

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

Held on July 09, 2020 at 3PM  
via videoconference  
(in accordance with SEC regulations on Meetings by Remote Communication)

TOTAL NUMBER OF SHARES OUTSTANDING	611,091,000
TOTAL NUMBER OF SHARES PRESENT/REPRESENTED AND ENTITLED TO VOTE	494,976,000

Before the start of the meeting, the following members of the Board of Directors present were introduced:

WALTER H. VILLANUEVA  
EUGENE H. LEE VILLANUEVA  
TITA P. VILLANUEVA  
NICASIO T. PEREZ  
HANS JOSEPH T. PEREZ  
DERRICK P. VILLANUEVA  
MARIE THERESE G. SANTOS  
BEDE LOVELL S. GOMEZ  
ERNESTO R. ALBERTO

The following officers of the Corporation were likewise in attendance at the shareholders' meeting:

JASON C. NALUPTA (Corporate Secretary)  
ANN MARGARET K. LORENZO P (Assistant Corporate Secretary)

Other executive officers of Crown, as well as some members of the Audit Team of Punongbayan & Araullo, the Corporation's External Auditor, were likewise in attendance.

**CALL TO ORDER**

The Chairman, Mr. Walter H. Villanueva, called the meeting to order and presided over the same. He likewise thanked those who have taken time to participate in the shareholders' meeting online and expressed hope that the shareholders in attendance will be sufficiently informed of the activities of the Corporation over the past year as they would have in an in-person meeting.

The Corporate Secretary, Mr. Jason C. Nalupta, recorded the minutes of the proceedings.

**CERTIFICATION OF NOTICE AND QUORUM**

Upon the request of the Chairman, the Corporate Secretary certified that notices of the meeting were sent to all shareholders of record as of June 10, 2020 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 Corporate Secretary next certified that, based on the register of attendees and of the proxies received as tabulated with the assistance of the Stock Transfer Agent, out of Six Hundred Eleven Million Ninety-One Thousand (611,091,000) shares of the total outstanding capital stock of the Corporation as of record date, Four Hundred Ninety-Four Million Nine Hundred Seventy-Six Thousand (494,976,000) shares, representing 81.00% of the total outstanding capital stock of the Corporation were present in person or otherwise represented by proxy. Accordingly, the Corporate Secretary certified that a quorum existed for the transaction of business at hand.

## **RULES OF CONDUCT AND VOTING PROCEDURES**

The Chairman then informed the Body that while the Corporation was constrained to hold its annual stockholders' meeting online to comply with the restrictions on public gathering due to the Covid 19 Pandemic, the Corporation has endeavored to afford shareholders every opportunity to be able to actively participate in the meeting by sending their questions on the agenda items. He then requested the Corporate Secretary to briefly explain the rules of conduct and the voting procedures.

The Corporate Secretary explained as follows:

1. Some stockholders who notified the Corporation of their intention to participate by sending questions or comments have done so through the e-mail address provided for the purpose. Questions can continue to be sent throughout the duration of the meeting through the Q&A portal of Zoom Webinar.
2. Some of the questions or comments received will be answered during the Open Forum, after all matters in the agenda have been taken up, The questions and comments which will not be responded to during the meeting will be answered by the appropriate officers of the Corporation concerned via e-mail.
3. Resolutions will be proposed for adoption by the stockholders for each of the items in the Agenda. Each proposed resolution will be shown on the screen as the same is being taken up.
4. The proxies received and the votes cast as of June 30, 2020 have been tabulated and the results thereof will be referred to when the results of the voting on the different agenda items are announced during the meeting. The final tabulation of votes will be reflected in the Minutes of the meeting.

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

As requested by the Chairman, the Secretary advised the Body that the minutes of the last stockholders' meeting held on May 9, 2019 was immediately made available for the stockholders to view soon after the last meeting when it was posted on the Corporation's website. The same was also made part of the documents that were recently made available to the stockholders in connection with the 2020 meeting.

The Corporate Secretary then presented the proposed resolution on the approval of the Minutes of the last stockholders' meeting held on May 9, 2019, and based on the votes received, reported the unanimous approval by the stockholders of the following Resolution:

“RESOLVED, that the Minutes of the Annual Meeting of the Stockholders of Crown Asia Chemicals Corporation held on May 09, 2019 is hereby approved.”



