

COVER SHEET

P W 1 0 9 3

S.E.C. Registration Number

C E N T R O E S C O L A R U N I V E R S I T Y

(Company's Full Name)

9 M E N D I O L A S T . S A N M I G U E L
M A N I L A

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

Contact Person

735-6861 to 71

Company Telephone Number

03 31
Month Day
Fiscal Year

20 - I S

FORM TYPE

PRELIMINARY INFORMATION STATEMENT

07 4th-Tuesday
Month Day
Annual Meeting

Secondary License Type, If Applicable

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

CENTRO ESCOLAR UNIVERSITY

(Company's Full Name)

**9 Mendiola Street
San Miguel, Manila**

(Company's Address)

735-6861 to 71

(Telephone Numbers)

PRELIMINARY INFORMATION STATEMENT SEC FORM 20-IS

Pursuant to SRC RULE 20

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:
 Preliminary Information Statement
 Definitive Information Statement
2. Name of Registrant as specified in its charter **CENTRO ESCOLAR UNIVERSITY**
3. Province, country or other jurisdiction of incorporation or organization **Philippines**
4. SEC Identification Number **1093**
5. BIR Tax Identification Code **000-531-126-000**
6. Address of principal office **9 Mendiola Street
San Miguel, Manila 1005**
7. Registrant's telephone number, including area code **(02) 735-6861**
8. Date, time and place of the meeting of security holders **July 23, 2019, 2:00pm
Information Science Center
Mezzanine Floor
9 Mendiola Street
San Miguel, Manila**
9. Approximate date on which the Information Statement is first to be sent or given to stockholders **July 2, 2019**
10. In case of Proxy Solicitation, Name of Person Filing the Statement/Solicitor Address and Telephone Number
11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):
- | Title of Each Class | Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding |
|---------------------|--|
| Common Stock | 372,414,400 |
12. Are any or all of registrant's securities listed on a Stock Exchange?
Yes No
- If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange, Inc.

CENTRO ESCOLAR UNIVERSITY

SEC Form 20-IS

PART I. INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

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

- | | | |
|----|--|--|
| a) | Date of Meeting | July 23, 2019 |
| | Time of Meeting | 2:00pm |
| | Place of Meeting | Information Science Center
Mezzanine Floor
9 Mendiola St.,
San Miguel, Manila |
| | Registrant's Mailing Address | 9 Mendiola St.,
San Miguel, Manila 1005 |
| b) | Approximate Date when the Information Statement is first to be sent or given to security holders | July 2, 2019 |

Item 2. Dissenters' Right of Appraisal.

There are no corporate matters or actions that will entitle dissenting stockholders to exercise their right of appraisal as provided in Title X of the Revised Corporation Code.¹

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

a. The incumbent directors and officers have no substantial interest in any matter to be acted upon other than their election to office.

b. No director has informed CEU in writing that he intends to oppose any action to be taken by CEU at the annual meeting.

¹ The right of appraisal means the right of a dissenting stockholder to demand payment of the fair market value of his shares in the instances provided under the Corporation Code. In such instances the right may be exercised by any stockholder who shall have voted against the proposed action by making a written demand to the corporation within 30 days after the date on which the vote was taken for payment of the fair market value of his shares. Failure to make the demand shall be deemed a waiver of such right.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof.

a) As of May 31, 2019, the University has 372,414,400 issued and outstanding common stock at ₱1.00 per share. All the shares of stock are entitled to vote.

b) Only stockholders of record at the close of business on July 2, 2019 are entitled to notice and to vote at the Annual Stockholders' Meeting.

c) A stockholder entitled to vote at the meeting shall have the right to do so in person or by proxy. With respect to the election of directors, in accordance with Section 23 of the Revised Corporation Code of the Philippines, a stockholder may vote the number of shares held in his name in the University's stock and transfer book as of July 2, 2019, and may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit: Provided, That the total number of votes cast by him shall not exceed the number of shares owned by such stockholder as shown in the stock and transfer book multiplied by the total number of directors to be elected.

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

1. Security Ownership of Certain Record and Beneficial Owners

Owners of record of more than five percent (5%) of the University's shares of stock as of May 31, 2019 are as follows:

Title of Class	Name & Address of Record Owner* & Relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	Number of Shares Held	Percent (%)
Common	USAUTOOCO, INC. 1000 United Nations Ave., Ermita, Manila Authorized Representative – Basilio C. Yap Relationship to Issuer - Stockholder	USAUTOOCO, INC. Authorized Representative – Basilio C. Yap Position -President	Filipino	126,620,891	34.00%
Common	U.S. Automotive Co., Inc. 1000-1046 United Nations Ave., cor. San Marcelino, Ermita, Manila Authorized Representative – Basilio C. Yap Relationship to Issuer - Stockholder	U.S. Automotive Co., Inc. Authorized Represent- ative – Basilio C. Yap Position - President	Filipino	55,963,803	15.02%

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

Common	PCD Nominee Corp. – Filipino	Alejandro C. Dizon Beneficial Owner	Filipino	50,033,412	13.43%
Aggregate Number of Shares and Percentage of All Beneficial/Record Owners As a Group				<u>232,618,106</u>	<u>62.46%</u>

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

The proxies designated by each stockholder will be known by July 18, 2019.

2. Security Ownership of Management

The following tables show the security ownership of CEU's directors and officers as of May 31, 2019 are as follows:

Title of Class	Directors	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Basilio C. Yap (Chairman)	1001 (d)	Filipino	0.0002
Common	Ma. Cristina D. Padolina (Vice Chairman/President)	38,316 (d)	Filipino	0.0102
Common	Angel C. Alcala*	1 (d)	Filipino	Nil
Common	Emil Q. Javier *	1 (d)	Filipino	Nil
Common	Benjamin C. Yap	800 (d)	Filipino	0.0002
Common	Alejandro C. Dizon**	50,033,412 (d)	Filipino	13.4349
Common	Emilio C. Yap III	344,833 (d)	Filipino	0.0925
Common	Corazon M. Tiongco (Assistant Treasurer)	10,115,904 (d)	Filipino	2.7163
Common	Johnny C. Yap	1,000 (d)	Filipino	0.0003
	Total	60,535,268 (d)		16.25%

Title of Class	Officers	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Ma. Cristina D. Padolina	38,316 (d)	Filipino	0.0102
Common	Cesar F. Tan	19,735 (d)	Filipino	0.0053
Common	Ma. Flordeliza L. Anastacio	1,302 (d)	Filipino	0.0003
Common	Maria Clara Perlita Erna V. Yabut	4,000 (d)	Filipino	0.0011
Common	Olivia M. Limuaco	12,153 (d)	Filipino	0.0033
Common	Teresa R. Perez	3,226 (d)	Filipino	0.0009

* Independent Director.

** Dr. Alejandro C. Dizon has 51,837 shares registered in his name in addition to 49,981,575 shares lodged with PCD Nominee Corporation.

Title of Class	Officers	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Corazon M. Tiongco	10,115,904 (d)	Filipino	2.7163
Common	Bernardita T. Traje	753 (d)	Filipino	0.0002
-	Ma. Rolina S. Servitillo	0 (d)	Filipino	0
-	Carlito B. Olaer	0 (d)	Filipino	0
-	Rhoda C. Aguilar	0 (d)	Filipino	0
-	Jericho P. Orlina	0 (d)	Filipino	0
-	Bella Marie L. Fabian	0 (d)	Filipino	0
Total (excluding shares of Ma. Cristina D. Padolina, Corazon M. Tiongco)		41,169 (d)		0.0110
Aggregate Number of Shares and Percentage of all Security Ownership of Management as a Group		60,494,099 (d) =====		16.24 =====

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

Item 5. Directors and Executive Officers.

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

DIRECTORS²

BASILIO C. YAP, 69 years old, Filipino, was elected Board member and Chairman of the Board of Directors of the University on April 25, 2014. In 1972, he graduated from De La Salle University with the degree of Bachelor of Science in Commerce major in Accounting, (*cum laude*). He is a Certified Public Accountant. In 1978, he earned his masters degree in Business Management from Asian Institute of Management. He is also the Chairman, President and Director of U.S. Automotive Co. Inc., USAUTOCO Inc., Philtrust Realty Corporation, Manila Prince Hotel, Cocusphil Development Corporation, U.N. Properties Development Corporation and Seebreeze Enterprises, Vice Chairman of Philtrust Bank, Chairman and Director of Manila Hotel Corporation, Chairman of the Board of Manila Bulletin Publishing Corporation. He is also the Chairman of Centro Escolar University Hospital, Inc. and Centro Escolar Las Piñas, Inc.

MA. CRISTINA D. PADOLINA, 73 years old, Filipino, is the President, Vice Chairman and Chief Academic Officer of the University. She was elected as a member of the Board of Directors and President of the University on August 18, 2006, and as Vice Chairman on July 25, 2008. She graduated from the University of the Philippines with the degree of Bachelor of Science in Chemical Engineering. She also holds a degree of Master of Science (Chemistry) from the Ateneo de Manila University and the degree of Doctor of Philosophy (Inorganic Chemistry) from the University of Texas at Austin. On secondment from her post as Professor of Chemistry at UP Los Baños, she served as Chancellor of the Open University from 1995 to 2001 and as Commissioner of the Commission on Higher Education from 2001 to 2005.

² All directors hold office for one (1) year and until their successors are elected and qualified. All directors, except for the independent directors, are nominated on the floor.

She is Professor Emeritus of the University of the Philippines, Los Baños. She is also a Director of Centro Escolar University Hospital, Inc., Centro Escolar Integrated School and Vice-Chairman and President of Centro Escolar Las Piñas, Inc.

ANGEL C. ALCALA, 90 years old, Filipino, is an independent director. He became a member of the Board of Directors of the University on July 22, 2008. He is currently a member of the University's Audit Committee. He graduated from Silliman University with a degree in B.S. Biology (*magna cum laude*), and obtained his M.A. Biological Sciences and Ph.D., Biological Sciences from the Stanford University. He received a Doctor of Humanities (*Honoris Causa*) degree from Xavier University. He was formerly the President of Silliman University; Deputy Executive Director of Philippine Council for Aquatic and Marine Research and Development, Department of Science and Technology (DOST); Secretary of Department of Environment and Natural Resources (DENR); and Chairman of the Commission on Higher Education (CHED). He is presently the Chairman of the Silliman University-Angelo King Center for Research and Environmental Management (SUAKCREM), PATH Foundation Philippines, National Network of Quality Assurance Agencies, Inc., Professor Emeritus, Siliman University, Member, Board of Trustees, Silliman University and President of Cap College, Makati.

EMIL Q. JAVIER, 78 years old, Filipino, is an independent director. He became a member of the Board of Directors of the University in July 2002. He is currently the Chairman of the University's Audit Committee and a member of the Nomination Committee. He graduated from the University of the Philippines, Los Baños with a degree of B.S. Agriculture (*cum laude*). He also holds a degree of M.S. Agronomy from the University of Illinois and Ph.D. in Plant Breeding from Cornell University. He is Chairman of the Coalition for Agricultural Modernization in the Philippines, a Trustee of the Asia Rice Foundation, Head Advisor of the Biotech Coalition of the Philippines and Academician of the National Academy of Science and Technology (Phil.). He is likewise a Board Member of the International Service for the Acquisition of Agri-Biotech Applications (South East Asia Center), and Chairman, Nutrition Center of the Philippines. He is also an Independent Director of Centro Escolar University Hospital, Inc., Centro Escolar Las Piñas, Inc. and Independent Director of Del Monte Pacific Ltd. and Member, Advisory Committee of Japan International Cooperation Agency (JICA), Philippines.

BENJAMIN C. YAP, 73 years old, Filipino, was elected as a member of the Board of Directors on July 22, 2014. He graduated from University of the East with a degree of Bachelor of Science in Business Administration. He is currently the President and Chairman of the Board of Benjamin Favored Son, Inc., Chairman of the House of Refuge, Director of USAUTOOCO, Inc. and Director of Manila Hotel Corporation. He is also a Director of Centro Escolar University Hospital, Inc.

ALEJANDRO C. DIZON, 58 years old, Filipino, was elected as a member of the Board of Directors on August 31, 2007. Dr. Dizon graduated from the UERMMMC College of Medicine and passed the Philippine Medical Licensure Examination in 1986. He finished his residency in General Surgery at St. Luke's Medical Center and passed his Specialty Board Examination in General Surgery to become a Diplomate of the Philippine Board of Surgery, Inc. in 1992. He took his postgraduate fellowship training as a G.B. Ong Surgical Scholar at the Queen Mary Hospital, University of Hong Kong. He is a fellow and President of the Philippine College of Surgeons, a Fellow of the American College of Surgeons, Charter Fellow of the Philippine Society of General Surgeons Inc., and Examiner and member of the Board of Directors and Governors of the Philippine Board of Surgery, Inc. He is currently the Vice President for Quality and Patient Safety and Chief Quality Officer and an Active Consultant in the Institute

of Surgery of the St. Luke's Medical Center Quezon City and Global City. He holds an Assistant Professor position in the faculty of UERMMMC College of Medicine.

