individual counterparties and by monitoring expenses in relation to such limits.

It is the Group's policy to require the students to pay all their tuition and other school fees before they can get their report cards and other credentials. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents and equity instruments at FVOCI, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. As at June 30, 2024 and 2023, there is no significant concentration of credit risk.



Credit Risk Exposures. The table below shows the maximum exposure to credit risk for the components of the consolidated statements of financial position:

	2024		2023	
	Gross Maximum Exposure ⁽¹⁾	Net Maximum Exposure ⁽²⁾	Gross Maximum Exposure ⁽¹⁾	Net Maximum Exposure ⁽²⁾
Financial Assets				
Loans and receivables:				
Cash and cash equivalents (excluding cash on hand)	₱1,853,223,964	₱1,824,723,964	₱1,946,365,998	₱1,918,365,998
Receivables*	658,211,144	658,211,144	821,320,349	821,320,349
Rental deposits (included as part of the “Goodwill, intangible and other noncurrent assets” account)	33,584,837	33,584,837	34,113,820	34,113,820
	₱2,545,019,945	₱2,516,519,945	₱2,801,800,167	₱2,773,800,167

* Excluding advances to officers and employees amounting to ₱36.1 million and ₱31.7 million as at June 30, 2024 and 2023, respectively.

(1) Gross financial assets before taking into account any collateral held or other credit enhancements or offsetting arrangements.

(2) Gross financial assets after taking into account any collateral held or other credit enhancements or offsetting arrangements or insurance in case of bank deposits.

Credit Quality per Class of Financial Asset. The tables below show the credit quality by class of financial assets based on the Group’s credit rating system as at June 30, 2024 and 2023:

	2024			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired	
Class A	₱1,511,214,305	₱344,884,959	₱-	₱1,856,099,264
Class B	-	289,243,267	-	289,243,267
Class C	-	64,000,992	8,410,477	72,411,469
Gross carrying amount		698,129,218	8,410,477	706,539,695
ECL	-	(218,972,698)	(8,410,477)	(227,383,175)
Carrying amount	₱1,511,214,305	₱479,156,520	₱-	₱ 479,156,520

	2023			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Credit Impaired	
Class A	₱1,908,980,849	₱373,936,361	₱-	₱2,282,917,210
Class B	-	286,504,522	-	286,504,522
Class C	-	209,154,198	11,677,882	220,832,080
Gross carrying amount	1,908,980,849	869,595,081	11,677,882	2,790,253,812
ECL	-	(191,051,900)	(11,677,882)	(202,729,782)
Carrying amount	₱1,908,980,849	₱678,543,181	₱-	₱2,587,524,030

The following credit quality categories of financial assets are managed by the Group as internal credit ratings. The credit quality of the financial assets was determined as follows:

- Class A – *Cash and cash equivalents* and *Rental and utility deposits* are classified as “Class A” based on the good credit standing or rating of the counterparty. *Receivables* classified as “Class A” are those with high probability of collection and/or customer or counterparties who possess strong to very strong capacity to meet its obligations.



- Class B – *Receivables* from customers who settle their obligations within tolerable delays.
- Class C – *Receivables* from customers with payment behavior normally extending beyond the credit terms and have a high probability of becoming impaired.

The table below shows the aging analysis of receivables from students on which the amount of allowance was based on lifetime expected credit loss:

	Current	Within the Semester	After the Semester but within the School Year	After the School Year	ECL	Total
2024	₱202,345,881	₱58,021,853	₱16,631,838	₱145,036,728	(₱218,972,698)	₱203,063,602
2023	₱205,578,839	₱77,319,724	₱13,454,443	₱299,608,347	(₱368,524,991)	₱227,436,362

Interest Rate Risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fixed-rate financial instruments are subject to fair value interest rate risk while floating rate financial instruments are subject to cash flow interest rate risk. The Group’s interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group’s interest-bearing loans and bonds. The Group’s long-term debt have floating interest rates repriced in various periods from 6 months to one year , thus minimizing the exposure to market changes in interest rates. STI ESG’s 7-year bonds, which had a fixed interest rate, were fully redeemed in March 2024 while the 10-year bonds, maturing in 2027, continue to carry a fixed interest rate.

The Group’s exposure to interest rate risk also includes its cash and cash equivalents balance. Interest rates for the Group’s cash deposits are at prevailing interest rates. Due to the magnitude of the deposits, a significant change in interest rate may also affect the consolidated statements of comprehensive income.

The following table demonstrates the sensitivity, to a reasonably possible change in interest rates, with all other variables held constant, of the consolidated statements of comprehensive income and statements of changes in equity for the years ended June 30, 2024, 2023 and 2022:

Increase/decrease in Basis Points (bps)	Effect on Income Before Income Tax		
	2024	2023	2022
+100 bps	(₱29,433,333)	(₱40,849,483)	(₱45,495,216)
-100 bps	29,433,333	40,849,483	45,495,216

Capital Risk Management Policy

The Group’s objectives when managing capital are to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Group is not subject to externally imposed capital requirements.



The Group monitors capital using the debt-to-equity ratio which is computed as the total of current and noncurrent liabilities, net of unearned tuition and other school fees, divided by total equity. The Group monitors its debt-to-equity ratio to keep it at a level acceptable to the Group, the lender banks and the STI ESG bondholders. The Group's policy is to keep the debt-to-equity ratio at a level not exceeding 1.50:1.00.

The Group considers its equity contributed by stockholders, net of cost of shares held by a subsidiary, as capital.

	2024	2023
Capital stock	₱4,952,403,462	₱4,952,403,462
Additional paid-in capital	1,119,127,301	1,119,127,301
Cost of shares held by a subsidiary	(498,142,921)	(498,142,921)
Retained earnings	6,529,002,580	5,219,942,618
	₱12,102,390,422	₱10,793,330,460

The Group's debt-to-equity ratios are as follows:

	2024	2023
Total liabilities*	₱4,689,831,654	₱5,732,233,601
Total equity	10,572,376,009	9,209,810,499
Debt-to-equity ratio	0.44:1.00	0.62:1.00

*Excluding unearned tuition and other school fees of ₱179.6 million and ₱141.1 million as at June 30, 2024 and 2023, respectively.

The Group's asset-to-equity ratios are as follows:

	2024	2023
Total assets	₱15,441,821,846	₱15,083,181,303
Total equity	10,572,376,009	9,209,810,499
Asset-to-equity ratio	1.46:1.00	1.64:1.00

No changes were made in the objectives, policies or processes for the years ended June 30, 2024, 2023 and 2022.

36. Fair Value Information of Financial Instruments

The following tables set forth the carrying amounts and estimated fair values of financial assets and liabilities recognized as at June 30, 2024 and 2023. There are no material unrecognized financial assets and liabilities as at June 30, 2024 and 2023.

	2024				
	Carrying Amount	Fair Value	Level 1	Level 2	Level 3
Financial Assets					
At amortized cost -					
Rental and utility deposits	₱34,980,386	₱34,980,386	₱-	₱-	₱34,980,386
Equity instruments designated at FVOCI	76,670,624	76,670,624	10,197,060	56,452,669	10,020,895
	₱111,651,010	₱111,651,010	₱10,197,060	₱56,452,669	₱45,001,281
Financial Liabilities					
Other financial liabilities at amortized cost -					
Refundable deposits	₱39,818,810	₱34,709,135	₱-	₱-	₱15,249,189



	2023				
	Carrying Amount	Fair Value	Level 1	Level 2	Level 3
Financial Assets					
At amortized cost -					
Rental and utility deposits	₱35,211,192	₱35,211,192	₱-	₱-	₱35,211,192
Equity instruments designated at FVOCI	72,061,627	71,708,707	6,179,340	55,155,229	10,374,138
	₱107,272,819	₱106,919,899	₱6,179,340	₱55,155,229	₱45,585,330
Financial Liabilities					
Other financial liabilities at amortized cost -					
Refundable deposits	₱54,994,857	₱40,934,497	₱-	₱-	₱40,934,497

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

Cash and Cash Equivalents, Receivables and Accounts Payable and Other Current Liabilities. Due to the short-term nature of transactions, the fair values of these instruments approximate the carrying amounts as of financial reporting date.

Rental and Utility Deposits. The fair values of these instruments are computed based on the present value of future cash flows discounted using the prevailing BVAL reference rates ranging from 1.31% to 6.81% and 1.43% to 6.68% as at June 30, 2024 and 2023, respectively that are specific to the tenor of the instruments' cash flows at the end of the reporting period.

Equity Instruments at FVPL and FVOCI. The fair values of publicly-traded equity instruments designated at FVOCI, classified under Level 1, are determined by reference to market bid quotes as at financial reporting date. The fair values of unquoted shares are determined using valuation techniques with inputs and assumptions that are based on market observable data and conditions. Such techniques include using recent arm's-length market transactions and reference to the current market value of another instrument which is substantially the same.

Interest-bearing Loans and Borrowings. The estimated fair value is based on the discounted value of future cash flows using the prevailing credit adjusted risk-free rates that are adjusted for credit spread. Interest rates used in discounting cash flows were 8.05% and 6.58% as of June 30, 2024 and 2023, respectively.

Refundable Deposits. The fair values of the refundable deposits are computed based on the present value of future cash flows discounted using the prevailing BVAL reference rates ranging from 5.59% to 6.86% and 5.73% to 6.32% as at June 30, 2024 and 2023, respectively adjusted for 2.0% credit spread rate that are specific to the tenor of the instruments' cash flows at the end of the reporting period.

In June 30, 2024 and 2022, there were no transfers between Level 1 and 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

37. Note to Consolidated Statements of Cash Flows

The Group's material non-cash investing and financing activities follow:

- a. Recognition of right-of-use assets presented under "Property and equipment" at initial recognition of the lease at commencement date amounting to ₱46.2 million, ₱169.8 million and ₱38.3 million for the years ended June 30, 2024, 2023 and 2022, respectively (see Note 11).



- b. Unpaid progress billing for construction-in-progress presented under “Property and equipment” amounting to ₱16.2 million, ₱3.6 million and ₱4.3 million as at June 30, 2024, 2023 and 2022, respectively. Unpaid progress billing for construction-in-progress presented under “Investment properties” amounted to ₱52.4 million as at June 30, 2022 (nil as at June 30, 2024 and 2023) (see Notes 11 and 12).
- c. Additions to land and buildings under “Investment properties” upon foreclosure of mortgaged properties for STI Tanay receivables amounted to ₱164.9 million for the year ended June 30, 2022 (nil for the year ended June 30, 2024 and 2023) (see Note 12).
- d. Reclassification from investment properties to noncurrent asset held for sale in 2022 amounted to ₱53.3 million in view of the expected redemption upon actual receipt of the redemption price (see Notes 10 and 12).
- e. Reclassifications from property and equipment to investment properties amounted to ₱187.4 million and ₱40.5 million for the years ended June 30, 2024 and 2023, respectively; and from investment properties to property and equipment amounted to ₱115.7 million for the year ended June 30, 2023.
- f. Reclassification from “Other noncurrent assets”, pertaining to advances to suppliers, to “Property and equipment” amounting to ₱12.9 million, ₱4.2 million and ₱28.4 million for the years ended June 30, 2024, 2023 and 202, respectively.



38. Changes in Liabilities Arising from Financing Activities

	July 1, 2023	Cash Flows	Gain on Early Extinguishment of Loan	Income on Rent Concessions	Reclassified as Current (see Notes 18 and 29)	Effect of Lease Termination/ Modifications (see Notes 11 and 29)	New/Renewed Leases (see Note 29)	Interest Expense (see Note 23)	Dividends Declared (see Note 21)	June 30, 2024
Current portion of interest-bearing loans and borrowings	₱262,837,889	(₱473,050,208)	₱-	₱-	₱746,281,953	₱-	₱-	204,387	₱-	₱536,274,021
Bonds payable	2,988,422,984	(2,180,000,000)	-	-	-	-	-	6,544,291	-	814,967,275
Interest-bearing loans and borrowings - net of current portion	808,707,735	1,488,750,000	(3,076,465)	-	(746,281,953)	-	-	1,741,074	-	1,549,840,391
Lease liabilities	536,759,779	(122,452,098)	-	-	-	-	41,099,396	34,666,187	-	490,073,264
Dividends payable	27,411,219	(287,597,966)	-	-	-	-	-	-	290,489,260	30,302,513
Interest payable	23,550,067	(224,187,598)	-	-	-	-	-	250,145,456	-	49,507,925
	₱4,647,689,673	(₱1,798,537,870)	(₱3,076,465)	₱-	₱-	₱-	₱41,099,396	₱293,301,395	₱290,489,260	₱3,470,965,389

	July 1, 2022	Cash Flows	Gain on Early Extinguishment of Loan	Income on Rent Concessions	Reclassified as Current (see Notes 18 and 29)	Effect of Lease Termination/ Modifications (see Notes 11 and 29)	New/Renewed Leases (see Note 29)	Interest Expense (see Note 23)	Dividends Declared (see Note 21)	June 30, 2023
Current portion of interest-bearing loans and borrowings	₱239,135,979	(₱359,544,756)	₱-	₱-	₱383,042,279	₱-	₱-	204,387	₱-	₱262,837,889
Bonds payable	2,980,515,064	-	-	-	-	-	-	7,907,920	-	2,988,422,984
Interest-bearing loans and borrowings - net of current portion	1,291,461,407	(100,000,000)	-	-	(383,042,279)	-	-	288,607	-	808,707,735
Lease liabilities	473,316,566	(133,436,395)	-	-	-	(1,742,210)	165,482,070	33,139,748	-	536,759,779
Dividends payable	26,411,518	(142,953,699)	-	-	-	-	-	-	143,953,400	27,411,219
Interest payable	26,583,874	(263,727,425)	-	-	-	-	-	260,693,618	-	23,550,067
	₱5,037,424,408	(₱999,662,275)	₱-	₱-	₱-	(₱1,742,210)	₱165,482,070	₱302,234,280	₱143,953,400	₱4,647,689,673

	July 1, 2021	Cash Flows	Gain on Early Extinguishment of Loan	Income on Rent Concessions (see Note 29)	Reclassified as Current (see Notes 18 and 29)	Effect of Lease Termination/ Modifications (see Notes 11 and 29)	New/Renewed Leases (see Note 29)	Interest Expense (see Note 23)	Dividends Declared (see Note 21)	June 30, 2022
Current portion of interest-bearing loans and borrowings	₱208,812,671	(₱449,544,753)	₱-	₱-	₱479,544,753	₱-	₱-	₱323,308	₱-	₱239,135,979
Bonds payable	2,973,082,875	-	-	-	-	-	-	7,432,189	-	2,980,515,064
Interest-bearing loans and borrowings - net of current portion	1,771,433,275	-	-	-	(479,544,753)	-	-	(427,115)	-	1,291,461,407
Lease liabilities	484,817,384	(78,349,815)	-	(6,054,606)	-	4,236,109	37,329,615	31,337,879	-	473,316,566
Dividends payable	25,934,641	(95,665,835)	-	-	-	-	-	-	96,142,712	26,411,518
Interest payable	33,505,531	(281,249,555)	-	-	-	-	-	274,327,898	-	26,583,874
	₱5,497,586,377	(₱904,809,958)	₱-	(₱6,054,606)	₱-	₱4,236,109	₱37,329,615	₱312,994,159	₱96,142,712	₱5,037,424,408



39. Business Combination and Asset Acquisition

CHI

As discussed in Notes 4 and 11, on June 20, 2024, STI ESG and TCAMI executed a deed of absolute sale for STI ESG's acquisition of 100.0% of the total issued and outstanding capital stock of CHI.

The acquisition of CHI is accounted for as an asset acquisition (see Note 4). CHI's assets, which primarily consist of a parcel of land, were assigned their carrying amount based on their relative fair values. The land was valued at ₱182.9 million, after allocating the acquisition cost to other identifiable assets and liabilities of CHI which had a net liability carrying amount of ₱2.9 million.

STI Alabang

On March 16, 2023, STI ESG and the majority owners of STI Alabang entered into a deed of absolute sale wherein STI ESG acquired 60.0% of the issued and outstanding capital stock of STI Alabang from the former franchisee for ₱1.00. Prior to this, STI ESG owns 40.0% of STI Alabang's issued and outstanding capital stock. As a result, STI Alabang became a wholly owned subsidiary of STI ESG effective March 31, 2023.

The following are the identifiable assets and liabilities as at the date of acquisition based on final purchase price allocation:

<i>Assets</i>	
Cash	₱9,232,050
Receivables	5,194,246
Inventories	960,491
Prepaid expenses	892,547
Property and equipment (see Note 11)	2,162,891
Deferred tax assets	843,309
Other noncurrent assets	1,271,855
	20,557,389
<i>Liabilities</i>	
Accounts payable and other current liabilities	43,581,348
Total identifiable net liabilities at fair values	(23,023,959)
Purchase consideration transferred	1
Goodwill (see Note 16)	₱23,023,960

Analysis of cash flow on acquisition is as follows:

Cash acquired from the subsidiary	₱9,232,050
Cash paid	(1)
Net cash inflow on acquisition	₱9,232,049

The transaction was accounted for as a business combination. The identifiable assets and liabilities recognized in the consolidated financial statements as at June 30, 2023 were based on assessment of the fair value of these assets and liabilities at the time of acquisition. The transaction resulted in goodwill amounting to ₱23.0 million which is presented as part of "Goodwill, intangible and other noncurrent assets" in the consolidated statement of financial position as at June 30, 2023 (see Notes 1, 13 and 16). Goodwill comprises the expected synergies in operating the school under STI ESG management.



From the date of acquisition to June 30, 2023, the revenues included in the consolidated statement of comprehensive income contributed by STI Alabang was ₱10.4 million. STI Alabang also contributed net loss of ₱1.8 million over the same period. If the acquisition had taken place at the beginning of the fiscal year ended June 30, 2023, the consolidated revenue and consolidated net income would have been ₱3,435.2 million and ₱913.7 million, respectively.

40. Other Matters

- a. On February 27, 2024, the BOD of STI Holdings ratified the execution of a term sheet between STI Holdings and Philippine School of Business Administration (PSBA Manila) and Philippine School of Business Administration, Inc. – Quezon City (PSBA Quezon City) or collectively referred to as “PSBA”. The term sheet covers the takeover by STI Holdings of the operations of PSBA as well as the acquisition of licenses, trademarks, trade names, and school-related assets owned by PSBA (the “transaction”).

The term sheet and the implementation of the transaction are subject to several conditions including, among others, the execution of mutually acceptable definitive agreements, fulfillment of the conditions precedent, approval of the stockholders of PSBA, and regulatory approvals.

On May 2, 2024, STI ESG entered into a Contract to Sell with PSBA Manila for the sale and purchase of a 3,000 square meter parcel of land located at Aurora Boulevard, Quezon City (referred to as the “Subject Property”). The purchase price of the Subject Property is less than ten percent (10%) of the total assets of STI Holdings. The sale and purchase of the Subject Property is subject to regulatory approvals and the fulfillment of certain conditions precedent. Subject to regulatory approvals and upon fulfillment of such conditions precedent, STI ESG and PSBA Manila shall execute a Deed of Absolute Sale over the Subject Property.

On May 2, 2024, STI Holdings and PSBA also executed the Right of First Refusal Agreement as STI Holdings has the right of first refusal in the event that PSBA intends to sell the PSBA properties. PSBA Manila is the registered and beneficial owner of a parcel of land, together with the improvement thereon, located at R. Papa St., Manila (the “PSBA Manila Property”). PSBA Manila is also the registered and beneficial owner of two parcels of land, together with improvements thereon, located at Aurora Boulevard, Quezon City.

On the same date, STI Novaliches entered into an Asset Purchase Agreement with PSBA for the acquisition by STI Novaliches of the tangible and intangible assets of PSBA (collectively, the “School Related Assets”) used or relating to the operation by PSBA of its schools located in Manila and Quezon City. The purchase price for the School Related Assets is less than ten percent (10%) of the total assets of STI Holdings. The sale and purchase of School Related Assets is subject to regulatory approvals and the fulfillment of certain conditions. Subject to regulatory approvals and the fulfillment of certain conditions, STI Novaliches and PSBA shall execute Deeds of Assignment for the sale and purchase of the School Related Assets.

As at October 11, 2024, the conditions precedent and regulatory approvals for the aforementioned agreements have not been fulfilled.

On May 30, 2024, STI ESG and PSBA executed a Management Agreement appointing STI ESG to manage the operations of PSBA schools with the goal of increasing enrollment as well as promoting PSBA as one of the leading educational institutions in the Philippines for accountancy and business programs. STI ESG shall provide the management services starting July 1, 2024 for



PSBA Quezon City and starting August 1, 2024 for PSBA Manila. The management services will be for a period of three (3) years counting from the management commencement date.

STI ESG shall perform the following obligations, among others, (1) provide management services including, but not limited to, marketing and advertising efforts, administering teaching and nonteaching staff deployed in each of the PSBA schools, maintaining school records and providing such other administrative and support services required for the effective operations of PSBA schools; (2) enter into contracts for and on behalf of PSBA with third parties without need of consent of PSBA; (3) liaise with local government units and government agencies in relation to the management and operations of PSBA schools; (4) apply for and obtains permits and licenses for PSBA schools.

PSBA Manila and PSBA Quezon City shall each pay management fees to STI ESG equivalent to 26.0% of the gross revenues of PSBA Manila and PSBA Quezon City, respectively.

The management agreement may be extended provided that (i) such extension shall be subject to mutual agreement of the Parties; (ii) STI ESG shall be entitled to use the PSBA Manila and Quezon City properties rent-free during the extended management period, and (iii) the same terms and conditions shall apply during the extended management period unless otherwise agreed upon by the Parties in writing.

On September 23, 2024, PSBA informed STI Holdings that a third party had offered to purchase the PSBA Manila Property. On October 2, 2024, STI Holdings informed PSBA that it intended to exercise its right of first refusal over the PSBA Manila Property under the same terms and conditions offered by the third party. As at October 11, 2024, STI Holdings has yet to receive the reply of PSBA.

- b. In a move to contain the COVID-19 outbreak, significant measures were implemented by the Philippine government, aiming to mitigate its spread and impact. On March 13, 2020, the Office of the President issued a Memorandum directive mandating stringent social distancing measures in the National Capital Region (NCR), effective March 15, 2020. Subsequently, on March 16, 2020, Presidential Proclamation No. 929 declared a State of Calamity nationwide for six (6) months, accompanied by Enhanced Community Quarantine (ECQ) measures across Luzon from March 17, 2020, until April 12, 2020. These measures were extended until May 15, 2020, encompassing the NCR and other regions. Furthermore, directives for the classification of cities and municipalities into varying levels of community quarantine have been issued since March 13, 2020. On July 21, 2023, the Office of the President lifted the state of public health emergency throughout the country with Proclamation No. 297.

Throughout this period, educational institutions within the Group navigated the challenges posed by the pandemic with stringent measures implemented to safeguard the health and well-being of students, faculty, and staff. The Group utilized digital tools and online technology to facilitate online/blended form of education, ensuring continuity in learning amidst the challenges posed by the pandemic. In 2022, limited face-to-face classes commenced gradually, followed by the implementation of a flexible learning modality in the first semester of SY 2022-2023. Full face-to-face classes for tertiary students resumed in the second semester of SY 2022-2023, while SHS and JHS classes transitioned to face-to-face settings since the beginning of SY 2022-2023. For SY 2023-2024, classes for all levels were conducted full face-to-face since the opening of the school year.

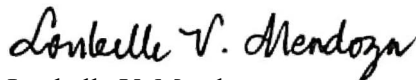


INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
STI Education Systems Holdings, Inc.
7th Floor, STI Holdings Center
6764 Ayala Avenue
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of STI Education Systems Holdings, Inc. and its subsidiaries (the Group) as at June 30, 2024 and 2023 and for each of the three years in the period ended June 30, 2024, and have issued our report thereon dated October 11, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Loubelle V. Mendoza
Partner

CPA Certificate No. 115161

Tax Identification No. 301-422-247

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-145-2024, July 18, 2024, valid until July 17, 2027

PTR No. 10079978, January 6, 2024, Makati City

October 11, 2024

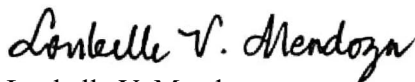


INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
STI Education Systems Holdings, Inc.
7th Floor, STI Holdings Center
6764 Ayala Avenue
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of STI Education Systems Holdings, Inc. and its subsidiaries (the Group) as at June 30, 2024 and 2023 and for each of the three years in the period ended June 30, 2024, and have issued our report thereon dated October 11, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at June 30, 2024 and 2023 and for each of the three years in the period ended June 30, 2024 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Loubelle V. Mendoza

Partner

CPA Certificate No. 115161

Tax Identification No. 301-422-247

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-145-2024, July 18, 2024, valid until July 17, 2027

PTR No. 10079978, January 6, 2024, Makati City

October 11, 2024



STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES

INDEX TO THE SUPPLEMENTARY SCHEDULES

June 30, 2024

Schedule	Content
A	Financial Assets
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
C	Amounts Receivable from Related Parties which are Eliminated During the Consolidation of the Financial Statements
D	Long-Term Debt
E	Indebtedness to Related Parties (Long-Term Loans from Related Companies)
F	Guarantees of Securities of Other Issuers
G	Capital Stock
H	Reconciliation of Retained Earnings Available for Dividend Declaration
I	Map of Relationships Between and Among the Company and Its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-Subsidiaries and Associates
J	Schedule of Financial Soundness Indicators

SCHEDULE A – FINANCIAL ASSETS
June 30, 2024
(Amount in Pesos)

STI EDUCATION SYSTEMS HOLDINGS, INC.
7/F STI Holdings Center
6764 Ayala Avenue
Makati City

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount shown in the Statement of Financial Position	Value Based on Market Quotation at End of Reporting Period	Income Received and Accrued
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The Group's financial asset at FVPL is less than 5% of total consolidated current assets as at June 30, 2024, thus, the schedule of financial assets is not applicable.

SCHEDULE B – AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES,
RELATED PARTIES, AND PRINCIPAL STOCKHOLDERS (Other than Related Parties)
June 30, 2024
(Amount in Pesos)

STI EDUCATION SYSTEMS HOLDINGS, INC.

7/F STI Holdings Center
6764 Ayala Avenue
Makati City

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written- off	Current	Not Current	Balance at End of Period
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The Group does not have receivables from individual directors, officers, employees and principal stockholders aggregating above one million pesos (₱1.0 million) or 1% of total consolidated assets, whichever is less, as at June 30, 2024.

SCHEDULE C – AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED
DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS

June 30, 2024
(Amount in Pesos)

STI EDUCATION SYSTEMS HOLDINGS, INC.

7/F STI Holdings Center
6764 Ayala Avenue
Makati City

Name of Debtor and Description	Balance at Beginning of Period	Additions	Amounts Collected	Current	Not Current	Balance at End of Period	Description
Receivable of AHC from STI Holdings	63,778,000			63,778,000	-	63,778,000	Assignment of receivable from Unlad Resources Development Corporation
Receivable of AHC from STI Holdings	64,000,000			-	64,000,000	64,000,000	Subscription
Receivable of STI ESG from STI WNU	2,970,677	7,818,817	10,789,494	-	-	-	Advances
Receivable of STI ESG from STI WNU	5,288,411	33,545,445	38,833,856	-	-	-	Educational services, school materials sold, other charges

SCHEDULE D – LONG-TERM DEBT

June 30, 2024

(Amount in Pesos)

STI EDUCATION SYSTEMS HOLDINGS, INC.

7/F STI Holdings Center

6764 Ayala Avenue

Makati City

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under caption “Current portion of interest-bearing loans and borrowings” in related Statement of Financial Position	Amount shown under caption “Bonds payable / Interest-bearing loans and borrowings - net of current portion” in related Statement of Financial Position
Metrobank / Term Loan* Maturity: March 16, 2029 Interest Rate: 7.8503% per annum (reprised at the rate of 7.8135% on September 18, 2024) No. of installment: ten (10) semi-annual installments	₱2,000,000,000 (Amount drawn and balance: ₱1,000,000,000)	₱198,499,178	₱794,428,454
BPI / Term Loan** Maturity: March 18, 2029 Interest rate: 8.4211% per annum (reprised at the rate of 7.8735% on September 18, 2024) No. of installments: ten (10) semi-annual installments	₱1,000,000,000 (Amount drawn and balance: ₱500,000,000)	99,249,589	397,214,227
China Banking Corporation - Term loan*** Maturity Date: September 19, 2026 Interest Rate: 5.81% to 8.0472% per annum (reprised at the rate of 7.8749% on September 19, 2024) Remaining No. of installments: five (5) semi-annual installments	₱1,200,000,000 (Amount drawn: ₱1,200,000,000; Balance: ₱600,000,000)	238,525,254	358,197,710
Fixed rate bonds series 10-year**** Interest rate: 6.3756% per annum Year of Maturity: 2027	₱5,000,000,000 (Amount of bonds issued: 7-year series - ₱2,180,000,000; 10-year series - ₱820,000,000; Balance: ₱820,000,000)	-	814,967,275
		₱536,274,021	₱2,364,807,666

* presented net of deferred finance cost of ₱7.1 million in the Consolidated Statement of Financial Position

** presented net of deferred finance costs of ₱3.5 million in the Consolidated Statement of Financial Position

*** presented net of deferred finance costs of ₱3.3 million in the Consolidated Statement of Financial Position

**** presented net of bond issue cost of ₱5.0 million in the Consolidated Statement of Financial Position; In March 2024, fixed-rate 7-year series bonds were redeemed in full amounting to ₱2,180.0 million.

SCHEDULE E – INDEBTEDNESS TO RELATED PARTIES
(LONG-TERM LOANS FROM RELATED COMPANIES)
June 30, 2024
(Amount in Pesos)

STI EDUCATION SYSTEMS HOLDINGS, INC.
7/F STI Holdings Center
6764 Ayala Avenue
Makati City

Name of Related Party	Balance at beginning of period	Balance at end of period
-----------------------	--------------------------------	--------------------------

The Group has no long-term loans from related parties as at June 30, 2024.

SCHEDULE F - GUARANTEES OF SECURITIES OF OTHER ISSUERS
June 30, 2024
(Amount in Pesos)

STI EDUCATION SYSTEMS HOLDINGS, INC.

7/F STI Holdings Center
6764 Ayala Avenue
Makati City

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
--	---	---	---	---------------------

The Group does not have guarantees of securities of other issuing entities as at June 30, 2024

SCHEDULE G – CAPITAL STOCK

June 30, 2024

(Amount in Pesos)

STI EDUCATION SYSTEMS HOLDINGS, INC.