The votes for the approval of the Minutes of the 2019 Annual Stockholders’ Meeting are as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of the Minutes of the Last Stockholders’ Meeting	494,976,000	0	0

REPORT ON 2019 OPERATIONS AND RESULTS

The next item on the agenda is the approval of the operations and results for the Year 2019, as summarized in the President’s Report presented by the Chairman, as follows:

Our company turned 31 years amid the onset of a pandemic that nobody expected.

It came at a time when our company was taking the momentum from a favorable performance in 2019. Our revenues grew by almost 21%, our gross profit by over 18% and increase in our profit after tax of almost 16%.

This would not have been possible if not for your continued confidence and unwavering support for **Crown Asia Chemicals Corporation**. All of us, our members of the Board, our management team and the men and women in our company, are sincerely most grateful.

The encouraging performance before the lockdown has managed to keep us driven, as always. With far greater resolve and determination, we intend to sustain initiatives of tapping more infrastructure projects and be the brand of choice for key developments in the building and construction industry. We have to set our sights on broader perspectives and establish new frontiers beyond Metro Manila and Luzon.

Today we live in times of uncertainty but we are ready to embrace the enormous challenge of change. Things will be far from being the same but if we put our hands together, our hard work will bear fruits that would sustain us all.

For the highlights of the Corporation’s Audited Financial Statements, the Chairman reported as follows:

Our current assets for 2019 up to the 1<sup>st</sup> quarter of 2020 increased by 0.48%. Overall, however, our total assets slightly declined to 0.18%.

Our current liabilities decreased by 16.08% while non-current liabilities registering a 0.82% improvement. The company’s total equity posted a 3.63% increase and our total liabilities and equity saw a minor drop of 0.18%.

Revenues for 2019 increased by 20.74% and gross profit went up by 18.31%.

Our operating expense also went up by 11.54%, a rate much slower than our revenue growth. As a result, operating income went up by 25.13% and net profit after tax also increased by 15.99%.

Earnings per share ending December 31 2019 was Php 0.22. While revenues for the 1<sup>st</sup> quarter of 2020 dropped by 5.25%, our gross profit for the same period registered an increase of 3.8%.

Our net profit after tax for the period of January to March 31, 2020 saw an increase of 6.49%. The rest of the highlights of our financial report for 2019 is posted and may be viewed at our company website – [www.crownpvc.com.ph](http://www.crownpvc.com.ph).



Upon request of the Chairman, the Corporate Secretary presented the proposed resolution on the approval of the Corporation’s Annual Report on Operations, together with the Audited Financial Statements, for 2019, and based on the votes received, reported the unanimous approval by the stockholders of the following Resolution:

“RESOLVED, that the 2019 Annual Report on the operations of Crown Asia Chemicals Corporation, together with the Audited Financial Statements and accompanying notes thereto for the year ended December 31, 2019, be approved.”

The votes for the approval of the Annual Report for the year ended December 31, 2019, together with the Audited Financial Statements for the Fiscal Year ended December 31, 2019, are as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of 2019 Operations and Results	494,976,000	0	0

RATIFICATION OF CORPORATE ACTS

The next item in the agenda was the ratification of corporate acts from the date of the last stockholders’ meeting up to the present.

At the request of the Chairman, the Corporate Secretary advised the Body that the acts of the Board of Directors and Officers of the Corporation being presented for ratification by the shareholders are those entered into in the ordinary course of business, with those of significance having been covered by appropriate disclosures. Ratification is also sought for all acts of Management performed in accordance with the resolutions of the Board and the By-Laws from May 9, 2019 to present.

The Corporate Secretary then presented the proposed resolution on the ratification of all the acts of the Board, the different Board Committees, and of the officers of the Corporation from the last stockholders’ meeting on May 9, 2019 up to the present, and based on the votes received, reported the approval by the stockholders of the following Resolution:

“RESOLVED, that all acts of the Board of Directors, the Board Committees, and Officers of Crown Asia Chemicals Corporation from the date of the last stockholders’ meeting on May 09, 2019 up to the date of this meeting, are hereby confirmed, ratified and approved.”