EMILIO C. YAP III, 47 years old, Filipino, was elected as a member of the Board of Directors on September 1, 2009. He graduated from De La Salle University with the degree of Bachelor of Science in Accountancy. He was conferred with the degree of Doctor of Philosophy in Journalism, *honoris causa* by Angeles University Foundation on March 1, 2009, and Doctor of Business Administration, *honoris causa* by the Pamantasan ng Lungsod ng Maynila on April 16, 2010. He is currently the Chairman of the Board of Manila Prime Holdings, Inc., Director and Vice Chairman of the Board of Manila Bulletin Publishing Corporation, and Director of Manila Hotel, Philtrust Bank and US Automotive Co., Inc.

CORAZON M. TIONGCO, 69 years old, Filipino, has been a member of the University's Board of Directors since 2000. She has been the Assistant Treasurer since August 12, 2005. She obtained her Bachelor of Arts degree from the College of the Holy Spirit. She is currently a member of the Nomination Committee, Head of the Purchasing Committee and the Purchasing Department. She is also a Director of Centro Escolar University Hospital, Inc.

JOHNNY C. YAP, 46 years old, Filipino, was elected as a member of the Board of Directors on October 26, 2007. He graduated from De La Salle University with the degree of Bachelor of Science in Management of Financial Institutions. He was conferred with the degree of Doctor of Philosophy in Humanities, *honoris causa* by Foundation University on March 21, 2010. He is presently the Vice Chairman and Treasurer of Euromed Laboratories, Philippines, Inc., Chairman of the Board of Café France Corporation, Board member of Philtrust Bank, and Director of Centro Escolar Las Piñas, Inc.

The Securities Regulation Code (SRC), and the Revised Code on Corporate Governance require any corporation with a class of equity shares listed for trading in an Exchange is required to have at least two (2) independent directors. Presently, CEU's incumbent independent directors are Angel C. Alcala and Emil Q. Javier.

The nomination, pre-screening and election of independent directors will be made in accordance with Rule 38 of the Amended Implementing Rules and Regulations of the Securities Regulation Code and Section 7, Article 1 of the University's By-laws and Manual on Corporate Governance.³

The deadline for submission to the Nomination Committee⁴ of recommendations for nominees for independent directors is on June 25, 2019. The date was set by the Nomination Committee during its meeting on May 31, 2019.

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

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

OFFICERS

SERGIO F. APOSTOL, 84 years old, Filipino, was elected as the University's Corporate Secretary and Compliance Officer on February 26, 2010. He graduated from Letran College with the degree of Associate in Arts, Bachelor of Laws at Ateneo de Manila University. He is a member of the Board of Directors of Manila Hotel and Chairman and Chief Executive Officer of Kaytrix Agri-Aqua Corporation. He is a member of the Audit and Nomination Committee of Centro Escolar University. He is a Member of the House of Representatives 16th Congress.

CESAR F. TAN, 64 years old, Filipino, was elected as Treasurer on April 11, 2006 and is a member of the Procurement Committee. He graduated from the Far Eastern University with a degree of B.S.C. Accounting and is a career service professional. He was formerly Assistant Treasurer and Assistant Vice President of Liwayway Publishing, Inc. He is also the Treasurer of Centro Escolar Integrated School, Centro Escolar University Hospital, Inc. and Centro Escolar Las Piñas, Inc.

JAYSON O'S. RAMOS, 38 years old, Filipino, is the Legal Counsel of the University. He graduated from De La Salle University with the degree of BS Commerce major in Business Management in 2000 and Bachelor of Laws at San Beda College in 2006. He passed the Bar examination in 2006. Attended various seminars and trainings in his field of expertise. In July 2017, he was elected Assistant Compliance Officer. He is also the Corporate Secretary of Centro Escolar Integrated School, Inc.

TERESA R. PEREZ, 57 years old, Filipino, is the Vice President for Academic Affairs. She is a member of the Procurement Committee. She graduated from CEU with the degree of B.S. Biology. She holds a Master's degree in Biology and a doctorate degree in Curriculum and Supervision, both from CEU. She has been a faculty member of the University since 1982 and also Vice President of Centro Escolar Integrated School and Centro Escolar Las Piñas, Inc.

MARIA CLARA PERLITA ERNA V. YABUT, 53 years old, Filipino, is the Vice President for Research and Evaluation. She graduated from the University of the Philippines with the degree of B.S. Secondary Education, major in Mathematics. She obtained a Master's and a doctorate degree in Mathematics Education, both from CEU. She has been with the University since 1990. At present, she is the National President of the Philippine Society for Research and Evaluation (PSERE), Chair of U-Belt Research Consortium, CEU Research and Development Foundation and Executive Secretary of the National Research Council of the Philippines Research Foundation (NRCPRF).

OLIVIA M. LIMUACO, 63 years old, Filipino, is the Vice President for Makati and General Dean of Studies. She graduated from CEU with the degree of Bachelor of Science in Pharmacy (*cum laude*). She obtained a Master's degree in Pharmacy and a doctorate degree in Science Education both from CEU. She has been a faculty member of the University since 1977 and holds the rank of University Professor. She became the Head of Science Laboratories from 1981 to 1990. She was appointed Dean of the School of Pharmacy from 1991 to July 2013. She is the Vice President of the Federation of Asian Pharmaceutical Association (FAPA) from 2014 to 2018. She was the Treasurer of PPhA from 2012 to 2014 and was elected as the President of Philippine Pharmacists Association from July 2014 to June 2016. She is also a member of the Council of Advisers of Philippine Association of Colleges of Pharmacy (PACOP).

MA. FLORDELIZA L. ANASTACIO, 59 years old, Filipino, is the Vice President and Dean of Studies of CEU Malolos. She earned her Bachelor's Degree in Accounting from La Consolacion College Manila. She is a Certified Public Accountant. She finished her MBA, PhD in Educational Management and Post Doctoral Course in Total Quality Management in Higher Education from Centro Escolar University Manila. She is the President of the International Academy of Accountants for Business, Research and Education (IAABRE) and the former National President of the Philippine Society for Educational Research and Evaluation (PSERE) and the Philippine Council of Deans and Educators in Business (PCDEB). She is an International Visiting Professorial Fellow, Research Fellow and Senior Fellow in Accountancy of the Royal Institute of Singapore. She completed her Post Doctoral Program in International Deans' Course (IDC) in Germany as a DAAD Scholar. At present, she is one of the 3 IDC Mentors/Experts of Southeast Asia.

CARLITO B. OLAER, 55 years old, Filipino, is the Vice President for Student Affairs. He served as the Head of the Religion Department and was the Campus Minister of CEU before his appointment as VP for Student Affairs. He holds the degree of A.B. Philosophy (*magna cum laude*) from the Dominican House of Studies and Bachelor of Sacred Theology (*cum laude*) from the University of Santo Tomas. He obtained his Masters in Theology (*magna cum laude*) from San Sebastian College and his doctoral degree in Educational Management from CEU (*with the highest academic distinction*). He has been with the University since 1991.

MA. ROLINA S. SERVITILLO, 50 years old, Filipino, is the Vice President for Administration and Accounting. She earned a degree of Bachelor of Science in Commerce, major in Accounting (*cum laude*) from the Centro Escolar University, Malolos Campus. She is a Certified Public Accountant (CPA) and former Head, Internal Audit Department of the University. She is also the Vice President for Accounting and Administration of Centro Escolar Las Piñas, Inc. and Centro Escolar Integrated School, Inc.

JERICHO P. ORLINA, 52 years old, Filipino, is the Assistant Vice President for Business Affairs. He graduated from Ateneo de Naga University with the degree of Bachelor of Science in Commerce, major in Accounting. He is a Certified Public Accountant. He completed the Post-Graduate Management Development Program of Asian Institute of Management. He is a member of Philippine Institute of Certified Public Accountants (PICPA) and Institute of Internal Auditors. He is also the Assistant Vice President of Centro Escolar University Hospital, Inc.

BELLA MARIE L. FABIAN, 56 years old, Filipino, is the Assistant Vice President for Administration. She graduated from University of the East with a degree of Bachelor of Science in Business Administration-Accounting. She obtained her Masters degree in Business Administration-Management and doctorate degree of Doctor of Philosophy in Business Management.

RHODA C. AGUILAR, 46 years old, Filipino, is the University Registrar. She is a member of the Administrative Council. She graduated from CEU with the degree of BSE major in Mathematics (*magna cum laude*). She obtained her Master's degree in Mathematics Education and doctorate degree in Curriculum and Supervision. She is a career service professional (exempted given to honor student) and the Professional Board Examination for Teachers (*8th place*).

BERNARDITA T. TRAJE, 58 years old, Filipino, is the University's Assistant Controller. She served as Assistant Treasurer from August 2001 to August 2006. She graduated from the Polytechnic University of the Philippines. She is a Certified Public Accountant (CPA). She has been with the University since 1980.

2. Significant Employees

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

3. Family Relationships

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

4. Pending Legal Proceedings

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

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

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

5. Certain Relationships and Related Transactions

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

under said lease contract between CEU and Philtrust Bank, there is no further contractual or other commitment resulting from the arrangement that would pose any risk or contingency. There are no other parties involved in this transaction.

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

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

For a detailed discussion on related party transactions, please see Note 21 of the 2019 Audited Financial Statements.

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

Item 6. Compensation of Directors and Officers

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

<u>Name and Position</u>	<u>Fiscal Year</u>	<u>Annual Salary</u>	<u>Bonus</u>	<u>Other Annual Compensation</u>	<u>Total Compensation</u>
Dr. Ma. Cristina D. Padolina, President					
Dr. Erna V. Yabut, Vice President – Research and Evaluation					
Dr. Olivia M. Limuaco, Vice President – Makati	2017-2018	₱ 10,806,381.88	₱ 1,573,957.29	N.A.	₱ 12,380,339.17
	2018-2019	₱ 11,185,995.22	₱ 1,581,274.73	N.A.	₱ 12,767,269.95
	2019-2020***	₱ 11,185,995.22	₱ 1,581,274.73	N.A.	₱ 12,767,269.95
Dr. Teresa R. Perez, Vice President - Academic Affairs					
Dr. Carlito Olaer, Vice President for Student Affairs					

***Figures are estimated amounts.

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

<u>Name and Position</u>	<u>Fiscal Year</u>	<u>Annual Salary</u>	<u>Bonus</u>	<u>Other Annual Compensation</u>	<u>Total Compensation</u>
All Officers and Directors as a Group	2017-2018				₱ 33,793,677.35
	2018-2019				₱ 33,401,558.89
	2019-2020***				₱ 33,401,558.89

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

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

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

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

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

Item 7. Independent Public Accountants.

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

The University's Manual on Corporate Governance and SRC Rule 68 provide that the University's external auditor shall either be rotated or the handling partner changed every five (5) years or earlier.⁶ The University is in compliance with SRC Rule 38, par 3(b)(iv).

The Board, upon recommendation of the Audit Committee⁷ proposed the appointment of SGV as the external auditor for fiscal year ending 2016. The approval of the appointment of SGV as external auditors for the current year will be one of the matters to be undertaken during the annual meeting.

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

⁶SGV has served as the University's external auditor since 2000, with Mr. Arnel F. de Jesus (2000-2005), Mr. Ramon D. Dizon (2006-Feb. 2009), Ms. Janet Alvarado-Paraiso (March 2009-July 2013) and Mr. Christian Lauron (Aug. 2013-Sept. 2014), Ms. Josephine Adrienne A. Abarca, (Oct. 2014-March 2018) Ms. Djole S. Garcia (April 2018 up to present) as handling partner.

⁷The Audit Committee is composed of Dr. Emil Q. Javier, chairman, Dr. Angel C. Alcala, Dr. Alejandro C. Dizon and Atty. Sergio F. Apostol, members.

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

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The approval of the minutes of the annual stockholders' meeting held on July 24, 2018 will be taken up during the meeting.

Agenda for annual stockholders' meeting on July 23, 2019:

1. Call to Order
2. Proof of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting on July 24, 2018
4. Chairman's Address
5. Approval of the Annual Report of the Board of Directors
6. Election of Directors
7. Appointment of External Auditor
8. Other Matters
9. Adjournment

There are no specific acts of the Board of Directors and Management for ratification by the stockholders.

Item 19. Voting Procedures

- a. The vote required for approval or election

Sec. 24 of the Corporation Code provides that at all elections of directors, there must be present, either in person or by representative authorized to act by written proxy, the owners of majority of the outstanding capital stock. Candidates receiving the highest number of votes shall be declared elected.

Article I, Section 3 of the By-laws provides that in case of election of directors, every stockholder entitled to vote shall have the right to cumulate his shares, and give one candidate as many votes as the number of directors to be elected, multiplied by the number of his shares shall equal.

- b. The method by which votes will be counted

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

The Professional Stock and Transfer, Inc. will assist in the counting of votes.

**PART III
SIGNATURE PAGE**

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

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Manila on June 18, 2019.

CENTRO ESCOLAR UNIVERSITY

By:



SERGIO F. APOSTOL
Corporate Secretary

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ANGEL C. ALCALA**, Filipino, of legal age and a resident of Silliman Park, Dumaguete City, Negros Oriental, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of Centro Escolar University Board of Directors.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Silliman University-Angelo King Center for Research & Environmental Management	Chairman	2010
Silliman University	Professor Emeritus	2007
Cap College, Makati	President	Since 2010
Silliman University	Member, Board of Trustees	2010-2014
PATH Foundation Philippines	Chairman	2013 up to present
National Network of Quality Assurance Agencies, Inc.	Chairman	2014 up to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Centro Escolar University, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.
4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.
5. I shall inform the corporate secretary of Centro Escolar University of any changes in the abovementioned information with five days from its occurrence.