7/F STI Holdings Center

6764 Ayala Avenue

Makati City

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as shown under related Statement of Financial Position caption	Number of Shares Reserved for Options, warrants, Conversion and Other Rights	Number of Shares held by Related Parties	Number of Shares held by Directors, Officers and Employees	Number of shares held by Others
Common Stock	10,000,000,000	9,904,806,924	–	4,931,897,860*	1,923,168,377**	3,049,740,687***
*Related Parties:			**Directors, Officers, and Employees:			
Prudent Resources, Inc.	1,621,085,049		Eusebio H.Tanco		1,652,175,444	
Biolim Holdings and Management Corp. (Formerly: Rescom Developers, Inc.)	812,626,795		Monico V. Jacob		33,784,057	
Eujo Philippines, Inc.	806,157,130		Maria Vanessa Rose L. Tanco		28,818,001	
Tantivy Holdings, Inc. (Formerly, Insurance Builders, Inc.	629,776,992		Joseph Augustin L. Tanco		2,500,001	
STI Education Services Group	500,432,895		Martin K. Tanco		114,491,907	
Eximious Holdings, Inc. (Formerly, Capital Managers and Advisors, Inc.)	306,890,332		Paolo Martin O. Bautista		4,000,000	
Philippines First Insurance Co., Inc.	65,262,000		Jesli A. Lapus		6,000,000	
Prime Power Holdings Corp.	189,666,667		Robert G. Vergara		1,000	
			Ma. Leonora V. De Jesus		1,000	
T O T A L	4,931,897,860 *		Raymond N. Alimurung		1,000	
			Antonio T. Carpio		10,000	
			Yolanda M. Bautista		5,000,001	
			Arsenio C. Cabrera, Jr.		6,500,000	
			STI Employees Retirement Plan		69,885,966	
			T O T A L		1,923,168,377 **	

*** Number of Shares held by Others decreased by 0.3% as of June 30, 2024 from the last Statement of Financial Position as of June 30, 2023.

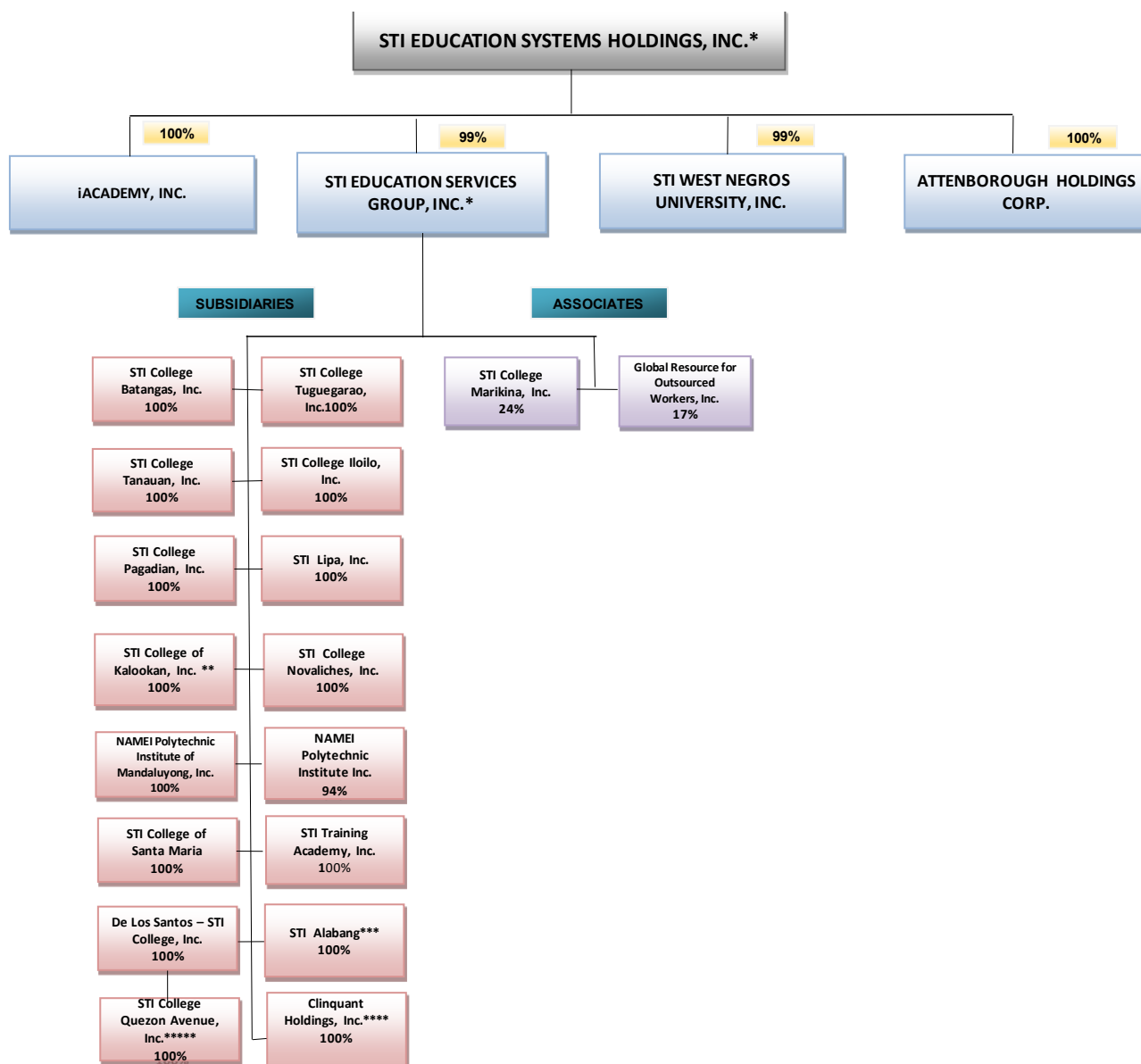
SCHEDULE H – RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
As of June 30, 2024
(Amount in Pesos)

STI EDUCATION SYSTEMS HOLDINGS, INC.
7/F STI Holdings Center
6764 Ayala Avenue
Makati City

Unappropriated Retained Earnings, beginning of reporting period	₱1,667,389,514
Add: Category A: Items that are directly credited to unappropriated retained earnings	–
Less: Category B: Items that are directly debited to unappropriated retained earnings - Dividend declaration during the period	297,144,208
Unappropriated Retained Earnings, as adjusted	1,370,245,306
Add: Net income for the current year	679,283,697
Less: Category C.1: Unrealized income recognized in profit or loss during the reporting period (net of tax)	–
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	–
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting (net of tax)	–
Sub-total	–
Adjusted Net Income	679,283,697
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	–
Add: Category E: Adjustments related to relief granted by the SEC and BSP	–
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution - Net movement in deferred tax liability on right-of-use assets	(1,072,147)
Sub-total	(1,072,147)
TOTAL RETAINED EARNINGS, END OF THE REPORTING PERIOD AVAILABLE FOR DIVIDEND DECLARATION	₱2,048,456,856

SCHEDULE I – MAP OF RELATIONSHIPS BETWEEN AND AMONG THE COMPANY
AND ITS ULTIMATE PARENT COMPANY, MIDDLE PARENT, SUBSIDIARIES OR
CO-SUBSIDIARIES, AND ASSOCIATES
June 30, 2024

STI EDUCATION SYSTEMS HOLDINGS, INC.
7/F STI Holdings Center
6764 Ayala Avenue
Makati City



* STI Education Services Group, Inc. owns 5% equity interest in STI Holdings as at June 30, 2024.

** A subsidiary of STI Education Services Group, Inc. through a management contract.

*** On March 16, 2023, STI ESG acquired 60% of the issued and outstanding capital stock of STI Alabang from the former franchisee. STI Alabang became a wholly-owned subsidiary of STI ESG as at March 31, 2023.

**** On June 20, 2024, STI ESG and TCAMI executed a deed of absolute sale for STI ESG's acquisition of 100% of the total issued and outstanding capital stock of CHI.

***** A wholly owned subsidiary of De Los Santos-STI College

SCHEDULE J – SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
June 30, 2024

STI EDUCATION SYSTEMS HOLDINGS, INC. AND SUBSIDIARIES

7/F STI Holdings Center
6764 Ayala Avenue
Makati City

	Formula	June 30, 2024	June 30, 2023
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	2.08	1.10
Acid test ratio	$\frac{\text{Current assets less inventories, prepayments, noncurrent asset held for sale \& equity instruments at FVPL}}{\text{Current liabilities}}$	1.31	0.70
Solvency ratios			
Debt-to-equity ratio	$\frac{\text{Total liabilities less unearned tuition \& other school fees}}{\text{Total equity}}$	0.44	0.62
Asset-to-equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	1.46	1.64
Interest coverage ratio	$\frac{\text{EBITDA for the last twelve months}}{\text{Interest due in the next twelve (12) months}}$	11.71	7.37
Return on equity	$\frac{\text{Annualized net income attributable to equity holders of the parent company}}{\text{Average equity attributable to equity holders of the parent company}}$	16%	10%
Return on assets	$\frac{\text{Annualized net income}}{\text{Average total assets}}$	11%	6%
Net profit margin	$\frac{\text{Net income after provision for income tax}}{\text{Total revenues}}$	34%	26%
Other ratios			
EBITDA margin	$\frac{\text{EBITDA}^*}{\text{Total revenues}}$	53%	48%
Debt service cover ratio	$\frac{\text{EBITDA for the last twelve months}}{\text{Total principal and interest due for the next twelve months}}$	2.86	0.60

**EBITDA is earnings before interest expense, interest income, provision for (benefit from) income tax, depreciation and amortization, gain on foreign exchange differences, equity in net losses (earnings) of associates and joint venture, fair value loss on equity instruments at FVPL and nonrecurring gains such as gain on early extinguishment of loan, gain on derecognition of contingent consideration, gain on settlement of receivables (net of provision for impairment of noncurrent asset held for sale), and income on rent concessions. Depreciation and interest expense for purposes of this computation exclude those related to ROU assets and lease liabilities, respectively.*

Transforming Lives Through Education



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About This Report

STI Education Systems Holdings, Inc. (STI Holdings or the Parent Company), through its subsidiaries STI Education Services Group, Inc. (STI ESG), STI West Negros University, Inc. (STI WNU), and iACADEMY, Inc. (iACADEMY), collectively referred to as the “Group,” has established its place as one of the leading institutions in innovative and relevant education that nurtures individuals to become competent and responsible members of society. Guided by its core values, the Group constantly improves the delivery of education to its students in pursuit of sustainable development.

This year’s report emphasizes the Group’s commitment to promote sustainable education in the midst of the evolving demands of the times. As the world began to usher in a new normal, the Group remained focused on its mission – innovating its learning delivery models while successfully adapting to the changes brought about by the global health crisis.

Moreover, this report has been prepared in compliance with Securities and Exchange Commission’s (SEC) Memorandum Circular No. 4, Sustainability Reporting Guidelines for Publicly-listed Companies, covering the period July 1, 2023 to June 30, 2024. The disclosures in this report do not cover franchise schools and include only STI ESG-owned schools, STI WNU, and iACADEMY, unless otherwise stated.

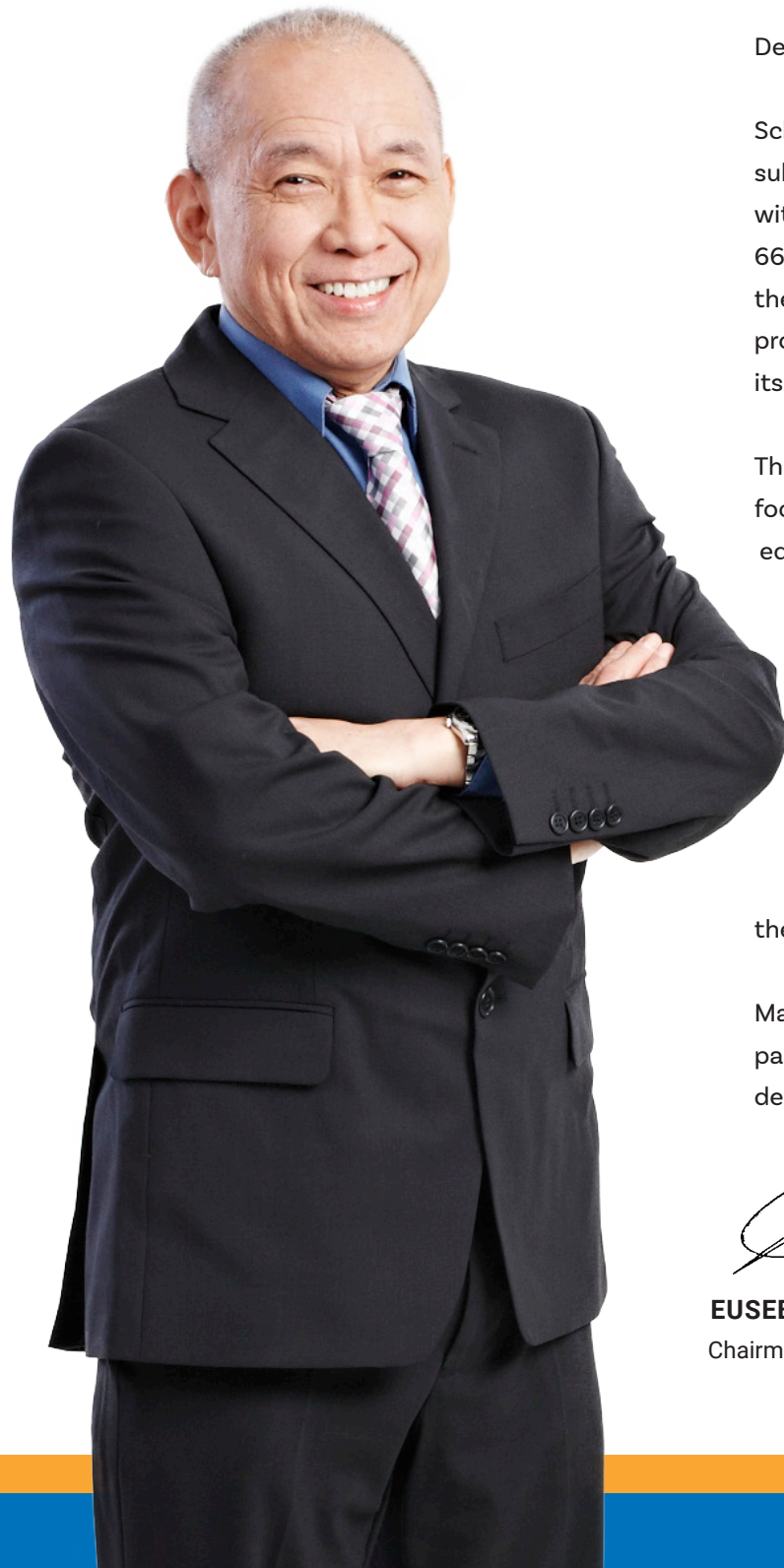
To better understand the Group’s sustainability plans, all stakeholders are encouraged to read this publication in conjunction with STI Holdings’ annual report as of and for the year ended June 30, 2024, which is available on the website www.stiholdings.com. This report was developed through the efforts of the STI Holdings’ Sustainability Core Team spearheaded by Cyril Cunanan, STI Compliance Officer. Readers may email info@stiholdings.com.ph for feedback and queries about this report.

Note on Forward-Looking Statements

This report may contain forward-looking statements that present the Group’s view of its risks and opportunities subject to the trends, projections, plans, and other information available as of the writing of the report. Statements describing the Group’s outlook do not present or guarantee the Group’s future performance. While the Group believes that the disclosures are reasonable, risks and uncertainties

beyond the Group’s control may impact the Group’s performance and outcomes may differ materially from those expressed or implied in this report. The Group does not assume any obligation to update forward-looking statements to reflect actual results, changes in assumptions, or changes in other factors which may affect these statements.

Message from the Chairman and President



Dear Fellow Stakeholders,

School Year 2023-2024 for STI Holdings and its subsidiaries (the “Group”) is marked by significant growth, with student population reaching almost 120,000 across 66 campuses nationwide. Likewise, iACADEMY, one of the Group’s subsidiaries, brought its game-changing programs to one of the country’s largest cities through its newly established Cebu Campus.

These milestones were achieved through the Group’s focus on providing quality, relevant, and inclusive education that aims to not only help its students gain industry-specific knowledge and skills but also mold them into individuals who would thrive in their chosen fields. Concurrently, the Group emphasized the development and implementation of experience-based curricula, and support activities under the Student Affairs and Services. The school faculty and students continued to produce Academic Research that are as timely as they are insightful.

Maintaining a healthy working environment remained paramount in the Group’s pursuit of meeting the evolving demands of its stakeholders. The Group endeavored to

EUSEBIO H. TANCO
Chairman, STI Holdings

attract and retain highly qualified employees while promoting diversity as well as equal opportunities across the institution. Additionally, the Group forged meaningful strategic partnerships that supported not only industry needs but also the different communities it serves.

The Group believes that transforming lives through education is rooted in ensuring the institution’s sustainability, that in turn necessitates change as it does stability. Seeing the increasing demand for entrepreneurship-related programs, STI Holdings has acquired and is now set to revitalize the Philippine School for Business Administration and restore it to its former glory as one of the top business schools in the country.

Contributing to the attainment of several United Nations Sustainable Development Goals – Good Health and Well-being, Quality Education, Gender Equality, Decent Work and Economic Growth, Peace, Justice and Strong Institutions – is a result of targeted and thoughtful efforts of members, partners and communities of the institution. Thus, the Group hopes to continue building on its legacy of innovation by staying attuned not only to market but also to societal needs in support of its vision of a vibrant future for all.

MONICO V. JACOB
President and Chief Executive Officer, STI Holdings



OUR ORGANIZATION





STI Education Systems Holdings, Inc. (STI Holdings)

STI Holdings is a leading education and investment corporation in the Philippines. It is recognized as one of the largest networks of schools in the country today. Its registered address and principal place of business is at the 7th Floor STI Holdings Center, 6764 Ayala Avenue, Makati City.

STI Holdings began in 1928 when Theo H. Davies and Co., a Hawaiian corporation, established a branch office in the Philippines. In 1946, Jardine-Matheson

group reincorporated the entity as a Philippine company. It was listed on the Philippine Stock Exchange on October 12, 1976. In March 2010, it became part of the Tanco Group of Companies. It is the holding company within the Tanco Group that drives investment in its education business. Today, it has investments in three large educational institutions – STI ESG, STI WNU and iACADEMY – and is also the owner of Attenborough Holdings Corporation (AHC).



STI Education Services Group, Inc. (STI ESG)

STI ESG is the largest subsidiary of STI Holdings. It was incorporated on June 2, 1983 and is involved in setting up, maintaining, and operating educational institutions to provide pre-elementary, elementary, secondary, and tertiary as well as post-graduate courses, post-secondary and lower tertiary non-degree programs.

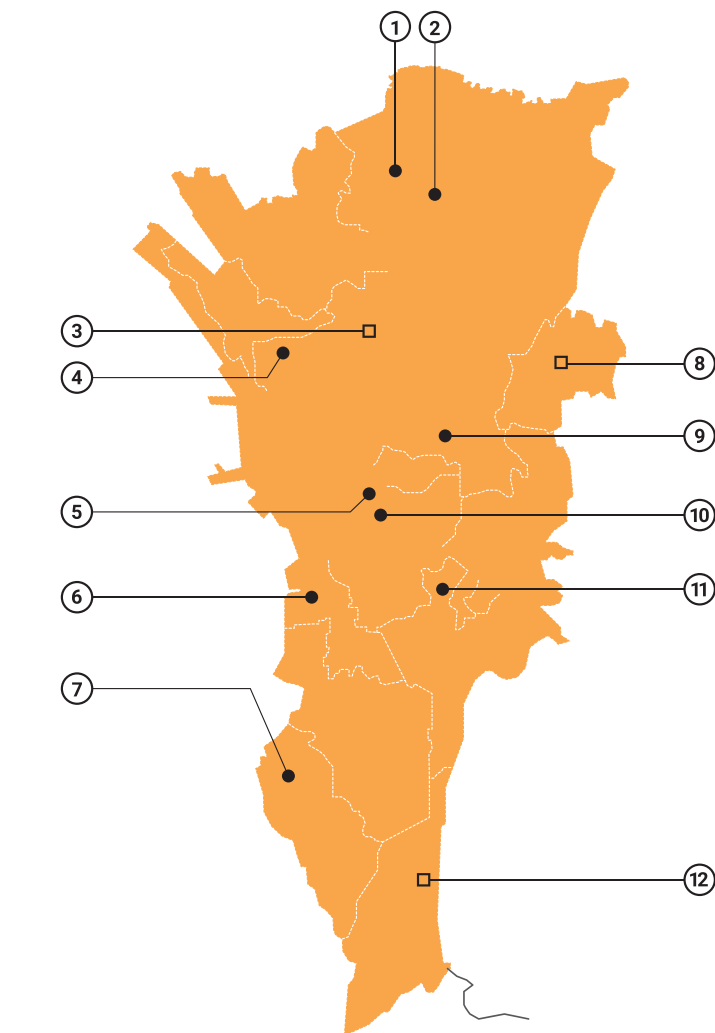
STI ESG began with the goal of training as many Filipinos as possible in computer programming and addressing the information technology (IT) education needs of the Philippines.

At present, STI ESG offers secondary and tertiary programs as well as post-graduate and associate programs. The colleges of STI ESG grant Associate Degrees and Baccalaureate Degrees and offer Technical Courses, and Vocational Courses in the fields of Information and Communications Technology (ICT), Business and Management, Hospitality Management, Tourism Management, Arts and Sciences, Engineering, and Education. These programs are accredited by the Commission on Higher Education (CHED) and/or the

Technical Education and Skills Development Authority (TESDA). Also accredited by TESDA, the education centers of STI ESG offer technical/vocational courses for computer programming, computer technology, multimedia arts, and office administration, among others. In addition, all schools in the STI ESG network have been issued permits by the Department of Education (DepEd) to offer Senior High School (SHS). Select schools in the STI ESG network were also granted permits by DepEd to offer Junior High School (JHS). STI ESG likewise obtained permits to offer Bachelor of Science in Psychology in SY 2022-2023 and Bachelor of Science in Criminology starting SY 2023-2024.

STI ESG, whose head office is located in Cainta, Rizal, has a network of sixty-three (63) schools spread across Luzon, Visayas, and Mindanao. It is comprised of sixty (60) STI-Branded Colleges and three (3) STI-Branded Education Centers. Of the total number of schools, thirty-six (36) colleges and one (1) education center are owned by STI ESG while twenty-four (24) colleges and two (2) education centers are operated by franchisees.

Map 1: STI Campuses in Metro Manila



● STI ESG HO-owned campuses
 □ STI ESG Franchises

Metro Manila

- | | |
|---------------|-----------------|
| 1. Novaliches | 8. Marikina |
| 2. Fairview | 9. Cubao |
| 3. Muñoz-EDSA | 10. NAMEI |
| 4. Caloocan | 11. Global City |
| 5. Sta. Mesa | 12. Alabang |
| 6. Pasay-EDSA | |
| 7. Las Piñas | |

Northern Luzon

13. Laoag
14. Vigan
15. Cauayan
16. Baguio
17. Alaminos
18. Dagupan
19. San Jose
20. Tarlac
21. Malolos
22. Balagtas
23. Meycauayan
24. Angeles
25. San Fernando
26. Baliuag
27. Sta. Maria
28. San Jose Del Monte

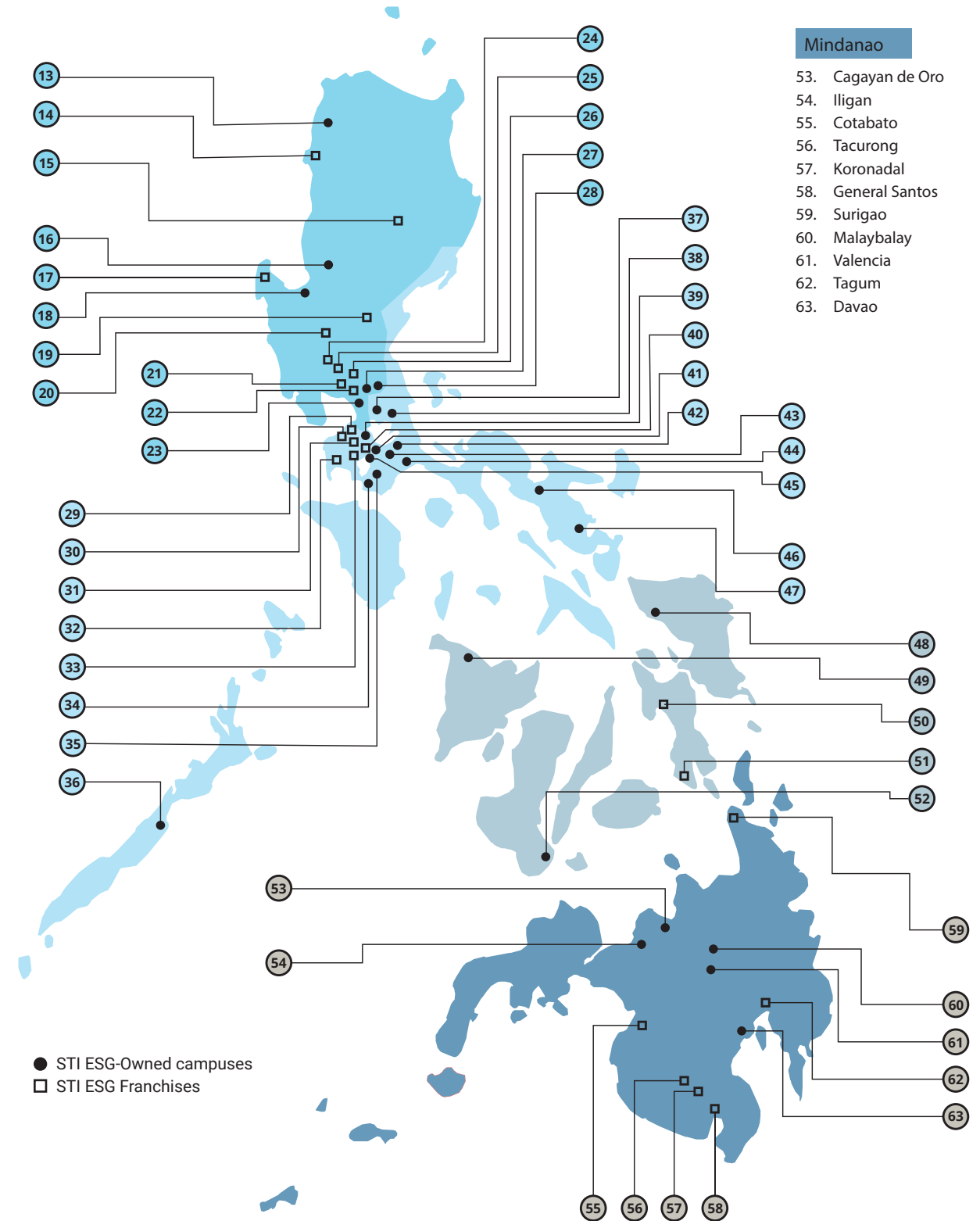
Southern Luzon

29. Bacoor
30. Rosario
31. Dasmariñas
32. Balayan
33. Tagaytay
34. Batangas
35. Lipa
36. Puerto Princesa
37. Ortigas-Cainta
38. Tanay
39. Carmona
40. Santa Rosa
41. Calamba
42. Sta. Cruz
43. San Pablo
44. Lucena
45. Tanauan
46. Naga
47. Legazpi

Visayas

48. Calbayog
49. Kalibo
50. Ormoc
51. Maasin
52. Dumaguete

Map 2: STI Campuses in Northern & Central Luzon, Southern Luzon, Visayas, and Mindanao



● STI ESG-Owned campuses
 □ STI ESG Franchises

Mindanao

53. Cagayan de Oro
54. Iligan
55. Cotabato
56. Tacurong
57. Koronadal
58. General Santos
59. Surigao
60. Malaybalay
61. Valencia
62. Tagum
63. Davao



STI West Negros University, Inc. (STI WNU)

STI WNU, a leading university in the City of Bacolod in Negros Occidental, offers a wide variety of programs and complements the courses offered by the Parent Company's other subsidiary, STI ESG. The University offers pre-elementary, elementary, secondary including SHS, tertiary and post-graduate courses.

STI WNU was founded by three Baptist women leaders on February 14, 1948 when the city was still reeling from the aftermath of the Second World War. The school, then West Negros College, first operated as a sectarian educational

institution offering six undergraduate programs that attracted 710 students handled by 33 faculty members. It has since gone through years of providing education that is responsive to the needs of the community and was granted the University Status by CHED in June 2008.

In October 2013, the Parent Company acquired majority ownership interest in STI WNU. Since then, STI WNU's facilities have been continuously upgraded, catering to up to 15,000 students.



iACADEMY, Inc. (iACADEMY)

iACADEMY is a premier school offering specialized programs in SHS and college that are centered on Computing, Business and Design. It is known for its strong industry partnerships and non-traditional programs such as Software Engineering, Game Development, Web Development, Real Estate Management, Animation, Multimedia Arts and Design, Fashion Design and Technology, Music Production and Sound Design, Film and Visual Effects, Data Science, and Cloud Computing. iACADEMY also offers programs in Accountancy, Marketing Management and Psychology.

iACADEMY has been providing 22 years of non-traditional, Game Changing education, pioneering specialized programs that are technology-focused, innovative and industry-relevant. iACADEMY was established in 2002 as a wholly-owned subsidiary of STI ESG. The school became a wholly-owned subsidiary of STI Holdings through acquisition on September 30, 2016. iACADEMY's Nexus campus, equipped with top-of-

the-line multimedia arts laboratories and computer suites, is located along Yakal St. in Makati City.

iACADEMY's success in its Makati Campus has triggered expansion plans. A major growth path is to bring the type of education that iACADEMY offers closer to people in other regions of the country. In 2022, iACADEMY started setting up its first regional campus in Cebu City. The campus is located in Cebu I.T. Park, the I.T. Capital of Cebu. iACADEMY Cebu held its unveiling and blessing ceremony on January 21, 2023. In its initial year of operation SY 2023-2024, program offerings included Bachelor of Science in Computer Science with major in Software Engineering (BSCS-SE), Bachelor of Science in Entertainment and Multimedia Computing with specialization in Game Development (BSEMC-GD), Bachelor of Science in Real Estate Management (BSREM), Bachelor of Arts in Animation (ABANI), and Bachelor of Arts in Multimedia Arts and Design (ABMAD).

