

**DRAFT**  
**For Stockholders' Approval**

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF  
**CROWN ASIA CHEMICALS INCORPORATION**

Held on May 19, 2016 at 3:00 p.m. at  
St. Agatha Resort & Country Club Inc., St. Agatha Homes, Bulacan

TOTAL NUMBER OF SHARES OUTSTANDING	630,800,000
TOTAL NUMBER OF SHARES PRESENT/REPRESENTED AND ENTITLED TO VOTE	453,777,003

**CALL TO ORDER**

The Chairman of the Board, Mr. Walter H. Villanueva, called the meeting to order and presided over the same. The Corporate Secretary, Mr. Jason C. Nalupta, recorded the minutes of the proceedings.

**CERTIFICATION OF NOTICE AND QUORUM**

The Secretary certified that notices of the meeting were sent to all shareholders of record as of April 19, 2016, in accordance with the provisions of the By-Laws. The Chairman instructed the Secretary to append the Certificate attesting to the mailing of notices to the original Minutes of the Meeting.

The Secretary certified that, based on the register of attendees and proxies as tabulated by the Stock Transfer Agent, out of 630,800,000 shares of the total outstanding capital stock of the Corporation, 50797006 shares were represented by proxy and holders of 402,979,997 shares were present in person, or a total of 453,777,003 shares present in person or by proxy representing an attendance of 71.94% of the total outstanding capital stock of the Corporation. Accordingly, the Secretary certified that a quorum existed for the transaction of business at hand.

**APPROVAL OF THE MINUTES OF THE LAST STOCKHOLDERS' MEETING**

Upon motion duly made and seconded, the reading of the minutes of the last stockholders' meeting held on March 4, 2015 was dispensed with as the same had been previously distributed to the shareholders. Meanwhile, the Chairman opened the floor for questions about the Minutes of the 2015 Annual Stockholders' Meeting but none were raised.

The Minutes of the said meeting was thereafter approved, as circulated:

<b>AGENDA ITEM</b>	<b>VOTES IN FAVOR</b>	<b>VOTES AGAINST</b>	<b>ABSTAIN</b>
Approval of Minutes of the Previous Meeting of Stockholders	453,777,003	0	0

The following resolution was thereafter passed:

“RESOLVED, that the Minutes of the Annual Meeting of the Stockholders of Corporation held on March 4, 2015 is hereby approved.”

## 2015 REPORT ON OPERATIONS AND RESULTS

The Chairman requested the President, Mr. Eugene H. Lee Villanueva, to present the Report on the Corporation's Operations and Results for 2015.

The President presented the Financial Highlights for the year. He reported on the Summary of Comprehensive Income showing Revenues at Php 1.072 Billion, which was an increase of 26.11% from the previous years. The Net Income was at of Php 100.15 Million or a growth of 53.18% from 2013. As to the Company's Financial Position, the Company had Total Assets of Php 1 Billion, Total Liabilities of Php 150.11 Million and Total Liabilities and Equity of Php 1 Billion for 2015.

He then presented the organizational structure of the business groups of the Company, gave a background on the business and products of each group and presented the sales generated per group. For 2015, the Compounds Division generated Php 670.80 while the Pipe Group generated Php 402.04 in sales revenue, bringing the total to Php 1.072 Billion.

As to Business plans, the President mentioned that the Company plans on acquiring suitable properties for future expansion of its Guiguinto, Bulacan facility. He noted that for the Compounds Division, a new extruder machine was acquired to add 1,500 MT per year to its present capacity of 15,000 MT per year and shall be dedicated to producing PVC compounds for bottles, IC tube packaging, films and sheets applications. For the Pipes Group, the Company plans to acquire a new extruder capable of producing big-sized PVC pipes with diameter ranging from 315mm to 630mm. These can be used in canals, waterways, subdivision drainage, secondary municipal roads drainage and vertical collective drainage in high-rise buildings. The President also said that the company will undertake more aggressive market campaigns in key regions in Luzon, Visayas & Mindanao by hiring and assigning more field sales representatives and project group and business development personnel. This is also aimed to tap more project market segments. He also mentioned that a new product line was launched last February 2016 for value conscious market segments notable mid-cost and mass housing projects which have a backlog of 5 Million units and still growing.

Lastly, the President presented updates on its Corporate Social Responsibility (CSR) initiatives including the agreement with Ninoy Aquino Parks and Wildlife for the shelter and sanctuary of Philippine eagles, and a scholarship program for technical and livelihood skills.