Done, this day of JUN 11 2019, at Manila.


ANGEL C. ALCALA

JUN 11 2019

SUBSCRIBED AND WORN to before me this day of at Manila, affiant personally appeared before me and exhibited to me his Philippine Passport No. EC3866446 issued at DFA, Manila on April 7, 2015.

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ATTY. HENRY D. ADASA
 NOTARY PUBLIC
 COMMISSION 17-23
 PASADENIA ST., PASAY CITY
 IBP NO. 047427 - 01/03/19 PASIG
 PTR NO. 5826667 - 01/03/19 P.C.
 MCLE COMPLIANCE NO. VI-0002830 - 4/14/2022
 ② ROLL NO. 29679

CERTIFICATION OF INDEPENDENT DIRECTOR

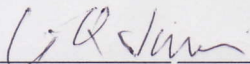
I, **EMIL Q. JAVIER**, Filipino, of legal age and a resident of 9941 Mt. Makiling St., Los Baños Subd. College, Los Baños, Laguna, after having been sworn to in accordance with law do hereby declare that:

1. I am an independent director of Centro Escolar University Board of Directors.
2. I am affiliated with the following companies or organizations:

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

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Centro Escolar University, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.
4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.
5. I shall inform the corporate secretary of Centro Escolar University of any changes in the abovementioned information with five days from its occurrence.

Done, this _____ day of JUN 11 2019, at Manila.


EMIL Q. JAVIER

SUBSCRIBED AND WORN to before me this _____ day of JUN 11 2019 at Manila, affiant personally appeared before me and exhibited to me his Philippine Passport No. P4047095A issued at DFA, Manila on August 15, 2017.

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Series of 2019.


ATTY. HENRY D. ADASA
NOTARY PUBLIC
COMMISSION 17-23
PASADENIA ST., PASAY CITY
BP NO. 047427 - 01/03/19 PASIG
PTR NO. 5826667 - 01/03/19 P.C.
MCLE COMPLIANCE NO. VI-0002830 - 4/14/2022
① ROLL NO. 29679

Office of the Corporate Secretary

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

To the Stockholders of Centro Escolar University:

Notice is hereby given that the Annual Meeting of the Stockholders of CENTRO ESCOLAR UNIVERSITY (CEU) will be held on Tuesday, July 23, 2019, 2:00 pm, at the University's Information Science Center, Mezzanine Floor, 9 Mendiola Street, San Miguel, Manila, to consider and take action upon the following matters:

1. Call to Order
2. Proof of Notice and Quorum
3. Approval of the Minutes of Annual Stockholders' Meeting on July 24, 2018
4. Chairman's Address
5. Approval of the Annual Report of the Board of Directors
6. Election of Directors
7. Appointment of External Auditor
8. Other Matters
9. Adjournment

All stockholders of record as of the close of business on July 2, 2019 are entitled to notice and to vote at the annual meeting and at any adjournment thereof. The stock and transfer book of the University will be closed from July 3, 2019 to July 23, 2019.

If you cannot attend the meeting personally, you may designate your authorized representative by submitting a PROXY instrument in accordance with Section 58 of the Corporation Code to the office of the stock transfer agent at the address below by July 12, 2019. Proxies will be validated on July 18, 2019.

Professional Stock Transfer, Inc.
10/F Telecom Plaza
316 Gil Puyat Avenue
Salcedo Village, Makati City

Manila, Philippines, July 2, 2019.


SERGIO F. APOSTOL
Corporate Secretary

MANILA AND MALOLOS CAMPUSES

MANILA CAMPUS

EXCLUDING SCHOOL OF MEDICINE
AND SENIOR HIGH SCHOOL

MANILA AND MALOLOS CAMPUSES



FULL
AUTONOMY
STATUS



INSTITUTIONAL
ACCREDITATION
STATUS
Federation of
Accrediting Agencies
of the Philippines



ISO 9001:2015



PROFICIENCY
IN QUALITY
MANAGEMENT
SYSTEM



PAPAL AWARD
PRO ECCLESIA
ET PONTIFICE
December 30, 2006

ASEAN University Network (AUN) Quality Assurance certified: Dentistry, Pharmacy, Biology, Business Administration, Hotel and Restaurant Management, Tourism Management, Nursing, Nutrition and Dietetics and Optometry Programs
• CHED Center of Excellence in Teacher Education • CHED Center of Development in Business Administration • CHED Center of Development in Optometry • HIGHEST LEVEL of accreditation, LEVEL IV, by PACUCOA as certified by FAAP: Biology, Psychology, Pharmacy, Business Administration, Dentistry, Optometry, Nutrition and Dietetics, Liberal Arts (Mass Communication and Political Science), Education, and Medical Technology

Office of the Corporate Secretary

ANNUAL STOCKHOLDERS' MEETING
Tuesday, July 23, 2019
2:00pm
CEU Information Science Center, Mezzanine Floor
9 Mendiola Street, San Miguel, Manila

A G E N D A

1. Call to Order
2. Proof of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting on July 24, 2018
4. Chairman's Address
5. Approval of the Annual Report of the Board of Directors
6. Election of Directors
7. Appointment of External Auditor
8. Other Matters
9. Adjournment

MANILA AND MALOLOS CAMPUSES

MANILA CAMPUS

EXCLUDING SCHOOL OF MEDICINE
AND SENIOR HIGH SCHOOL

MANILA AND MALOLOS CAMPUSES



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**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
CENTRO ESCOLAR UNIVERSITY**

**HELD AT
THE CEU INFORMATION SCIENCE CENTER, MEZZANINE FLOOR
9 MENDIOLA STREET, SAN MIGUEL, MANILA
ON JULY 24, 2018, 2:00 P.M.**

DIRECTORS PRESENT:

Mr. Basilio C. Yap, Chairman
Dr. Ma. Cristina D. Padolina, Vice-Chairman
Dr. Angel C. Alcala, Director
Dr. Emil Q. Javier, Director
Mr. Benjamin C. Yap, Director
Dr. Emilio C. Yap III, Director
Ms. Corazon M. Tiongco, Director
Dr. Alejandro C. Dizon, Director

ALSO PRESENT:

Mr. Cesar F. Tan
Atty. Nilo B. Peña
Atty. Jennifer C. Lee

ABSENT:

Dr. Johnny C. Yap, Director

No. of Shares Present in Person or Represented by Proxy	285,500,968 shares
No. of Outstanding Shares	372,414,400 shares
	76.6621%

I. OPENING PRAYER

Ms. Corazon M. Tiongco led the opening prayer.

II. CALL TO ORDER / NOTICE AND QUORUM

After ascertaining from Mr. Cesar Tan, the Secretary of the meeting, that notices were properly sent to all stockholders and that a quorum was present, Dr. Ma. Cristina D. Padolina, CEU President and Vice Chairman, called the meeting to order.

For records purposes, the body was notified that the proceedings of the stockholders' meeting were tape-recorded.

III. APPROVAL OF THE MINUTES OF ASM ON JULY 25, 2017

On motion duly seconded, the stockholders unanimously approved the Minutes of the Annual Stockholders' Meeting on July 25, 2017.

IV. APPROVAL OF THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

Dr. Padolina presented the highlights of the Annual Report to the stockholders including the four (4) strategic goals of the University. Since the Annual Report for 2017-2018 had been distributed to the stockholders, they were requested to go over the same.

The President also announced that on June 20, 2018, the Board of Directors declared a Php0.20 Cash Dividend per share to stockholders of record as of record date of July 12, 2018 with payment date on August 6, 2018.

On motion duly seconded, the stockholders unanimously approved the Annual Report of the Board of Directors. A copy of the annual report is made an integral part of the minutes.

V. ELECTION OF DIRECTORS

The President reported that the nomination of at least two (2) independent directors is a mandatory requirement for the University under the Securities Regulation Code ("SRC") and Rule 38 of the 2015 Implementing Rules and Regulations of the SRC. In compliance therewith, the Board of Directors created a Nomination Committee to nominate the independent directors. The Nomination Committee nominated Dr. Emil Q. Javier and Dr. Angel C. Alcala as independent directors. Therefore, only seven (7) board seats were open for nomination from the floor.

On motion duly seconded, the stockholders unanimously elected the following as directors for fiscal year 2018-2019, in addition to Dr. Emil Q. Javier and Dr. Angel C. Alcala as independent directors:

Mr. Basilio C. Yap
Dr. Ma. Cristina D. Padolina
Mr. Benjamin C. Yap
Dr. Alejandro C. Dizon
Dr. Emilio C. Yap III
Ms. Corazon M. Tiongco
Dr. Johnny C. Yap

VI. APPOINTMENT OF EXTERNAL AUDITOR

On motion duly seconded, the stockholders unanimously appointed Sycip Gorres Velayo & Co. (SGV) as external auditor.

VII. OTHER MATTERS

a. Ratification of Acts, Transactions and Resolutions of the Board of Directors and Management for Fiscal Year 2017-2018

After a few clarifications, on motion duly seconded, all acts, transactions and resolutions of the University's Board of Directors and of Management for fiscal year 2017-2018 were approved and ratified by the stockholders.

b. Stockholders' Questions

Dr. Padolina opened the floor for questions of stockholders, and requested the stockholder who wished to ask any question to state for the record his full name.

Mr. Stephen Soliven asked why there was a decrease in the University's cash and cash equivalent for the current year and why there was an increase in tuition and other receivables. Dr. Padolina explained that the decrease in the University's cash and cash equivalent was an effect of the implementation of the K-12 program.

VP Servitillo also explained that the decrease in the University's cash and cash equivalent was due to decrease in enrollment. The increase in tuition and other receivables was due to the receivable from DepEd for Senior High School Vouchers and the timing difference wherein said receivable was collected during fiscal year 2018-2019.

VIII. ADJOURNMENT

There being no further business to discuss, the meeting was adjourned. The stockholders were invited to join the Board for some refreshments.

(Sgd.) CESAR F. TAN
Secretary of the meeting

Attested by:


(Sgd.) MA. CRISTINA D. PADOLINA
Vice Chairman

Office of the Corporate Secretary


CERTIFICATION

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

June 18, 2019, Manila.

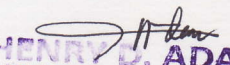

SERGIO F. APOSTOL
 Corporate Secretary

ATTESTED BY:


DR. MA. CRISTINA D. PADOLINA
 President and Vice Chairman

SUBSCRIBED AND SWORN to before me this JUN 11 2019 day of June 2019 at the City of Manila, affiant exhibiting to me his Philippine Passport No. EC7889755 issued on February 6, 2016 at Manila.

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 Page No. 262
 Book No. VI
 Series of 2019.


ATTY. HENRY D. ADASA
 NOTARY PUBLIC
 COMMISSION 17-23
 PASADENIA ST., PASAY CITY
 IBP NO. 047427 - 01/03/19 PASIG
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 ① ROLL NO. 29679



ASEAN University Network (AUN) Quality Assurance certified: Dentistry, Pharmacy, Biology, Business Administration, Hotel and Restaurant Management, Tourism Management, Nursing, Nutrition and Dietetics and Optometry Programs
 • CHED Center of Excellence in Teacher Education • CHED Center of Development in Business Administration • CHED Center of Development in Optometry • HIGHEST LEVEL of accreditation, LEVEL IV, by PACUCOA as certified by FAAP: Biology, Psychology, Pharmacy, Business Administration, Dentistry, Optometry, Nutrition and Dietetics, Liberal Arts (Mass Communication and Political Science), Education, and Medical Technology

CENTRO ESCOLAR UNIVERSITY

(Company's Full Name)

**9 Mendiola Street
San Miguel, Manila**

(Company's Address)

735-6861 to 71

(Telephone Numbers)

MANAGEMENT REPORT TO STOCKHOLDERS

**For the fiscal year ended March 31, 2019
in accordance with SRC Rule 20.4**

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

Item 1. Financial Statements

The audited consolidated financial statements are hereto attached.

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

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

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

Financial Performance (2018-2019; 2017-2018)

Tuition and Other School Fees decreased by 0.67% to ₱1,361,895,534 from the previous year's ₱1,371,104,081 and 11.95% decrease from ₱1,535,004,059 in 2017. This account consists of Tuition Fees, Other Fees, and Income from Other School Services. Other fees are comprised of fees for electricity, registration materials, miscellaneous classroom expenses, laboratory materials, health services fees, library fees and development fees. Income from Other School Services comprise of fees for diploma and certificates, transcript of records, entrance examinations and various collections for specific items or activities. Interest income were reported at ₱4,673,416 in 2019 and ₱3,405,522 in 2018.

The total revenues increased to ₱17,234,257 in 2019 from ₱1,414,254,996 last year and ₱1,580,353,686 in 2017. While the Operating Expenses were reported at ₱1,223,891,390 in 2019 from ₱1,256,717,449 last year and ₱1,291,748,297 in 2017.

Net income of the University for 2019 was ₱205,743,458 from ₱110,216,392 last year and ₱263,449,832 in 2017.

Financial Condition

The University reported a healthy cash position as of March 31, 2019. Cash and cash equivalents were at ₱307,772,418 as compared to last year's balance of ₱290,181,009 and ₱435,796,757 in 2017. Tuition and other receivables were at ₱165,130,538 as compared to ₱121,410,647 last year and ₱87,039,659 in 2017. The University's receivables consist of tuition receivables, interest receivables, and employee and lessee receivables (classified as Other Receivables). There are no receivables from unconsolidated subsidiaries or related parties.