SUSTAINABILITY AT STI

SUSTAINABILITY



Materiality

The Group aims to address all stakeholder concerns and attend to areas of its operations where it has the most material impacts. Following the guidelines and principles set by the SEC, the Group conducted its materiality assessment this year by examining external trends, global issues, and internal documents, in addition to addressing the key topics raised by its stakeholders. It considered the prevalent issues within the education sector by benchmarking against its peers, scanned media mentions related to the Group, assessed relevant publications of CHED, TESDA, and DepEd, checked advocacies of global non-governmental organizations related to education, and reviewed relevant internal policies and corporate strategies as well as the Group's social media posts to inform its materiality assessment process.

The Group carefully assessed the results and determined to include the following economic, environmental, social, and governance topics among its material sustainability topics.

Materiality Themes



System-wide Development

- Quality, Affordable and Inclusive Education
- Curriculum Development and Implementation
- Student Affairs and Services
- Academic Research



Social Commitment

- Employment
- Diversity and Inclusion
- Learning and Development
- Safety and Well-being
- Community Relations and Strategic Partnerships
- Customer Data and Privacy



Economic Value and Governance

- Economic Performance
- Procurement Practices
- Corporate Governance



Environmental Initiatives

- Energy and Emissions

United Nations Sustainable Development Goals (SDGs)



The UN SDGs highlight the extent of today's social, economic, environmental, and governance issues and have set clear goals that governments, private sectors, and civil societies should strive to achieve by 2030. Educational institutions, in this regard, play a vital role as they educate the youth on the importance of delivering these goals and values to society, and eventually achieve a better and more sustainable future for all.

The Group supports the principles of the SDGs and strives to maximize its contribution through the following activities, measures and strategies aligned with the various SDGs.

SDG 3: Good Health and Well-being

- Health insurance policy covering teachers and full-time administrative staff
- To protect the students, faculty, and other personnel's health and safety, the Group implemented comprehensive health and safety measures

SDG 4: Quality Education

- Scholarships or alternative form of financial assistance for over 20,000 students within the whole STI network (aligned with SDG target 4.5)
- Senior High School Qualified Voucher Recipients and beneficiaries of the Tertiary Education Subsidy and CHED-Tulong Dunong financial assistance aggregating to over 35,000 students
- Competitive program offerings that are industry and market-driven (aligned with SDG target 4.4)
- Career orientation and internship programs for senior high school and college students (aligned with SDG target 4.4)
- Centralized courseware development to ensure the standard delivery of courses across its network of schools
- Continuity of education amidst community quarantine using digital tools and online technology
- The Group provided trainings and webinars to its employees, with each receiving an average of 4 training hours (aligned with SDG targets 4.3, 4.4, and 4.5)

SDG 5: Gender Equality

- The Group's workforce consisted of 48% male and 52% female (aligned with SDG target 8.5)
- Equal employment opportunity (aligned with SDG target 8.5)

SDG 8: Decent Work and Economic Growth

- PhP1,042M paid to employees in the form of wages and benefits (aligned with SDG targets 8.1, 8.2)
- PhP211M paid in taxes to the government (aligned with SDG targets 8.1, 8.2)
- 98% of procurement budget spent on local suppliers (aligned with SDG targets 8.1, 8.2, 8.3)
- 1,928 new employee hires within the Group
- Over 23,000 skilled graduates contributing to the supply of human capital, not just across the country but also to the global industry (aligned with SDG targets 8.3, 8.5)

SDG 16: Peace, Justice, and Strong Institutions

- Compliance with laws, rules and regulations, policies, and standards of governing bodies covering the Group's operations

Stakeholder Engagement

The following stakeholders were identified based on influence, representation, contribution, responsibility, and dependency of the entities within the Group. For SY 2023-2024, the Group engaged with stakeholders through different online platforms and onsite interactions, especially with respect to changes in the learning delivery system and school operations.

STAKEHOLDER GROUP	FREQUENCY OF ENGAGEMENT	MODE OF ENGAGEMENT	KEY TOPICS RAISED	THE GROUP'S RESPONSE (REPORT REFERENCE)
Students	Regular basis	Combination of online and face-to-face orientation program, eLearning Management System (eLMS), webinars, social media	Programs or courses, school facilities, campus life, teaching, tuition fees, safety	Quality, Affordable and Inclusive Education, Curriculum Development & Implementation, Student Affairs & Services, Academic Research, Customer Data & Privacy
Faculty and Staff	Regular basis	Combination of online and face-to-face orientation program, combination of online and face-to-face trainings, social media, email	Working arrangement, trainings, career advancement, salary and benefits, health and safety	Academic Research, Employment, Learning & Development, Customer Data & Privacy, Diversity & Inclusion, and Safety & Well-being
Parents	Regular basis	Combination of online and face-to-face orientation program, eLMS, webinars, website, media articles, social media	Quality of education, school facilities, teaching, grades, tuition fees, safety	Quality, Affordable and Inclusive Education, Curriculum Development & Implementation, Student Affairs & Services, Academic Research, Customer Data & Privacy
Alumni	Annual or as required	Combination of online and onsite career fairs, webinars, website, social media	Employment	Student Affairs & Services, Community Relations & Strategic Partnerships, Customer Data & Privacy
Board of Directors	Quarterly or as needed	Board meetings	Plans and strategies, risks, results of operations	Economic Performance, Corporate Governance, Diversity & Inclusion
Stockholders and Investors	Quarterly, Annual, or as needed	Annual stockholders' meeting, reports, website, media articles	Overall performance of STI Holdings, results of operations, company updates	Economic Performance
Industry Partners	As required	Meetings, webinars, trainings, website, media articles, social media	Collaboration opportunities, curriculum design, graduates, employment, combination of virtual and onsite on-the-job training	Community Relations & Strategic Partnerships
Regulators	Monthly or as needed	Meetings, online workshops, online seminars	Collaboration opportunities, access to education, curriculum, compliance requirements	Curriculum Development & Implementation, Economic Performance, Governance, Energy & Emissions, Customer Data & Privacy
Suppliers and Service Providers	As needed	Bidding process, meetings, email	Quotation and estimates, production and delivery, progress, completion	Procurement Practices
Local Community	As required	Website, media articles, social media	Community engagement, safety	Community Relations & Strategic Partnerships

The Group collaborates with various stakeholders for compliance, strategy, information, and involvement. Stakeholders are engaged through a variety of ways, including direct dialogue, surveys, meetings or forums, social media, and sharing of information. The frequency and nature of the engagement likewise vary depending on the need and/or issues encountered.

Governance

The Group adheres to the principles and practices of good corporate governance and conducts its business in accordance with the highest level of accountability, transparency, and integrity.



Eusebio H. Tanco
Chairman of the Board



Monico V. Jacob
President and Chief Executive Officer



Joseph Augustin L. Tanco
Vice President, Investor Relations



Maria Vanessa Rose L. Tanco
Director



Paolo Martin O. Bautista
Vice President and Chief Investment and Risk Officer



Martin K. Tanco
Director



Jesli A. Lapus
Director



Robert G. Vergara
Independent Director



Ma. Leonora V. De Jesus
Independent Director



Raymond Anthony N. Alimurung
Independent Director



Justice Antonio T. Carpio (Ret.)
Independent Director



Atty. Arsenio C. Cabrera, Jr.
Corporate Secretary and Corporate Information Officer



Yolanda M. Bautista
Treasurer and Chief Finance Officer

Corporate Governance

The Board of Directors (BOD) and Management of STI Holdings believe that corporate governance is a necessary component of what constitutes sound strategic business management and therefore undertake every effort necessary to create awareness within the organization.

The current BOD is composed of the Chairman, the President and Chief Executive Officer, the Vice President for Investor Relations, the Vice President and Chief Investment and Risk Officer, and seven other Board members which include four independent directors. The current Executive Committee appointed by the BOD consists of the Chairman, the President and Chief Executive Officer, the Treasurer, and one Board member.

The Corporate Secretary is responsible for the safekeeping and preservation of the integrity of all documents, records and information essential to the conduct of his/her duties and responsibilities to the Parent Company as set out in the By-Laws.

The Parent Company exerts all efforts to further strengthen compliance to principles and practices of good corporate governance through the organization of corporate governance seminars and use of various assessment tools.

Ethics and Transparency

To further strengthen and integrate sustainability into the DNA of the business, STI Holdings and all its subsidiaries remain committed to ensuring that all employees conduct business in a responsible and ethical manner. The Code of Discipline and Ethics was developed to promulgate the Group's integrity as a reputable and honest organization, establishing and maintaining the trust and confidence of the employees, board of directors, and all stakeholders as they adhere to the highest

moral and ethical standards while still directly or indirectly associated with the organization.

The Group's Code of Discipline and Ethics seeks to ensure transparency and fairness in all dealings with stakeholders and the public by establishing policies and due process regarding whistle-blowing, conflict of interest, insider trading policy, and related party transactions.

GOVERNANCE STRUCTURE AS OF JUNE 30, 2024

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

Eusebio H. Tanco Chairman of the Board	Maria Vanessa Rose L. Tanco Director	Raymond Anthony N. Alimurung Independent Director
Monico V. Jacob President and Chief Executive Officer	Martin K. Tanco Director	Justice Antonio T. Carpio (Ret.) Independent Director
Joseph Augustin L. Tanco Vice President, Investor Relations	Jesli A. Lapus Director	Atty. Arsenio C. Cabrera, Jr. Corporate Secretary and Corporate Information Officer
Paolo Martin O. Bautista Vice President and Chief Investment and Risk Officer	Robert G. Vergara Independent Director	Yolanda M. Bautista Treasurer and Chief Finance Officer
	Ma. Leonora V. De Jesus Independent Director	

The Board of Directors has the highest mandate in governance matters and in the management of the business of the Parent Company. It is the responsibility of the Board to foster the success of the Parent Company and secure its sustained competitiveness in a manner consistent with its fiduciary duty, and to promote and adhere to the principles and best practices of Corporate Governance.



EXECUTIVE COMMITTEE

Eusebio H. Tanco – Chairman
Monico V. Jacob
Yolanda M. Bautista
Martin K. Tanco

The Executive Committee has and may exercise all the powers which may be lawfully delegated, subject to such limitations as may be provided by resolution of the Board.



CORPORATE GOVERNANCE COMMITTEE

Justice Antonio T. Carpio (Ret.) – Chairman
Ma. Leonora V. De Jesus
Raymond Anthony N. Alimurung

The Corporate Governance Committee assists the Board of the Parent Company in the fulfillment of its corporate governance responsibilities in accordance with all applicable laws, rules and regulations.



AUDIT and RISK COMMITTEE

Robert G. Vergara – Chairman
 Jesli A. Lopus
 Martin K. Tanco
 Ma. Leonora V. De Jesus
 Raymond Anthony N. Alimurung

The Audit and Risk Committee assists the Board in overseeing the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules, and regulations. It also ensures that there is an effective and integrated enterprise risk management (ERM) program in place.



RELATED PARTY TRANSACTIONS COMMITTEE

Ma. Leonora V. De Jesus – Chairwoman
 Robert G. Vergara
 Jesli A. Lopus
 Raymond Anthony N. Alimurung
 Justice Antonio T. Carpio (Ret.)

The Related Party Transactions Committee reviews all material related party transactions of the Parent Company and ensures that said transactions are conducted at arms' length.

Educational Philosophy

The Group strongly promotes the learner-centered approach as its paradigm for teaching and learning. Hence, every student is nurtured holistically through technology-enhanced, student-centered active learning. The Group strives to provide innovative and relevant education that nurtures students to become competent and responsible members of society.

Risk Management

The Group adopts what it considers conservative financial and operational controls and policies to manage its business risks. The Group regularly conducts market studies and analyzes trends and uncertainties to determine the needs of the industry and the market. The Group likewise maintains business strategies and plans to sustain growth and competitive advantage.

Risk Management is crucial for STI and its stakeholders, including students, parents, alumni, board members, investors, and local communities, as it ensures the identification, assessment, and mitigation of potential threats that could adversely affect the institution's operations, reputation, and financial stability. Effective risk management fosters a secure and conducive learning environment while maximizing stakeholder trust and engagement. Again, inadequate risk management can lead to significant negative effects, such as financial losses, deterioration of reputation, and decreased stakeholder confidence, ultimately jeopardizing the institution's sustainability and mission. Thus, a robust risk management framework not only enhances STI's resilience but also contributes to the overall well-being of its diverse stakeholder ecosystem.

The Board, through the Audit and Risk Committee, sets the framework and guidelines in the performance of its oversight responsibility over financial reporting process, systems for internal control, audit processes, and compliance monitoring,

to laws and regulations and reviews the reports submitted by compliance, internal and external auditors.

The organization has developed a multi-level control guideline to supplement the grievance mechanism for the STI Group. From The Code of Business Conduct and Ethics to Whistleblowing Policies, this collection of guidelines enables the company to handle grievances and safeguards each employee to be able to voice concerns and supports the company to manage incidents in an effective and constructive way.

The Board, through its different committees such as the Corporate Governance and the Audit and Risk Committee, sets the framework and guidelines in the performance of its oversight responsibility over the company's sustainability, prioritizing equally the environment, its social responsibility and the overall health, not only of the people within the company, but to the community that STI serves.

Collectively, different teams within the company develop and perform their respective duties for STI's sustainability, especially with activities fulfilled with the students and their communities. Nationwide, the company and all of the schools have been active in performing duties related to STI's responsibility over sustainability, society and environment.



PERFORMANCE HIGHLIGHTS AND INITIATIVES

SSAI

SYSTEM-WIDE DEVELOPMENT

The educational entities in the Group endeavor to transform lives through education, empower the students to reach their full potential, provide opportunities for social inclusion, and look forward to a society where individuals can use their abilities, experience, and talents to make a positive difference.

Quality, Affordable, and Inclusive Education

The Group firmly believes that education is the best investment that a student can make for his or her future and therefore remains committed to providing quality and affordable education to its students, so that they can be competitive in the global economy.

To ensure the delivery of Quality, Affordable and Inclusive Education, the Group focuses on establishing a robust learning delivery system that builds strong industry partnerships and anticipates and responds to new trends by constantly exploring possible new courses and programs that are needed by the industry. The Group is committed to continuously enhancing the educational experience of its students by ensuring that its campuses are equipped with industry-grade simulation laboratories, spacious classrooms, and top-of-the-line recreational facilities.

The Group is resolute in fostering an environment where deserving students, regardless of their financial standing, have the opportunity to pursue and attain quality education. Sources of funding for scholarships include the public and private sectors, non-profit organizations, and school-initiated scholarship grants. Also, to further support its students, the Group partnered with other institutions and provided discounts to students for SY 2023-2024.

The Group accepts students with Tertiary Education Subsidy (TES), CHED-Tulong Dunong financial assistance,

and Senior High School DepEd Vouchers. At the same time, the Group also provides scholarship grants to academically deserving students, siblings of existing students, dependents of employees and/or alumni, and varsity players, among others. Additionally, the Group offers tuition installment plans to facilitate a more affordable payment scheme.

Scholarships and financial assistance programs are pivotal in the Group's commitment to bridge gaps and foster an inclusive educational landscape. The array of scholarships, including those from partner private institutions, exemplifies the institution's unwavering dedication to providing accessible, high-quality education for everyone.

Recognizing that learners have diverse needs and characteristics, the Group aims to increase access of all students to education and eliminate discrimination in the learning environment. The Group acknowledges and respects the diverse gender identities of students and strongly encourages its campuses to help reduce stigma and potential instances of bullying or harassment, therefore fostering a safer space for all students.

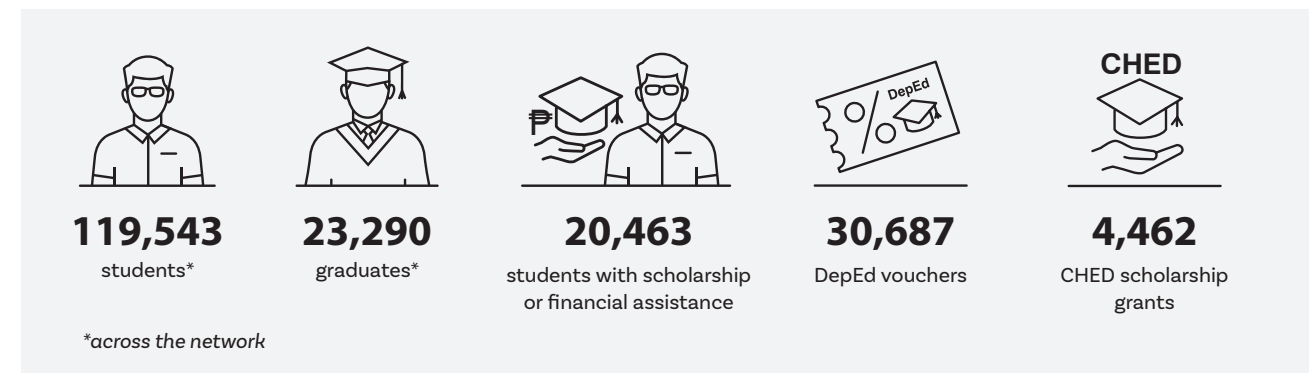
The schools allow gender-affirming uniforms for LGBTQIA+ students to express their gender identity in a way that aligns with their authentic selves, promotes a positive self-image, and reduces feeling of dysphoria. Gender-inclusive

restrooms are also being established to promote a sense of dignity and hopefully reduce the risk of harassment that LGBTQIA+ students may feel when faced with using restrooms that do not align with their gender identity.

The Group also provides an opportunity to educate students, parents, and staff about LGBTQIA+ identities and issues and consequently foster empathy, understanding, and respect. It tangibly supports the mental, emotional,

and social well-being of LGBTQIA+ students, enabling them to fully participate in their educational journey. This approach helps create a more equitable and respectful learning environment for all students, promoting empathy and understanding among the broader student body and staff. These policies also send a powerful message about STI's commitment to diversity and inclusion, promoting a culture of acceptance among all students, and a safe space for all.

2024 Performance



The Group monitors the retention rate and migration rate in each subsidiary. Retention rate is above 98% while migration rate is above 92% for the schools in SY 2023-2024.

* Retention rate refers to the percentage of students that are able to complete the semester
 ** Migration rate refers to the percentage of students that continue from the previous semester

Enrollment

Group-wide enrollment increased to 119,543 students in SY 2023-2024 from the registered enrollment of 94,312 students in SY 2022-2023. The 27% improvement was bolstered by the robust increase of 25% in enrollment of students in CHED-regulated programs in the same period.

Curriculum Development and Implementation

As an educational institution, the Group provides all the necessary resources to be able to develop relevant and accurate learning materials to produce competent graduates.

The development and execution of curricula play a vital role in elevating the students' educational training, enhancing their performance in the licensure exams, improving the work competence and employability of graduates, expanding the professional development opportunities for the teaching personnel, and producing qualified and competent graduates that fit the needs of the industry. The Group ensures that its curriculum is highly responsive to the present and future needs of the market by regularly reviewing and updating its current curriculum or existing programs, strands, and course offerings.

STI ESG's curriculum development, as an integral component of the learning delivery system, complies with the ISO 9001:2015 standards, a certification awarded by TÜV Rheinland Philippines, Inc. STI ESG goes a step further by designing course materials that incorporate engaging activities, all of which guide students towards achieving the STI 4Cs – character, adaptability to change, effective communication, and critical thinking. These are the essential skills and qualities highly sought after by leading industries across the globe.

STI WNU consistently pursues recertification from the Private Educational Assistance Committee (PEAC) and accreditation from the Philippine Association of Colleges and Universities Commission on Accreditation (PACUCOA) as part of its ongoing commitment to maintaining educational quality and meeting regulatory standards. The University has also been awarded by DNV AS Philippines

the ISO 9001:2015 certification for quality management system and ISO 9001:2018 certification for organization management system. STI WNU has set and follows guidelines in the conduct of curriculum review, evaluation, development and revision. This ensures full compliance with the standards set by the CHED, PACUCOA, DepED and other governmental and private accrediting and regulatory agencies.

In iACADEMY, relevant documents were created, and corresponding success metrics and accountabilities were identified to ensure a smooth approach, proper resource allocation, and planned risk management. These documents include a program for continuous quality improvement framework and a curriculum review manual that outlines the curriculum review process, the people involved, and the evaluation instrument. Regular checkpoints to monitor progress and maintain quality are conducted.

The Group is dedicated to the development and maintenance of curricula that adhere to the guidelines set forth by various regulatory bodies, including DepEd, CHED, and TESDA. The Group likewise ensures that all course materials are well-suited for online learning and are aligned with Outcome-based Education (OBE) principles and complete with assessment tools, rubrics, and performance tasks. Furthermore, the Group forges partnerships with a range of organizations to offer student certifications and facilitate on-the-job training and practicum experiences. The Group also fosters strong connections and partnerships with industry leaders and employers to make sure that its students have updated curricula suited to the market demand and are equipped with marketable skills.

STI ESG Programs

Basic Education

- Junior High School (Grades 7 to 10)*

Senior High School

Academic Track

- Accountancy, Business and Management
- Humanities and Social Sciences
- Science, Technology, Engineering, and Mathematics
- General Academic Strand

Technical-Vocational-Livelihood Track

- ICT Strand with specializations in:
 - Computer Programming
 - Animation
 - Illustration
 - Computer Systems Servicing
- Home Economics Strand with specializations in:
 - Commercial Cooking
 - Cookery
 - Bartending
 - Food and Beverage Services
 - Bread and Pastry Production
 - Local Guiding Services
 - Travel Services
 - Tourism Promotions Services
 - Front Office Services
- Industrial Arts Strand with specialization in:
 - Electronic Products Assembly and Servicing

Tertiary

- BS in Information Systems
- BS in Computer Science
- BS in Information Technology
- BS in Accountancy
- BS in Management Accounting
- BS in Accounting Information System
- BS in Business Administration major in Operations Management
- BS in Retail Technology and Consumer Science
- BS in Hospitality Management
- BS in Culinary Management
- BS in Tourism Management
- BS in Computer Engineering
- BA in Communication
- BA in Psychology*
- Bachelor of Multimedia Arts

- BS in Criminology*
- BS in Marine Engineering**
- BS in Marine Transportation**
- BS in Naval Architecture and Marine Engineering**
- 3-year Hotel and Restaurant Administration
- 2-year Information Technology Program
- 2-year Associate in Computer Technology
- 2-year Hospitality and Restaurant Services
- 2-year Tourism and Events Management
- 2-year Associate in Retail Technology

*These programs are offered to students in select STI campuses.
 **These maritime programs are offered only to students of NAMEI Polytechnic College, Inc.



STI WNU Programs

Basic Education

- Pre-Elementary (Nursery, Kinder 1 and Kinder 2)
- Elementary (Grades 1 to 6)
- Junior High School (Grades 7 to 10)

Senior High School

Academic Track

- Accountancy, Business and Management
- Humanities and Social Sciences
- Science, Technology, Engineering, and Mathematics

Technical-Vocational Livelihood Track

- Maritime Specialization Strand
- ICT Strand
- Home Economics Strand

Tertiary

- BS in Hospitality Management
- BS in Tourism Management
- BS in Criminology
- BS in Information Technology
- BS in Computer Science
- BS in Accountancy
- BS in Business Administration major in Marketing Management

- BS in Business Administration major in Financial Management
- BS in Management Accounting
- BS in Retail Technology and Consumer Science
- Bachelor of Early Childhood Education
- Bachelor of Physical Education
- Bachelor of Secondary Education major in English and Filipino
- Bachelor of Elementary Education
- Teacher Certificate Program
- BS in Psychology
- BS in Mathematics
- BA in Communication
- BA in English Language
- BS in Electrical Engineering
- BS in Civil Engineering
- BS in Mechanical Engineering

School of Graduate Studies (SGS)

- Doctor of Philosophy in Educational Management
- Doctor in Public Administration
- Doctor in Business Administration
- Master of Arts in Education
- Master in Business Administration
- Master in Public Administration

iACADEMY Programs

Senior High School

Academic Track

- Accountancy, Business and Management
- Humanities and Social Sciences
- Science, Technology, Engineering, and Mathematics (Robotics)

Technical-Vocational-Livelihood Track

- ICT Strand with specializations in:
 - Computer Programming (Software Development)
 - Animation
 - Mobile App Development
 - Graphic Illustration
- Home Economics Strand with specialization in:
 - Fashion Design

Arts and Design Track

- Media and Visual Arts (Multimedia Arts)
- Music (Audio Production)

Senior High School (Homeschool Program)

Academic Track

- Accountancy, Business and Management

Technical-Vocational Track

- ICT Strand with specialization in:
 - Animation

Arts and Design Track

- Multimedia Arts

Tertiary

School of Computing

- BS in Computer Science (Software Engineering)*
- BS in Computer Science (Cloud Computing)
- BS in Computer Science (Data Science)
- BS in Entertainment and Multimedia Computing (Game Development)*
- BS in Information Technology (Web Development)

School of Business and Liberal Arts

- BS in Business Administration major in Marketing Management
- BS in Business Administration major in eManagement
- BS in Real Estate Management*
- BA in Psychology
- BS in Accountancy

School of Design

- BS in Animation**
- BA in Multimedia Arts and Design*
- BA in Fashion Design and Technology
- BA in Film and Visual Effects
- BA in Music Production and Sound Design

* Also offered at the Cebu campus

** Offered as BA in Animation at the Cebu campus

Accreditations

STI ESG's Learning Delivery System (LDS) was awarded by the ISO certifying body TÜV Rheinland Philippines, Inc. with the ISO 9001:2008 certification on February 5, 2015 and the ISO 9001:2015 certification on February 5, 2018. STI ESG maintained its certification and was lauded by the ISO certifying body TÜV Rheinland Philippines, Inc. during its recertification audit on December 5, 2023 for inclusivity in the workplace and various awards and recognition received such as World Education Summit Excellence in Industry Academia, Huawei Best Academy, Silver Anvil Awards for the Student's Career Opportunity and Personality Evaluator (SCOPE) and the STI Official Facebook Page, and the STI SCOPE as a finalist in the PANATA Awards 2022.

The LDS covers courseware development, faculty training and certification, student development program, and job placement assistance. The ISO certification ensures that STI ESG's LDS is relevant, responsive, and learner-centered with a strong focus on continual improvement and quality assurance.

As part of the Institution's commitment to continuous improvement, STI WNU attained ISO 9001:2015 (Quality Management System) certification from DNV GL Philippines on March 2 to 3, 2023, and moreover proved its ongoing dedication to excellence by obtaining ISO 21001:2018 (Educational Organizations Management System) certification on May 16, 2023, just nearly 2 weeks after receiving its first certification.

During the 50th Founding Year Anniversary of the Philippine Association of Colleges and Universities Commission on Accreditation (PACUCOA) and 34th Annual General Assembly, held at Radisson Blu Hotel, Cebu City on December 1, 2023, the University was awarded as the Institution with the highest number of accredited programs in Region VI (with 11 accredited programs) and two special awards as the First Doctor of Philosophy in Educational Management program to have been granted Level III Reaccredited Status in Region VI and the Institution

which was certified under ISO 21001:2018 - Educational Organization Management System (EOMS).

In February 2024, the Philippine Association of Colleges and Universities Commission on Accreditation (PACUCOA) granted the Bachelor of Sciences in Criminology as Level III, and the nine (9) programs as Candidate Status namely: BS Accountancy, BS Management Accounting, BS Tourism Management, BS Computer Science, BS Mathematics, BS Mechanical Engineering, BS Electrical Engineering, Doctor in Public Administration, and Master in Business Administration.

Program accreditation and international certifications contribute towards the attainment of CHED Autonomous status. Autonomous schools have the freedom to open new programs without securing prior approval from CHED; priority in the grant of subsidies and other financial incentives from CHED; and exemption from regular CHED monitoring and evaluation and issuance of Special Order for their graduates, among other benefits.

On September 16, 2024, CHED granted Autonomous status to the University by virtue of CHED Memo No. 7 Series of 2024.

STI WNU secured the second spot among the universities in Bacolod City, as revealed in the latest release by Edu Rank on February 29, 2024. In the national rankings, STI WNU has climbed from the 204th position to the 193rd spot. Edu Rank assesses universities based on research outputs, non-academic prominence, and alumni influence.

In addition, the Computer Science program of iACADEMY was granted Level I Formal Accredited Status for the period July 2021 to July 2024 by the PACUCOA on July 3, 2022. iACADEMY'S Bachelor of Science in Business Administration program underwent the preliminary visit for candidacy level accreditation on July 4 to 5, 2023 with the PACUCOA.

Student Affairs and Services

The Group believes that students should be given the opportunity to harness their educational aspirations and unlock their full potential through holistic development experiences within the school. Students will further enhance their learning experience by engaging with peers in informal settings, cultivating a collaborative and supportive environment which nurtures personal development and also cultivates a profound sense of community. Hence, the Group provides students with an educational journey that goes beyond the confines of traditional classrooms involving a holistic approach that includes social interaction, career guidance, and participation in various advocacies.

To help foster a positive and conducive environment for students and prepare the students for success in real life challenges, the Group conducts student assessments to design activities that align with the students' individual passions. It also employs diverse student-centered programs and whole-of-school approach tailored to different age groups, grade levels, and skill levels. Additionally, the Group invests in professional development to equip its guidance counseling and student affairs personnel with the essential skills and knowledge required to effectively support students and implement network-wide programs.

Among the Group's initiatives under Student Affairs and Services were as follows:

STI ESG

Career Planning Program (CPP)

The Career Planning Program (CPP) is a six-stage program comprised of activities intended to help senior high school students explore and evaluate various career options. Through the CPP, students are carefully guided in making well-informed educational and career decisions. In SY 2023-2024, 6,662 students participated in the program.

RACE Against Suicide Training - Training of Trainers and Roll-out

In partnership with the UNILAB Foundation through its the mental health and well-being pillar Heads Up PH, STI ESG successfully conducted the RACE Against Suicide Training of Trainers from December 19 to 20, 2023 at the STI Academic Center Ortigas-Cainta.

The RACE Against Suicide Training initiative is designed to equip educators with the necessary skills and knowledge to identify and address warning signs of suicide among

students. This evidence-based mental health intervention program is tailored specifically for teachers and other school personnel who play a crucial role in the holistic development of students.

The training is set in two phases: first, the concluded "Training of Trainers" headed by Dr. Sophia Mendoza, RGC, RPh wherein she shared her expertise with the registered guidance counselors and licensed psychometricians of



various STI College campuses; secondly, its ripple effect in equipping teaching staff and non-teaching with mental health first aid skills to identify and support the students, the most noteworthy aspect of this program.