The Chairman then thanked the Board of Directors for its valuable guidance, the employees for their tireless dedication and the shareholders for their continued trust and support in the corporation and the management.

Thereafter, the Chairman opened the floor for questions to be raised on the report on the Corporation's operations. No questions, however, were raised by the shareholders present on the reports on the Corporation's operations and its Audited Financial Statements. No questions having been raised, the Chairman's Report for the year ended December 31, 2015 together with the Audited Financial Statements for the Fiscal Year ended December 31, 2015, upon motion duly made and seconded, were approved based on the results of the voting via poll:

<b>AGENDA ITEM</b>	<b>VOTES IN FAVOR</b>	<b>VOTES AGAINST</b>	<b>ABSTAIN</b>
Approval of 2015 Operations and Results	453,777,003	0	0

The following resolution was likewise approved:

“RESOLVED, that the President’s Report on Crown Asia Chemicals Corporation’s Operations and Results for 2015, together with the Audited Financial Statements for the year ended December 31, 2015, be approved.”

## **RATIFICATION OF CORPORATE ACTS**

The next item in the agenda was the ratification of the corporate acts.

After the motion to confirm, ratify, and approve all the acts of the Board of Directors and Officers of the Corporation from the date of the last meeting up to date of the present meeting was duly made and seconded; the Chairman opened the floor for issues to be taken up pertaining to the ratification of all corporate acts. No questions or issues, however, were raised about the corporate acts. Accordingly, motion was then approved as follows based on the results of voting via poll:

<b>AGENDA ITEM</b>	<b>VOTES IN FAVOR</b>	<b>VOTES AGAINST</b>	<b>ABSTAIN</b>
Ratification of all acts of the Board of Directors and Officers from the date of the last meeting up to the date of the present meeting.	453,777,003	0	0

The following resolution was likewise approved:

“RESOLVED, that all acts of the Board of Directors and Officers of Crown Asia Chemicals Corporation from the date of the last meeting of the shareholders on March 4, 2015 up to the date of this meeting, are hereby confirmed, ratified and approved.”

## **ELECTION OF DIRECTORS**

The Chairman announced that the next item in the agenda is the election of the members of the Board of Directors for the ensuing year. He noted that the profiles of those nominated for election as members of the Board were included in the Company’s Information Statement as well as in the Annual Report. The information included their age, nationality, qualifications, dates of first appointment and other directorships in publicly-listed companies.

After their nominations were duly made and seconded from the floor, and based on the results of voting via poll, the following persons were elected as members of the Board of Directors of the Corporation for the year 2016-2017 after receiving the votes indicated opposite their names:

	<b>No. of Votes Received</b>
Walter H. Villanueva	453,777,003
Eugene H. Lee Villanueva	453,777,003
Tita P. Villanueva	453,777,003
Nicasio T. Perez	453,777,003
Oscar T. Perez	453,777,003
Jefferson T. Sy	453,777,003
Derrick P. Villanueva	453,777,003
Marie Therese G. Santos	453,777,003
Ernesto R. Alberto	453,777,003

Ms. Santos and Mr. Alberto were elected to serve as the Corporation's Independent Directors.

#### **APPOINTMENT OF EXTERNAL AUDITOR**

The Body next considered the appointment of the Corporation's external auditors for Year 2016-2017. The Chairman announced that the Corporation's Audit Committee has recommended, and the Board of Directors has endorsed for the consideration of the shareholders, the re-appointment of Punongbayan & Araullo as the Corporation's external auditor for Year 2016-2017.

No questions or objections having been raised by the shareholders present despite opportunity having been given by the Chairman, the proposal to re-appoint Punongbayan & Araullo as the Corporation's external auditor for Year 2016-2017 was approved by the shareholders as follows based on the results of voting via poll:

<b>AGENDA ITEM</b>	<b>VOTES IN FAVOR</b>	<b>VOTES AGAINST</b>	<b>ABSTAIN</b>
Appointment of Punongbayan & Araullo as External Auditor for 2016-2017	453,777,003	0	0

The following resolution was likewise approved:

“RESOLVED, that Punongbayan & Araullo be re-appointed as the external auditor of Crown Asia Chemicals Corporation for Year 2016-2017.”

#### **OTHER MATTERS**

There were no other matters taken up during the meeting.

#### **ADJOURNMENT**

There being no other business to transact, the meeting was thereupon adjourned.

*Attested by:*

**WALTER H. VILLANUEVA**  
Chairman

**JASON C. NALUPTA**  
Corporate Secretary