Inventories, consisting of materials, uniforms and supplies, were at ₱ 12,738,612 Other current assets, which consist largely of Prepayments stood at ₱5012,316.

The current assets of the University as of fiscal year ended March 31, 2019 were ₱490,653,884 as compared to ₱446,896,736 for March 31, 2018.

Property and Equipment were reported at ₱3,346,165,520 in 2019 from ₱3,275,715,343 last year.

Total non-current assets were at ₱69,986,373 and Total Assets were at ₱4,107,162,959 at the end of the fiscal year.

Accounts payable and accrued expenses increased to ₱419,246,838 from ₱355,306,220 last year and ₱280,606,407 in 2017. Dividends payable were at ₱104,576,634 compared to ₱107,787,994 last year and ₱108,225,615 in 2017. Total current liabilities were at ₱521,786,799 at fiscal year end.

Total non-current liability as of March 31, 2019 ₱483,914,681_ from ₱361,670,607 last year and ₱412,431,405 in 2017. Because schools are allowed to claim 10% of its capital as an advanced tax credit, it can no longer claim the depreciation on these capital assets as tax deduction. Instead, the unamortized portion of these tax credits are lodged under deferred tax liability, and is amortized yearly in congruence with the depreciation of the capital assets. Deferred tax liabilities were at ₱264,677,918. Retirement liability refers to the portion of the Retirement Fund that needs to be funded over the course of the expected working lives of the employees. As of March 2019, retirement liability was at ₱219,236,763.

The University's stockholder's equity stood at ₱3,101,461,479 as of March 2019 as compared to ₱3,125,382,709 in March 2018.

Key Performance Indicators

Key	2019	2018	2017	Manner of Computation	Significance
Revenue Growth	0.67%	-10.68%	-9.27%	Difference between current and last year's tuition and other school fees divided by last year's revenues	Measures Revenue growth
Return on Revenue	15%	8%	17%	Net income divided by Tuition and other school fees	Shows how much profit is derived from every pesos of tuition and other school fees
Dividend Pay-out Ratio	55%	68%	28%	Dividends divided by net income	Indicates how earnings support dividend payment
Return on Equity	6%	4%	9%	Net income divided by average total stockholder's equity	Measures extent of profit earned
Return on Assets	5%	3%	7%	Net income divided by average total assets	Measures use of assets to generate income

Liquidity

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

Cash flows provided by operating activities were at ₱251,342,670 for fiscal year ended March 31, 2019 as compared to cash flows provided by operating activities of ₱268,201,397 for the previous fiscal year and ₱287,291,135 in March in 2017.

Cash used in investing activities was ₱159,268,381 during fiscal year ended March 31, 2019, as compared to cash used in investing activities of ₱339,150,879 for previous fiscal year and ₱101,329,661 in March 2017.

Cash used in financing activities was at ₱74,482,880 during the current fiscal year. This was primarily used for the payment of dividends. Cash used for financing activities was at ₱74,920,501 for fiscal year ended March 31, 2018 and ₱117,135,010 in fiscal year ended March 31, 2017.

Segment Reporting

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

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

Known Trends

Effect of Government Regulation with Respect to Increase in Tuition Fees

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

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

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

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

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

Education Trends

For school year 2017-2018, the University registered downward trends in enrollment due to K-12 program of the government.

For school year 2016-2017, The University registered upward trends in Dentistry, Pharmacy and Medical Technology while nursing course continued to experience downward enrollment due to lesser demand in the United States and United Kingdom.

Key Variable and Other Qualitative and Quantitative Factors

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

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

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

For school year 2017-2018, there are commitments for capital expenditures such as improvements and renovations of existing laboratories, repairs and repainting of administration offices, improvements and maintenance of information and communications technology and procurement of computer for Computer Education Department and different offices which is being done every year which funding shall be derived from the increase in tuition fees in accordance with the guidelines of the Commission of Higher Education (CHED).

Currently, there are no known trends, events or uncertainties that have material impact on sales, aside from downward enrollment on nursing course, tourism and hotel and restaurant management courses.

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

Material changes from SY 2017 to FY 2018 include a decrease of 11% in total revenues which resulted from the decrease in tuition and other school fees and miscellaneous income of 11% and 5% respectively. For costs and expenses, posted was a 4% decrease in cost of services resulting from decreased cost of laboratory, other student-related services, materials and uniforms. General and administrative expenses increased by 7% due to increases in the repairs and maintenance for Las Piñas and Manila facilities, janitorial and security services, membership dues, clinical and insurance expenses. On other income and expenses, 8% decrease in interest income was reported due to lower placements and lower interest rates. Interest expense posted an increase of 1279% resulting from the payment of interests for two-year tax assessment. There was a decrease of 53% in foreign exchange gains because of lower foreign currency placements, and an increase of 13% in loss on retirement of assets due to the value of condemned furniture and equipment. These material changes resulted to a decrease of 58% in net income after tax.

New Accounting Standards

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

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

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

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

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments to existing standards, which became effective beginning April 1, 2016.

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 to have a significant impact on its consolidated financial statements.

Effective beginning on or after January 1, 2018 (FY2019 for the Group)

- **Amendments to PFRS 2, Share-based Payment, Classification and Measurement of Share based Payment Transactions**

The amendments to PFRS 2 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share based payment transaction with net settlement features for withholding tax obligations; and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all

three amendments and if other criteria are met. Early application of the amendments is permitted.

- **Amendments to PFRS 4, Insurance Contracts, Applying PFRS 9, Financial Instruments, with PFRS 4**

The amendments address concerns arising from implementing PFRS 9, the new financial instruments standard before implementing the forthcoming insurance contracts standard. The amendments allow entities to choose between the overlay approach and the deferral approach to deal with the transitional challenges. The overlay approach gives all entities that issue insurance contracts the option to recognize in OCI, rather than profit or loss, the volatility that could arise when PFRS 9 is applied before the new insurance contracts standard is issued. On the other hand, the deferral approach gives entities whose activities are predominantly connected with insurance an optional temporary exemption from applying PFRS 9 until the earlier of application of the forthcoming insurance contracts standard or January 1, 2021. The overlay approach and the deferral approach will only be available to an entity if it has not previously applied PFRS 9.

- **PFRS 9, Financial Instruments**

PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39, Financial Instruments: Recognition and Measurement, and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. The adoption of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets and impairment methodology for financial assets, but will have no impact on the classification and measurement of the Group's financial liabilities. The Group is currently assessing the impact of adopting this standard.

- **PFRS 15, Revenue from Contracts with Customers**

PFRS 15 was issued by International Accounting Standards Board in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under PFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in PFRS 15 provide a more structured approach to measuring and recognizing revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under PFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018 with early adoption permitted.

The Group is currently assessing the impact of PFRS 15 and plans to adopt the new standard on the required effective date.

- **Amendments to PAS 28, Investments in Associates and Joint Ventures, Measuring an Associate or Joint Venture at Fair Value (Part of Annual Improvements to PFRSs 2014 - 2016 Cycle)**

The amendments clarify that an entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at FVPL. The amendments also clarify that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. The amendments should be applied retrospectively, with earlier application permitted.

- **Amendments to PAS 40, Investment Property, Transfers of Investment Property**

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments should be applied prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. Retrospective application is only permitted if this is possible without the use of hindsight.

- **Philippine Interpretation IFRIC-22, Foreign Currency Transactions and Advance Consideration**

The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a nonmonetary asset or nonmonetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the nonmonetary asset or nonmonetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The interpretation may be applied on a fully retrospective basis. Entities may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognized on or after the beginning of the

reporting period in which the entity first applies the interpretation or the beginning of a prior reporting period presented as comparative information in the consolidated financial statements of the reporting period in which the entity first applies the interpretation.

Effective beginning on or after January 1, 2019 (FY 2020 for the Group)

PFRS 16, Leases

Under the new standard, lessees will no longer classify their leases as either operating or finance leases in accordance with PAS 17, Leases. Rather, lessees will apply the single-asset model. Under this model, lessees will recognize the assets and related liabilities for most leases on their balance sheets, and subsequently, will depreciate the lease assets and recognize interest on the lease liabilities in their profit or loss. Leases with a term of 12 months or less or for which the underlying asset is of low value are exempted from these requirements. The accounting by lessors is substantially unchanged as the new standard carries forward the principles of lessor accounting under PAS 17. Lessors, however, will be required to disclose more information in their financial statements, particularly on the risk exposure to residual value. Entities may early adopt PFRS 16 but only if they have also adopted PFRS 15. When adopting PFRS 16, an entity is permitted to use either a full retrospective or a modified retrospective approach, with options to use certain transition reliefs. The Group is currently assessing the impact of adopting PFRS 16.

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

The University engaged the services of Sycip, Gorres, Velayo & Co. (SGV) in SY 2007-2008 to undertake the external quality assessment review of its internal audit activity in compliance with the International Standards for the Professional Practice of Internal Auditing (ISPPIA), specifically Standard 1312 - External Assessments. The purpose of said external quality assessment review was to determine and, as appropriate, to improve the internal audit activity's compliance with ISPPIA.

SGV completed the external quality assessment review of the University's internal audit activity last January 28, 2008 and rendered the overall opinion that "the internal audit activity of CEU *Partially Complies* to the Standards. 'Partially Complies' means that the activity is making good-faith efforts to comply with the requirements of the individual Standard or element of the Code of Ethics, section or major category, but falls short of achieving some major objectives. These will usually represent significant opportunities for improvement in effectively applying the Standards or Code of Ethics and/or achieving their objectives. Some deficiencies may be beyond the control of the activity and may result in recommendations to senior management or the board of the organization."

The audit was completed in the last fiscal year and the University is committed to move in the direction of the risk-based auditing process. The plan will be set forth by the University's Quality Management Systems Group along with the Internal Audit Department.

Information on Independent Accountant

Audit Fees and Related Fees

The appointment of Sycip, Gorres, Velayo and Co. (SGV) as external auditor of the University for the fiscal year ending March 31, 2018 was approved by the stockholders during the annual meeting on July 24, 2018.

In compliance with Securities Regulation Code (SRC) Rule 68, Ms. Djole S. Garcia and Ms. Josephine Adrienne A. Abarca were designated as partner in-charge in FY 2018 and FY2016 and 2017 respectively while Mr. Christian Lauron was designated as partner in-charge in FY 2014-2015. Ms. Janet Alvarado-Paraiso has been the partner in-charge for five years. Her appointment started in 2009.

In 2018 and 2017, the University paid ₱987,500 and ₱924,000 respectively, VAT exclusive, to Sycip, Gorres, Velayo and Co. (SGV) for the audit of the University's annual financial statements, as well as assistance in the preparation of the annual income tax returns.

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

Tax Fees

In 2011, the University paid ₱240,000, VAT exclusive to Sycip, Gorres, Velayo and Co (SGV) for the performance of a tax compliance review for the fiscal year ended March 31, 2010 covering income tax, expanded withholding tax, fringe benefit tax and withholding tax on wages. The review involved a study of the University's opposition and practices and procedures in relation to specific tax laws, regulations and rulings. The objectives were to determine whether or not the tax position, practices and procedures adopted and maintained are in compliance with the tax laws and regulations; top identify areas where non-compliance are noted and quantify, if possible, the extent of the University's exposure thereon, and to provide recommendations to improve or correct the University's tax practices and procedures in compliance with the tax laws and BIR regulations.

Other Fees

There are no other services provided by the external auditor, other than the services reported.

Audit Committee Pre-approval Policy

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

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

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

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

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

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

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

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

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

A stock split was approved by SEC on March 31, 2000, effectively reducing the par value from ₱100 to ₱1 per share. PSE correspondingly adjusted the par value on August 3, 2000.

Business Development During the Past Three Fiscal Years (2016-2019)

School Year 2016-2017

Student Enrolment

The University had an enrolment of 17,532 for the first semester and 16,632 for the second semester of school year 2016-2017. The total enrolment for the three campuses for both the first and second semester decreased by 20.51% and 20.77%, respectively compared to that of SY 2015-2016. The total first year (freshmen, transferees) enrolment decreased by 91.18% as compared to the enrolment of the previous school year due to the K-12 transition.

Foreign Student Enrolment

Foreign student enrolment for SY 2016-2017 stood at 500 and 461 for the first and second semesters, respectively. A decrease of 23.08% for the first and 19.97% for the

second semester was noted compared to the enrolment of the previous school year. The programs where most of the foreign students enrolled are in Dentistry and Graduate School.

Performance in Board Examination

The sterling performance of Centro Escolar University graduates in the licensure examinations given by the Professional Regulation Commission (PRC) defines CEU's pursuit of academic excellence and conviction to continually raise up its academic programs to the standards of the world's best.

Escolarians dominated the Optometry Board Examination with six graduates in the top 10 in the July 2016 licensure examination. Meanwhile, the School of Dentistry proved its superiority as the school produced three top placers (1st, 2nd, 6th) in the June 2016 board examination and another two from CEU Makati in the December 2016 licensure examination.

Another accolade to CEU was brought by the School of Pharmacy graduates grabbing the sixth place in the June 2016 Pharmacy board examination. On the other hand, CEU Malolos ranked 5th in the September Licensure Examination for Teachers.

In February 2017 Medical Technology licensure examination, one of their graduates ranked 9th.