This project aims to empower school staff and those in the academe with tools that will contribute to the holistic well-being of the student body, placing a strong emphasis on mental health. As of June 26, 2024, the institution has successfully rolled out the RACE Against Suicide Gatekeepers' Toolkit training to 12 campuses, training a total of 627 faculty and staff members.

The partnership between STI ESG and Unilab Foundation reflects a united approach to tackling mental health challenges in schools. With training continuing through SY 2024-2025, STI aims to complete the training roll-out to 51 STI local schools.

Mindscales Program

Student Development Welfare (SDW) partnered with PhilCare and availed of its Mindscales program in SY 2023-2024. In this program, students are given a chance to take a mental health assessment to measure their stress, anxiety and depression levels. Those who will score high risk in the overall results will be given a choice to see a mental health professional from PhilCare for a maximum of 3 consultations. Students will also be monitored by their assigned Guidance Associate.

SDW likewise conducted a training program for guidance personnel from July 12 to 13, 2023. The training aimed to equip the 54 participants with the necessary competencies in providing social emotional support to students in the areas of gender sensitivity and suicide awareness and prevention. The trainees were also oriented on how to use the Mindscales platform to assist identified students with mental health concerns in gaining access to licensed mental health professionals.

Guidance and Counseling Office (GCO)

Services Daily Log

GCO aims to streamline the process of documentation and monitoring the services it renders to students. The template records all the necessary information that would assist the guidance personnel in rendering services. Initially launched as an online guidance service through the Campus Helpdesk, it has transitioned to in-person consultations for SY 2023-2024. During this school year, the guidance offices nationwide logged a total of 11,475 sessions with its stakeholders.

National Youth Convention (NYC)

The 25th National Youth Convention (NYC) made its much-anticipated return in 2024. With the theme "VIBESHIFT: FIND YOUR MEANING," the convention delved into the depths of self-discovery, embracing uniqueness, amplifying passion, and uncovering meaningful impact. The NYC kicked off on February 21, 2024 in San Fernando, Pampanga and had key stops in Naga, South Luzon, Bacolod, Cagayan de Oro, Davao, Metro Manila, and Baguio from February to June 2024. There were 33,402 students who participated in the NYC all throughout the eight legs.





SHS Expo

STI ESG's iLearn and Share (iLS) is an exhibition of performance tasks in which senior high school students are assessed based on their products and/or performance. The performance tasks are proof of how well they understood and learned the task. Students can then apply their learnings to real-life situations and these are showcased through the SHS Expo.

Open to the local community and industry practitioners, SHS students set up booths to demonstrate their final projects. Some of the notable projects are from STI College Carmona and STI College Calamba. A group of students from STI College Carmona presented a voice recognition and control device that allows users to operate in-door lighting and fixtures. Meanwhile, STI College Calamba students were recognized by the Department of Tourism for creating a technology that functions similarly to Google Maps but gives additional information on local tourist attractions.

College Fair and Symposium

For SY 2023-2024, the College Fair and Symposium was conducted as an in-campus activity where students from different programs showcased their projects and research outputs to their mentors, esteemed faculty members, fellow students, and guests from various industry sectors and companies.

Talent Search

One of the much-awaited student competitions that marked its return during SY 2022-2023 is the Talent Search that aims to uncover the innate talent of STIers nationwide – from singers and musicians to dancers and up-and-coming models. All STI campuses nationwide send a total of over 100 contestants to compete in nine regional sites before advancing to the National Finals in events such as the STI Singing Idol competition, Battle of the Bands, Hataw Sayaw Dance competition, and the search for Mr. and Ms. STI. Since 2016, the talent search

has been streamed live on the STI Official Facebook Fan Page, making it more accessible to STI students nationwide. For SY 2023-2024, the national level was held at the Enchanted Kingdom in Sta. Rosa, Laguna on January 25, 2024. From 3,433 students who competed in the local school level, 116 students remained and competed for the coveted national championship titles.

Tagisan ng Talino (TNT)

The TNT is an annual academic competition that tests the competencies of students on impromptu speech, essay writing, mobile app development, cooking, cake and table design, flairtending, tour guiding, and general knowledge. Over the years, specific competitions comprising the TNT

have been enhanced to ensure that the competitions' objectives are met. In SY 2023-2024, there were 6,188 students who participated in nine competitions in the local school level and 120 students who competed for the national championship titles.

Tagisan ng Sining (TNS)

The TNS is an annual competition that aims to challenge the students' artistry, creativity, and originality in the field of photography and music video making. In SY 2023-2024, a total of 1,396 students eagerly joined the local school level competition while 236 students eventually competed at the national screening level.





iACADEMY Foundation Celebration: 22 Years of Game Changing Education

As iACADEMY celebrated its 22nd Foundation Anniversary, the theme is about how it has been changing the academic landscape for 22 years. With the collaboration among the student organizations, academics team and various departments, different activities were organized

to promote school spirit, showcase different talents and strengthen the spirit of family in school. Some of the major activities that aimed to foster connection between students and the institution were the Kick-Off Opening Concert, Nexus Genius, LogiHy Talk Fun Student Org Booths, iGAMES Exhibition Games and the Real Life Squid Game, wherein students had to perform various challenges with one student winning Php 22,000.00.

Workshops such as the Rockstar Workshop conducted by experts provided students an avenue to enhance their skills and interact with like-minded individuals.

The Futurescope Fun Booth and the iGAMES Exhibition fostered a sense of community among students outside of a strictly academic setting, which can improve interpersonal skills, build friendships, and promote collaboration.

Academic Research

As the foundation of knowledge, academic research opens discourse on certain issues or topics currently prevalent in society such as cultural norms, health, education, and technology. This consequently leads to the development of new ideas, methods, or technology.

STI ESG focuses on research-based strategies to improve classroom teaching and learning. Through the Faculty Development Group, faculty members go through various trainings that will equip them with the necessary skills to do research, improve their teaching process, and provide the much-needed support and guidance for mental health concerns among teachers.

STI WNU is likewise dedicated to advancing and facilitating high standards of research practice and dissemination within and beyond the walls of the University. It is committed to creating a responsive research environment charged with generating new knowledge that will upgrade the teaching-learning standards through relevant research agenda. In line with this, the University has international linkages with Asian University Digital Resource Network (AUDRN) and German Development Cooperation (GIZ).

iACADEMY, through the Office of Research and Development (ORD), envisions itself to be one of the research centers within the region – a center that specializes in innovative research and creative studies in the field of computing, business, liberal

arts, design, the arts, and as an educational institution. Considering these, iACADEMY ORD curated various mechanisms to harness and develop the mindset and culture of academic research and excellence among the students, employees, and other stakeholders of the institution.

The following are research papers and creative output from some of the faculty members and students within the Group, a number of which was presented either in local or international conferences and seminars during the reporting period:

International Conferences and Local Presentations

STI College General Santos' Ronald Ferman was one of the featured chefs in the First UN Tourism Regional Forum on Gastronomy Tourism for Asia and the Pacific. The event was held in Cebu from June 26 to 28, 2024 and attended by UN Tourism Member States, UN Tourism Affiliate Members, and international and regional organizations. Ferman represented the Department of Tourism – Soccksargen. The participants exchanged knowledge and best practices in gastronomy tourism.

Ann Gilyn Premarion, also from STI College General Santos, participated in the 4th NOTED International Conference 2023 held from September 8 to 9, 2023 at the Institute of Biology Auditorium, National Science Complex, University of the Philippines Diliman, Quezon. Premarion presented her research titled "Evaluation of Research and Creative Work (RCW) Program Implementation and Teachers' Research Capability of State Universities in Region XII" and was recognized as the Best Oral Research Presenter.

Mark Edward F. Fabrero, General Education Program Head of STI College Ortigas-Cainta presented his study "English Language Skills Assessment for Grade 12 Learners" at a thesis colloquium on July 12, 2023 as part of his requirements for the degree, Master of Arts in Teaching major in English, at the University of Rizal System-Morong. The study was conducted among Grade 12 learners enrolled at STI College Ortigas-Cainta in SY 2022-2023. It was intended to assess the English language skills of students under four macro skills of language: listening, reading, writing, and speaking.

STI College Tagum's Allimar Nuevo presented his papers during the 2nd Regional Student Research Congress and 2nd Regional Research Conference on Recent Issues and Trends in Business, Accounting, Management, and Economics held via Zoom on July 21, 2023. His papers are titled "Motivation and Post-pandemic Travel Intention on Spiritual Destinations in Tagum City" and "Working Environment and Employees Performance among fast-food chains in Tagum City."

Jona Claudio and Ann Gilyn Premarion from STI College General Santos jointly presented their research entitled, "Faculty Performance in Flexible Learning Delivery of Tourism and Hospitality Courses: Basis for Faculty Development Plan" at the 6th Philippine Research Conference on Tourism and Hospitality. The event took place at the Asian Institute of Tourism in University of the Philippines Diliman from October 23 to 24, 2023.

Additionally, Claudio published a paper titled, "The Relationship Between Sleep and Mood" on the Akademika: Educational Learning Anthology Volume 11, Publication Date: November 11, 2023.

STI College Cotabato's Harold Fernandez presented his manuscript titled "Green Marketing Orientations Toward Sustainability of Manufacturing Firms in Region XII: A Sequential Explanatory Design" during the 1st Multidisciplinary Paper Presentation at Notre Dame University on April 27, 2024, and was awarded as the Most Outstanding Presenter.

Winna Bucao, Ryan De Loyola, and Nahdem Columida, faculty of the College of Information and Communications Technology of STI WNU, attended and presented their research during the 7th Asia International Multidisciplinary Conference from July 21 to 23, 2023, at Johor, Malaysia.

Mary Gift Dionson, Danica Duazo and Dr. Randolph Asistido, all from STI WNU, participated in the Asian Universities Digital Research Network (AUDRN) Hybrid International Research Conference on Local Knowledge 2024 from February 1 to 2, 2024.



Eunice T. Custodio, Director of the Human Resources Management Office of STI WNU, attended the Philippine Quality Award Training from August 14 to 18, 2023. Custodio also joined the ASEAN University Network (AUN-QA) International Conference 2023 from September 5 to 8, 2023.

Dr. Liza Joy B. Barican, Jarold Kinsman Alagos, and Wilfredo Dela Cruz Jr., faculty of the College of Criminal Justice Education of STI WNU, joined the 2nd Asia Pacific Conference on Educational Research, Social Science & Humanities (APCERSSH-2023) from September 24 to 25, 2023.



Ritchie Rose Ginete of the College of Criminal Justice Education of STI WNU participated in the 1st Silay Institute Research and Development Office) International Multidisciplinary Research Conference from May 23 to 25, 2024.

iACADEMY also actively participates in numerous international and local conferences. Following are some of its key presentations:

Jocelyn Baniago, Jay R San Pedro, and Cecilia Sy presented their paper titled “Assessment of Private Schools Operation during the Community Quarantine: Basis for a Learning Recovery Plan” during the 2023 International Conference on Educational Measurement and Evaluation organized by the Philippine Educational Measurement and Evaluation Association, Inc. from August 24 to 26, 2023 at Diamond Hotel, Roxas Blvd, Manila, NCR, Philippines / MS Teams.

Jay R San Pedro, Jocelyn Baniago, and Cecilia Sy presented their paper titled “Understanding the Learner’s Course Completion in the New Norm: A Graduation Cohort Analysis” during the 2nd Philippine Conference on Data Analytics co-organized by Development Academy of the Philippines, Project SPARTA, and Far Eastern University - Manila on September 28, 2023. Furthermore, this paper was also presented during the 2023 International Conference on Educational Measurement and Evaluation organized by the Philippine Educational Measurement and

Evaluation Association, Inc. from August 24 to 26, 2023 at the Diamond Hotel, Roxas Blvd, Manila, NCR, Philippines and through MS Teams. More importantly, this paper was published in the International Journal of Multidisciplinary: Applied Business and Education Volume 4 Number 11 in November 2023.

Dr. Francisco Napalit, Jay R San Pedro, Carl Louie So, Cecilia Sy, and Bennett Tanyag presented their paper titled “Examining Student Experiences: Challenges and Perception in Computer Programming” during the 2023 iSEARCH Employee Hybrid Research Congress organized by iACADEMY Office of Research and Development on November 24, 2023. In the same month, this paper was published in the International Journal of Research Studies in Education Volume 12 Number 8.

Abram Andrew Lumbang presented his paper titled “The Efficacy of Anime Pedagogy on Improving Student Engagement in Philosophical Concepts for College Students” during the 2023 iSEARCH Employee Hybrid Research Congress on November 24, 2023 organized by the iACADEMY Office of Research and Development.

Mitch Andaya, Jay R San Pedro, Carl Louie So, and Bennett Tanyag published the study “Employability of Computing Students in the Age of Disruption A Graduate Tracer Study” in January 2024 in the European Journal of Education and Pedagogy Volume 5 Issue 1.

Allain Vincent Gaspar, Christian Gaspar, Jean Michel Gabrielle Gomez, Mel Ivan Magsino, and Christian Raymond Zalameda published their paper titled “Reducing Plastic Wastes And CO2 By Balancing The Ph Levels In The Ocean Using Ocdron” in the institutional research journal, iCONNECT Multidisciplinary Research Journal Volume 1 Number 1 in January 2024.

Joshua Erdy A. Tan, Jay R. San Pedro, and Dionnies Bendicio presented their paper titled “Best Practices of Impact Assessment of Corporate Social Responsibility

(CSR) on Advocacy of Indigenous Communities in the Philippines: A Systematic Literature Review Towards UN SDG 17” during the 1st Science and Technology Impact Assessment Conference co-organized by the Department of Science and Technology, through DOST-PCIEERD, DOST-PCAARRD, University of the Philippines Los Baños - School of Environmental Science and Management, and Elsevier from August 24 to 26, 2023 via Zoom. This was also published in the institutional research journal, iCONNECT Multidisciplinary Research Journal Volume 1 Number 1 in January 2024.

Ruth Mary Cas, Marita Laborte, Jay R San Pedro, and Cecilia Sy published their paper titled “Converging Perspectives On Predetermined Asynchronous Sessions In A Learning Environment” in the institutional research journal, iCONNECT Multidisciplinary Research Journal Volume 1 Number 2 in May 2024. This converging inquiry aims to analyze the perceptions of students and instructors toward the predetermined asynchronous sessions from a Philippine Private Higher Education Institution. Predetermined asynchronous sessions were implemented to provide a certain autonomy and address a certain level of difficulties experienced by the students in the previous academic years. A validated research instrument was floated among the students and educators of the institution for an ample period of time. It revealed that the perception toward the predetermined asynchronous classes varies among students and educators at the institution.

Marian Leonido, Anna Frizelle Melchor, Jay R San Pedro, and Cynthia Vasquez published their paper titled “Assessment Of Library Resources, Services, And Facilities In The Digital Age: Basis For A Development Plan” in the institutional research journal, iCONNECT Multidisciplinary Research Journal Volume 1 Number 2 in May 2024.

Jonalyn Irish Bernardino, Anna Fernandez, Wendelyn Molera, Ma. Michelle Mensenares, and Ma. Czarina Simbulan published their paper titled “Understanding

Students' Attrition Behavior In A Philippine Private Higher Education Institution: Basis For An Intervention Plan" in the institutional research journal, iCONNECT Multidisciplinary Research Journal Volume 1 Number 2 in May 2024.

Apolinario Cuyson III, Weena Jennifer Espardinez, Newton Nano, Bernard Temporosa, Raidel Dimal, John Carlo Jumawan, and Lerma Pantrollina published their paper titled "Tracing Employability Characteristics of Animation Graduates from 2018-2022" in the institutional research journal, iCONNECT Multidisciplinary Research Journal Volume 1 Number 2 in May 2024.

Mitch Andaya, Apolinario Cuyson III, Marita Laborte, Jay R San Pedro, and Cecilia Sy published their paper titled "Philippine Private Higher Education Institution

Research Work

Jona Claudio Claudio from STI College General Santos published a paper titled, "The Relationship Between Sleep and Mood" on the *Akademika: Educational Learning Anthology* Volume 11, Publication Date: November 11, 2023.

STI College Dumaguete's part-time faculty member, Jeckson B. Repollo, LPT, MAEd-Fil, authored several papers that passed peer review and were published in the *Ignatian International Journal for Multidisciplinary Research*: (1) "Lawak ng Paggamit ng mga Guro ng MELC sa Paglinang ng Tatlong Domeyn ng Pagkatuto" that was published in Volume 2 Number 4 April, 2024 issue; (2) "Perceived Impact of Diploma Programs on Students' Skill Development" that was published in Volume 2 Number 5 May, 2024 issue; and (3) "Factors Affecting Teaching-Learning Effectiveness of Teachers and Students of Metro Dumaguete College" that was published in Volume 2 Number 5 May, 2024 issue.

Guided Online Autonomous Learning a Response to the Educational Transition in the New Norm" in the institutional research journal, iCONNECT Multidisciplinary Research Journal Volume 1 Number 2 in May 2024.

Isang Pagsipat sa Kasalukuyan at Kinabukasan ng Artificial Intelligence sa School of Computing ng iACADEMY by Michael Anthony Albano, Angel Jovelle Caballero, Joshua, Klein Garcia, Chrystal Jane Lirios, Ryan Peighton Maniquiz, and Don Gerardo Molina presented this study during the 7th International Conference on Asian and Philippine Studies (ICAPS) organized by Dalubhasaan ng mga Umuusbong na Mag-aaral sa Araling Filipino (DANUMN) dated from May 30 to June 1, 2024, at 456 Hotel le Grande in Baguio City, Philippines.

STI College Global City's Carlo Cortez published an article on the *International Journal of Educational Research*. His article titled "Cooperative-flipped Classroom under Online Modality: Enhancing Students' Mathematics Achievement and Critical Thinking Attitude" discussed the implementation of flipped classroom in an online modality, structured by cooperative learning strategies. This intervention was conducted during the pandemic where students were on pure online modality.

Cortez also co-authored another article titled "Switching to Virtual Classes: Exploring Teacher Readiness under the New Normal." The article was published on the journal *Technology, Pedagogy, and Education*.

Faculty members of STI WNU also actively contribute to various academic research. Key publications include the following:

"Issues and Challenges Encountered by Police Officers in Automated Fingerprints Identification System Operation (AFIS)." This research work was produced by faculty members Jarold Kinsman B. Alagos, Dr. Liza Joy B. Barican and Dr. Nicholas S. Caballero of the College of Criminal Justice Education (SY 2023-2024).

"Bullet Accuracy of Canik TP9SF Elite Pistol and Taurus G3 Pistol: A Comparative Analysis." This study was conducted by Dr. Nicholas S. Caballero, Dr. Liza Joy B. Barican, and Wilfredo O. De La Cruz Jr. of the College of Criminal Justice Education (SY 2023-2024). De La Cruz was awarded "Best Paper Presentation" during the 2nd Asia Pacific Conference on Educational Research, Social Science and Humanities (APCERSSH-2023) which was held virtually from September 24 to 25, 2023.

During the same event, the work of Dr. Liza Joy B. Barican of the College of Criminal Justice Education, (SY 2023-2024) entitled "Perceived Stress and Resilience of Criminology Teachers and Students during Pandemic" was awarded as Best Paper.

"Digitalization of Document Management and Monitoring in the Department of the Interior and Local Government Negros Occidental." This study was produced by El Jireh P. Bibangco, and Rhyann C. De Loyola of the College of Information and Communication Technology (SY 2023-2024).

"Silver Technology in the Post-Pandemic Era: A Senior Citizen Information Management System." This was produced by Edreian Escototo, and Dr. Mae B. Lodana of the College of Information and Communication Technology (SY 2023-2024).

"Comparative Analysis of Supervised Learning Algorithm in Predicting Students at Risk of Failure in Introductory Programming Courses" by Mary Gift Dionson of the College of Information and Communication Technology (SY 2023-2024). This was presented at the Asian University Digital Resource Network International Research Conference on Local Knowledge 2024 University of Batangas, Lipa City, from February 1 to 2, 2024.



Likewise presented at the same event were "Specialized Crime Scene Investigation Simulator: A Gamified Learning Tool for Criminal Justice Education" by Ellen Mae S. Guanzon of the ITSSMO (SY 2023-2024) and "Predictors of College Students' Academic Performance in Introductory Programming Courses" by Danica Duazo of the College of Information and Communication Technology (SY 2023-2024).

"Revolutionizing Temperament Assessment: An investigation into Inception-V3 Architect Applied to Dermatoglyphics." This work by Mary Gift D. Dionson of the College of Information and Communication Technology (SY 2023-2024) was presented at the 23rd INFOTECH-JAHORINA 2024 International Symposium (March 20 to 22, 2024) and published by the Institute of Electrical and Electronics Engineers (IEEE) (April 22, 2024).

“Exploring Authentic Leadership Practices: An In-Depth Analysis of Chiefs of Police in Negros Occidental, Philippines” by Richie Rose B. Ginete of the College of Criminal Justice Education (SY 2023-2024). This work was presented at the 1st International Multidisciplinary Research Conference, Silay Institute on May 2024. Ginete was awarded as Best Presenter at this conference.



Presented at the 11th HCU (Huachiew Chalermprakiet University) International Academic Conference on July 24 to 28, 2024 were the following works:

“Marketability of Computer Shop and Printing Services” by Winnie Joy C. Mananap and Christy Marie B. Rioja of the College of Business, Management and Accountancy

(SY 2023-2024); “Influencing Factors Affecting CBMA Students’ Career Choice” by Anamor B. Jerez, Maricon Edna A. Arca, and Dr. Mima M. Villanueva of the College of Business, Management and Accountancy (SY 2023-2024); “Solid Waste Management Practices of Public Market Vendors: Basis for an Action Plan” by Dr. Mima M. Villanueva of the College of Business, Management and Accountancy and Dr. Yasmin P. Dormido of the College of Arts and Science (SY 2023-2024); and, “Now Whats On Your Mind: A Pragmatic Analysis of Facebook Posts” by Dr. Annie Christy Jones and Dr. Yasmin P. Dormido of the College of Arts and Science (SY 2023-2024).

“Influence of Senior High School Strand on the Academic Performance in College.” This work by Kimberly L. Perez of the College of Business, Management and Accountancy (SY 2023-2024) was published in the Geo Academic Journal 2024.

“Cash Handlers Knowledge and Practices in Identifying Counterfeit Currency.” This work by Jimmy G. Artus Jr. of the College of Criminal Justice Education (SY 2023-2024) was presented at the 4th International Research Conference in the Academe and Industry.

ECONOMIC VALUE

The Group aims to sustain the organization’s long-term success for its stockholders, other stakeholders, and the nation.

Economic Performance

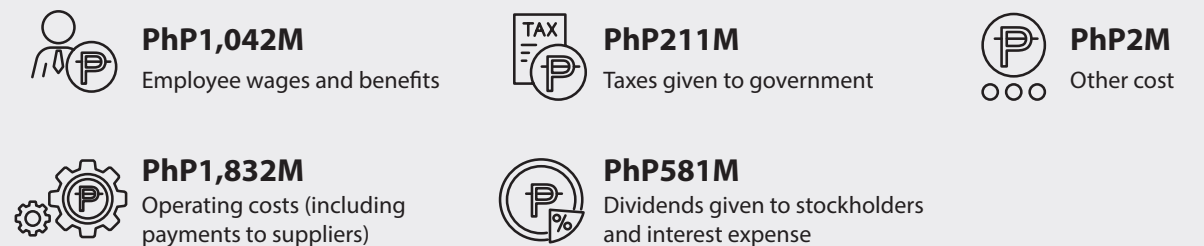
The Group’s economic impact goes beyond its financial performance as its network of schools has produced great talents and contributed to the supply of human capital, locally as well as to global industry. The Group’s impact on employment, both direct and indirect, helps contribute to the country’s economic growth and development.

As the economy reopened, the Group’s economic performance continued to improve in SY 2023-2024. This was brought about by the notable increase in the number of enrollees and improvement in the enrollment mix of the Group. The economic performance disclosures cover STI Holdings and its subsidiaries. Of the economic value distributed for SY 2023-2024, a significant portion was composed of operating costs and employee wages and benefits.

2024 Economic Value Generated and Distributed

PhP4,988M Economic value generated

PhP3,668M Economic value distributed



PhP1,320M Economic value retained

Detailed information about the Group’s financial performance, including its operations, net sales, total capitalization, quantity of products and services provided, and entities included in the consolidated financial statements can be found in its Annual Report (SEC Form 17-A), which is available on the website www.stiholdings.com.

Procurement Practice

The Group strives to establish standards and guidelines to guarantee that its supply chain transactions deliver optimal value for the procurement of goods and services, while also promoting transparency, fairness, and equality among all suppliers.

The entities within the Group follow an accreditation program for its contractors and suppliers to ensure

that their vendors are capable of delivering goods and/or services with technical, commercial, and financial capability, adequate equipment and facilities, good service performance, or any measure that will safeguard quality and reliability. Some suppliers are sourced within the locality, province, or region where the school is located.

2024 Performance



Percentage of procurement budget used for significant locations of operations that is spent on local suppliers

98%

ENVIRONMENTAL INITIATIVES

The Group acknowledges the need to contribute positively to the efforts made in addressing climate change, decreasing energy consumption, and reducing carbon emissions as it recognizes that its operations impact its surrounding communities and the environment.

Energy and Emissions

The Group primarily relies on electricity for its energy requirements. The reduction of carbon footprint will contribute to the preservation of beauty and balance of nature and the environment.

Along with global warming, risks include sudden fuel price increases, prolonged power blackouts, and demand charge increases imposed by utility companies. On the other hand, there are opportunities in considering renewable sources of energy.



The schools within the network maintain generator systems to mitigate operational disruptions caused by power outages, thus ensuring continuity of operations. Further, as part of its commitment to sustainability and cost reduction, STI ESG installed solar panels at the STI ESG Head Office and STI Academic Center Ortigas-Cainta. This initiative is part of the broader plan to explore and adopt renewable energy sources in select schools.

Since the installation in October 2023, STI ESG has achieved significant energy savings of 190,355 kWh.

At STI WNU, the management approach to energy and emissions involves a comprehensive strategy that includes implementing energy-efficient upgrades, promoting renewable energy, and engaging the school community in sustainability efforts. The Sustainability Coordinator oversees these initiatives, ensuring that energy use and emissions are monitored and reported regularly. The school's commitment to reducing its carbon footprint is demonstrated through specific goals, actions, and stakeholder engagement, contributing to a more sustainable educational environment.






Energy management at STI WNU is tantamount to systematic, proactive, optimal and eco-friendly utilization of power and water resources alongside meeting the University's operational objectives. This is embodied in the policies that are also aligned with the institutionalization of energy conservation practices. These energy management policies aim to reduce fuel consumption by introduction of energy-efficient and conservation measures. These policies will likewise raise awareness on energy-related issues and encourage all STI WNU stakeholders to help reduce energy consumption and avoid activities that may result in excessive energy wastage. The policies will also ensure that all modifications in the facilities of the university observe the highest energy-efficient design standards, especially when constructing new buildings.

iACADEMY seeks opportunities in reducing its carbon footprint through its commitment to lowering annual electricity usage and implementing green initiatives, such as establishing plants on the garden and roof deck, and also minimizing standard operating hours to achieve further energy savings.




The following tables show the Group's energy consumption and carbon footprint during the reporting period:

2024 Performance

Energy Consumption¹

Renewable sources (GJ) 546.49 (GJ) 	Diesel 1,674.47 (GJ) 
Gasoline 118.66 (GJ) 	Electricity 14,010,392.19 kWh 
LPG 527.17 (GJ) 	

Emissions (tons of CO₂)²

Direct (Scope 1) GHG emissions 158.76 	Total carbon footprint (Scope 1 + Scope 2) 10,165.62 
Indirect (Scope 2) GHG emissions 10,006.85 	

¹ Fuel consumption of the Group is driven primarily by the use of diesel, gasoline, and LPG to power its vehicles, generators, machineries, kitchen laboratories, and canteen stoves in STI ESG-owned campuses, STI WNU, and iACADEMY.

² Source of Emission Factors: US EPA Greenhouse Gas Inventory Guidance - Direct Emissions from Stationary Combustion Sources, IPCC 2006 Guidelines for National Greenhouse Inventories, and Department of Energy (DOE) National Grid Emission Factors
 Source of Global Warming Potential: IPCC Sixth Assessment Report (AR6)
 Source of Conversion Factors: US Energy Information Administration Energy conversion calculators, Elgas LPG conversions, Aqua-calc compound and materials volume calculator



SOCIAL COMMITMENT

The Group believes that the success and strength of a company lie in its employees' expertise, harmonious relationship with partners in the communities, and the desire to work for the creation of a sustainable future for all.

Employment

Attracting and retaining highly capable employees with a diverse array of relevant skills, experience, and capabilities is paramount to ensure sustained high performance within the organization. To support this, the Group offers competitive employee wages and compensation packages, including performance-based bonuses, as well as executive remuneration aligned with key performance indicators. By offering competitive and fair compensation, the Group motivates its employees and creates a rewarding work environment that not only attracts top talent but encourages their long-term commitment. This approach nurtures a dynamic and skilled workforce, fostering innovation, productivity, and the achievement of strategic goals while ensuring the organization's enduring success. The Group likewise cultivates a culture characterized by a strong focus on service, trustworthiness, and innovation, and aims to generate adaptable solutions that cater to the continuously evolving requirements of its stakeholders and the environment.

The Group secures an employment contract that indicates a clear expectation of the organization from each of its employees. The organization also abides by all the requirements of the Department of Labor and Employment (DOLE), government, and non-government agencies in relation to employment. An employment agreement also secures employees' profession, tenure, benefits, and career development.

 Female	1,560
 Male	1,443
Total number of employees	3,003
Attrition rate*	22%

*Includes only full-time employees

The ratio of the daily salary of the lowest paid employee to the daily minimum wage of the region where the employee is working ranges from 1:1 to 1.38:1 for the subsidiaries of the Group.

While faced with the complexities of overseeing a widespread workforce situated across various key cities throughout the country, the Group maintains its unwavering commitment to harness the talent and dedication of every employee. This commitment is grounded in a culture rooted in performance and empowerment. The Group strongly upholds principles of equality, diversity, and the promotion of health and well-being within its policies and operational approaches.

Diversity and Inclusion

The Group recognizes the importance of promoting diversity and inclusion in the workplace to attract the most qualified and diverse applicants who will offer insightful and creative ideas and initiatives to the organization. The Group firmly promotes equality, diversity, and health and well-being in its policies and practices. Recognition of the individuality of the members of the organization is a step towards honing one's potential. It offers a comfortable work environment that is conducive to learning and growth. While ensuring equal opportunities for a diverse workforce can be challenging, there is an opportunity to fully utilize contributions from the variety of perspectives such an organization brings.