The votes for the ratification of all the acts and resolutions of the Board of Directors, the different Board Committees, and Officers of the Corporation are as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
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.	494,976,000	0	0



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 then requested the Chairman of the Corporate Governance Committee, Mr. Bede Lovell S. Gomez, to present the nominees.

Mr. Gomez 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, other directorships in publicly-listed companies, and other affiliations. Mr. Gomez then announced the names of those nominated for election as members of the Board all of whom have been found to possess all the qualifications and none of the disqualifications for election as directors of a listed company.

The Chairman then requested the Corporate Secretary to present the results of the election. The Corporate Secretary presented the votes received by each of the nominees which, he noted, were sufficient to elect them as Director. He then presented the proposed resolution on the election of the nominees to the Board, and based on the votes received, reported the approval of the following Resolution:

“RESOLVED, that the following nominees, having received the votes indicated opposite their names, have been elected as members of the Board of Directors of Crown Asia Chemicals Corporation for the year 2020-2021, to serve as such until their successors shall have been duly elected and qualified:

	NO. OF VOTES RECEIVED	NO. OF NEGATIVE VOTES/ABSTENTIONS
Walter H. Villanueva	494,976,000	Nil
Eugene H. Lee Villanueva	494,976,000	Nil
Tita P. Villanueva	494,976,000	Nil
Nicasio T. Perez	494,976,000	Nil
Hans Joseph T. Perez	494,976,000	Nil
Derrick P. Villanueva	494,976,000	Nil
Marie Therese G. Santos	494,976,000	Nil
Ernesto R. Alberto	494,976,000	Nil
Bede Lovell Gomez	494,976,000	Nil

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

On behalf of the directors just elected, the Chairman thanked the stockholders for affirming their trust in the Board to guide the Corporation through the expected difficult times brought about by the Covid 19 Pandemic.

APPOINTMENT OF EXTERNAL AUDITOR

The Body next considered the appointment of the Corporation’s external auditor for the Year 2020. The Chairman of the Audit Committee, Ms. Marie Therese G. Santos, was requested to explain the item.



Ms. Santos announced that the Audit Committee has recommended, and the Board of Directors has endorsed for the consideration of the stockholders, the re-appointment of Punongbayan & Araullo as the Corporation’s external auditor for Year 2020.

The Corporate Secretary, upon the request of the Chairman, presented the proposed resolution on the appointment of Punongbayan & Araullo as the Corporation’s external auditors, and based on the votes received, reported the approval by the stockholders of the following Resolution:

“RESOLVED, that Crown Asia Chemicals Corporation hereby approves the re-appointment of Punongbayan & Araullo as the Corporation’s external auditor for the year 2020.”

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Appointment of Punongbayan & Araullo as External Auditor for 2020	494,976,000	0	0

OTHER MATTERS

After confirming with the Corporate Secretary that there are no other remaining matters on the agenda, the Chairman opened the floor for some of the questions received from the shareholders to be addressed.

Ms. Charmaine Justo asked the first question about the plans of the Corporation to return to normal operations after quarantine restrictions are lifted. The Chairman answered that there is a designated Risk Group tasked to assess, address and mitigate risks related to financials, operations, employees, customers and suppliers.

The second question was from Mr. Angeles De Guzman who asked about the effect of the stoppage of infrastructure projects on the sales of the Corporation. Mr. Derrick P. Villanueva, the General Manager of the PVC Pipe Division, answered that major infrastructure projects are already resuming and may help the Corporation generate more sales. In addition, there are also several private projects which are being continued, and new trade channels being pursued, all of which shall contribute to the overall sales of the Corporation.

The final question was from Mr. Luis Amores who asked whether the Corporation will continue to declare dividends in the next few years. In response, the Chairman announced that cash dividends for the year have been declared at 4 centavos per share, with the payout scheduled on July 22, 2020. He added that the Corporation remains optimistic that it can continue declaring dividends annually in the coming years.

The Corporate Secretary then announced that other questions, if any, sent by the stockholders will be responded to via e-mail by the Corporation’s officers.

ADJOURNMENT

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



*Attested by:*

**WALTER H. VILLANUEVA**  
Chairman and President

**JASON C. NALUPTA**  
Corporate Secretary

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