The passing percentage of CEU graduates was higher than the national passing percentage in almost all licensure examinations taken by the graduates in the previous years. Programs such as the Nutrition-Dietitian, Library Science, Elementary Education as well as Dentistry in the practical phase of the licensure examination posted a remarkable 100% passing rate.

The brilliant performance of CEU graduates is a testament to the University's quest for academic excellence and quality education. Along with exceptional ratings, CEU provides a training ground for its students to become globally competent imbued with character and wit.

Accreditation and Recognition

In its mission to provide quality education, Centro Escolar University Nursing and Social Work programs were granted Level III accreditation status from 2017-2021 by the Philippine Accrediting Association of Schools, Colleges and Universities (PAASCU) and certified by the Federation of Accrediting Agencies of the Philippines (FAAP) last December 2016.

Centro Escolar University Accountancy program was granted Level 1 formal accreditation status by the Philippine Association of Colleges and Universities Commission on Accreditation (PACUCOA) last October 2016. The accredited program was also endorsed for certification to the Federation of Accrediting Agencies of the Philippines (FAAP).

CEU Malolos embarked on Level II PACUCOA accreditation for the Dentistry, Pharmacy, Nursing, Hotel and Restaurant Management and Tourism programs. Level I

accreditation of the Information Technology program, and Preliminary Visit for the Education program.

PACUCOA awards Centro Escolar University for producing graduates who obtained the highest rating (topnotcher) in the Optometrists board examination and the highest rating (topnotcher) in the Dentistry board examination 2016.

The Commission on Higher Education (CHED) granted Centro Escolar University Malolos a three-year autonomous status that runs from April 1, 2016 until May 31, 2019. The Certificate of Autonomous status was awarded to CEU during the CHED awarding ceremony held last May 16, 2016.

Meanwhile, CEU School of Law and Jurisprudence (CEU-SLAJ) received awards during the Legal Education awards in the upcoming Legal Education awards night of the Legal Education Board. CEU-SLAJ is one of the 15 highest ranked Law schools in overall passing rate and one of the 15 highest ranked Law schools in the passing rate for first-time examinees.

The CEU School of Optometry reaped the title as this year's top performing school in the licensure examination with their overall rate of 92.06. School of Medical Technology Manila campus was also named as the 5th Top Performing school with a rating of 89.37% rating along with CEU Makati Medical Technology department as the 10th place with 80.26% rating in the Medical Technology board examination.

CEU Manila Pharmacy program had its 1st re-accreditation visit for Level 4 last January 12-13, 2017.

CEU Makati Pharmacy and Nursing programs were awarded with Level 1 in August and September 2016, respectively by PACUCOA. Meanwhile, its Doctor of Dental Medicine and Information Technology programs were given candidate status for Level I.

Meanwhile, programs of the CEU Graduate School had their preliminary/consultancy visit last September 29-30, 2016 and January 13-14, 2017 for the Pharmacy program.

International Linkages

In its continues effort to strengthen international ties, Centro Escolar University is now the first Philippine university to have a partnership with the Paradise Suites and the Paradise Hotel and Cruises in Halong Bay, Vietnam. The partnership is under the Student Internship Abroad Program (SIAP) of the Commission on Higher Education (CHED). CEU sent nine Tourism Management students as on-the-job trainees last January 2017.

The School of Nursing sent 6 Level IV Nursing students to Buleleng Institute of Health Sciences, Bali, Indonesia on January 7-21, 2017. This is the second time that the School of Nursing sent students to Indonesia. The students exchange program aims to provide opportunities for the senior nursing students to broaden students experience in giving nursing care in a community setting in another country like Indonesia and apply the concept of transcultural nursing.

CEU School of Nursing in collaboration with Sekolah Tinggi Ilmu Kesehatan Buleleng recently conducted a 5-day Diabetes Capability Training in Buleleng Region in Bali, Indonesia. Furthermore, School of Nursing in coordination with the CEU-PACE conducted the 5th batch of the four-day training on Stroke Management to 25 Nursing students of Budi Luhur Institute of Health Sciences, Bandung, Indonesia and the members of the Budi Luhur International Network for Education (BIN for Edu).

CEU School of Science and Technology sent three of its incoming senior students for the on-the-job training in Bangkok, Thailand. The three students are required to complete 300 hours of their practicum in the three institutions: North Chiang Mai University, Manose Health and Beauty Research Center, and Bangkok Laboratory and Cosmetic Center, Ltd from April 6 to May 28, 2017. These academic, research and industry partners are generous enough to provide the three Escolarians free accommodation, in addition to the experiential training that will be given to them. Another group of Biology students went to University of Malaya in Kuala Lumpur, Malaysia for their practicum under the tutelage of Dr. Veeranoot Nissappatorn, a long time research collaborator of Dr. Julieta Dungca, Dean of the School of Science and Technology.

Ten students from 4 different schools of CEU Manila joined the Global Exchange Student Internship Program held at Daegu Health College in Daegu, South Korea on January 7-22, 2017. On the other hand, 10 students from Daegu Health College joined the Global Exchange Student Internship Program in CEU last February 12-25, 2017. The said program aims to widen international relationship of the university and provide high quality global training for participating student through hands-on training on the facilities and equipment of different prestigious hotels, hospitals, dental, and optometry clinics in Korea such as Kyungpook National University Medical Center which focuses on diagnosis and treatment of cancer.

Quality Assurance

The continuous improvement program of CEU includes various programs coordinated by its Quality and Risk Management System Committee. These are Management Review, 7S, Quality Circle, Customer Feedback, and CEU STARS. The majority of CEU work areas in the 3 campuses attained Level 4 compliance in a scale of 5, in each component of the 7S program (Sort, Sweep, Systematize, Standardize, Safety, Security, Self Disciplined). To further improve service to various clientele, Customer Feedback was incorporated in the visitor's form to obtain feedback from external clients and in the CEU Internal Customer Survey Instrument from internal clients/students.

Since the University applied of ISO 9001:2015, an orientation for Data and Document Custodian was conducted last June 17, 22 and 28 for Malolos, Manila and Makati, respectively. To calibrate internal auditors' knowledge, skills and attitude, an Internal Quality Audit orientation and re-orientation was held on July 8, 21 and 22, 2017 for Manila, Malolos and Makati, respectively. The same activity was also held for 7ñ evaluators on July 6, 2017. Orientation for 7S evaluation was also conducted last October 3, 4 and 7 at CEU Malolos, Makati and Manila, respectively. An orientation for ISO 9001:2015 version, SWOT and Risk Assessment Workshop were also conducted last August 19 and September 9, 2016. Several activities were conducted in preparation for the transition to ISO 9001:2015 version such as the stakeholders needs, SWOT and Risk assessment. Submission of work-area based stakeholders needs, SWOT and Risk and communication plan was on October 24, 2016. Alignment workshop was also conducted

on February 11, 2017 and was continued on March 8, 2017. The institutional stakeholders needs, SWOT and Risk assessment was held last March 30, 2017 and the cluster was conducted last April 17, 2017.

SGS surveillance visit was conducted on March 15-17, 2017 and the auditors recommended that Centro Escolar University be certified with ISO 9001:2015 standard.

Faculty Achievements

CEU Manila School of Dentistry, Dr. Aaron Neal Y. Lu garnered 1st place in the Poster Presentation for his research titled “Periodontal Changes During Orthodontic Tooth Movement After Exposure to Mocha and Water: A Comparison at the 10th Biennial National Ortho Congress conducted by the Association of Philippine Orthodontists on August 2, 2016. The same research also garnered second place in Oral Presentation for Research Category for the Asia Pacific Ortho Congress held in Indonesia on September 1-3, 2016. Dr. Lu also garnered first place in Oral Presentation, Clinical Category for his research on “Treatment of Temporomandibular Joint Dysfunction Using Orthodontics and Orthodontic Mechanics” during the 1st Orthodontic Resident’s forum conducted by the Association of Philippine Orthodontics. On the same forum, Dr. Lorena C. Balacanao also won first place on Oral Presentation, Research Category for her research “The Effect of Orthodontic Adhesive on MC-7 Breast Cancer Cell”.

Mr. Vincent Raphael V. Manarang and Dr. Pearl Ed Cuevas placed first in Podium Presentation-Professional Category under Stream 1 Nursing and Academe during the Philippine Nursing Research Society (PNRS) 9th National Nursing Research Conference held at Punta Villa Resort, Arevalo in Iloilo City last November 23-25, 2016. Also won the highest rank in the Podium Presentation-Professional Category under Stream 2 Nursing and Caring were Ms. Anjanette S. de Leon and Dr. Josephine M. de Leon.

Dr. Ligaya C. Picazo, a CEU Medical Technology faculty-lecturer, placed 3rd in the oral presentation during the 2016 Medical Technology International Summit held at the University of Santo Tomas on September 8-9, 2016.

Dr. Maria Flordeliza Anastacio, Vice President for CEU Malolos, holds position as the Board of Adviser of the International Academy of Accountants for Business, Research, and Education (IAABRE) as well as the Treasurer of the Philippine Society for Educational Research and Evaluation (PSERE). Dr. Nilo V. Francisco, Dean of the College of Management and Technology at CEU Malolos is the chairman of the Bulacan Chamber of Commerce and Industry, Inc. (BCCI) and he is also the Board of Adviser of the People Management Association of the Philippines-Bulacan Chapter (PMAP-Bulacan).

Vice President for CEU Makati and Dean of Studies, Dr. Olivia M. Limuaco is one of the five Vice Presidents of FAPA for 2014-2018.

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

Dr. Carlito B. Olaer, Vice President for Student Affairs, is the current President of the Philippine Association of Administrators of Student Affairs (PAASA)

Dr. Elvira L. Urgel, Dean of the School of Nursing, is a COMELEC member of the Philippine Nursing Association. Other faculty members of the School of Nursing holding important positions in the different Nursing professional organizations are Dr. Pearl Ed Cuevas, Mrs. Joylyn Mejilla, Mrs. Anjanette de Leon, Mrs. May Mendinueto, and Dr. Josephine de Leon. Dr. Cuevas is the present Secretary of the Gerontology Nurses Association of the Philippines (GNAP); Mrs. Joylyn Mejilla is the President of the Association of Diabetes Nurse Educators of the Philippines (ADNEP), Mrs. May Mendinueto is the treasurer of ADNEP while Dr. Josephine de Leon is the assistant secretary.

Dr. Teresita I. Barcelo, Dean of the Graduate School, is the Vice President of the Philippine Nursing Research Society (PNRS).

Dr. Cecilia D. Santiago, Dean of the School of Pharmacy is the Executive Vice President of the Philippine Association of Colleges of Pharmacy and an accreditor of PACUCOA.

Ms. Socorro Alma F. Gammad, a lecturer from the School of Nutrition and Hospitality Management, was awarded by the Philippine Association of Nutrition, Inc. (PAN) as Fellow Awardee (Community Nutrition) on July 7, 2016.

Dr. Regina Jazul from CEU Malolos Pharmacy Department is the auditor of the Philippine Association of Colleges of Pharmacy (PACOP).

Dr. Julieta Z. Dungca, Dean of the School of Science and Technology, is a the elected secretary of the Philippine Society of Research (PSERE), Inc. and the treasurer of the Philippine Society of Parasitology (PSP), Inc.

The Head of the Planning and Monitoring Department, Dr. Dolores Delacruz, is the present secretary of the Philippine Society for Quality (PSQ).

Ms. Aleli V. Lozano, Head of the Physical Science Department, is the current auditor of the Philippine Association of Chemistry Teachers (PACT).

Dr. Christopher Jay Cortado is the secretary of the Speech Communication Organization of the Philippines, Inc. (SCOP), and Mr. Dante Gabano is the assistant treasurer.

Student Achievements

CEU senior Medical Technology student and the First Vice President of the University Student Council qualified as one of this year's Top 40 Future Professionals of the Philippines on September 2, 2016 at the US Embassy, Manila. The event was in partnership with United States Embassy and Young Southeast Asian Leaders Initiative (YSEALI). He is also one of the 2016 Ayala Young Leaders Initiative selected amongst the thousands.

Two Escolarians bagged the highest awards (1st and 3rd places) in a Poster Making Contest spearheaded by the Food and Drug Administration (FDA) during an Educational Seminar held last November 23, 2016 at the Librada Avelino Auditorium at CEU Manila.

CEU Manila Dentistry students also soared high on different clinical competitions. One of their students garnered first place on the Ceram-X Contest launched by the Dentsply Philippines last September 15, 2016. The same clinical work took the second place in the Ceram-X contest held in Hongkong on November 11, 2016 by the Dentsply-Asia-Pacific Region. Another Dentistry placed third in the Endo Case Contest by the Dentsply Philippines last September 16, 2016. Another Dentistry student received an Excellence in Research Awardee in the 5th China-ASEAN Forum on Dentistry held at Nanning, China on October 25-28, 2016. Another research by a group of Dentistry students was granted Jury's award at the Student Prevention Table Clinician Competition by the SEAADE-GC Dental Asia held in Ho Chi Minh, Vietnam on September 8-9, 2016. Meanwhile, Dentsply Philippines and IADR-SEA awarded a Dentistry student 2nd place in the Student Clinician Research Program Country Level.