In addition, STI ESG does not discriminate based on gender identity or gender expression in any aspect of the

employment relationship including hiring, promotions, training, working conditions, compensation, and benefits. As such, STI ESG implemented guidelines allowing transgender or transitioning employees to dress in the uniform that corresponds with their gender identity in January 2023.

The Group recognizes that an inclusive workplace promotes a strong sense of belonging among employees which, in turn, boosts engagement and results in heightened productivity and notable improvement in work performance. This allows the employees to foster a greater understanding of their significance within the organization and fuels their drive for self-improvement.

2024 Performance

 Percentage of female workers in the workforce	52%
 Percentage of male workers in the workforce	48%
Number of employees from indigenous communities and/or vulnerable sector	90

Learning and Development

The Group regards its employees as one of the organization's most valuable assets, firmly believing that investing in talent is essential for ensuring long-term business growth and success. Furthermore, the Group is committed to offering its employees developmental programs that enable them to excel in their current roles and prepare for career advancement opportunities. It believes that the professional growth of its faculty and staff increases productivity, efficiency, and delivery of quality services. While there is a potential risk of employee turnover after training, the organization remains dedicated to facilitating ongoing professional growth.

As part of STI ESG and STI WNU's Learning Delivery System, its faculty members undergo periodic competency-based certifications and training to ensure that they are proficient in the subject matter necessary for delivering daily lessons. The training programs may vary from year to year depending on the results of the faculty members' needs assessments.

Additionally, all faculty members and staff of STI ESG and STI WNU undergo regular performance evaluation ratings from superiors and peers.

The Academics Group kicked off SY 2023-2024 with its Ready-To-Teach (R2T) Orientation held on August 22, 2023. This two-day event aimed to prepare faculty members and support staff for the challenges of the school term ahead. There were 1,645 academic personnel across the STI network who participated in the orientation.

In August 2023, a series of trainings were conducted among various faculty members. With speakers from Netsynch Computer Solutions, 23 Hospitality Management faculty members participated in a training program that enabled them to gain necessary knowledge and skills on using the eZee Optimus Point-of-Sale (POS) and eZee

Absolute Property Management System (PMS). These software are integrated in the courses Applied Business Tools and Technologies in Hospitality and Advanced Office Productivity Tools in Hospitality. On the other hand, 13 IT faculty members participated in a training with speakers from FastTrack IT Academy where they learned about SAP that was integrated in the IT courses. Amadeus likewise held a faculty training program that enabled 12 Tourism faculty members to gain the necessary knowledge and skills on the use of the Amadeus Basic Reservation software, which is integrated in the course Applied Business Tools and Technologies in Tourism. Lastly, 14 Computer Engineering faculty members were oriented and trained on how to effectively facilitate the course Robot Assembly and Programming with the use of the required robot kit, e-Gizmo's PBOT Jr. Standard.

A training program was also held for the Program Heads to orient/re-orient them on their critical roles and function in key areas of academic operations (such as academic program management, faculty supervision and development, and student development and support) and how their performance affects the overall outcomes of the school management. The training was held in batches from November to December 2023 where a total of 211 Program Heads attended.

Conducted online from January to February 2024 and through STI ESG's partnership with SAP under the SAP University Alliances Program and Victoria University, 56 IT and 57 Business & Management faculty members participated in a training program that enabled them to understand the integration of SAP in the Business, Accounting, and IT courses.

From January 29 to 31, 2024, 13 Multimedia Arts faculty members went through a training program that enabled them to effectively deliver the courses Drawing 1 and 2.

Also conducted online from April to June 2024, a training program attended by 259 faculty members aimed to enhance their proficiency in teaching research and enable them to be more confident in teaching and guiding the students with their research projects.

For SY 2023-2024, STI WNU conducted 33 in-house seminars for its faculty and staff. These seminars gave the University's faculty and staff opportunities to enhance their knowledge, stay updated with academic trends in their respective fields, and refine their teaching strategies. By fostering a culture of continuous learning, the University continuously improves instructional quality and aligns its standards with the current industry standards.

Moreover, these seminars serve as a platform for addressing University-specific challenges, promoting innovation, and ensuring that its instructional programs and methodologies remain relevant as they are vital in driving academic excellence and integrity of the institution.

Additionally, iACADEMY seeks to provide its employees with training programs that help them carry out their jobs well and set them up for career progression. To guarantee the academic rigor of the school's learning system, iACADEMY employs EOS (Entrepreneurial Operating System) level of management. iACADEMY tracks staff and faculty members' internal and external changes or progress using typical Specific, Measurable, Attainable, Realistic and Timely (SMART) KPIs every Level 10 meeting.

Amidst the evolving demands within the education sector, iACADEMY recognized the need to transform traditional in-classroom learning delivery to alternative modes and applied online learning platforms, tools, and technologies along with years of experience in blended learning. In this regard, during SY 2023-2024, the faculty trainings were conducted online using eLMS and video conferencing

solutions such as MS Teams and Google Meet. Intensive training using EOS tool was extended to all employees to ensure everyone is aligned with iACADEMY's Vision, Mission and Core Values. During the monthly Fun Friday activity, an employee engagement initiative arranged by the Human Resources department, participants are able to share each employee's emotional motivation, welcome new joiners, recognize recipients of core values awards, announce accomplishments across all divisions, and sharpen their skills.

2024 Performance

Total training hours provided to employees		
	Female	7,851.50
	Male	9,606.00
Average training hours provided to employees		
	Female	5.03
	Male	6.66

The Learning and Development initiatives demonstrate a comprehensive approach to enhancing employee skills and integrating advanced technologies within the organization. iACADEMY plays a pivotal role in facilitating these trainings, which not only promote individual professional growth but also foster teamwork and drive

overall organizational efficiency. Key stakeholders, including employees, management, customers, and external partners, stand to benefit from improved performance, innovation, and enhanced service quality. The organization is committed to a policy of continuous learning, with structured goals aimed at increasing employee engagement and productivity, as evidenced by

specific targets for teamwork efficiency and technology adoption. Furthermore, allocated resources, established grievance mechanisms, and various ongoing programs underscore the organization's dedication to cultivating a thriving learning environment.

Safety and Well-being

The Group is committed to providing a safe and healthy work environment for all employees. This commitment is rooted in the belief that a secure and well-maintained workplace is essential in fostering a productive and positive learning atmosphere, and improved overall performance.

By prioritizing safety and well-being, the Group has cultivated a culture of care and responsibility. This commitment to a safe and healthy work environment has directly contributed to the Group's overall success and the satisfaction of its employees.

To achieve this goal, the Group implemented comprehensive safety measures, including regular hazard assessments, emergency preparedness plans, and rigorous facility maintenance. Emergency response teams onsite, including a certified first-aider, are also established to be activated in case of a hazardous event. The Group has also made available medical insurance as part of its employee benefits, which covers consultation and hospitalization. During the reporting period, the Group recorded zero incidents of work-related injuries and ill health.

Safe man-hours	19,522,664
No. of work-related injuries	0
No. of work-related fatalities	0
No. of work-related ill-health	0
No. of safety drills	91

Community Relations and Strategic Partnerhips

STI ESG considers community relations and strategic partnerships as a vital part of the operations of STI Foundation in partnership with the STI community. The STI Foundation aims to contribute to the improvement of the country's educational system through programs and projects with local government and private institutions that promote excellence in education.

The core mission of the STI Foundation centers on providing educational opportunities to various groups, including public school teachers, students, persons with disabilities (PWDs), and underprivileged youth, with the ultimate goal of contributing to nation-building by fostering a society where equal opportunities empower self-reliant individuals.

The STI Foundation is dedicated to achieving nationwide outreach through partnerships with STI campuses nationwide, aiming to create a broader impact and address the needs of diverse local communities. In addition to collaborating with industry and local government partners, the STI Foundation actively involves volunteers from its

employee and student base to ensure the success of its programs. This commitment to giving back is evident through the STI Foundation's active engagement in campaigns and initiatives supporting out-of-school youth, government agencies, and local communities, among others.

Management intends to further expand its partnerships with the private sector and industry collaborators to offer more scholarships to financially disadvantaged youth. As an educational institution, the STI Foundation supports young individuals in completing their degrees, equipping them for gainful employment and fulfilling careers. Moreover, the STI Foundation facilitates student placement services, bridging the gap between the industry and graduates seeking job opportunities. Beyond the financial value of obtaining a degree, scholars sponsored by the STI Foundation gain the opportunity for improved career prospects.

Among the programs implemented by the Group with its partners are as follows:

support Brigada Eskwela. Through their collective efforts, the schools have managed to amass an astonishing total of almost PhP1 million, a significant portion of which was contributed in cash and various in-kind donations. Apart from financial and in-kind contributions, STI ESG campuses have also leveraged their expertise and knowledge by organizing workshops and training sessions for teachers and public-school personnel.

COMMUNITY SERVICES

Brigada Eskwela

In support of DepEd's Brigada Eskwela program, STI ESG joined the national kick-off program held on August 7, 2023 at Tarlac National High School, San Roque in Tarlac City. The event was attended by former DepEd Secretary VP Sara Duterte, top officials from DepEd-Tarlac Division, partners, and private institutions, among others. Together with STI Foundation, STI ESG mobilized its 63 campuses nationwide and has gone above and beyond in its efforts to

Wellness and Spa Series

The Wellness and Spa Series under STI WNU offers the Brgy. Tomongtong Women's Association in E.B. Magalona, an opportunity to generate income while promoting health, relaxation, and community engagement along the Tomongtong Mangrove Eco-trail.

Coastal Clean Up Drive and Social Awareness Seminar

The Coastal Clean-Up Drive and Social Awareness Seminar aims to engage the community in preserving marine environments while educating participants on the importance of coastal conservation and sustainable practices.

Community Day

Community Day is a heartfelt celebration designed to foster fellowship and connection among selected priority recipients through engaging activities and meaningful gift-giving.

Bread and Pastries Production

The Bread and Pastries Production initiative by the Brgy. Tomongtong Women's Association aims to empower local women by providing them with skills training and income opportunities through the creation of delicious baked goods along the Mangrove eco-trail.

Project Digibar: (Digitalization for Barangay)

Project Digibar aims to enhance the efficiency and accessibility of local governance in the City of Bacolod by implementing digital solutions that streamline services and empower barangays to engage with their communities more effectively.

Defense Tactics Training: STI WNU-College of Criminal Justice Education (CCJE) in Collaboration with DILG Bacolod

The Defense Tactics Training program, conducted by STI WNU-CCJE in collaboration with the Department of the Interior and Local Government (DILG) Bacolod, aims to

equip participants with essential skills and knowledge in self-defense and tactical strategies to enhance community safety and resilience.

Safety Measures at Home and School and Self-Care Seminar

The Safety Measures at Home and School and Self-Care Seminar for the residents of Partner Community in Brgy. Dos Hermana, Talisay City, aims to educate participants on essential safety protocols and self-care practices to foster a safer, healthier environment for families and children.

Water Filter Installation

The Water Filter Installation project in Brgy. Dos Hermanas aims to provide residents with access to clean and safe drinking water by installing efficient water filtration systems in the community.

Basic Sign Language Training Program

The Basic Sign Language Training Program for STI WNU Implementer aims to facilitate easy communication and understanding between implementers and community recipients by equipping participants with essential sign language skills.

CED CARES: A Literacy Enrichment Initiative Program

CED CARES: A Literacy Enrichment Initiative Program aims to enhance literacy skills among children at the Vista Alegre-Granada Relocation Elementary School in Purok Progreso II, fostering a love for reading and learning through engaging educational activities.

Empowering Parents on the Child Literacy Program

The Empowering Child Literacy Program for Parents or Guardians of Children in Tutorial Classes is designed to equip them with the tips and knowledge needed to support and enhance their children's literacy development at home.

BJMP Book Donation, Library Organization Management and Mental Health Awareness Seminar

The BJMP Book Donation, Library Organization Management, and Mental Health Awareness Seminar aim to enhance the educational resources and mental well-being of Bureau of Jail Management and Penology (BJMP) personnel and Persons Deprived of Liberty (PDLs) in Negros Occidental and Bacolod City through the provision of books and comprehensive training sessions.

Leadership Training for PWD by Guidance

The Leadership Training for PWD Officers of Different Barangays in Bacolod City is designed to empower individuals with disabilities by equipping them with essential leadership skills and fostering community engagement through collaborative initiatives.

A Campaign of Compassion and Community Engagement

STI WNU United: A Campaign of Compassion and Community Engagement seeks to mobilize donations of cash and goods to provide immediate support and relief for victims facing calamities and urgent basic needs within the community. Initiatives such as Thanksgiving Offering, Dressdown for A Cause and 1st Monday Habit and Library for book donations, and materials taken from the renovation through the Purchasing and Assets Management Office of STI WNU.

A Unified Effort to Support Our Partner Communities

STI WNU Cares: A Unified Effort aims to provide coordinated emergency relief operations and support for partner communities affected by floods, typhoons, fires, and other related crises, ensuring timely assistance and resources including items such as soap, alcohol, towels, water, school supplies and unused clothing, among others, during times of need.

Harvesting Hope: A Community Gardening Initiative for Food Security and Family Empowerment

Harvesting Hope: A Community Vegetable Gardening Initiative aims to enhance food security and empower families by fostering innovative gardening practices that promote sustainable food production and community resilience.

Vermi-Composting for Sustainable Living in the PWD Community

Vermi-Composting for Sustainable Living in the PWD Community is an initiative designed to educate individuals with disabilities on sustainable waste management practices through vermicomposting, fostering environmental stewardship and self-sufficiency.

Communication Skills Training for the Differently Abled Persons (DAPs)

Communication Skills Training for Differently Abled Persons (DAPs) empowers PWD members who are ready to work by enhancing their communication abilities and boosting their self-esteem, facilitating greater inclusion and opportunities in the workforce.

Puppet Theater Project Initiative

Puppet Theater as a Medium of Advocacy on Environment for School Children in the Community uses engaging performances to educate and inspire young audiences about environmental issues and the importance of sustainability through creative storytelling.

Roots of Resilience: Establishing a Mangrove Nursery for Coastal Restoration

Roots of Resilience: Establishing a Mangrove Nursery for Coastal Restoration aims to restore coastal ecosystems by cultivating mangrove saplings, enhancing biodiversity, and strengthening community engagement in environmental conservation efforts.

School for Experiential and Entrepreneurial Development (SEED)

A Service Learning (points and grade-based) Project (SLP) to support the Social Orientation and Community Involvement (SOCI) partner organization. This project focuses on improving the marketing collaterals of SEED to be used for their branding and fundraising.

Special Achievers - Service Learning Project

A program titled 'Beyond Boundaries' is a basic Adobe Photoshop and Canva workshop conducted by the college students for the benefit of Special Achievers' PWD students.

Cartwheel Foundation

MMA and Animation students were tasked with creating educational materials such as worksheets, coloring books, and alphabetic and numerical flashcards translated into English, Tagalog, and their local dialect, Sinama Bajau.

World Wide Fund (WWF) for Nature Philippines

Students from the Animation, Music, and Film Production programs were tasked with modernizing and revamping the environmental education materials of WWF. These materials will be used during the school and community visits to educate students about the environment and wildlife sustainability.

Angeles City Senior High School - "Securely Unraveling the AI Enigma: A Mind-Bending Workshop of Chatbots, Encryption, and Interactive Slides"

As one of the top schools in the country that offers technology-centered and industry-driven programs, iACADEMY aims to support our educational partners as part of our community development initiative through the Project B.R.I.D.G.E (Building Relationships with Industry Donors and Givers for Education) and the Adopt a School

Program by the Department of Education. iACADEMY's Dean from the School of Computing, Dr. Francisco Napalit, conducted a workshop titled "Securely Unraveling the AI Enigma: A Mind-Bending Workshop of Chatbots, Encryption, and Interactive Slides."



Philippine Red Cross - Blood Donation Drive

In a bid to make a tangible difference in the community, iACADEMY collaborated with the Philippine National Red Cross, Rizal Chapter, Makati Branch, for a Blood Donation Drive on October 20, 2023. This initiative falls under the auspices of the Social Orientation and Community Involvement unit (SOCI) and NSTP, reflecting iACADEMY's commitment to holistic education and community welfare. The event was met with an enthusiastic response from the iACADEMY community. A total of 77 pre-registration sign-ups were recorded, with 63 individuals registering as donors. As the day unfolded, 37 individuals stepped forward as heroes, successfully donating their precious life-giving blood. Among these heroes were students and dedicated iACADEMY faculty and staff. Each volunteer's donation of one (1) bag, or 450ml, of blood is a vital contribution to the cause. These seemingly small acts collectively resulted in more than 16 liters of blood across various blood types being added to the PNR's blood reserve.



Cartwheel Foundation - Mobile Library

In celebration of National Book Week, iACADEMY's Library team and the Social Orientation and Community Involvement unit organized a mobile library for the Sama Bajau beneficiaries of the Cartwheel Foundation. This activity aims to promote literacy and reading among children aged 6-12 years old. It also provides a platform for our students to interact with our partners through games and storytelling sessions.



World Vision Philippines - 'Share Ko Lang' Outreach Activity

A Fundraising and Outreach Activity for the benefit of the Baseco Learning Center of World Vision PH. With the support of iACADEMY employees, teachers, alumni, and students, the activity have raised funds for school supplies and Christmas gifts for 30 students from Baseco.

More Than Profit: Understanding Social Entrepreneur

As part of the SBLA Week 2024 activities, iACADEMY had a talk about the concept of "Social Entrepreneurship" and its impact on the community. The school invited Mr. Shanonraj Khadka, Director of Work in Progress and Co-founder of GK Farm Innovations Inc., and Ms. Monica Aclan, Deputy Executive Director of Project PEARLS, to speak to 50 SBLA students.

How Fashion Empowers Women and Communities

A collaboration between SOCI and SODA for Re-Fashion Week 2024. iACADEMY invited their partners from Project PEARLS to talk about the G.R.O.W (Giving Resources and Opportunities for Women) program and how it supports their women workforce. The G.R.O.W 'Nanays' also gave a Macramé workshop for 20 Fashion Design students.



Plastic Bank Launch

SHS-SC and CSO together with SOCI partnered with Plastic Bank to spread awareness on the proper use of plastic and how it can be recycled responsibly in October 2023. They encouraged students to bring plastic bottles that may be donated in exchange in the future for monetary compensation which the organizations may use to purchase additional supplies and trash bins for the school.

Interacting with organizations like Plastic Bank and the World Wildlife Fund (WWF) can inspire students to adopt more sustainable lifestyles, reduce their carbon footprint, and become more conscious consumers. It can also motivate students to become more proactive in their communities, advocating and spreading awareness of environmental issues among their peers and families.

Basic MS Office Workshop in Partnership with Barangay Bangkal, Makati LGU

This is a workshop conducted by Mr. Jayson Viernes of the School of Computing about basic MS Office tools. A total of 37 students from Bangkal Elementary School and Barangay Bangkal participated in the two (2) batches held on May 4, 2024, and June 29, 2024.

STUDENT FINANCIAL AID AND OTHER PROGRAMS

Agustin Anita Tanco Foundation Scholarship Program

Agustin Anita Tanco Foundation Scholarship Program partnered with STI to offer financial assistance to deserving and qualified students. The aim is to provide relevant, accessible and efficient technical education and skill development to support the development of Filipino middle-level manpower.



Metrobank STRONG Scholarship Program

Metrobank, with its goal of extending opportunities to qualified and talented but financially challenged students, implemented the METROBANK STRONG Scholarship Program.

DBP RISE

STI ESG executed a memorandum of agreement with the Development Bank of the Philippines (DBP) on March 17, 2021 for the implementation of the DBP Resources for Inclusive and Sustainable Education Program (DBP RISE).

The program grants financial assistance to deserving students from the ranks of underprivileged Filipino families who aspire to pursue studies in DBP-accredited public and private tertiary schools. DBP RISE covers: (1) the total cost of tuition fees for all year levels of the entire course or program based on the partner school's tuition fee structure which is determined at the beginning of the first term of the course or program, and (2) student support fund which covers other school fees, miscellaneous fees, and living allowance that will be determined and set by DBP. STI ESG and DBP executed similar MOAs in November 2021 and in May 2023 covering the implementation of DBP RISE for deserving students enrolled beginning SY 2021-2022, SY 2022-2023, and SY 2023-2024.

UPLIFT Cares

UPLIFT 6th Moving Up and Completion Ceremony is an awarding ceremony recognizing the grantees' achievements and completion journey.

Twelve Teachers Thousand Live Project

The Twelve Teachers Thousand Lives Project is a scholarship initiative aimed at enhancing educational quality in underserved areas of Negros Occidental by providing free tuition and support from local government units, while encouraging scholars to engage in community service and develop the skills and values necessary to become impactful educators and community members.

MEMBERSHIP IN ASSOCIATIONS

Establishing institutional linkages and memberships in associations is instrumental for educational institutions in driving learning and innovation. These partnerships empower academic institutions to participate in meaningful collaborations aimed at enhancing opportunities for their stakeholders.

STI ESG is active in the following associations or has fostered partnerships with known industry leaders:

- Association of Administrators in Hotel/Hospitality & Restaurant Management Educational Institutions (AAHRMEI);
- Institute of Computer Engineers of the Philippines (ICpEP);
- Internet and Mobile Marketing Association of the Philippines (IMMAP);
- Philippine Association of National Advertisers (PANA);
- Public Relations Society of the Philippines (PRSP); and
- NCR School Registrar's Association (NASCRA).
- Tourism Educators and Movers Philippines (TEAM PHILS WV);
- Hotel and Restaurant Association of Negros Occidental (HRANO);
- Bacolod City Tourism Office and Department of Tourism Region VI;
- Philippine Society of IT Educators (PSITE);
- Integrated Society of Information Technology Enthusiast (ISITE);
- Philippine Society of Information Technology Educators Foundation, Inc. (PSITEFI);
- Bacolod-Negros Occidental Federation of ICT (BNeFIT);
- Philippine Institute of Civil Engineers (PICE);
- Junior Philippine Society of Mechanical Engineers (JPSME);
- Institute of Integrated Electrical Engineers of the Philippines (IIEEP);
- Global Educators Professional Enhancement International, Inc. (GEPEII);
- Asian Qualitative Research Association (AQRA);
- Asian Society of Teachers for Research (ASTR);
- Asian Association of Interdisciplinary Research (AAIR);
- National Organization of Science and Educators of the Philippines, Inc. (NOSEPI);
- Philippine Association for Teachers and Educators, Inc. (PAFTEI); and
- Philippine Association of Graduate Studies (PAGE).

STI WNU has various local and international industry and organizational partners to help enrich its students' and faculty members' academic learnings and real-life skills. These include but are not limited to Asian University Digital Resource Network, TESOL Asia SITE Ltd. Australia, Galuh University, Panasiatic Solutions, Focus Direct, Inc., Today English Ltd. Partnership (TELP), Huachiew Chalermprakiet University, OK English Academy, Globe Telecom, Bacolod City Police Office, and the Bureau of Fire Protection.

STI WNU and its students are active members of the following organizations:

- Association of Administrators in Hotel/Hospitality & Restaurant Management Educational Institutions (AAHRMEI);
- Council of Hotel and Restaurant Educators of the Philippines (COHREP);

iACADEMY is committed to producing industry-ready Game Changers. In line with this commitment, iACADEMY is always on the lookout for opportunities to forge meaningful partnerships. This includes curriculum integration with leading local and international organizations.

- iACADEMY has been chosen by Amazon Web Services (AWS), a subsidiary of Amazon that provides on-demand cloud computing platforms, as the first and only school in the Philippines to offer Cloud Computing Certification Courses. This partnership allows iACADEMY to embed subjects in its curriculum that allow its graduates not only to have a BS in Computer Science (BS CS) degree but also get certified in the various Cloud Computing Courses of Amazon.
- iACADEMY is also a school partner for Python Institute and Linux Professional Institute (LPI). Here, trained and certified professors are able to prepare BS CS students for the international programming standards required for professional certification exams.
- iACADEMY is the first Philippine school chosen by Alibaba Business School's Global Digital Talent Program (GDT, formerly GET) to implement digital and e-commerce driven business college courses. Under this program, the GDT team has trained the professors of iACADEMY with its e-commerce courseware that will be incorporated in iACADEMY's business course subjects.
- iACADEMY is the first educational partner of PricewaterhouseCoopers (PwC) Philippines for the BS in Accountancy program in developing the curriculum and teaching some of the subjects using real world cases and experiences.
- iACADEMY is the first Toon Boom Center of Excellence in Asia. Under this partnership, BS in Animation students are taught to use the animation production and storyboarding software by certified Toon Boom trainers. Students also have the chance to get certified in using this award-winning software which is the global standard for animation and storyboarding.
- Global leaders in audio and sound technology, Dolby Atmos and Avid, partnered with iACADEMY to teach a world-class BA in Music Production and Sound Design program. In this program, students will be using industry-standard tools and training courtesy Dolby Atmos and Avid.
- iACADEMY has also partnered with industry leaders to equip its students in Film and Visual Effects, and Multimedia Arts and Design with the most relevant skills, tools and technology for the industry upon graduating. This includes tools to create content with Blackmagic cameras and DaVinci Resolve, and opportunity to learn from Blackmagic and DaVinci Resolve professionals.
- iACADEMY is the first academic partner of CLO Virtual Fashion in the Philippines in which students are being taught this technology as part of BA in Fashion Design and Technology's Computer-Aided Design class.

CUSTOMER DATA AND PRIVACY

The Group is committed to the responsible and lawful treatment of all personal data that it collects. The Group believes in keeping personal data shared by its stakeholders safe and secure, and ensuring that such are collected and processed by lawful means. The subsidiaries continue to adhere to the Data Privacy Act of 2012 (DPA) and its implementing rules and regulations.

Risks identified include unauthorized or malicious disclosure of personal data, data theft and excessive data collection. However, there are opportunities in adopting policies and best practices within the education industry.

Concerns regarding data privacy may be communicated to the respective data privacy officers of the schools. There has been one incident of data breach during the fiscal year. In response to this incident, the Group implemented comprehensive measures to enhance its cybersecurity defenses and prevent future occurrences, such as regular security audits and employee awareness. Through ongoing monitoring and vigilance, the Group is committed to safeguarding sensitive information and ensuring the confidentiality and integrity of its data.

2024 Performance

No. of substantiated complaints on customer privacy	0
No. of complaints addressed	0
No. of customers, users, and account holders whose information is used for secondary purposes	0
No. of data breaches, including leaks, thefts and losses of data	1



Sustainability Report 2024



Anna Ricafort Waban <annaricafortwaban@gmail.com>

SEC eFast Initial Acceptance

noreply-cifssost@sec.gov.ph <noreply-cifssost@sec.gov.ph>

Mon, Oct 28, 2024 at 12:21 PM

Greetings!

SEC Registration No: 0000001746
Company Name: STI EDUCATION SYSTEMS HOLDINGS, INC.
Document Code: AFS

This serves as temporary receipt of your submission.
Subject to verification of form and quality of files of the submitted report.
Another email will be sent as proof of review and acceptance.

Thank you.

REMINDER: TO ALL FILERS OF REPORTS IN THE e-FAST Please strictly follow the instruction stated in the form. Filings not in accordance with the prescribed template for the following reports will be automatically reverted by the system to the filer. 1. General Information Sheet (GIS-Stock) 2. General Information Sheet (GIS-Non-stock) 3. General Information Sheet (GIS- Foreign stock & non-stock) 4. Broker Dealer Financial Statements (BDFS) 5. Financing Company Financial Statements (FCFS) 6. Investment Houses Financial Statements (IHFS) 7. Publicly – Held Company Financial Statement 8. General Form for Financial Statements 9. Financing Companies Interim Financial Statements (FCIF) 10. Lending Companies Interim Financial Statements (LCIF) Per Section 18 of SEC Memorandum Circular No. 3 series of 2021, the reckoning date of receipt of reports is the date the report was initially submitted to the eFast, if the filed report is compliant with the existing requirements. A report, which was reverted or rejected, is considered not filed or not received. A notification will be sent to the filer, stating the reason for the reports rejection in the remarks box.

SECURITIES AND EXCHANGE COMMISSION

SEC Headquarters, [7907 Makati Avenue](#),
Salcedo Village, Barangay Bel-Air, Makati City,
1209, Metro Manila, Philippines

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Fw: Your BIR AFS eSubmission uploads were received

Ricafort-Waban, Annariza <annariza.waban@stiholdings.com.ph>
To: Anna Ricafort-Waban <annaricafortwaban@gmail.com>

Mon, Oct 28, 2024 at 12:01 PM

From: eafs@bir.gov.ph <eafs@bir.gov.ph>
Sent: Monday, October 28, 2024 11:59 AM
To: Info STI Holdings <info@stiholdings.com.ph>
Cc: Ricafort-Waban, Annariza <annariza.waban@stiholdings.com.ph>
Subject: Your BIR AFS eSubmission uploads were received

EXTERNAL EMAIL WARNING : Do not click any links or open any attachments unless you trust the sender and know the content is safe.

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Valid files

- EAFS000126853ITRTY062024.pdf
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- EAFS000126853RPTY062024.pdf
- EAFS000126853TCRTY062024-01.pdf
- EAFS000126853TCRTY062024-03.pdf
- EAFS000126853TCRTY062024-02.pdf

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Transaction Code: **AFS-0-785E777707ALB9AA9N1VVQPN10BFGGJGD8**
Submission Date/Time: **Oct 28, 2024 11:59 AM**
Company TIN: **000-126-853**

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- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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Anna Ricafort Waban <annaricafortwaban@gmail.com>

Fw: Your BIR AFS eSubmission uploads were received

Ricafort-Waban, Annariza <annariza.waban@stiholdings.com.ph>
To: Anna Ricafort-Waban <annaricafortwaban@gmail.com>

Mon, Oct 28, 2024 at 12:01 PM

From: eafs@bir.gov.ph <eafs@bir.gov.ph>
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Transaction Code: **AFS-0-7FEG67650P4R3VRP3QVSM4YTM07JJAHDD5**
Submission Date/Time: **Oct 28, 2024 11:59 AM**
Company TIN: **000-126-853**

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- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0	0	0	0	0	0	0	0	1	7	4	6
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COMPANY NAME

S	T	I	E	D	U	C	A	T	I	O	N	S	Y	S	T	E	M	S	H	O	L	D	I	N	G	S
,	I	N	C	.																						

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

7	t	h	F	l	o	o	r	,	S	T	I	H	o	l	d	i	n	g	s	C	e	n	t	e	r
,	6	7	6	4	A	y	a	l	a	A	v	e	n	u	e	,	M	a	k	a	t	i	C	i	
t	y	1	2	2	6																				

Form Type
A P F S

Department requiring the report
C R M D

Secondary License Type, If Applicable
N A

COMPANY INFORMATION

Company's Email Address info@stiholdings.com.ph	Company's Telephone Number (632) 8844 9553	Mobile Number 09088850369
No. of Stockholders 1,264	Annual Meeting (Month / Day) Third Friday of November	Fiscal Year (Month / Day) June 30

CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person Arsenio C. Cabrera, Jr.	Email Address accabrera@htc-law.com.ph	Telephone Number/s (632) 8813-7111	Mobile Number -
--	--	--	---------------------------

CONTACT PERSON'S ADDRESS

5/F SGV-II BUILDING, 6758 AYALA AVENUE, MAKATI CITY

NOTE 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
STI Education Systems Holdings, Inc.
7th Floor, STI Holdings Center
6764 Ayala Avenue
Makati City

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of STI Education Systems Holdings, Inc. (the Company), which comprise the parent company statements of financial position as at June 30, 2024 and 2023, and the parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including material accounting policy information.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Parent Company Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the parent company financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Parent Company Financial Statements

Management is responsible for the preparation and fair presentation of the parent company financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of parent company financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the parent company financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

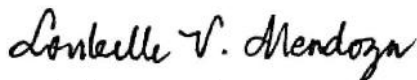
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 21 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of STI Education Systems Holdings, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic parent company financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic parent company financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Loubelle V. Mendoza.

SYCIP GORRES VELAYO & CO.



Loubelle V. Mendoza

Partner

CPA Certificate No. 115161

Tax Identification No. 301-422-247

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-145-2024, July 18, 2024, valid until July 17, 2027

PTR No. 10079978, January 6, 2024, Makati City

October 11, 2024





**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**


The management of **STI Education Systems Holdings, Inc.** (the Company) is responsible for the preparation and fair presentation of the parent company financial statements, including the schedules attached therein, as at June 30, 2024 and 2023 and for the years ended June 30, 2024 and 2023 in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of parent company financial statements that are free from material misstatement, whether due to fraud or error.

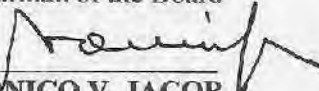
In preparing the parent company financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

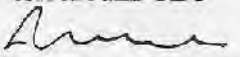
The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the parent company financial statements, including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has audited the parent company financial statements of the Company in accordance with the Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.


EUSEBIO H. TANCO
Chairman of the Board


MONICO V. JACOB
President and CEO


YOLANDA M. BAUTISTA
Treasurer and CFO

Signed this 25 OCT 2024
day of October 2024

REPUBLIC OF THE PHILIPPINES
(CITY OF MAKATI CITY) S.S.

SUBSCRIBED AND SWORN to me this 25 OCT 2024 day of _____, 2024 at Makati City. Affiants exhibited to me their respective Passport/SSS numbers as follows:

<u>Name</u>	<u>Number</u>	<u>Date/Place of Issuance</u>
Eusebio H. Tanco	Passport No. PO992946B	11/02/19, DFA Manila
Monico V. Jacob	Passport No. P6179864B	01/26/21, DFA NCR East
Yolanda M. Bautista	SSS No. 03-2678038-9	Makati City

Doc/ No. 268
Page No. 5
Book No. 6
Series of 2024


MAE ESMERALDA R. CUNANAN
Notary Public for and in Makati City
Until December 31, 2025
Appt. No. M-000 (2024-2025) Makati City
Attorney's Roll No. 34562
MCLE Compliance No. VII-0004033/valid until 4-14-2026
PTR No. 10074031/1-2-2024/Makati City
IBP Lifetime Member No. 05413
G/F Dela Rosa Carpark I, Dela Rosa St.
Laguardia Village, Makati City

STI EDUCATION SYSTEMS HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

	June 30	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱397,065,701	₱92,533,726
Other current assets (Note 5)	2,591,463	2,406,457
	399,657,164	94,940,183
Noncurrent asset held for sale (Note 7)	1,020,728,064	1,020,728,064
Total Current Assets	1,420,385,228	1,115,668,247
Noncurrent Assets		
Investments in subsidiaries (Note 6)	16,803,242,538	16,803,242,538
Investment property (Note 7)	284,739,834	284,739,834
Deposit for future stock subscription (Note 11)	75,000,000	–
Property and equipment (Note 8)	11,924,087	16,254,859
Other noncurrent assets (Note 9)	21,657,709	18,926,647
Total Noncurrent Assets	17,196,564,168	17,123,163,878
TOTAL ASSETS	₱18,616,949,396	₱18,238,832,125
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 6, 10 and 11)	₱84,986,105	₱84,610,219
Current portion of lease liabilities (Note 14)	3,365,427	3,056,545
Dividends payable (Note 12)	12,232,488	12,180,959
Total Current Liabilities	100,584,020	99,847,723
Noncurrent Liabilities		
Subscription payable (Notes 6 and 11)	64,000,000	64,000,000
Lease liabilities - net of current portion (Note 14)	9,571,698	13,341,066
Deferred tax liability (Note 15)	2,950,196	4,022,343
Total Noncurrent Liabilities	76,521,894	81,363,409
Total Liabilities	177,105,914	181,211,132
Equity		
Common stock (Note 12)	4,952,403,462	4,952,403,462
Additional paid-in capital	11,254,677,345	11,254,677,345
Fair value change in equity instruments at fair value through other comprehensive income (FVOCI) (Note 9)	278,928	195,928
Retained earnings (Note 12)	2,232,483,747	1,850,344,258
Total Equity	18,439,843,482	18,057,620,993
TOTAL LIABILITIES AND EQUITY	₱18,616,949,396	₱18,238,832,125

See accompanying Notes to Parent Company Financial Statements.



STI EDUCATION SYSTEMS HOLDINGS, INC.**PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended June 30	
	2024	2023
REVENUES		
Dividend income (Notes 6 and 11)	₱683,362,182	₱212,850,253
Advisory fee (Note 11)	18,510,000	18,510,000
	701,872,182	231,360,253
EXPENSES		
Outside services (Note 7)	11,188,829	11,385,055
Salaries and allowances (Note 11)	9,857,427	5,289,646
Depreciation and amortization (Notes 8 and 14)	4,435,767	4,128,441
Taxes and licenses	2,264,330	2,168,198
Meetings and conferences	1,212,524	1,231,343
Membership fees and dues	1,233,850	1,213,623
Transportation and travel	1,499,149	1,179,115
Utilities (Note 11)	594,895	728,690
Advertising and promotions (Note 11)	604,134	574,045
Supplies	413,413	398,018
Representation and entertainment	156,540	136,672
Communication	119,479	142,131
Miscellaneous	171,076	322,275
	33,751,413	28,897,252
OTHER INCOME (EXPENSE)		
Interest income (Note 4)	10,841,574	1,301,364
Interest expense (Note 14)	(1,203,793)	(960,028)
Others (Note 11)	840,000	840,000
	10,477,781	1,181,336
INCOME BEFORE INCOME TAX	678,598,550	203,644,337
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 15)		
Current	387,000	193,500
Deferred	(1,072,147)	4,084,093
	(685,147)	4,277,593
NET INCOME	679,283,697	199,366,744
OTHER COMPREHENSIVE INCOME		
Other comprehensive income not to be reclassified to profit or loss in subsequent periods -		
Fair value change in equity instruments at FVOCI (Note 9)	83,000	141,100
TOTAL COMPREHENSIVE INCOME	₱679,366,697	₱199,507,844
Basic/Diluted Earnings Per Share (Note 13)	₱0.07	₱0.02

See accompanying Notes to Parent Company Financial Statements.



STI EDUCATION SYSTEMS HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	Capital Stock (Note 12)	Additional Paid-in Capital	Fair Value Change in Equity Instruments at FVOCI (Note 9)	Retained Earnings (Note 12)	Total
Balance at July 1, 2023	P4,952,403,462	P11,254,677,345	P195,928	P1,850,344,258	P18,057,620,993
Net income	-	-	83,000	679,283,697	679,283,697
Other comprehensive income	-	-	83,000	-	83,000
Total comprehensive income	-	-	83,000	679,283,697	679,366,697
Dividends	-	-	-	(297,144,208)	(297,144,208)
Balance at June 30, 2024	P4,952,403,462	P11,254,677,345	P278,928	P2,232,483,747	P18,439,843,482
Balance at July 1, 2022	P4,952,403,462	P11,254,677,345	P54,828	P1,799,549,618	P18,006,685,253
Net income	-	-	-	199,366,744	199,366,744
Other comprehensive income	-	-	141,100	-	141,100
Total comprehensive income	-	-	141,100	199,366,744	199,507,844
Dividends	-	-	-	(148,572,104)	(148,572,104)
Balance at June 30, 2023	P4,952,403,462	P11,254,677,345	P195,928	P1,850,344,258	P18,057,620,993

See accompanying Notes to Parent Company Financial Statements.



STI EDUCATION SYSTEMS HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF CASH FLOWS

	Years Ended June 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱678,598,550	₱203,644,337
Adjustments to reconcile income before income tax to net cash flows:		
Dividend income (Notes 6 and 11)	(683,362,182)	(212,850,253)
Depreciation and amortization (Notes 8 and 14)	4,435,767	4,128,441
Interest expense (Note 14)	1,203,793	960,028
Interest income (Note 4)	(10,841,574)	(1,301,364)
Operating loss before working capital changes	(9,965,646)	(5,418,811)
Decrease in other current assets	709,097	1,004,172
Increase (decrease) in accounts payable and other current liabilities	375,886	(710,934)
Net cash used for operations	(8,880,663)	(5,125,573)
Income taxes paid	(2,809,500)	(2,809,500)
Interest received	9,947,470	1,301,364
Net cash used in operating activities	(1,742,693)	(6,633,709)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	683,362,182	212,851,153
Acquisitions of property and equipment (Note 8)	(104,995)	(536,055)
Deposit for future stock subscription (Note 11)	(75,000,000)	–
Increase in other noncurrent assets	(225,562)	(95,838)
Net cash provided by investing activities	608,031,625	212,219,260
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Cash dividends (Note 12)	(297,092,679)	(148,547,326)
Lease liabilities (Note 14)	(4,664,279)	(4,323,648)
Cash used in financing activities	(301,756,958)	(152,870,974)
NET INCREASE IN CASH AND CASH EQUIVALENTS	304,531,974	52,714,577
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	92,533,726	39,819,149
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	₱397,065,700	₱92,533,726

See accompanying Notes to Parent Company Financial Statements.



STI EDUCATION SYSTEMS HOLDINGS, INC.

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

1. Corporate Information

STI Education Systems Holdings, Inc. (STI Holdings or the Company) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC). The Company was originally established in 1928 as the Philippine branch office of Theo H. Davies & Co., a Hawaiian corporation. It was reincorporated as a Philippine corporation and registered with the SEC on June 28, 1946. The Company's shares were listed on the Philippine Stock Exchange (PSE) on October 12, 1976. On June 25, 1996, the SEC approved the extension of the Company's corporate life for another fifty (50) years. The primary purpose of the Company is to invest in, purchase or otherwise acquire and own, hold, use, sell, assign, transfer, lease, mortgage, pledge, exchange, or otherwise dispose of real properties as well as personal and movable property of any kind and description, including shares of stock, bonds, debentures, notes, evidence of indebtedness and other securities or obligations of any corporation or corporations, association or associations, domestic or foreign and to possess and exercise in respect thereof all the rights, powers and privileges of ownership, including all voting powers of any stock so owned, but not to act as dealer in securities, and to invest in and manage any company or institution. STI Holdings aims to focus on education and education-related activities and investments.

STI Holdings' registered office address, which is also its principal place of business, is 7th Floor, STI Holdings Center, 6764 Ayala Avenue, Makati City, 1226.

The parent company financial statements have been approved and authorized for issuance by the Board of Directors (BOD) on October 11, 2024.

2. Basis of Preparation and Material Accounting Policies

Basis of Preparation

The accompanying parent company financial statements have been prepared under the historical cost basis, except for investments in equity instruments that have been measured at fair value. The parent company financial statements are presented in Philippine Peso, the Company's functional and presentation currency, and all values are rounded to the nearest Peso, except when otherwise indicated.

Statement of Compliance

The parent company financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs). PFRS include statements named PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations based on equivalent interpretations from the International Financial Reporting Interpretations Committee (IFRIC) adopted by the Philippine Financial Reporting Standards Council (FRSC).

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the new and amended standards effective July 1, 2023. The adoption of these new standards and amendments did not have any significant impact on the parent company financial statements except otherwise stated.



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

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

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

The amendments to the Practice Statement provide non-mandatory guidance. The amendments had an impact on the Company’s accounting policy disclosures, but not on the measurement, recognition or presentation of any items in the parent company financial statements.

- Amendments to PAS 8, *Definition of Accounting Estimates*

The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as ‘Pillar Two legislation’ and ‘Pillar Two income taxes’, respectively.

The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon adoption of the amendments in June 2023.



Meanwhile, the disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023. The objective of Pillar Two is for large multinational enterprises to pay a minimum level of tax on the income arising in each jurisdiction where they operate. Since the Company is not part of a multinational enterprise group, the amendment is currently not applicable to the Company.

Standards Issued but Not Yet Effective

Pronouncements issued but not yet effective are listed below. The Company intends to adopt the following pronouncements when they become effective. The Company does not expect that the future adoption of the said pronouncements will have a significant impact on the parent company financial statements.

Effective for Fiscal Year 2025

- 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 for Fiscal Year 2026

- 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 Company has not early adopted the previously mentioned standards. The Company continues to assess the impact of the above new, amended and improved accounting standards and interpretations that are effective subsequent to June 30, 2023 on its parent company financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the parent company financial statements when these amendments are adopted.

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.

a. Financial Assets

Initial Recognition and Measurement. Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI or fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash 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. In making this assessment, the Company determines whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes consideration only for the time value of money, credit risk and other basic lending risks and costs associated with holding the financial asset for a particular period of time. In addition, interest can include a profit margin that is consistent with a basic lending arrangement. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual terms that introduce exposure to risks or volatility in the contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI on the principal amount outstanding.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. It is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument.

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 designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVPL

As at June 30, 2024 and 2023, the Company has no debt instruments and financial assets at FVPL.

a. *Financial Assets at Amortized Cost (Debt Instruments).* The Company 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 SPPI on the principal amount outstanding.

Financial assets at amortized cost are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest (EIR) method, less any impairment in value. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost include cash and cash equivalents, receivables and refundable deposits as at June 30, 2023 and 2022.

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



Gains and losses on these financial assets are never recycled to profit or loss. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Company elected to classify irrevocably its listed equity investments under this category.

Impairment of Financial Assets. The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments that are not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company 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 next 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 the timing of the default (a lifetime ECL).

For cash and refundable deposits, the Company applies a general approach in calculating ECL. The Company recognizes a loss allowance based on either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk on its financial assets since initial recognition.

Derecognition. A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognized (i.e., removed from the parent company statement of financial position) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

b. Financial Liabilities

Initial Recognition and Measurement. Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, or as other financial liabilities.



The Company determines the classification of its financial liabilities at initial recognition.

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.

As at June 30, 2024 and 2023, the Company has no financial liabilities at FVPL.

Subsequent Measurement. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method.

Gains and losses are recognized in the parent company statement of comprehensive income when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the parent company statement of comprehensive income.

Other financial liabilities include accounts payable and other current liabilities (excluding government and other statutory liabilities), lease liabilities, dividends payable and subscription payable.

Derecognition. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss in the parent company statement of comprehensive income.

Creditable Withholding Taxes (CWT)

CWT represents the amount withheld by counterparties from the Company. These are recognized upon collection and are utilized as tax credits against income tax due as allowed by the Philippine taxation laws and regulations. CWT is presented under the "Other current assets" account in the parent company statement of financial position. CWT is stated at its estimated net realizable value (NRV).

Noncurrent Asset Held for Sale

The Company classifies a noncurrent asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such noncurrent asset classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the sale.

The criteria for held for sale classification are regarded as met only when the asset is available for immediate sale in its present condition and the sale is highly probable. Management must be committed to a plan to sell, which is expected to be completed within one year from the date of the classification, and an active program to locate a buyer and complete the plan must have been initiated. Further, the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value. Actions required to complete the plan to sell should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Investment properties are not depreciated or amortized once classified as held for sale. Noncurrent asset held for sale is presented separately as part of current assets in the parent company statement of financial position.



Investment in Subsidiaries

The Company's investment in subsidiaries (entities which the Company controls) is carried in the parent company statement of financial position at cost less any accumulated impairment in value.

Investment Property

Investment property includes parcels of land held by the Company for capital appreciation. Investment property is measured initially at cost, including transaction costs.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the parent company statement of comprehensive income in the year of retirement or disposal.

Property and Equipment

The Company's property and equipment consist of equipment, leasehold improvements, furniture and fixtures and right-of-use assets that do not qualify as investment properties.

Property and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and amortization and any impairment in value. The initial cost of property and equipment consists of its purchase price, including import duties, taxes, and any directly attributable costs of bringing the property and equipment to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to the parent company statement of comprehensive income in the period such 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 original assessed standard of performance, the expenditures are capitalized as additional cost of property and equipment.

It is the Company's policy to classify right-of-use (ROU) assets as part of property and equipment. The Company recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized and lease payments made at or before the commencement date less any lease incentives received.

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. ROU assets are subject to impairment.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives of property and equipment or lease term (in the case of ROU assets), whichever is shorter:

<u>Asset Type</u>	<u>Number of Years</u>
Office equipment	2-3 years
Leasehold improvements	5 years or term of the lease, whichever is shorter
Furniture and fixtures	2-3 years
Right-of-use asset – building	5 years
Right-of-use asset – transportation equipment	3 years



The estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that the periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment. The useful lives of property and equipment are estimated based on the period over which property and equipment are expected to be available for use and on collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives of the property and equipment are updated if expectations differ from previous estimates due to wear and tear, technical or commercial obsolescence and legal or other limits on the use of the property and equipment. However, it is possible that future financial performance could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

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 derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in profit or loss in the parent company statement of comprehensive income in the year the asset is derecognized.

Impairment of Nonfinancial Assets

Investments in Subsidiaries, Investment Property and Property and Equipment. The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. The recoverable amount of the asset is the greater of fair value less cost to sell and value in use. The fair value is the amount obtainable from the sale of an asset in arm's length transaction between knowledgeable, willing parties, less cost of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Any impairment loss is charged to the parent company statement of comprehensive income.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the assets is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization in the case of property and equipment, had no impairment loss been recognized for the asset in the prior years. Such reversal is recognized in the parent company statement of comprehensive income. After such reversal, the depreciation and amortization charges are adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Equity

Common stock is measured at par value for all shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction of proceeds, net of tax. Proceeds and/or fair value of considerations received in excess of par value are recognized as additional paid-in capital.



Retained earnings represent the Company's accumulated net earnings less cumulative dividends declared. Dividends on common stock are recognized as liability and deducted from equity when approved by the BOD of the Company. Dividends approved after the financial reporting date are dealt with as an event after the reporting date.

Retained earnings may also include effect of changes in accounting policy as may be required by the transitional provisions of new accounting standards and interpretations.

Revenue Recognition

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 Company expects to be entitled in exchange for those goods or services. The Company assesses whether it is acting as a principal or an agent in every revenue arrangement. It is acting as a principal when it has the primary responsibility for providing the goods or services. The Company also acts as a principal when it has the discretion in establishing the prices and bears inventory and credit risk. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and value-added tax (VAT).

Advisory Fee. Advisory fee is satisfied at a point in time and is recognized when the service is rendered.

Dividend Income

Dividend income is recognized when the right to receive has been established.

Interest Income

Interest income is recognized as it accrues on a time proportion basis taking into account the principal amount outstanding and the effective interest rate.

Other Income

Other income is recognized when earned.

Costs and Expenses

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Costs and expenses are recognized in profit or loss in the parent company statement of comprehensive income in the period these are incurred.

Provisions

Provisions are recognized when the Company has present obligations, legal or constructive, as a result of past events, when 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. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the parent company statement of comprehensive income, net of any reimbursements. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to passage of time is recognized as interest expense.

Earnings Per Share (EPS)

The Company presents basic and diluted earnings per share rate for its common shares. Basic EPS is calculated by dividing net income for the period by the weighted average number of common shares outstanding during the period after giving retroactive effect to any stock dividend declarations.



Diluted EPS is calculated in the same manner, adjusted for the dilutive effect of any potential common shares. As the Company has no dilutive common shares outstanding, basic and diluted earnings per share are stated at the same amount.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement. A reassessment is made after the inception of the lease only if one of the following applies: (a) there is a change in contractual terms, other than a renewal or extension of the agreement; (b) a renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term; (c) there is a change in the determination of whether the fulfillment is dependent on a specified asset; or (d) there is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) and the date of renewal or extension period for scenario (b).

As a Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Company recognizes lease liabilities to make lease payments and ROU assets representing the right to use the underlying assets.

Right-of-Use Assets. The Company classifies its ROU assets as part of property and equipment. Refer to the accounting policies in “Property and equipment” section.

Lease Liabilities. At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the remaining lease term. The lease payments include fixed payments (including in-substance fixed payments, as applicable) less any lease incentives receivable 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 Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company 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 liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Taxes

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

Deferred Tax. Deferred tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences except when the deferred tax liability arises from the initial recognition of goodwill or 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.

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefit of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carry-over (NOLCO) to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward benefit of unused tax credits and unused tax losses can be utilized except 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.

The carrying amount of deferred tax assets is reviewed at each financial reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that sufficient future taxable profit will allow the deferred tax asset, to be recovered.

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

Deferred tax relating to items recognized directly in equity is also included in equity and not in profit or loss of the parent company statement of comprehensive income.

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 taxation authority.

Value-Added Tax (VAT). Revenue, expenses and assets are recognized net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; or
- Receivables and payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from the taxation authority is included under the “Other current assets” account in the parent company statement of financial position.

Contingencies

Contingent liabilities are not recognized in the parent company financial statements but are disclosed in the notes to the parent company financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the parent company financial statements but are disclosed in the notes to parent company financial statements when an inflow of economic benefits is probable.

Events after the Reporting Date

Post year-end events that provide additional information about the parent company financial position at the financial reporting date (adjusting events) are reflected in the parent company financial statements. Post year-end events that are not adjusting events, if any, are disclosed in the notes to parent company financial statements when material.



Segment Reporting

For management purposes, STI Holdings and its subsidiaries (collectively referred to as the Group) is organized into business units based on the geographical location of the students and assets. Financial information about operating segments is presented in Note 20 to the parent company financial statements.

3. **Management's Use of Judgment, Estimates and Assumptions**

The preparation of the parent company financial statements in conformity with PFRSs requires the Company to make judgments, estimates and assumptions that affect the amounts reported in the parent company financial statements and related notes. The estimates used are based upon management's evaluation of relevant facts and circumstances as at the date of the parent company financial statements, giving due consideration to materiality. Actual results could differ from such estimates.

The Company believes the following represents a summary of these significant judgments, estimates and assumptions and related impact and associated risks in the parent company financial statements.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments apart from those including estimations and assumptions, which have the most significant effect on the amounts recognized in the parent company financial statements.

Contingencies. The Company is involved in several cases. Management and its legal counsels believe that the Company has substantial legal and factual bases for its position and are of the opinion that losses arising from these legal actions, if any, will not have a material adverse impact on the parent company financial statements. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of strategies relating to these proceedings (see Note 16).

Noncurrent asset held for sale. On June 24, 2021, the Parent Company's BOD approved the sale to an interested buyer of the Company's properties located in Quezon City ("Quezon City dacion properties") which were obtained by the Company through the deeds of dacion in 2016 as these properties have not been used in business since acquisition. Management considered these properties to have met the criteria to be classified as held for sale for the following reasons:

- The BOD approved the disposition of the Quezon City dacion properties;
- The Quezon City dacion properties are available for immediate sale in its present condition;
- Negotiations with an interested buyer have been initiated;
- The properties will be sold at a price approximating its current fair value; and
- Management expects to complete the sale within one year from the date of classification.

As a result of the classification as noncurrent asset held for sale, the Company ceased to account for the properties as investment properties effective June 30, 2021 and carried such properties at the lower of its carrying amount and fair value less costs to sell. No impairment loss was recognized for the years ended June 30, 2023 and 2022 as a result of such classification (see Note 7).

In May and June 2022, the Company issued to certain brokers an authority to sell and to perform all efforts in connection with the sale of the Quezon City dacion properties to prospective buyers.



In 2023, the Company started its negotiation with a certain real estate group for the sale of the properties. As of June 30, 2024 and October 11, 2024, the Company is still in negotiation with the said real estate group who is currently looking for a real estate developer to partner with in the development of the land.

Estimates and Assumptions

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities recognized in the parent company financial statements within the next financial year are discussed as follows:

Leases - Estimating the Incremental Borrowing Rate. Since the Company cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. The IBR therefore reflects what the Company ‘would have to pay’, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

The Company’s lease liabilities as at June 30, 2024 and 2023 are disclosed in Note 14 to the parent company financial statements.

Impairment of Nonfinancial Assets. PFRSs requires nonfinancial assets to be tested for impairment when certain impairment indicators are present, irrespective of whether there are any indications of impairment. Nonfinancial assets include investment in subsidiaries, investment properties, property and equipment and other noncurrent assets.

Management is required to make estimates and assumptions to determine the future cash flows to be generated from the continued use and ultimate disposition of these assets in order to determine the value of these assets. While the Company believes that the assumptions used are reasonable and appropriate, these estimates and assumptions can materially affect the parent company financial statements. Future adverse events may cause management to conclude that the affected assets are impaired and may have a material impact on the financial condition and results of operations of the Company.

Nonfinancial assets that are subject to impairment testing as at June 30, 2024 and 2023 are as follows:

	2024	2023
Investments in subsidiaries (see Note 6)	₱16,803,242,538	₱16,803,242,538
Investment properties (see Note 7)	284,739,834	284,739,834
Property and equipment (see Note 8)	11,924,087	16,254,859

No provision for impairment on these nonfinancial assets was recognized for the years ended June 30, 2024 and 2023.

Recognition of Deferred Tax Assets. The Company reviews the carrying amounts of deferred tax assets at each reporting date and reduces these to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized.

Since the Company is a holding company, management assessed that no sufficient future taxable income will be generated to allow all or part of its deferred tax assets to be utilized as the Company’s income mainly pertains to passive income which are not subject to income tax.



As at June 30, 2024 and 2023, unrecognized deferred tax assets arising from unused NOLCO and MCIT and lease liabilities amounted to ₱18.2 million and ₱15.1 million, respectively (see Note 15).

4. Cash and Cash Equivalents

	2024	2023
Cash on hand	₱5,000	₱5,000
Cash in banks	12,337,819	12,023,739
Cash equivalents	384,722,882	80,504,987
	₱397,065,701	₱92,533,726

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

Interest income earned from cash in banks and cash equivalents for the years ended June 30, 2024 and 2023 amounted to ₱10.8 million and ₱1.3 million, respectively.

5. Other Current Assets

	2024	2023
Interest receivable	₱894,103	₱–
Current portion of creditable withholding taxes	387,000	387,000
Advances for legal services	357,285	307,284
Input VAT – net	303,708	1,076,430
Advances to officers and employees (see Note 11)	149,215	78,560
Others	500,152	557,183
	₱2,591,463	₱2,406,457

Advances for legal services which are noninterest-bearing and are expected to be liquidated within one year.

Advances to officers and employees are normally liquidated within one month.

6. Investments in Subsidiaries

As at June 30, 2024 and 2023, the Company carries its investments in shares of stock under the cost method as follows:

	Principal Place of Business	Percentage of Ownership	Cost
STI Education Services Group, Inc. (STI ESG)	Cainta, Rizal	98.66%	₱15,283,676,041
STI West Negros University, Inc. (STI WNU)	Bacolod City, Negros	99.86%	592,398,926
iACADEMY, Inc. (formerly Information and Communications Technology Academy, Inc.), (iACADEMY)	Makati	100.00%	782,167,571
Attenborough Holdings Corp. (AHC)	Makati	100.00%	145,000,000
			₱16,803,242,538



STI ESG

STI ESG has investments in several entities which own and operate STI schools. STI ESG is involved in establishing, maintaining, and operating educational institutions to provide pre-elementary, elementary, secondary, including Senior High School (SHS), and tertiary as well as post-graduate courses, post-secondary and lower tertiary non-degree programs. It also develops, adopts and/or acquires, entirely or in part, such curricula or academic services as may be necessary in the pursuance of its main activities, relating but not limited to information technology services, information technology-enabled services, education, hotel and restaurant management, engineering, business studies, psychology and criminology.

On December 21, 2023, the Company received cash dividends from STI ESG amounting to ₱0.20 per share or ₱608.1 million while on December 16, 2022, the Company received cash dividends from STI ESG amounting to ₱0.07 per share or ₱212.8 million (see Note 11).

STI WNU

On September 11, 2013, STI Holdings executed a Share Purchase Agreement with the former shareholders of STI WNU (the Agustin family). STI WNU owns and operates STI West Negros University in Bacolod City. It offers pre-elementary, elementary, Junior High School (JHS), SHS, tertiary and post-graduate programs. It also provides technical-vocational education training services under the Technical Education and Skills Development Authority (TESDA) and/or operates a Training Center as well as an Assessment Center in relation to the said services.

On October 1, 2013, STI Holdings entered into a Deed of Absolute Sale to acquire the shares of STI WNU constituting 99.45% of the issued and outstanding common stock and 99.93% of the issued and outstanding preferred stock of STI WNU for an aggregate purchase price of ₱400.0 million, inclusive of contingent consideration. The acquisition cost was eventually recorded at ₱367.4 million. Carrying value as at June 30, 2024 and 2023 amounted to ₱592.4 million with the capitalization of acquisition-related expenses and the additional capital contribution of ₱225.0 million made in 2015.

On March 12, 2015, the SEC approved the application of STI WNU for the increase in its authorized capital stock and the reclassification of its preferred shares into common shares. The Company's deposit for future stock subscription was then applied to its subscription to 2,249,540 common shares of STI WNU at a total cost of ₱225.0 million.