CEU School of Nursing takes pride in winning four research awards in the Philippine Nursing Research Society (PNRS) 9th National Nursing Research Conference held at Punta Villa Resort, Arevalo in Iloilo City last November 23-25, 2016. The research of Nursing students bagged the second place in the podium presentation student category under stream 2 Nursing and Healing. Another group of students won second place in the poster presentation for the stream.

Pharmacy students won 2nd place in the Search for the Outstanding Undergraduate Thesis in Herbal Medicine 2016 by DOST PCIEERD-Gruppo Medica Award in Palawan.

From the School of Nutrition and Hospitality Management, a Nutrition and Dietetics student was named Outstanding Nutrition and Dietetics Student 2016 by the Philippine Association of Nutrition (PAN), Inc. on July 7, 2016. In the same activity, a group of Nutrition and Dietetics students won 2nd place in the PAN Student Digital Video Contest. A research group from the same program won 3rd place in the Undergraduate Student Research Competition (Nutrition Category) by the Food and Nutrition Research Institute on July 7, 2016.

The student research from the School of Medical Technology bagged the 1st place for the poster presentation in the 2016 Medical Technology International Summit held at the University of Santo Tomas on September 8-9, 2016.

A senior Mass Communication-Broadcast student of the School of Education, Liberal Arts, Music and Social Work (ELAMS) seized the second place during the 2nd Student Speech Competition held in Daegu, South Korea on August 12-13, 2016. She was pitted against 38 other contestants from other countries – Australia, Japan, Bangladesh, Indonesia, Thailand, Korea, and other Asian countries.

Meanwhile, a student from the CEU Malolos Pharmacy Department was elected the Assistant Secretary of the Federation of Junior Chapters Philippine Pharmacists Association.

Centro Escolar University once again showed its prowess in athletic meets. The CEU athletes proved their dominance in the 47th season of WNCAA (Women's National

Collegiate Athletic Association) and 13th season of MNCAA (Men's National Collegiate Athletic Association) held at San Beda, Alabang last February 5 and 6, 2017. CEU Women's Badminton team was hailed as the champion this year and the player from the School of Dentistry grabbed the Most Valuable Player Award. The Escolarian athletes also bagged the title for the Women's Swimming competition. The Women's Taekwondo team also copped the Championship in this season and the player from the School of Pharmacy bagged the MVP Award. The Women's table tennis team also brought home the bacon as the Champion and named MVP is an athlete from the School of Dentistry.

Likewise, the CEU male athletes couldn't be outdone. The Men's Badminton team managed to win during the 13th season of MNCAA. The Men's Table Tennis team placed 1st runner-up.

Furthermore, Centro Escolar University Scorpions claimed the first-ever Universities and Colleges Basketball League (UCBL) championship title last December 8, 2016 at the Olivarez Sports Center. Consistently victorious in basketball leagues, the Scorpions were also this year's 5th National Collegiate Basketball League (NCBL) champion held at the Technological Institute of the Philippines-Manila gym on September 20, 2016.

School Year 2017-2018

Student Enrolment

The University registered an enrolment of 12,929 for the first semester and 12,046 for the second semester of school year 2017-2018. The total enrolment for the three campuses for both the First and Second semesters decreased by 26.25% and 27.57%, respectively compared to that of SY 2016-2017. The decrease is due to the implementation of the K-12 wherein, the SY 2017-2018 has no first and second year students.

Foreign Student Enrolment

Foreign student enrolment for SY 2017-2018 stood at 370 and 315 for the first and second semesters, respectively. A decrease of 26.15% for the First and 31.82% for the second semester was noted compared to the enrolment of the school year 2016-2017. The programs where most of the foreign students enrolled are in Dentistry and Graduate School.

Performance in Board Examination

Escolarians ruled anew in the 2017 licensure examinations administered by the Professional Regulation Commission. The consistent outstanding performance of the graduates in the PRC exams affirms CEU's determination and commitment to an unrelenting pursuit of its vision to be the University of first choice, as well as indicative of its sincere effort and high intention to provide quality education among its clientele.

For three consecutive times, the CEU School of Dentistry has consistently set an excellent record of producing graduates who obtained the highest rating (topnotcher) in the 2017 Dentistry Licensure Examination. CEU Manila School of Dentistry scored five (5)

spots (1st, 3rd, 4th, 5th, and 7th placers) in the May 2017 Board Exam and 4th placer in the December 2017-January 2018 Board Exam.

The CEU Medical Technology of CEU Manila and the Medical Technology program of CEU Makati both reaped the title as this year's two top performing schools in the licensure examination with their overall ratings of 92.06%. School of Medical Technology Manila campus was named as the 5th Top Performing School with a rating of 89.37% rating along with CEU Makati Medical Technology Department as the 10th place with 80.26% rating in the Medical Technology Board Examination. Furthermore, the School, both in Manila and Makati, was chosen by the Professional Regulation Commission as one of the ten (1) Medical Technology schools in the Philippines, where Philippine registered Medical Technologists can be qualified to attain U.S.D. professional visa. This implies that Medical Technologists from CEU will be allowed by the Hawaii Department of Health to obtain the Hawaii Medical Technologists license though they have not complied with the mandatory one (1) year work in a U.S. clinical laboratory.

CEU Manila graduate of Bachelor of Science in Nursing ranked 10th out of 5,875 board passers in the November 2017 Board Examination. A Nursing graduate from the same campus ranked 9th in the June 2017 Nursing Board Examination.

The CEU School of Optometry posted an excellent performance grabbing five (3rd, 6th, 7th, 8th and 9th) of the top ten spots. The passing percentage of CEU graduates of 88.46% was higher than the national passing percentage of 81.66%.

The sterling performance of CEU graduates is an indication of the University's quest for academic excellence and quality education. Along with the exceptional ratings, CEU provides a training ground for its students to become globally competent imbued with character and wit.

Accreditation and Recognition

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

For CEU Manila, the University's Business Administration program was granted its Level IV First Reaccreditation status, but still awaiting the results of the first reaccreditation for Level IS of the following programs: Doctor of Dental Medicine and B.S. Nutrition and Dietetics both held on November 8-10, 2017. Furthermore, the B.S. Computer Engineering, B.S. Information Technology, and B.S. Computer Science programs visited last August 8-9, 2017 were likewise granted accreditation status for Level 1.

Centro Escolar University Pharmacy program was granted Level IV Re-accreditation status by the Philippine Association of Colleges and Universities Commission on Accreditation (PACUCOA) as certified by the Federation of Accrediting Agencies of the Philippines (FAAP).

Centro Escolar University continues to build up its status as an institution of higher learning and as the University of first choice by bringing its academic standards on par with internationally recognized accrediting agencies. On January 29-31, 2018, four programs were subjected to AUN-QA accreditation. The university successfully earned

the ASEAN University Network-Quality Assurance (AUN-QA) accreditation of Nursing, Nutrition and Dietetics and Optometry programs.

This recognition serves as another testament to the University's commitment to quality and excellence.

International Linkages

CEU Manila School of Dentistry, is the first dental school peer reviewed by the SEAADE Peer Review Committee which reported areas of "Best Practice Situation". Reports of SEAADE Peer Review Committee on their evaluation of the CEU in their official website. School of Dentistry established a linkage with the International Association for Dental Research-SEA (IADR-SEA) and the China ASEAN Forum on Dentistry (CAFD).

Six senior nursing students of Centro Escolar University joined the 3rd International Student Exchange Program of the School of Nursing with STIKEs Budi Luhur in Cimahi, West Java, Indonesia from November 11 to 26, 2017. As part of their Intensive Nursing Practice, the students performed the complete family nursing process to selected families in Batujajar, Indonesia. They also participated in the International Competition wherein the CEU nursing students achieved several awards including third place in the Talent Competition, second in the CPR/BLS competition, first place in the Health Promotion Competition and first and second place in the Oral Presentation Competition. A cultural presentation capped the two-week student exchange program in Bandung, Indonesia where all participants had the opportunity to showcase their talent and respective national dances.

The Tourism Management Program of the School of Nutrition and Hospitality Management (SNHM) of the University has established International connections with different countries such as United States of America, Malaysia, Thailand and Vietnam, and CEU has been sending students for their international practicum training in conjunction with its goal of reinforcing the global competency of CEU students. The two of the Paradise group sectors, Paradise Suites and Paradise Hotels and Cruises, warmly received the second batch of interns from CDEU Manila for their on-board training from November 2017 to April 2018. Paradise Suites and Paradise Hotels and Cruises, the most recognized and diverse hospitality groups, expressed continued assistance to CEU students and graduates becoming world-class service providers in the tourism industry.

Six (6) Tourism Management students were accepted by the premier hospitality group in Vietnam, with joint efforts of Paradise Group Vietnam's General Manager Mr. Edgar Cayan, CEU Tourism Management Coordinator, Ms. Janelle Villamor, and with the recommendation of SNHM Dean, Dr. Cecilia C. Uncad and the University President, Dr. Ma. Cristina D. Padolina. CEU's international internship program is in accordance to the guidelines under the Student Internship Abroad program (SIAP) of the Commission on Higher Education.

The Psychology Department is presently doing a research on Forgiveness in collaboration with Dr. Enright who represents the Department of Educational, University of Wisconsin.

The School of Medical Technology has an active Memorandum of Agreement with Daegu Health College, Daegu, South Korea, Khon Kaen University, Khon Kaen, Thailand

and Kumamoto Health Science University, Kumamoto, Japan. Part of their linkage collaboration is an international symposium which is held on rotation among the four (4) countries. Likewise, research collaboration is one of the outputs.

Quality Assurance

CEU earned anew an International Organization for Standardization (ISO) 9001:2015 certification. The certification applies to all academic and support services functions in CEU-Manila campus excluding School of Medicine and Senior High School, as well as all academic and support services and functions of the organization in CEU Makati and CEU Malolos campuses excluding Senior High School and CEIS, respectively. The ISO 9001:2015 certification granted to CEU attests that the University's sustained quality assurance system is in compliance with the SGS requirements and standards.

The continuous improvement program of CEU includes various programs coordinated by its Quality and Risk Management System Committee: Management Review, 7S, Quality Circle, Customer Feedback, CEU STARS. The majority of CEU work areas in the 3 campuses attained level 4 compliance in a scale of 5, in each component of the 7S program (Sort, Sweep, Systematize, Standardize, Safety, Security, Self Disciplined). To further improve service to various clientele, Customer Feedback was incorporated in the visitor's form to obtain feedback from external clients and the CEU Internal Customer Survey Instrument from internal clients/students was administered.

Risk assessments, updates on the stakeholders needs and SWOT analysis was conducted last April 17, 2017 as inputs in the management review and strategic planning.

To calibrate internal auditors' knowledge, skills and attitude, an Internal Quality Audit orientation and re-orientations was held last July 31, August 1 and 2, 2017 for Manila, Makati, and Malolos, respectively. The yearly orientation for Data and Document Custodian was conducted last October 9, 13 and November 21, 2017 for CEU Makati, Manila and Malolos respectively. The same activity was also held for 7S evaluators.

Faculty Achievements

Dr. Ma. Cristina D. Padolina received the prestigious Juran Medal for promoting quality and excellence during the 2017 International Quality Conference Awards Night at Okada Manila Hotel. The Juran Medal Award is a tribute to Dr. Joseph Juran, renowned for his significant contributions in the promotion and advancement of quality management. This award is presented to a senior executive with remarkable contributions in promoting quality and quality management in the country. The Philippine Society for Quality (PSQ) chose to award the 2017 Juran Medal to Dr. Padolina to honor her exemplar quality and excellent management.

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

Dr. Carlito B. Olaer, the Vice President for Student Affairs is the present president of the Philippine Association of Administrators of Student Affairs, Inc. He is also the

regional coordinator for ASIA and a contributor of the International Association of Student Affairs.

Vice-President for CEU-Makati and Dean of Studies, Dr. Olivia Limuaco is one of the five Vice-Presidents of FAPA for 2014-2018.

The dean of the School of Accountancy and Management (AM), Mr. Melito Salazar was awarded with the Golden Star Academic and Educational Excellence Award in Malaysia; World Association of Small and Medium Enterprises (WASME) for Outstanding Contribution in Service of SEMs at Miami, Florida, USA, Most Distinguished Alumnus in Government by UPCBA, and Professional Award in Business Administration – Management by UPAA. At present, he is the President of the Philippine Association of Collegiate Schools of Business (PACSB). Dr. Rosemarie So, the Assistant Dean of the School of AM is a fellow in Business Education and a board member of the PACSB. Dr. Leny Dellosa, Dr. Zenaida Diola, and Mr. Edgar Tichepco are the National Winner in the Search for Outstanding PETRON-PCDEB, National Winner in the Search for Outstanding PETRON-PCDEB Business Educator in Marketing, and Regional Winner in the Search for Outstanding PETRON-PCDEB respectively. Dr. Rowell Antonio, a professional course teacher, is the chair of the Entrepreneurship of Wadhvani Foundation.

CEU Manila School of Dentistry School Dean Dr. Pearly Lim was elected Councilor of the International Association of Dental Researchers (IADR-SEA), Dr. Stephen Almonte is the Executive Vice President of the Philippine Dental Association, Dr. Joann Joven and Dr. Marie Fullante are elected Vice President and the Assistant Secretary of the Philippine Prosthodontic Society respectively; Dr. Aaron Neal Lu is the Board of Director of the Philippine Academy of Esthetic Dentistry, and Dr. Antonio Mirador is the P.R.O. of the Philippine College of Oral and Maxillofacial Surgeons.