On November 18, 2013, STI WNU's BOD approved the reclassification of its preferred shares into common shares. On March 12, 2015, the SEC approved the reclassification upon the approval of the increase in authorized capital stock from 300,000 preferred shares with ₱100 par value per share and 700,000 common shares with ₱100 par value per share to 10,000,000 common shares with ₱100 par value per share. Consequently, preferred shares owned by the Company were converted to common shares bringing its ownership to 99.86% of STI WNU's issued and outstanding common stock.

As at June 30, 2024 and 2023, the Company's remaining liability for contingent consideration amounting to ₱17.0 million is presented as nontrade payable under "Accounts payable and other current liabilities" account in the parent company statements of financial position (see Note 10).

On December 20, 2023, the Company received cash dividends from STI WNU amounting to ₱25.0 per share or ₱75.2 million (see Note 11).

iACADEMY

iACADEMY is a premier school offering specialized programs in SHS and college that are centered on Computing, Business and Design. It is known for its strong industry partnerships and non-traditional programs such as Software Engineering, Game Development, Web Development, Real Estate



Management, Animation, Multimedia Arts and Design, Fashion Design and Technology, Music Production and Sound Design, Film and Visual Effects, Data Science, and Cloud Computing. iACADEMY also offers programs in Accountancy, Marketing Management and Psychology. Classes are conducted at iACADEMY's Nexus building along Yakal St. in Makati City and at Filinvest Cyberzone Tower Two Building in Lahug, Cebu City, with top-of-the-line multimedia arts laboratories and computer suites.

It started in 2002 as a wholly owned subsidiary of STI ESG until its acquisition by STI Holdings in September 2016.

On September 27, 2016, STI Holdings purchased 100 million iACADEMY shares or 100.0% of iACADEMY's issued and outstanding capital stock from STI ESG for a purchase price of ₱113.5 million. STI Holdings also subscribed to 100 million shares out of the 400 million increase in the authorized capital stock of iACADEMY, which was approved by the SEC on November 9, 2016, at an aggregate subscription price of ₱100.0 million. With this, iACADEMY became a wholly-owned subsidiary of STI Holdings.

On September 7, 2017, the Board of Governors (BOG) of iACADEMY and BOD of Neschester Corporation (Neschester) approved the merger of the two companies with iACADEMY as the surviving corporation. The stockholders of both companies confirmed, ratified and approved the merger on the same date. The plan of merger was filed with the SEC on January 24, 2018 and was approved on April 10, 2018.

On the same date, September 7, 2017, the BOG and stockholders of iACADEMY approved the increase in its authorized capital stock from ₱500.0 million to ₱1,000.0 million. The purpose of the increase in authorized capital stock is to issue sufficient shares to the Company pursuant to the plan of merger. The application for the increase in authorized capital stock was filed with the SEC on January 30, 2018 and was approved on April 10, 2018. On May 11, 2018, iACADEMY issued 494,896,694 shares to the Company in exchange for the net assets of Neschester as a result of the merger.

On June 1, 2022, the BOG and Stockholders of iACADEMY, at separate meetings, approved the amendments in its AOI as follows: (1) amendment of its primary purpose to include [a] establishment of educational institutions in Metro Manila and a branch in Cebu City; and [b] that iACADEMY shall have all the express powers of a corporation under Section 35 of the Revised Corporation Code, including the establishment and maintenance of branches and school campuses within the Philippines, subject to the rules and regulations of the DepEd, CHED and TESDA. The SEC approved the amendments on July 28, 2022. On July 15, 2022, iACADEMY leased the 5th Floor of a property in Cebu Cyberzone located in Cebu City for a period of ten (10) years subject to renewal upon mutual agreement.

On February 7, 2023, the BOG and stockholders of iACADEMY, at separate meetings, approved the change in the corporate name from Information and Communications Technology Academy, Inc. to iACADEMY, Inc. iACADEMY applied for the amendment of its AOI and By-Laws with the SEC on February 23, 2023. The SEC approved the change in corporate name on April 3, 2024.

AHC

AHC is a holding company which is a party to the Joint Venture Agreement and Shareholders' Agreement with STI Holdings, Philippine Women's University (PWU) and Unlad Resources Development Corporation (Unlad) (see Note 16).



In May 2014, STI Holdings made a deposit of ₱56.0 million for 40.0% ownership in AHC. In November 2014, the said deposit was converted into ₱56.0 million AHC shares following the SEC approval of the increase in the authorized capital stock of AHC.

On February 11, 2015, the Company acquired the remaining 60.0% ownership in AHC, including subscription rights, from various individuals for a consideration of ₱25.0 million making AHC a wholly owned subsidiary.

On March 1, 2016, the Company and AHC executed a Deed of Assignment wherein AHC assigned its AHC Loan to Unlad, including capitalized foreclosure expenses, totaling to ₱66.7 million for a cash consideration of ₱73.8 million. The Deed of Assignment provides that the cash consideration will be payable in cash of ₱10.0 million upon execution of the Deed of Assignment and the remaining balance of ₱63.8 million upon demand. Accordingly, AHC recognized a receivable from the Company amounting to ₱63.8 million. Further, all the rights related to the receivable from Unlad have been transferred to STI Holdings (see Notes 10 and 16).

As at June 30, 2024 and 2023, the Company has unpaid subscription to AHC, presented as “Subscription payable” under noncurrent liability in the parent company statements of financial position, amounting to ₱64.0 million.

7. Investment Property and Noncurrent Asset Held for Sale

Investment Property. The Company’s investment property amounting to ₱284.7 million as at June 30, 2024 and 2023 include a parcel of land located in Davao City (Davao City dacion property) currently held by the Company for capital appreciation and are not used in business.

Noncurrent Asset Held for Sale. Noncurrent asset held for sale as of June 30, 2024 and 2023 represents certain parcels of land, buildings and improvements located in Quezon City (Quezon City dacion properties), which were obtained by the Company from Unlad through the Deeds of Dacion executed on March 31, 2016 pursuant to a Memorandum of Agreement (MOA), together with the Davao City dacion property mentioned above, for a total dacion price of ₱911.0 million as settlement of the outstanding obligations of Unlad and PWU to the Company, arising from the loans extended by the Company to PWU and Unlad when the Company acceded, in November 2011, to the Joint Venture Agreement and Shareholders’ Agreement (the Agreements) by and among PWU, Unlad, an Individual and Mr. Eusebio H. Tanco (EHT), STI Holdings’ BOD Chairman, for the formation of a strategic arrangement with regard to the efficient management and operation of PWU (see Note 16). PWU is a private non-stock, non-profit educational institution, which provides basic, secondary and tertiary education to its students while Unlad is a real estate company controlled by the Benitez Family and has some assets which are used to support the educational thrust of PWU. The Davao City dacion property and Quezon City dacion properties were initially recognized as “Investment properties” at fair value aggregating to ₱1,280.5 million at dacion date.

On June 24, 2021, the Company’s BOD approved the sale of the Quezon City dacion properties to a potential buyer as these properties have not been used in business since its receipt. Consequently, the carrying value of these properties amounting to ₱1,020.7 million was reclassified to “Noncurrent asset held for sale” account in the parent company statement of financial position as at June 30, 2021. With the classification as noncurrent asset held for sale, the Company carried the said properties at the lower of its carrying amount and fair value less costs to sell. No impairment loss was recognized for the years ended June 30, 2024 and 2023.



In May and June 2022, the Company issued to certain brokers an authority to sell and to perform all efforts in connection with the sale of the Quezon City dacion properties to prospective buyers.

In 2023, the Company started its negotiation with a certain real estate group for the sale of the properties. As of June 30, 2024 and October 11, 2024, the Company is still in negotiation with the said real estate group who is currently looking for a real estate developer to partner with in the development of the land.

The Company engaged security services for the Quezon City and Davao properties, recorded under “Outside services” in the parent company statements of comprehensive income. Security services for the years ended June 30, 2024 and 2023 amounted to ₱4.9 million and ₱5.2 million, respectively.

Fair Value of Investment Property

The fair value of this property was determined by an independent professionally qualified appraiser. The fair value represents 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 of the Company’s investment property amounted to ₱486.2 million and ₱421.9 million as at June 30, 2024 and 2023.

Level 2 fair value of land, classified as investment property, has been derived using the market approach. The market approach is a comparative approach to value that considers the sales of similar or substitute properties and related market data and establishes a value estimate by process involving comparison. Listings and offerings may also be considered. Sales prices of comparable land in close proximity (external factor) are adjusted for differences in key attributes (internal factors) such as location and size.

Using the latest available valuation report as at June 30, 2024 and 2023, the following shows the valuation techniques used in measuring the fair value of land, as well as the significant unobservable inputs used:

	2024	2023
Fair value	₱486,226,400	₱421,932,000
Total area (in square meters)	40,184	40,184
Fair value by square meters	40,184 sq. m. at ₱12,100 sq. m.	40,184 sq. m. at ₱10,500 sq. m.
Valuation date	August 28, 2024	September 9, 2022
Valuation technique	Market approach	Market approach
Unobservable input	External factors - net price per square meter	External factors - net price per square meter
	Internal factors - location, size, depth, influence, and time element	Internal factors - location, size, depth, influence, and time element
Relationship of unobservable inputs to fair value	The higher the price per square meter, the higher the fair value	The higher the price per square meter, the higher the fair value

The highest and best use of the Davao property is institutional land development.



8. Property and Equipment

2024						
	Office Equipment	Leasehold Improvements	Furniture and Fixtures	Right-of-use Asset - Transportation Equipment	Right-of-use Asset - Building	Total
Cost						
Balance at beginning of year	₱1,103,871	₱18,176,980	₱302,731	₱3,085,561	₱26,578,320	₱49,247,463
Additions	104,995	–	–	–	–	104,995
Balance at end of year	1,208,866	18,176,980	302,731	3,085,561	26,578,320	49,352,458
Accumulated Depreciation and Amortization						
Balance at beginning of year	938,385	18,176,980	302,731	1,594,019	11,980,489	32,992,604
Depreciation and amortization	147,177	–	–	886,091	3,402,499	4,435,767
Balance at end of year	1,085,562	18,176,980	302,731	2,480,110	15,382,988	37,428,371
Net Book Value	₱123,304	₱–	₱–	₱605,451	₱11,195,332	₱11,924,087

2023						
	Office Equipment	Leasehold Improvements	Furniture and Fixtures	Right-of-use Asset - Transportation Equipment	Right-of-use Asset - Building	Total
Cost						
Balance at beginning of year	₱920,301	₱18,176,980	₱302,731	₱1,794,992	₱9,565,827	₱30,760,831
Additions	183,570	–	–	1,290,569	17,012,493	18,486,632
Balance at end of year	1,103,871	18,176,980	302,731	3,085,561	26,578,320	49,247,463
Accumulated Depreciation and Amortization						
Balance at beginning of year	847,633	18,081,188	302,731	851,325	8,781,286	28,864,163
Depreciation and amortization	90,752	95,792	–	742,694	3,199,203	4,128,441
Balance at end of year	938,385	18,176,980	302,731	1,594,019	11,980,489	32,992,604
Net Book Value	₱165,486	₱–	₱–	₱1,491,542	₱14,597,831	₱16,254,859

There is no idle property and equipment as at June 30, 2024 and 2023.

9. Other Noncurrent Assets

	2024	2023
Creditable withholding taxes - net of current portion	₱20,190,970	₱17,768,470
Refundable deposits	823,344	597,782
Equity instruments at FVOCI	643,395	560,395
	₱21,657,709	₱18,926,647

The movement in the balance of equity instruments at FVOCI follows:

	2024	2023
Balance at beginning of year	₱560,395	₱419,295
Fair value change	83,000	141,100
Balance at end of year	₱643,395	₱560,395

The rollforward analysis of the “Fair value change in equity instruments at FVOCI” account as shown in the equity section of the parent company statements of financial position is as follows:

	2024	2023
Balance at beginning of year	₱195,928	₱54,828
Fair value change recognized in other comprehensive income	83,000	141,100
Balance at end of year	₱278,928	₱195,928



10. Accounts Payable and Other Current Liabilities

	2024	2023
Nontrade payable (see Note 6)	₱17,000,000	₱17,000,000
Payable to AHC (see Notes 6 and 11)	63,778,000	63,778,000
Accrued expenses	3,383,699	3,091,482
Others	824,406	740,737
	₱84,986,105	₱84,610,219

Nontrade payable pertains to a contingent consideration in relation to the acquisition of STI WNU. As at June 30, 2024 and 2023, the remaining balance of nontrade payable amounting to ₱17.0 million pertains to the portion of the contingent consideration to be released upon collection of STI WNU's trade receivables guaranteed as collectible by the Agustin family. As part of the Compromise Agreement, the parties also agreed to review the financial records of STI WNU to determine the status of collection (see Note 16).

Payable to AHC pertains to the remaining balance of the consideration relative to the assignment of AHC's receivable from Unlad on March 1, 2016 (see Note 6).

Accrued expenses primarily pertain to accruals for audit fees, contracted outside services, utilities, and director fees which are normally settled the following month.

Accounts payable are noninterest-bearing and are normally settled within a 30 to 60-day term.

11. Related Party Transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or under common control with the Company, including holding companies, and fellow subsidiaries are related entities of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related entities.

Related party receivables and payables are generally settled in cash.

The Company, in the normal course of business, has the following transactions with related parties:

Category	Amount of Transactions for the Year		Outstanding Receivable (Payable)		Terms	Conditions
	2024	2023	2024	2023		
<i>Subsidiaries</i>						
STI ESG						
Advisory fee	₱14,400,00	₱14,400,000	₱-	₱-	30 days upon receipt of billings;	Unsecured
Reimbursements	13,756	95,732	-	-	noninterest-bearing 30 days upon receipt of billings;	Unsecured
Dividend income (see Note 6)	608,124,607	212,843,613	-	-	noninterest-bearing Due and demandable;	Unsecured
Dividend paid	15,012,987	7,506,493	-	-	noninterest-bearing Due and demandable;	Unsecured
					noninterest-bearing	

(Forward)



Category	Amount of Transactions for the Year		Outstanding Receivable (Payable)		Terms	Conditions
	2024	2023	2024	2023		
STI WNU						
Advisory fee	₱3,600,000	₱3,600,000	₱-	₱-	30 days upon receipt of billings; noninterest-bearing	Unsecured
Dividend income (see Note 6)	75,237,575	-	-	-	Due and demandable; noninterest-bearing	Unsecured
AHC						
Payable to AHC (see Note 10)	-	-	(63,778,000)	(63,778,000)	Payable upon demand; noninterest-bearing	Unsecured
Subscription payable (see Note 6)	-	-	(64,000,000)	(64,000,000)	Noninterest-bearing	Unsecured
iACADEMY						
Advisory fee	510,000	510,000	-	-	30 days upon receipt of billings; noninterest-bearing	Unsecured
Affiliates*						
Phils First Insurance Co., Inc. (PFIC)						
Rental and other charges	4,994,661	4,842,840	-	-	30 days upon receipt of billings; noninterest-bearing	Unsecured
Philippines First Condominium Corporation						
Utilities and other charges	377,785	499,834	(1,576)	(40,186)	30 days upon receipt of billings; noninterest-bearing	Unsecured
PhilCare						
Facility sharing and other charges	240,000	240,000	-	-	30 days upon receipt of billings; noninterest-bearing	Unsecured
HMO coverage	186,121	147,514	-	-	30 days upon receipt of billings; noninterest-bearing	Unsecured
PhilLife						
Facility sharing and other charges	300,000	300,000	-	-	30 days upon receipt of billings; noninterest-bearing	Unsecured
Officers and Employees						
Advances to officers and employees (see Note 5)	2,765,113	2,581,408	149,215	78,560	Liquidated within 1 month; noninterest-bearing	Unsecured; no impairment
Others						
Deposit for future stock subscription	75,000,000	-	75,000,000	-	Noninterest-bearing to be converted to equity upon approval of the increase in authorized capital stock of STI Novaliches	Unsecured; no impairment
Facility sharing and other charges	300,000	300,000	-	-	30 days upon receipt of billings; noninterest-bearing	Unsecured
Advertising and promotion charges	430,000	400,000	-	-	30 days upon receipt of billings; noninterest-bearing	Unsecured
			(₱52,630,361)	(₱127,739,626)		

*Affiliates are entities under common control of a majority shareholder

a. Business Advisory Agreement with STI ESG, STI WNU and iACADEMY

In November 2012, the Company and STI ESG entered into an agreement for the Company to act as an adviser for the latter with a monthly fee of ₱1.2 million.

In January 2015, the Company and STI WNU entered into an agreement for the Company to act as an adviser for the latter with a monthly fee of ₱0.3 million.

In September 2018, the Company and iACADEMY entered into an agreement for the Company to act as an adviser for the latter with a monthly fee of ₱0.08 million. The monthly fee was reduced to ₱0.04 million starting December 1, 2020.

Advisory fees earned for the years ended June 30, 2024 and 2023 amounted to ₱18.5 million.



b. On June 4, 2024, the Company paid a deposit amounting to ₱75.0 million for future subscription to 75.0 million shares of STI Novaliches at a subscription price of ₱1.0 per share. On July 15, 2024, STI Novaliches applied for an increase in authorized capital stock with the SEC. As at June 30, 2024, the deposit was separately presented under noncurrent assets section in the 2024 consolidated statement of financial position, pending the increase in authorized capital stock of STI Nova. As at October 11, 2024, STI Novaliches' application for the increase in authorized capital stock remains in process with the SEC.

c. Surety Agreement

The Company executed a Surety Agreement in relation to STI ESG's loan facility with Land Bank of the Philippines (LandBank), see Note 16.

d. Compensation and Benefits of Key Management Personnel

The Company's directors did not receive any compensation from the Company, except for directors' fees paid for each board meeting attended. Key management compensation for the years ended June 30, 2024 and 2023 amounted to ₱6.0 million and ₱3.4 million, respectively.

e. Material Related Party Transactions Policy

The BOD shall approve all material related party transactions before their commencement. Transactions amounting to the materiality threshold of ten percent (10.0%) or more of the consolidated total assets that have been entered into with an unrelated party that subsequently becomes a related party are excluded from the limits and approval process requirements. The Company may set a lower threshold upon determination by the BOD of the risk of the related party transactions to cause damage to the Company and its stockholders.

12. Equity

a. Common Stock

Details as at June 30, 2024 and 2023 are as follows:

	Shares	Amount
Common stock - ₱0.50 par value per share		
Authorized	10,000,000,000	₱5,000,000,000
Issued and outstanding	9,904,806,924	4,952,403,462

Set out below is the Company's track record of registration of its securities:

Date of Approval	Number of Shares		Issue/ Offer Price
	Authorized	Issued	
December 4, 2007*	1,103,000,000	307,182,211	₱0.50
November 25, 2011**	1,103,000,000	795,817,789	0.60
September 28, 2012***	10,000,000,000	5,901,806,924	2.22
November 7, 2012	10,000,000,000	2,627,000,000	0.90
November 28, 2012	10,000,000,000	273,000,000	0.90

*Date when the registration statement covering such securities was rendered effective by the SEC.

**Date when the Company filed SEC form 10-1(k) (Notice of Exempt Transaction) with the SEC in accordance with the Securities Regulation Code and its Implementing Rules and Regulations.

***Date when the SEC approved the increase in authorized capital stock.



As at June 30, 2024 and 2023, the Company has a total number of shareholders on record of 1,264.

b. Retained Earnings

On December 21, 2023, cash dividends amounting to ₱0.030 per share or the aggregate amount of ₱297.1 million were declared by the Company's BOD in favor of all stockholders of record as at January 10, 2024, paid on January 31, 2024.

On December 19, 2022, cash dividends amounting to ₱0.015 per share or the aggregate amount of ₱148.6 million were declared by the Company's BOD in favor of all stockholders of record as at January 6, 2023, paid on January 31, 2023.

As at June 30, 2024 and 2023, unclaimed dividends amounted to ₱12.2 million. This is separately presented as "Dividends payable" in the parent company statements of financial position.

The Company's retained earnings available for dividend declaration, computed based on the guidelines provided in the SEC Memorandum Circular No. 16 of 2023 / No. 11 of 2008, amounted to ₱2,048.5 million and ₱1,667.4 million as at June 30, 2024 and 2023, respectively.

13. Basic/Diluted Earnings Per Share

The table below shows the summary of net income and weighted average number of common shares outstanding used in the calculation of earnings per share:

	2024	2023
Net income (a)	₱679,283,697	₱199,366,744
Common shares at beginning and end of year (b)	9,904,806,924	9,904,806,924
Basic/diluted earnings per share (a)/(b)	₱0.07	₱0.02

The basic and diluted earnings per share are the same for the years ended June 30, 2024 and 2023 as there are no dilutive potential common shares.

14. Leases

The Company leases a building space, where the corporate office is located. The lease rate is subject to annual repricing based on a pre-agreed rate.

On October 14, 2017, the Company and PFIC entered into an agreement for the lease of office space in Ayala Avenue, Makati City. The term of the lease is five (5) years starting October 2017, renewable upon joint agreement of the parties, with a monthly rental of ₱299,190. The annual rental shall be subject to a 5.0% escalation every year starting on the second year of the lease term. Under the terms of the lease agreement, the Company is required to make a refundable deposit of ₱0.6 million equivalent to two (2) months' rent. The lease agreement was renewed for another five (5) years starting October 2022 with a monthly rental of ₱314,147 under the same terms and conditions as the original contract.



The following are the amounts recognized in the parent company statements of comprehensive income for the years ended June 30, 2024 and 2023:

	2024	2023
Depreciation expense of right-of-use assets included in property and equipment	₱4,288,590	₱3,941,897
Interest expense on lease liabilities	1,203,793	960,028
Total amount recognized in the parent company statements of comprehensive income	₱5,492,383	₱4,901,925

The rollforward analysis of lease liabilities for the years ended June 30, 2024 and 2023 follows:

	2024	2023
Balance at beginning of year	₱16,397,611	₱1,810,654
Additions (see Note 8)	-	17,950,577
Interest expense	1,203,793	960,028
Payments	(4,664,279)	(4,323,648)
Balance at end of year	12,937,125	16,397,611
Less current portion	3,365,427	3,056,545
Noncurrent portion	₱9,571,698	₱13,341,066

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

	2024	2023
Within one year	₱4,502,341	₱4,664,279
After one year but not more than five years	10,282,181	14,784,522
	₱14,784,522	₱19,448,801

15. Income Taxes

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act. On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the Minimum Corporate Income Tax (MCIT) rate to 2.0% of gross income effective July 1, 2023 pursuant to Republic Act (RA) No. 11534, otherwise known as the “Corporate Recovery and Tax Incentives for Enterprises (CREATE)” Act. MCIT rate was previously reduced from 2.0% to 1.0% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021.

Consequently, the Company recognized MCIT using the effective rate of 2.0% in taxable year 2024 in accordance with RMC 69-2023.

The provision for current income tax for the years ended June 30, 2024 and 2023 represent MCIT.



The reconciliation between the provision for income tax at the applicable statutory tax rate and the provision for (benefit from) income tax as shown in the parent company statements of comprehensive income follows:

	2024	2023
Provision for income tax at statutory tax rate	₱169,649,638	₱50,911,084
Add (deduct) tax effects of:		
Dividend income	(170,840,546)	(53,212,563)
Change in unrecognized deferred tax assets	3,019,459	3,522,810
Expired NOLCO and MCIT	196,696	3,381,603
Income subjected to final tax	(2,710,394)	(325,341)
	(₱685,147)	₱4,277,593

As at June 30, 2024 and 2023, the Company's deferred tax liability on right-of-use assets amounted to ₱3.0 million and ₱4.0 million, respectively.

Deferred tax assets for the following temporary differences and carryforward benefits of unused tax losses and unused tax credits have not been recognized as management believes that future taxable income will not be available to allow all or part of these deferred tax assets to be utilized since the Company's income mainly pertains to passive income which are not subject to income tax:

	2024	2023
NOLCO	₱56,573,347	₱41,796,245
Lease liabilities	12,937,125	16,397,611
MCIT	774,018	583,714
	₱70,284,490	₱58,777,570

On September 30, 2020, the BIR issued Revenue Regulations (RR) No. 25-2020 implementing Section 4(b) 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 a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

The details of the Company's NOLCO that can be claimed as deduction from regular taxable income and MCIT which can be claimed against future regular income tax due are as follows:

Year Incurred	Expiry Date	NOLCO	MCIT
2024	2027	₱14,777,102	₱387,000
2023	2026	10,281,490	193,500
2022	2027	16,800,050	-
2022	2025	-	193,518
2021	2026	14,286,489	-
2021	2024	-	196,696
2020	2025	428,216	-
		56,573,347	970,714
Less expired		-	196,696
		₱56,573,347	₱774,018



16. Commitments and Contingencies

Surety Agreement

STI ESG. On July 22, 2020, LandBank approved a ₱250.0 million Term Loan/Rediscounting Line Facility under its Access to Academic Development to Empower the Masses towards Endless Opportunities (ACADEME) Lending Program in favor of STI ESG to finance the ‘study now, pay later’ program of the government for students amid the financial difficulties facing families due to the COVID-19 pandemic. The ACADEME Lending Program is a refinancing/rediscounting facility for Promissory Notes issued by the parents or benefactors of students to enable said students to enroll, continue and complete their studies. The school can borrow up to 70.0% of the amount stated in the Promissory Note issued by the parents/benefactors of the students. This loan from LandBank is subject to 3.0% interest per annum. Interest and principal are payable annually in arrears. The term of the borrowing is coterminous with the promissory note to be issued by the parents/benefactors of the students, which in no case shall exceed three (3) years. The loans covered by these promissory notes to be issued by the parents/benefactors of students are interest-free.

The ₱250.0 million Term Loan/Rediscounting Line Facility approved for STI ESG is secured by a Comprehensive Surety issued by the Company in favor of LandBank executed on September 16, 2020.

This agreement shall remain in full force and effect while the obligations of STI ESG under the LandBank ACADEME Program remain outstanding and/or not paid to the satisfaction of LandBank. The term of the borrowing is coterminous with the promissory notes executed by the parents/benefactors of the students. STI ESG has drawn from this Term Loan/Rediscounting Line Facility an aggregate amount of ₱22.1 million, of which ₱3.0 million is the balance outstanding as of June 30, 2023. Of the ₱3.0 million outstanding loan, ₱2.1 million was settled in August 2023 while the balance amounting to ₱0.9 million was fully paid on January 31, 2024.

Contingencies

- a. *Agreements with PWU and Unlad.* On various dates in 2011, 2012 and 2013, the Company and AHC extended loans and advances to PWU and Unlad by virtue of several agreements (collectively, Loan Documents), which were secured by mortgages over PWU and Unlad properties, entered into among the Company, AHC, PWU and Unlad, in the total principal amount of ₱513.0 million. Upon the non-adherence to the terms and conditions stated in the agreements, the Company and AHC served notices of default to PWU and Unlad in December 2014, and demanded the payment of the total combined amount of approximately ₱926.0 million, inclusive of interests, penalties, fees and taxes.

Upon failure to pay the aforesaid loan, the Company and AHC enforced their rights under the aforesaid agreements and mortgages and filed several Petitions for Extra-Judicial Foreclosure of Real Estate Mortgage on (a) PWU’s Indiana and Taft Properties with the Office of the Clerk of Court and Ex-Officio Sheriff of the Regional Trial Court (RTC) of Manila, (b) Unlad’s properties in Quezon City and (c) Davao Property with the Office of the Clerk of Court and Ex-Officio Sheriff of the RTC of Quezon City and Davao, respectively, in February 2015.

On March 13, 2015, Dr. Helena Z. Benitez (HZZ) filed a Creditor-Initiated Petition for Rehabilitation of PWU (PWU Rehabilitation Case) in RTC Manila (Rehabilitation Court). The Rehabilitation Case was dismissed by the Rehabilitation Court. The Motion for Reconsideration and responsive pleadings thereto subsequently filed by HZZ and PWU were likewise denied by the Rehabilitation Court on January 21, 2016.



Extra-judicial foreclosure sales were conducted in various dates in 2015 and 2016 for the above-mentioned properties and the Company was declared as the winning bidder for all extra-judicial foreclosure sales held.

On March 1, 2016, the Company and AHC executed a Deed of Assignment wherein AHC assigned its loan to Unlad, including capitalized foreclosure expenses, amounting to ₱66.7 million for a cash consideration of ₱73.8 million. The Deed of Assignment provides that the cash consideration will be payable in cash of ₱10.0 million upon execution of the Deed of Assignment and the remaining balance of ₱63.8 million upon demand. Accordingly, AHC recognized a receivable from the Company amounting to ₱63.8 million. Further, all the rights related to the receivable from Unlad were transferred to the Company.

On March 22, 2016, the Company, PWU, Unlad, and HZB entered into a MOA for the extinguishment and settlement of the outstanding obligations of PWU and Unlad to the Company.

The MOA included, among others, the execution of the following on March 31, 2016:

- Deed of Dacion en pago of Quezon City Properties and Davao Property (collectively referred to as the Deeds) in favor of the Company.
- Release and cancellation of mortgages over the Manila Properties to be executed by the Company.

The MOA also provided that the Company would be committed to fund and advance all taxes, expenses and fees to the extent of ₱150.0 million in order to obtain the CAR and the issuance of new Transfer Certificates of Title (TCTs) and TDs in favor of the Company. In the event that such expenses are less than ₱150.0 million, the excess would be given to Unlad. However, if the ₱150.0 million would be insufficient to cover the expenses, the Company would provide the deficiency without any right to reimbursement from Unlad.

Consequently, the Company recognized the Quezon City properties and Davao property as “Investment properties”. On June 24, 2021, the Company’s BOD approved the sale of the Quezon City dacion properties to a potential buyer and reclassified these as noncurrent asset held for sale as these properties have not been used in business since its receipt (see Note 7). The Davao property remained as “Investment property”.

Relative to the above, the following cases have been filed:

(i). *Arbitration Case and Derivative Suit filed by Mr. Conrado Benitez II.*

1. Mr. Conrado L. Benitez II (the Claimant) filed on June 28, 2016 a Request for Arbitration, with the Philippine Dispute Resolution Center, Inc. (PDRCI), for and on behalf of PWU and Unlad, wherein he requested that the directors/trustees and stockholders/members of Unlad and PWU, Mr. Eusebio H. Tanco (EHT), the Company, Mr. Alfredo Abelardo B. Benitez (ABB) and AHC (collectively, the Respondents) submit the alleged dispute over the settlement of the loan obligations of PWU and Unlad as provided in the arbitration clause of the Joint Venture Agreement and Omnibus Agreement (the Loan Documents).

In the said Arbitration Case, the Claimant asserted that PWU and Unlad are not in default in their obligations under the Loan Documents. The obligations provided therein, specifically obtaining a tax-free ruling for Property for Share Swap Transaction from the Bureau of Internal Revenue, is an impossible condition. Consequently, the foreclosures on the securities of the Loan Documents, real properties of PWU and Unlad, were null and void because (a) failure to submit the case for arbitration and (b) PWU and Unlad are not in



default. Based on such circumstances, the Claimant sought, among others, the (a) renegotiation, or (b) rescission of the Loan Documents. Should the Loan Documents be rescinded, the Claimant also sought that PWU and Unlad shall be allowed twelve months to sell the Davao and Quezon City Properties to return the alleged investments made by the Company, EHT, ABB and AHC. Lastly, the Claimant sought the payment of attorney's fees of not less than ₱5.0 million, ₱0.5 million of which is for expenses and reimbursement of cost of suit, expenses, and other fees.

After receiving the Notice of Arbitration and being informed that the required fees have not been paid by the Claimant, the Parent Company, AHC, and EHT filed an Entry of Appearance with Manifestation ("Manifestation"). In the Manifestation, they informed the PDRCI that the Claimant should be compelled to pay said fees before the arbitration proceedings can proceed.

The PDRCI issued a *Notice* dated August 26, 2016, which informed the parties to the instant case that the proceedings are suspended until the Claimant settles the outstanding provisional advance on cost for filing the instant case.

The Company sent a letter dated July 2, 2020 addressed to the Office of the Secretariat-General of PDRCI. In the said letter, the Company informed the PDRCI about the death of the Claimant. The Company also moved for the PDRCI to dismiss and/or consider the case withdrawn due to the non-payment of the provisional advance on cost for more than three (3) years.

As at October 11, 2024, the PDRCI has not issued any response to said letter.

2. After filing the Request for Arbitration, Mr. Conrado L. Benitez II (the Petitioner) then filed on June 29, 2016 a derivative suit for himself and on behalf of Unlad and PWU against directors/trustees and stockholders/members of Unlad and PWU, EHT, the Company, ABB and AHC (collectively, the Defendants) docketed as Civil Case No. 16-136130 in the RTC of Manila (the Derivative Suit).

In the Derivative Suit, the Petitioner primarily asserts that the Company, EHT, ABB and AHC should submit themselves to the arbitration proceedings filed with the PDRCI because the Loan Documents required any alleged dispute over the same to be resolved through arbitration. Consequently, the Petitioner alleges that the foreclosure proceedings and settlement of the obligations of PWU and Unlad as evidenced by the MOA dated March 22, 2016 executed by PWU and Unlad with the Company and AHC are null and void for not complying with the aforesaid arbitration clause. Likewise, the Petitioner sought the payment of attorney's fees not less than ₱1.0 million and ₱0.1 million for expenses and cost of suit.

On July 26, 2016, the Company and AHC filed their Joint Answer with Compulsory Counterclaim (Joint Answer). In the Joint Answer, the Company and AHC asserted that the instant case is a mere harassment and nuisance suit, and a deliberate form of forum shopping when the Petitioner filed the Arbitration Case for the same purpose. Likewise, the Petitioner cannot compel the corporations to submit themselves to arbitration because (a) the parties to the Loan Documents have already settled any disputes, and (b) the said corporations are not stockholders and members of PWU and Unlad. Lastly, the relevant laws allow the Company and AHC to institute foreclosure proceedings even if there is an arbitration clause.



Simultaneously, EHT filed his Answer wherein he asserted that the Petitioner cannot compel him to submit himself to arbitration when he is not a party to the Loan Documents.

Meanwhile, the other co-defendants, namely (a) ABB, and (b) Dr. Jose Francisco and Marco Benitez, filed their respective Answer(s) to the Complaint.

After the termination of Court-Annexed Mediation, the Petitioner manifested that the Trial Court should proceed to resolve the case based on the pleadings and affidavits already filed by the parties in accordance with Interim Rules Governing Intra-Corporate Controversies.

The Trial Court issued an Order dated June 23, 2017 requiring the parties to file their respective Memoranda within twenty (20) days from receipt thereof in order for the Trial Court to proceed to render judgment, full or otherwise, based on all of the pleadings and evidence submitted by the parties in relation and pursuant to Rule 4, Section 4 of the Interim Rules of Procedure Governing Intra-Corporate Controversies under RA No. 8799 (“Interim Rules”). All of the parties filed their respective Memoranda on July 25, 2017.

On February 9, 2018, the Company received the Decision dated January 19, 2018, which dismissed the case. In the Decision, the Trial Court deemed that Petitioner failed to establish fraud or bad faith on the part of the Defendants. Consequently, the Trial Court cannot contravene in the agreement among the Company, Unlad, PWU and AHC to amicably settle the outstanding obligations of PWU and Unlad to AHC and the Company.

On February 28, 2018, the Company, AHC and EHT received the Plaintiffs’ Petition for Review of the aforesaid Decision filed with the Court of Appeals – Manila and docketed as C.A. G.R. No. 154654.

While the said Petition for Review is pending, the Company discovered that the Petitioner was able to cause the annotation of *lis pendens* on the titles of the three (3) Quezon City properties subject of the amicable settlement with PWU and Unlad.

Consequently, the Company filed a Motion to Cancel *Lis Pendens* with the Court of Appeals where the case was pending. In the Motion, the Company sought for the cancellation of the said *lis pendens* due to impropriety and/or invalidity of the same.

The Court of Appeals issued a *Resolution* requiring all of the parties to file their respective Memoranda. On May 9, 2019, the Company, AHC and EHT filed their Joint-Memorandum.

While the appeal of the Petitioner is pending, the Company filed a Manifestation and Motion dated July 29, 2020. In the said Manifestation and Motion, the Company informed the Court of Appeals about the death of the Petitioner on March 28, 2020. Consequently, the Company moved for the resolution and dismissal of the said appeal.

The Petitioner’s counsel filed a Notice and Motion dated August 14, 2020, which also informed the Court of Appeals about the death of the Petitioner. Consequently, said counsel moved that the Petitioner be substituted by his wife and children.

In response thereto, the Company filed its Comment/Opposition dated August 24, 2020. In the Comment/Opposition, the Company argued that the Petitioner cannot be substituted because he can only be substituted by a member of PWU and stockholder of Unlad. The wife and children of the Petitioner cannot be members of PWU because membership in PWU is non-transferable.



In the Resolution dated October 28, 2021, the Court of Appeals granted the Motion for Substitution.

In the Resolution dated February 11, 2022, the Court of Appeals dismissed the Petition filed by the Plaintiffs. The Court of Appeals also granted the Motion to Cancel the Lis Pendens annotated on the Quezon City Properties.

On March 23, 2022, the Company received the Motion for Reconsideration filed by the Heirs of Plaintiff Conrado Benitez II on the aforesaid Resolution dated February 11, 2022.

After the Court of Appeals required the parties to file their respective Comment to the said Motion for Reconsideration, Company filed its Comment/Opposition on May 23, 2022.

On April 11, 2023, the Court of Appeals declared that the Motion for Reconsideration filed by the Heirs of Plaintiff Benitez II is submitted for resolution.

As of October 11, 2024, the Court of Appeals has not issued its decision on the said Motion for Reconsideration.

- (ii). *Ejectment Case against Philippine Women University of Davao involving Unlad's Davao Property.*

On March 11, 2019, the Company filed the Complaint for Unlawful Detainer against Philippine Women's College, Inc. of Davao (PWC-Davao) to recover possession of a portion of the parcel of land covered by TCT No. T-129545 registered under the name of the former situated along University Ave and Richardo, Matina, Davao City being used as a parking area (the Subject Premises) by the latter.

The Subject Premises formed part of the 40,184 sq.m., more or less, (the Property) parcel of land formerly registered under the name of Unlad. After Unlad transferred ownership of the Property to the Company, the Company demanded from PWC-Davao to vacate the Subject Premises.

Despite said demands, PWC-Davao refused to vacate the Subject Premises.

On May 28, 2019, the Company received the Answer with Compulsory Counterclaim dated May 14, 2019.

After a failed Court-Annexed Mediation, the parties continued the discussion on the possibility of an amicable settlement.

On July 1, 2022, the parties filed the Joint Motion for Approval of Compromise Agreement. Based on the Compromise Agreement, the Company allowed PWC-Davao to use the Subject Premises for one (1) year or until June 29, 2023. In the event that the Company needs to proceed with its plans for the Subject Premises, it will serve a written notice to vacate and/or turnover of the Subject Premises to PWC-Davao sixty (60) calendar days before the intended day to vacate or turnover.

In either case, PWC-Davao agreed to voluntarily vacate and/or turn over the Subject Premises.



On September 30, 2022, the Company received the Decision dated July 4, 2022 issued by the Trial Court adopting the Compromise Agreement as the decision in this case.

With the issuance of said Decision, the case is deemed terminated.

- b. *Specific Performance Case filed by the Agustin family.* The Agustin family filed a Specific Performance case against the Company for the payment by the latter of the remaining balance of the purchase price for the sale of the Agustin family's shares in STI WNU.

The Agustin family alleged in their Complaint that based on the Share Purchase Agreement and Deed of Absolute Sale they executed with the Company, the price of their shares in STI WNU has been pegged at ₱400.0 million. Despite these two agreements, the Company refuses to pay the full purchase price for the STI WNU shares they acquired from the Agustin family.

In its Answer, the Company stated that the Agustin family is not entitled to the full purchase price of their STI WNU shares because they have not complied with all the requirements for its release. In particular, the Agustin family has not been able to deliver the Commission on Higher Education permits for the operation of STI WNU's Maritime Program as provided in the MOA, and the Share Purchase Agreement. In addition, there are other trade receivables in favor of STI WNU wherein full satisfaction of the same entitles the Agustin family a portion of the balance of the purchase price.

In order to expedite the proceedings, the Agustin family was able to submit the case for summary judgment by the Trial Court. Despite the opposition thereto, the Trial Court rendered its Decision dated April 4, 2018 (the "*Summary Judgment*"). In the *Summary Judgment*, the Trial Court ordered the Company to pay the Agustin family the amount of ₱50.0 million with legal interest from the filing of the case until full payment only.

On September 11, 2018, the Company filed and paid the corresponding docket fees for its Notice of Appeal Ex Abudanti Ad Cautelam (Notice of Appeal) on the said Summary Judgment.

Upon motion by the Agustin family, the Trial Court granted their Motion for Execution Pending Appeal dated September 5, 2018.

While the record of the case was still with the Trial Court, the Company immediately filed the Urgent Motion for Reconsideration with alternative prayer for Motion to Stay Discretionary Execution Pending Appeal dated December 14, 2018.

After due hearing by the Trial Court on the Motion(s), the Trial Court (a) denied the Urgent Motion for Reconsideration but (b) granted the Motion to Stay Discretionary Execution Pending Appeal upon posting of a supersedeas bond amounting to ₱100.0 million (the "Stay Order").

After the Agustin family filed a Motion for Reconsideration on the Stay Order, the Trial Court denied the same in its Order dated March 14, 2019.

Both parties sought their respective remedies before the Court of Appeals - Cebu to question (a) the Summary Judgment against the Company (CA G.R. CV No. 07140) and (b) the Stay Order against the execution of the Summary Judgment in favor of the Agustin family (CA G.R. CV No. 12663) (collectively, the "CA Cases").



While the aforesaid CA Cases were pending, the parties decided to amicably settle and terminate said cases by executing in counterparts the Compromise Agreement dated September 6, 2021, and September 10, 2021 and filing a *Joint Motion for Judgment Based on Compromise Agreement* dated September 20, 2021. In the Compromise Agreement, the Company agreed to pay the Agustin family the amount of ₱25.0 million as final and full settlement of the latter's claim against the former in the aforementioned cases (see Note 15).

In addition, the parties agreed to review the financial records of STI WNU to determine the status of the Agustin family guarantee on the collectability of the trade receivables, and the release, if any, of the ₱27.3 million to the Agustin family as provided in the *Share Purchase Agreement*.

Considering the aforesaid settlement and the Amended Decision, all cases and issues related thereto are deemed terminated.

17. Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise cash and cash equivalents. The main purpose of these financial assets is to support the Company's operations. The Company has various other financial assets and liabilities such as refundable deposits, equity instruments at FVOCI, accounts payable and other current liabilities, dividends payable, subscription payable and lease liabilities which arise directly from its operations.

The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The Company's BOD reviews and approves policies for managing each of these risks and they are summarized below.

Credit Risk. Credit risk is the risk that the Company will incur a loss arising from its debtors or counterparties that fail to discharge their contractual obligations. Credit risk arises from deposits and short-term placements with banks as well as credit exposure on receivables from its debtors. Cash transactions are limited to high credit quality financial institutions. Cash in banks are maintained with universal banks. On the other hand, management believes that the debtors have a strong financial position and ability to settle their payables to the Company upon maturity.

With respect to credit risk arising from cash and cash equivalents, the exposure to credit risk arises from default of the counterparty, with a maximum exposure to the carrying amount of these financial instruments.

The table below shows the maximum exposure to credit risk for the components of the parent company statements of financial position as at June 30, 2024 and 2023:

	Gross Maximum Exposure		Net Maximum Exposure	
	2024	2023	2024	2023
Cash and cash equivalents*	₱397,060,701	₱92,528,726	₱395,560,701	₱91,028,726
Refundable deposits**	1,017,662	1,017,662	1,017,662	1,017,662
Total	₱398,078,363	₱93,546,388	₱396,578,363	₱92,046,388

*Net financial assets after taking into account insurance on bank deposits.

**Presented as "Others" under "Other current assets" and "Refundable deposits" under "Other noncurrent assets" accounts (see Notes 5 and 9).

Liquidity Risk. Liquidity risk arises from the possibility that the Company may encounter difficulties in raising funds to meet its currently maturing commitments. The Company observes prudent liquidity risk management through the maintenance of sufficient cash funds and short-term cash placements, and availability of funding in the form of adequate credit lines.



The tables below summarize the maturity profile of the Company's financial assets held for liquidity purposes and liabilities based on contractual undiscounted payments:

	2024			Total
	Due within 3 Months	Due from 3 to 6 Months	More than 6 Months	
Financial assets:				
Cash and cash equivalents	P397,060,701	P-	P-	P397,060,701
Refundable deposits	-	419,880	597,782	1,017,662
Equity instruments at FVOCI	-	-	643,395	643,395
	P397,060,701	P419,880	P1,241,177	P398,721,758
Financial liabilities:				
Nontrade payable	P17,000,000	P-	P-	P17,000,000
Payable to AHC	63,778,000	-	-	63,778,000
Accrued expense	3,383,699	-	-	3,383,699
Others*	667,593	-	-	667,593
Dividends payable	12,232,488	-	-	12,232,488
Subscription payable	-	-	64,000,000	64,000,000
Lease liabilities**	1,114,888	1,123,654	12,545,980	14,784,522
	P98,176,668	P1,123,654	P76,545,980	P175,846,302

*Presented as "Others" under "Accounts payable and other current liabilities" excluding taxes payable amounting to P0.16 million as at June 30, 2024.

**Pertains to undiscounted lease payments

	2023			Total
	Due within 3 Months	Due from 3 to 6 Months	More than 6 Months	
Financial assets:				
Cash and cash equivalents	P92,528,726	P-	P-	P92,528,726
Refundable deposits	-	419,880	597,782	1,017,662
Equity instruments at FVOCI	-	-	560,395	560,395
	P92,528,726	P419,880	P1,158,177	P94,106,783
Financial liabilities:				
Nontrade payable	P17,000,000	P-	P-	P17,000,000
Payable to AHC	63,778,000	-	-	63,778,000
Accrued expenses	3,091,482	-	-	3,091,482
Others*	660,025	-	-	660,025
Dividends payable	12,180,959	-	-	12,180,959
Subscription payable	-	-	64,000,000	64,000,000
Lease liabilities**	1,132,692	1,171,960	17,144,149	19,448,801
	P97,843,158	P1,171,960	P81,144,149	P180,159,267

*Presented as "Others" under "Accounts payable and other current liabilities" excluding taxes payable amounting to P0.08 million as at June 30, 2023.

**Pertains to undiscounted lease payments

As at June 30, 2024 and 2023, the Company's current ratios are as follows:

	2024	2023
Current assets	P1,440,576,198	P1,133,436,717
Current liabilities	100,584,020	99,847,723
Current ratio	14.322:1.000	11.352:1.000

Capital Risk Management

The Company aims to achieve an optimal capital structure in pursuit of its business objectives which include maintaining healthy capital ratios and strong credit ratings and maximizing shareholder value.



The Company monitors capital on the basis of the debt-to-equity ratio which is calculated as total debt divided by total equity. The Company includes all liabilities within debt. The Company defines total equity as common stock, additional paid-in capital, fair value change in equity instruments at FVOCI and retained earnings.

As at June 30, 2024 and 2023, the Company's debt-to-equity ratios are as follows:

	2024	2023
Total liabilities	₱177,105,914	₱181,211,132
Total equity	18,439,843,482	18,057,620,993
Debt-to-equity ratio	0.010:1.000	0.010:1.000

Another approach used by the Company is the asset-to-equity ratios shown below:

	2024	2023
Total assets	₱18,616,949,396	₱18,238,832,125
Total equity	18,439,843,482	18,057,620,993
Asset-to-equity ratio	1.010:1.000	1.010:1.000

There were no changes in the Company's approach to capital risk management for the years ended June 30, 2024 and 2023.

18. Note to Parent Company Statements of Cash Flows

The Company has no material noncash investing and financing activities except for the addition to right-of-use asset - transportation equipment and lease liabilities amounting to ₱18.0 million for the year ended June 30, 2023 (nil for the year ended June 30, 2024).

The changes in the Company's liabilities arising from financing activities follows:

	2024						
	July 1, 2023	Cash Flows	Reclassified as Current	Interest Expense	Dividend Declaration	New Leases	June 30, 2024
Dividends payable	₱12,180,959	(₱297,092,679)	₱-	₱-	₱297,144,208	₱-	₱12,232,488
Current portion of lease liabilities (Note 14)	3,056,545	(4,664,279)	3,769,368	1,203,793	-	-	3,365,427
Lease liabilities - net of current portion (Note 14)	13,341,066	-	(3,769,368)	-	-	-	9,571,698
	₱28,578,570	(₱301,756,958)	₱-	₱1,203,793	₱297,144,208	₱-	₱25,169,613

	2023						
	July 1, 2022	Cash Flows	Reclassified as Current	Interest Expense	Dividend Declaration	New Leases	June 30, 2023
Dividends payable	₱12,156,181	(₱148,547,326)	₱-	₱-	₱148,572,104	₱-	₱12,180,959
Current portion of lease liabilities (Note 14)	1,061,538	(4,323,648)	3,263,251	960,028	-	2,095,376	3,056,545
Lease liabilities - net of current portion (Note 14)	749,116	-	(3,263,251)	-	-	15,855,201	13,341,066
	₱13,966,835	(₱152,870,974)	₱-	₱960,028	₱148,572,104	₱17,950,577	₱28,578,570



19. Fair Value Information of Financial Instruments

The carrying values of the Company's financial assets and liabilities, except for equity instruments at FVOCI, approximate their fair values as at June 30, 2024 and 2023 due to the short-term nature and/or maturities of these financial instruments.

As at June 30, 2024 and 2023, the Company's equity instruments at FVOCI are measured at fair value based on quoted market prices under Level 1 fair value hierarchy.

For the years ended June 30, 2024 and 2023, there were no transfers among levels 1, 2 and 3 fair value measurements.

There were no financial instruments subject to an enforceable master netting arrangement that were not set-off in the parent company statements of financial position.

20. Segment Information

The Company's identified reportable segments are consistent with the segment information presented in the consolidated financial statements of the Company and its subsidiaries (the Group).

For management purposes, the Group is organized into business units based on the geographical location of the students and assets, and has five reportable segments as follows:

- a. Metro Manila
- b. Northern Luzon
- c. Southern Luzon
- d. Visayas
- e. Mindanao

Management monitors operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with profit and loss in the consolidated financial statements.

The segment information provided in the succeeding section are based on consolidated balances. Adjustments are presented to reconcile the information with the balances reported in the parent company financial statements.

On a consolidated basis, the Group's performance is evaluated based on consolidated net income and EBITDA, defined as earnings before interest expense, interest income, provision for (benefit from) income tax, depreciation and amortization, gain on foreign exchange differences, equity in net earnings of associates and joint venture, fair value loss on equity instruments at FVPL and nonrecurring gains such as gain on early extinguishment of loan. Depreciation and interest expense for purposes of this computation exclude those related to ROU assets and lease liabilities, respectively.



The following table shows the reconciliation of the consolidated net income to consolidated EBITDA for the years ended June 30, 2024 and 2023:

	2024	2023
Consolidated net income	₱1,608,350,998	₱873,834,283
Depreciation and amortization*	536,371,580	527,925,632
Interest expense*	258,635,208	277,879,376
Provision for (benefit from) income tax	165,068,379	(15,723,664)
Interest income	(57,677,714)	(22,595,338)
Foreign exchange gain - net	(17,257,709)	(2,455,311)
Equity in net earnings of associates and joint venture	(2,009,402)	(2,258,739)
Fair value loss on equity instruments at FVPL	852,500	620,000
Gain on early extinguishment of loan**	(3,076,465)	-
Consolidated EBITDA	₱2,489,257,375	₱1,637,226,239

*Depreciation and interest expense exclude those related to ROU assets, presented under "Property and equipment" and "Investment properties" accounts, and lease liabilities, respectively, in the consolidated financial statements.

** Presented as part of "Other income" in the consolidated financial statements.

Inter-Segment Transactions

Segment revenue, segment expenses and operating results include transfers among geographical segments. The transfers are accounted for at competitive market prices charged to unrelated customers for similar services. Such transfers are eliminated upon consolidation.



Geographical Segment Data

The following tables present revenue and income information and certain assets and liabilities information regarding geographical segments for the years ended June 30, 2023 and 2022:

	2024						2023	
	Metro Manila	Northern Luzon	Southern Luzon	Visayas	Mindanao	Reconciliations/ Adjustments	Total	
Revenues								
External revenue	P2,513,519,589	P287,297,914	P1,165,127,321	P656,552,012	P77,826,832	(P4,016,961,486)	P683,362,182	
Results								
Income before other income (expenses) and income tax	790,050,745	110,244,141	588,827,547	269,910,116	21,787,571	(1,112,699,351)	668,120,769	
Equity in net earnings of associates and joint venture	2,009,402	-	-	-	-	(2,009,402)	-	
Interest income	52,313,851	26,102	3,074,077	2,256,891	6,793	(46,836,140)	10,841,574	
Interest expense	(279,429,495)	(3,719,018)	(6,390,653)	(1,313,970)	(2,448,259)	292,097,602	(1,203,793)	
Other income	221,397,021	349,570	2,618,648	1,511,745	336,552	(225,373,536)	840,000	
Benefit from (provision for) income tax	(132,141,408)	(2,212,353)	(5,150,583)	(25,564,035)	-	165,753,526	685,147	
Net Income	P654,200,116	P104,688,442	P582,979,036	P246,800,747	P19,682,657	(929,067,301)	P679,283,697	
EBITDA							P2,489,257,375	
	2023							
	Metro Manila	Northern Luzon	Southern Luzon	Visayas	Mindanao	Reconciliations/ Adjustments	Total	
Revenues								
External revenue	P1,795,363,020	P239,585,468	P835,133,394	P468,767,206	P66,618,865	(P3,174,107,700)	P231,360,253	
Results								
Income (loss) before other income (expenses) and income tax	347,641,458	59,994,011	345,144,878	189,083,546	2,181,611	(741,582,503)	202,463,001	
Equity in net losses of associates and joint venture	2,258,739	-	-	-	-	(2,258,739)	-	
Interest income	21,174,847	29,320	123,621	1,260,017	7,533	(21,293,974)	1,301,364	
Interest expense	(298,316,780)	(3,865,002)	(5,278,958)	(1,501,233)	(2,057,151)	310,059,096	(960,028)	
Other income	191,111,066	1,159,502	5,667,640	1,896,181	395,773	(199,390,162)	840,000	
Benefit from (provision for) income tax	11,158,774	577,047	(355,163)	4,343,006	-	(20,001,257)	(4,277,593)	
Net Income (Loss)	P275,028,104	P57,894,878	P345,302,018	P195,081,517	P527,766	(P674,467,539)	P199,366,744	
EBITDA							P1,637,226,239	



The following tables present certain assets and liabilities information regarding geographical segments as at June 30, 2024 and 2023:

	2024					Reconciliations/ Adjustments		Total
	Metro Manila	Northern Luzon	Southern Luzon	Visayas	Mindanao			
Assets and Liabilities								
Segment assets ^(a)	P10,443,965,112	P682,262,822	P1,792,286,647	P1,114,551,083	P71,579,918	P3,491,575,750		P17,596,221,332
Noncurrent asset held for sale	1,020,728,064	-	-	-	-	-		1,020,728,064
Investments in and advances to associates and joint venture	21,108,679	-	-	-	-	(21,108,679)		-
Goodwill	236,629,190	-	-	15,681,232	-	(252,310,422)		-
Deferred tax assets - net	13,185,635	2,797,372	12,557,491	13,192,004	1,296,597	(43,029,099)		-
Total Assets	P11,735,616,680	P685,060,194	P1,804,844,138	P1,143,424,319	P72,876,515	P3,175,127,547		P18,616,949,396
Segment liabilities ^(b)	P766,131,191	P57,008,678	P251,954,267	P137,836,962	P25,101,760	(P1,076,814,265)		P161,218,593
Interest-bearing loans and borrowings	2,086,114,412	-	-	-	-	(2,086,114,412)		-
Bonds payable	814,967,275	-	-	-	-	(814,967,275)		-
Pension liabilities - net	68,782,774	5,921,760	13,681,541	39,964,238	1,430,678	(129,780,991)		-
Lease liabilities	297,847,771	42,466,080	101,690,258	18,828,574	29,240,581	(477,136,139)		12,937,125
Deferred tax liabilities - net	110,477,037	-	-	-	-	(107,526,841)		2,950,196
Total Liabilities	P4,144,320,460	P105,396,518	P367,326,066	P196,629,774	P55,773,019	(P4,692,339,923)		P177,105,914
Other Segment Information								
Capital expenditure - Property and equipment and investment properties								P961,101,989
Depreciation and amortization ^(c)								536,371,580
Noncash expenses other than depreciation and amortization								147,177
								91,147,657

^(a) Segment assets exclude noncurrent asset held for sale, investments in and advances to associates and joint venture, goodwill and net deferred tax assets.

^(b) Segment liabilities exclude interest-bearing loans and borrowings, bonds payable, net pension liabilities, lease liabilities and net deferred tax liabilities.

^(c) Depreciation and amortization excludes those related to ROU assets.



	2023					Reconciliations/ Adjustments	Total
	Metro Manila	Northern Luzon	Southern Luzon	Visayas	Mindanao		
Assets and Liabilities							
Segment assets ^(a)	₱10,600,397,084	₱717,138,215	₱1,382,644,996	₱897,933,931	₱126,266,793	₱3,493,723,042	₱17,218,104,061
Noncurrent asset held for sale	1,020,728,064	-	-	-	-	-	1,020,728,064
Investments in and advances to associates and joint venture	20,749,617	-	-	-	-	(20,749,617)	-
Goodwill	250,898,081	-	-	15,681,232	-	(266,579,313)	-
Deferred tax assets - net	25,626,907	3,065,113	4,796,366	15,559,510	1,695,394	(50,743,290)	-
Total Assets	₱11,918,399,753	₱720,203,328	₱1,387,441,362	₱929,174,673	₱127,962,187	₱3,155,650,822	₱18,238,832,125
Segment liabilities ^(b)	₱703,581,220	₱59,149,312	₱115,631,192	₱116,585,816	₱32,588,682	(₱866,745,044)	₱160,791,178
Interest-bearing loans and borrowings	1,071,545,624	-	-	-	-	(1,071,545,624)	-
Bonds payable	2,988,422,984	-	-	-	-	(2,988,422,984)	-
Pension liabilities - net	84,438,951	5,775,501	12,226,482	34,838,456	2,519,932	(139,799,322)	-
Lease liabilities	321,668,393	57,706,097	103,871,119	25,298,373	28,215,797	(520,362,168)	16,397,611
Deferred tax liabilities - net	109,306,873	-	-	-	-	(105,284,530)	4,022,343
Total Liabilities	₱5,278,964,045	₱122,630,910	₱231,728,793	₱176,722,645	₱63,324,411	(₱5,692,159,672)	₱181,211,132
Other Segment Information							
Capital expenditure -							
Property and equipment and investment properties						₱487,673,588	₱536,054
Depreciation and amortization ^(c)						527,925,632	186,544
Noncash expenses other than depreciation and amortization						109,043,611	-

^(a) Segment assets exclude noncurrent asset held for sale, investments in and advances to associates and joint venture, goodwill and net deferred tax assets.

^(b) Segment liabilities exclude interest-bearing loans and borrowings, bonds payable, net pension liabilities, lease liabilities and net deferred tax liabilities.

^(c) Depreciation and amortization excludes those related to ROU assets.



21. Supplementary Information Required by Revenue Regulations (RR) No. 15-2010

In compliance with the requirements set forth by RR No. 15-2010, hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year ended June 30, 2023:

VAT

Output VAT declared for the year ended June 30, 2024 and the receipts upon which the same was based consist of:

	Gross amount	Output VAT
Advisory services	₱18,510,000	₱2,221,200
Others	840,000	100,800
Total	₱19,350,000	₱2,322,000

VAT arising from domestic purchases of goods and services for the year ended June 30, 2024 are detailed as follows:

	Amount
Input VAT	₱1,076,430
Balance at beginning of year	
Current year's domestic purchases/payments for:	
Domestic purchases of services	1,530,366
Goods other than capital goods	18,912
	2,625,708
Claimed against output VAT	(2,322,000)
Balance at end of year	₱303,708

Other Taxes and Licenses

All other taxes and licenses which are recognized as taxes and licenses in the parent company statement of comprehensive income for the year ended June 30, 2024 consist of:

	Amount
Real property taxes	₱1,702,578
Business permit	55,080
Community tax certificate	10,500
Others	496,172
	₱2,264,330

Withholding Taxes

The amount of withholding taxes paid/accrued for the year ended June 30, 2024 is as follows:

	Paid	Accrued
Expanded withholding taxes	₱850,982	₱73,673
Withholding taxes on compensation	889,877	83,140
	₱1,740,859	₱156,813

Tax Assessment and Court Cases

The Company has no outstanding final assessment notice from the BIR as at June 30, 2024. There were also no outstanding tax cases nor litigation and/or prosecution in courts or bodies outside the BIR as at June 30, 2024.