The Head of the Guidance and Counseling Department, Dr. Carmencita Salonga is the elected P.R.O. of the Philippine Guidance and Counseling Association and the treasurer of the Psychological Association of the Philippines.

Centro Escolar University School of Medical Technology Dean, Dr. Charito Bermido represented the Philippines in the panel discussion on the Accreditation of Medical Technology/Medical Laboratory Science (MT/MLS) programs and certification of graduates during the recent 2017 ASEAN Medical Laboratory Science Education Stakeholders Summit and Research Conference at Sofitel Philippine Plaza, Pasay City on November 29-December 1, 2017. Mr. Rogelio Cruz, a faculty member of the same school is a member of the Board of Directors of the Philippine Association of Schools of Medical Technology and Public Health Inc. (PASMETH).

Dr. Maria Flordeliza Anastacio, VP for CEU Malolos, holds position as the Board of Adviser of the International Academy of Accountants for Business, Research, and Education (IAABRE) as well as the Treasurer of the Philippine Society for Educational Research and Evaluation (PSERE). Dr. Nilo V. Francisco, Dean of the College of Management and Technology at CEU Malolos is the Chairman of the Bulacan Chamber of Commerce and Industry, Inc. (BCCI) and he is also the Board of Adviser of the People Management Association of the Philippines-Bulacan Chapter (PMAP-Bulacan).

Mrs. Luzette T. Mijares, the program head of Hotel and Restaurant Management of CEU Makati is elected as one of the Board of Trustees for the Hospitality and Tourism Council of Deans and Program heads (Host Code) by the CHED-NCR.

Dr. Teresita I. Barcelo, dean of the Graduate School is the chair of the Arbitration Commission of the Philippine Nurses Association, Inc., while Dr. Maricar Ching, the assistant to the dean of the Graduate School is a board member of the DOST-PCHRD Scholars' Society and the elected secretary of the NRCP-Division 3 Medical Sciences. Dr. Eden Kelemen, a faculty member, is the director of the Philippine Association for Graduate Education, NCR.

Dr. Julieta Z. Dungca, dean of the School of Science and Technology is the elected secretary of the Philippine Society of Educational Research and Evaluation (PSERE) and treasurer of the Philippine Society of Parasitology, Inc. (PSP). The head of the Biological Sciences Department, Dr. Zenaida Los Baños, is a board member of the Philippine Association of Laboratory Animal Science. Dr. Agnes Magnaye is a board member of the Biology Teachers Association of the Philippines and Mrs. Marilou Lanto is the board member of the Philippine Society for Developmental Biology.

Dr. Cecilia D. Santiago, dean of the School of Pharmacy is the Executive Vice President of the Philippine Association of Colleges of Pharmacy (PACOP).

Dr. Regina Jazul from CEU Malolos Pharmacy Department is the auditor of the Philippine Association of Colleges of Pharmacy (PACOP).

The Head of the Planning and Monitoring Department, Dr. Dolores Dela Cruz, is the present secretary of the Philippine Society for Quality (PSQ).

Ms. Aleli V. Lozano, head of the Physical Sciences Department, is the current auditor of the Philippine Association of Chemistry Teachers.

Dr. Christopher Jay Cortado is the secretary of the Speech Communication Organization of the Philippines, Inc., (SCOP), and Mr. Dante Gabano is the assistant treasurer.

Student Achievements

CEU Singers Malolos scored three (3) silver awards and certificates in the Sacred Music, Mixed Choir and Mixed Voice categories in the 10th Orientele Concentus Chorale Competition in Singapore. The group's outstanding performance in Singapore earned them a Plaque of Recognition from the Mayor of the City of Malolos, Hon. Christian Natividad, a Resolution of Recognition from the City Council, and the Governor and Board Members of the province of Bulacan for their contribution in promoting Philippine culture and arts and more importantly, bringing honor to the City of Malolos and the province of Bulacan. Before their stint in Singapore, which was their first international feat, CEU Singers Malolos under the baton of Mr. German de Guzman has won numerous awards and citations from national chorale competitions such as NAMCYA and MBC, and musical festivals in Bulacan and other Central Luzon provinces.

Two (2) graduate school students was awarded Best Paper and an honorable mention in the 2nd ASEANnale 2018 and 2nd International Symposium on ASEAN Studies

held at the University of the Philippines on February 28-March 2, 2018 for their paper entitled “Finding Foucault in the Rohingya Discourses” and Examining the Philippine’s State in the 21st Century Maritime Silk Road: A Competition of Old and New Financial Players” respectively.

A Computer Engineering student from the School of Science and Technology was proclaimed as one of the Most Outstanding International Students in the Philippines for academic year 2017-2018 during the 48th Search for Three Most Outstanding International Students in the Philippines . This is organized by the Philippine Friendship International and Understanding Association (PIFUA).

CEU Manila School of Dentistry students research entry entitled “Characteristics of Sodium Bentonite as A Possible Root Canal Sealer” bagged first runner-up of the SIBOL(Creative Research) College Category 2017 Regional Invention Contest and Exhibits (RICE) organized by the Department of Science and Technology (DOST) held at Technological Institute of the Philippines, Quezon City. Finalist during the said activity is the research on “Nano-hydroxyapatite from Pink Salmon (*Oncorhynchus gorbuscha*) Fish Bone as a Direct Pulp Capping Material. During the Dentsply Sirona Asia University Country Level conducted at Dentsply Headquarters, Makati, Dentistry student won 1st place and 3rd place in the Clinical Case Contest Restorative Dentistry Case and Endodontic Case Contest respectively.

From the School of Nutrition, Hospitality and Management Philippine Association of Nutrition-DELTA (PAN-Delta Chapter) was awarded as the 2017 Most Outstanding PAN Student Chapter by the Philippine Association of Nutrition, Inc. Furthermore, a BS Nutrition and Dietetics student was named as the Outstanding Nutrition and Dietetics Student by the same professional organization.

A School of Accountancy and Management student was one of the finalists in the Business Leadership Program by the American Chamber of Commerce of the Philippines (AmCham).

Bachelor of Science in Psychology students hold position as the auditor of the Psychological Societies Association in Mental Health, Treasurer of the Tatsulok-Alyansa ng mga Mag-aaral sa Sikolohiyang Pilipino, Director for Human Resource Training for Youth for Mental Health Coalition and National Executive Committee for Membership for Junior People Management Association of the Philippines.

A student of BS Pharmacy from CEU Manila was awarded as the champion of the 2017 Poster Making during the FDA National Consciousness Week. Another student won 1st Place during the PAAW Antimicrobial Resistance Quiz Bee and 2nd Place during the 5th Intercollegiate Quiz Bee organized by San Beda College of Medicine. Students from the same school won 2nd Place in the FJCPPhA’s Paligsahan 2018-Badminton and 3rd place in the volleyball.

The home of achievers, CEU athletes bagged numerous awards in the recently concluded 47th Women’s National Collegiate Athletic Association (WNCAA) and 13th Men’s National Collegiate Athletic Association (MNCAA) sports tournaments. In the WNCAA Athletics category, CEU teams were all hailed Champion in Badminton, Swimming and Taekwondo. For the individual recognitions, CEU students were named the Most Valuable Player (MVP) for Badminton, MVP for Swimming, and MVP for

Taekwondo. CEU Badminton Team for the Men's National Collegiate Athletic Association (MNCAA) also nabbed the Championship Award with Delos Santos as MVP.

Centro Escolar University Lady Scorpions remained undefeated with its 7-peat victory in the recent Women's National Collegiate Athletic Association (WNCAA) Seniors Basketball tournament held at the Rizal Memorial Coliseum.

For CEU Malolos, 2nd year students won as the overall champion for the Search for Radio Veritas Best Campus School Program, Best Program Counselling Segment and Best Anchor Person (Male).

School Year 2018-2019

Student Enrolment

The University had an enrolment of 12,270 for the first semester and 11,344 for the second semester of school year 2018-2019. The total enrolment for the three campuses for both the first and second semesters decreased by 5.10% and 5.83%, respectively compared to that of SY 2017-2018. The school year 2018-2019 was the start of the regular offering of first year after the K-12 transition.

Foreign Student Enrolment

Foreign student enrolment for SY 2018-2019 was 239 and 214 for the first and second semesters, respectively. A decrease of 35.41% and 32.06% for the first and second semesters, respectively, was noted compared to that of the previous school year. Dentistry and Graduate School are the programs where most of the foreign students enrolled.

Performance in Board Examination

Through the years, CEU graduates have remarkably excelled in the various professional licensure examinations given by the Professional Regulation Commission (PRC).

With an outstanding overall passing rate of 87.23%, CEU was the top 3 performing school for July 2018 Optometry Licensure Examination. CEU Optometry graduates also nailed the top places in the July 2018 board examination as they captured the 2nd, 5th, and 7th places.

CEU's Pharmacy program was listed in the top performing schools with CEU Malolos campus in rank 6 garnering a rating of 88.75%, Makati campus on the 7th spot with 87.95%, and Manila campus on the 8th place with 83.90%. A Pharmacy graduate from CEU Manila seized the 2nd place in the August 2018 board examination.

On March 2019 Medical Technology Licensure Examinations, CEU Manila was the top 7 performing school having 92.31% passing rate while CEU Makati was the top 10 with 80.88% passing percentage.

CEU Malolos Dentistry program has 100 percent passing rate in the board examination both for written and practical for the past four years. CEU-Manila School of Dentistry dominated in the May-June 2018 board examination as it produced the top three placers while CEU Malolos graduate got the 6th placer. The university continued its superiority as CEU Manila graduate obtained the 7th placer while CEU Makati grabbed the 9th placer in December 2018 board examination.

Other programs of CEU that produced topnotch graduates are CEU Makati Nursing program which took the 6th and the 8th places in the board examination, CEU Manila Guidance and Counseling graduate school at 6th place in the Guidance Counseling Licensure Examination, and Bachelor of Elementary Education Specialization Special Education graduate at 9th place in the Licensure Examination for Teachers-Elementary Level.

The first timer examinees in almost all the programs in the three campus obtained a higher passing rate than the national passing percentage.

Accreditation and Recognition

CEU prides itself in its continuous efforts to improve its academic programs that have resulted in its reaching another milestone in accreditation history. The CEU Manila graduate school programs Master of Science, Master of Arts, and Master of Business Administration were added to the list of highest level of accreditation, Level IV from the Philippine Association of Colleges and Universities Commission on Accreditation (PACUCOA) as certified by the Federation of Accrediting Association of the Philippines (FAAP).

On the other hand, six (6) undergraduate programs of CEU Manila were reaccredited Level IV by the same accrediting agency: Nutrition and Dietetics, Dentistry, Bachelor of Secondary Education and the Elementary Education, Liberal Arts, and Medical Technology. Computer Science and Computer Engineering currently received Level I accreditation. Meanwhile, Biology and Psychology programs are awaiting for the results of their 2nd reaccredited Level IV and Hotel and Restaurant Management and Tourism Management programs for their Level II visit last September 24-25, 2018

CEU Makati's Hotel and Restaurant Management, Tourism Management, Business Administration, and Computer Science were reaccredited Level II by PACUCOA while Information Technology and Dentistry received Level I accreditation.

Meanwhile, CEU Malolos Bachelor of Elementary Education program was granted Level I accreditation.

The university successfully earned the ASEAN University Network-Quality Assurance (AUN-QA) accreditation of Psychology program based on 15 AUN-QA criteria: expected learning outcomes, program satisfaction, program structure and content, teaching and learning process, student assessment, academic staff quality, support staff quality, student quality, student advice and support, facilities and infrastructure, stakeholders' feedback, output, and stakeholders satisfaction.

This recognition serves as another testament to the University's commitment to quality and excellence.

International Linkages

Determined to bring its academic programs up to international standards and to remain competitive, Centro Escolar University continues to expand its internationalizations thrusts.

For three consecutive years, the School of Science and Technology and the Biological Sciences Department join efforts in sending graduating students for international practicum. This school year 2018-2019, fourteen (14) students participated to complete the third batch for the international practicum held at Walailak University, Nakhon Si Thammarat, Thailand. Students were trained to engage in rigorous research works from sample collection, processing data gathering and analysis up to the writing of report. Their studies focus on waterborne protozoans and soil transmitted helminthes. Students were trained to do systematic review specifically in the area of Biology.

The CEU Manila and Makati School of Nursing sent five (5) graduating students in the 4th International Student Exchange Program at Sekolah Tinggi Ilmu Kesehatan Baiturrahim, Jambi, Indonesia last January 9 to 23, 2019. The program aimed to broaden the students' experience in giving nursing care in a community and hospital setting in another country like Indonesia and apply the concept of transcultural nursing. Furthermore, the program provided them excellent opportunity to gain new insights on the educational and health care delivery system of Indonesia.

Two students from CEU-Manila joined the Daegu's Health College's Global Student Leadership Program 2018. The activity provided students the opportunity to undertake a challenging extra-curricular program. The leadership program centered on the theme "Meeting the Global Challenge: Creativity, Profession, and Humanity," that targeted students who were interested to see their personal growth in inclusive environments and how student leadership could impact global issues and global change.

Together with two of the most recognized hospitality management establishments in Vietnam, the School of Nutrition and Hospitality Management of Centro Escolar University keeps up on committing with the standards for global competitiveness. Under the CHED Student Internship Abroad Program (SIAP), the School of NHM remains to be partner with Phu Hai Resort, a four-star hotel in Phan Thiet City and Paradise Suites, Hotels and Cruises and one of the top hospitality management companies in Halong Bay. With the support and approval of dean of the School of NHM and the University President and through the compassion and hard work of the Program Head of Tourism Management, the program provides a wide-range and world-class training that equips students with skills and knowledge as future professionals in the field of hospitality management. SIAP lasts for at least four to five months training for Tourism and HRM students. Furthermore, this international tie-up has given chances to student participants and alumni of CEU to work and be part of these two companies.

Quality Assurance

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

The annual Management Review for the SY 2017-2018 was held on April 24-26, 2018 and aimed to firm up CEU’s strategic directions.. A Midyear Management Review was conducted on December 5, 2018 to review and improve the organizational performance and to apprise opportunities and threats for the next strategic planning. A periodic monitoring of the annual operation plan of the different units was conducted online by the Planning and Monitoring Office. A stakeholders’ needs, and SWOT analysis workshop was held on January 30, 2019. It was followed by the risk assessment on February 14-15, 2019 and a pre-strategic planning on March 18, 2019.

An Internal Quality Audit orientation and re-orientation was held on August 14-16, 2018 to update and calibrate internal auditors’ knowledge, skills and attitude. The same activity was also conducted for the Data and Document Custodian on September 4, 5, and 17 for Makati, Malolos, and Manila respectively. The orientation for the 7S evaluators was conducted on September 17, 19, and 21 for Manila, Malolos, and Makati campuses respectively.

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

SGS surveillance visit was conducted on May 2-3, 2019 and the auditors recommended that Centro Escolar University be certified with 9001:2015.

Faculty Achievements

Mr. Ian Gabriel Torres Corpuz, a Conservatory of Music alumnus-faculty, is one of the 55 artists who were honored by the National Commission for Culture and the Arts (NCAA) at the Diamond Hotel on February 14, 2019. It was based on his winning the first prize award in the Busan Choral Composition held in South Korea in 2018.

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

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

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

Awarded by the Philippine Pharmacists Association (PPhA) and United Laboratories, Inc. as Most Outstanding Pharmacist in Education was Dr. Cecilia D. Santiago, dean of the School of Pharmacy. Dr. Santiago, together with Dr. Maria Donnabelle U. Dean, CEU Makati Pharmacy program head are directors of Philippine Association of Colleges of Pharmacy while Ms. Regina A. Jazul, CEU Malolos Pharmacy program head is the elected P.R.O. and Dr. Olivia Limuaco, Vice President of CEU Makati is one of the Council of Advisers.

Dr. Elena Borromeo, dean of the School of Optometry, is the Vice President of the Philippine Cornea and Contact Lens Institute (PCCLI) while Dr. Gregeny Nivin Blanco is the secretary. On the other hand, Dr. Maria Concepcion Anda and Dr. Fides Masanga are presidents of the Quezon City and Pasig Chapters Integrated Philippine Association of Optometrist (IPAO).

Philippine Nursing Association's COMELEC Chair is the dean of CEU School of Nursing, Dr. Elvira Urgel; her faculty, Mr. Sonny Pura and Dr. Sofia Magdalena Robles are COMELEX Commissioners and another faculty, Dr. Pearl Ed G. Cuevas, is the Board of Director of Zone 1 Chapter. The other faculty members of CEU School of Nursing hold positions in Association of Diabetes Nurse Educators of the Philippines (ADNEP). Ms. Anjanette S. De Leon is the secretary and Chair of Education Committee, Mrs. May P. Mendinueto is the treasurer and Chair of the Research Committee, and Mrs. Joylyn L. Mejilla is the immediate past president and Chair of the Ethics Committee

Dr. Maria Rita D. Lucas, dean of the School of Education, Liberal Arts, Music and Social Work, is the asst. secretary of the Philippine Association for Teachers and Educators while Dr. Milagros Borabo, head of the PACE, is the executive director. Dr. Lolita D. Pablo, head of the Community Outreach Department is the ex-officio of the National Association for Social Work Education Incorporated, accreditor of PAASCU and a member of the CHED technical committee for Social Work program. Prof. Ricky Rosales, program head of the Mass Communication is a board member of the Philippine Association for Media and Information Literacy. Prof. Angelito E. Ayran Jr., Music program head, is the NCR coordinator of the Philippine Choral Directors Association. Dr. Arlene Salve-Opina, head of the Languages Department is the President and one of the founding members of the Global Educators' Organization. Mr. Dante Gabano is the assistant

treasurer of the Speech Communication Organization of the Philippines, Inc. (SCOP) while Dr. Christopher Jay Cortado is one of the board of directors.

Dr. Pearly P. Lim, dean of the School of Dentistry is a councilor of the International Association for Dental Research. Some School of Dentistry faculty members have positions in professional organizations. Dr. Stephen Almonte is elected president of the Philippine Dental Association while Dr. Joann Joven and Dr. Marie France Fullante are vice president and asst. secretary of the Philippine Prosthodontic Society, respectively.

Dr. Rosemarie So, dean of the School of Accountancy and Management, is a board member of the Philippine Association of Collegiate Schools of Business (PACSB) and a fellow in Business Education. Prof. Zenaida S. Diola, a faculty of the same school a board member of the International Cooperative Alliance-Asia Pacific. Dr. Rowel Antonio is the Chair of the Entrepreneurship of Wadhvani Foundation.

Student Achievements

A senior BS Medical Technology student from CEU Manila was chosen to represent the Philippines in the 9th University Scholars Leadership (#USLS2018) at the United Nations, Bangkok, Thailand. There were 1,057 delegates from 87 different countries. The symposium was creatively planned to help the student leaders discover their hidden potentials and actively engaged them in learning experiences beyond the conference rooms. The event let them acquire robust confidence, goal setting capabilities, self-reliance and independence. It allowed them to sharpen their cutting edge as the next generation of 21st century leaders.

Centro Escolar University music student bagged the 3rd prize for the National Level-Guitar Category in the recent National Music Competitions for Young Artist (NAMCYA) at the Cultural Center of the Philippines on November 2018,

Education students joined and won in three competitions, EducGrid, Siklabang Talino, and EduQuiz. Two BSE English major students and a BSE major in Biological Science student were hailed champions in the Inter-University Competition EducGrid at National Teachers' College on October 19, 2018. They won 2nd runner-up in the group category and 1st runner-up in the individual category.

The entry of the students from the Communication and Media Program of School of Education, Liberal Arts, Music and Social Work "Balita" made it as one of the top eight out of the 123 entries in the student short film category. "Balita" is the first ever short-film entry of the Centro Escolar University in the Metro Manila Film Festival (MMFF). The chosen top 8 short films were shown in cinemas together with the other full-length official entries during the festival period from December 25, 2018 to January 7, 2019. The MMFF Student Short Film Competition which started in 2016 aims at encouraging students to harness their creativity and talents in storytelling through filmmaking. The short film entry of CEU students also received the Guild of Educators, Mentors and Students (GEMS) "Special Award" category for its concept. They were awarded as Best Students' Short Film for Tertiary Level.

After winning in the Global Clinical Case Contest Country Level for 2018-2019 on February 13, 2019, Centro Escolar University School of Dentistry's junior clinician

represented the country in the Asia Regional Clinical Case contest last April 2019 in Hong Kong. Dentsply Sirona Global Clinical Case Contest is a worldwide contest for dental students that features esthetic case studies by documenting a patient case with photographs using Ceram X restorative materials. Ms. Santiago of the School of Dentistry, Manila represented the Philippines in the Asia Regional Clinical Case contest after winning 1st place in the Dentsply Philippines Ceram X case contest held last February 2019 at Dentsply Philippines.

In the Asia Regional Clinical Case contest last, Ms. Cenry Santiago, won first place in the Dentsply Sirona Global Clinical Case Contest 2018-2019 Asia Regional Final held April 18, 2019 at Prince Philip Dental Hospital, The University of Hongkong. Five countries participated in this regional GCCC 2018/2019. Ms. Cenry will represent Asia in the global competition to be held in Constance, Germany in June 2019.

Another Dentistry student of CEU Manila won in the 3M University Direct Esthetic Restoration Competition held last March 27, 2019. He will represent the Philippines in the South East Asia Region Competition in Malaysia in July 2019. A group of students bagged the 3rd place in the Dentsply Sirona Regional Competition held on July 2018.

CEU Scorpions bagged the championship in the MNCAA for three straight years.

True to this season's theme, "Play Bold with a Heart of Gold," Centro Escolar University Lady Scorpions once again ruled the 49th Women's National Collegiate Athletic Association (WNCAA) League with three championship titles for Senior's Division in basketball, volleyball and hip hop dance competitions.

The CEU Basketball Team aced their 8th straight win with a CEU Basketball player as the Final's Most Valuable Player and another player as the Season's MVP.

The futsal team also bagged the 3rd place. Pumped up with their fierce yet graceful dance routines, the CEU Streetsquad also claimed the WNCAA's first- ever hip hop dance competition crown.

With great pride and honor, the squad bagged three major awards in the recent 12th Cheerleading Asia in International Open Competition in Takasaki Arena, Japan. Proudly representing the Philippines, the CEU Pep Squad won the Championship title and 1st Runner-up for the Group Students Co-Ed, and 2nd Runner-up for Team Cheer International. Five cheers for the CEU pep Squad for winning the championship on the 49th Season of the Women's National Collegiate Athletic Association (WNCAA). To date this is the squad's 5-peat championship.

Item 5. Directors and Executive Officers

Please refer to pages 6 to 11 of the Definitive Information Statement submitted to the Securities and Exchange Commission.

Item 6. Market Price and Dividends

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

		High	Low
Fiscal Year Ended 2018			
April 2017 – June 2017	First Quarter	₱ 10.50	₱ 9.52
July 2017 – September 2017	Second Quarter	10.02	9.00
October 2017 – December 2017	Third Quarter	9.38	8.20
January 2018 – March 2018	Fourth Quarter	9.14	8.62
Fiscal Year Ended 2019			
April 2018 – June 2018	First Quarter	₱ 9.00	₱ 8.60
July 2018– September 2018	Second Quarter	8.99	6.14
October 2018 – December 2018	Third Quarter	8.15	7.03
January 2019 – March 2019	Fourth Quarter	8.39	7.60

The closing price per share of the University's common shares as of June 30, 2019 was ₱_____.

Holders

As of June 30, 2019, there are 1,026 common shareholders. The name of the top twenty (20) shareholders and the number of shares and the percentage of total shares outstanding held by each are as follows:

Stockholder	Number of Common Shares Held	Percentage of Total Shares (%)
1. USAUTOOCO, INC.	126,620,891	34.0000
2. PCD Nominee Corp. – Filipino/Others	88,520,366	23.7693
3. U.S. Automotive Co., Inc.	55,963,803	15.0273
4. Jose M. Tiongco	13,439,614	3.6088
5. Corazon M. Tiongco	10,115,604	2.7162
6. Erlinda T. Galeon	9,252,982	2.4846
7. Generosa T. Cabrera	9,190,225	2.4677
8. Marie T. Sands	9,186,138	2.4666
9. Security Bank Corp. TA# 1090	8,072,299	2.1676
10. Alvin Anton C. Ong	1,344,308	0.3610
11. Fredrick C. Ong	1,000,000	0.2685
12. Maria Concepcion I. Donato	994,465	0.2670
13. Emma de Santos Oboza	758,190	0.2036
14. Alicia de Santos Villarama	758,190	0.2036
15. Estate of Trinidad V. Javellana	713,666	0.1916
16. Manuel M. Paredes	650,107	0.1746
17. Amado R. Reyes	650,107	0.1746
18. Ma. Alexa J. Intengan	634,621	0.1704
19. Leland and/or Melita Villadolid	560,523	0.1505
20. Angelo A.S. Suntay	453,186	0.1217

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

Dividends

Dividends declared for the two most recent fiscal years, i.e., Fiscal Year ended March 31, 2017 and Fiscal Year ended March 31, 2018, are as follows:

Fiscal Year Ended March 31, 2018

(April 1, 2017 – March 31, 2018)

1. Cash dividend of ₱0.20 per share was declared on September 29, 2017 in favor of stockholders of record as of October 20, 2017, payable on November 17, 2017.

Fiscal Year Ended March 31, 2019

(April 1, 2018– March 31, 2019)

1. Cash dividend of ₱0.20 per share was declared on June 20, 2018 in favor of stockholders of record as of July 12, 2018, payable on August 6, 2018.

Dividends shall be declared only from retained earnings.

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

Recent Sale of Unregistered or Exempt Securities

The University did not sell any unregistered or exempt securities in the past three (3) years.

Item 7. Compliance on Corporate Governance

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

On September 17, 2016, the Board of Directors attended seminar on Corporate Government conducted by the Institute of Corporate Directors.

On September 30, 2017, the Board of Directors attended seminar on Corporate Government conducted by the Institute of Corporate Directors.

On October 20, 2018, the Board of Directors attended seminar on Corporate Governance conducted by the Institute of Corporate Directors.

CEU adheres to governance principles and best practices to attain its objectives. A system has been established to monitor and evaluate the performance of the University

and its Management and CEU is committed. The University is committed to consistently abide by and ensure improved compliance with the requirements of good corporate governance.

UNDERTAKING

A copy of the University's annual report in "SEC Form 17-A (2019)" as amended, may be provided to any stockholder upon written request addressed to:

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

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