

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

Held on May 09, 2019 at 3PM at
Eurobake Restaurant, Km. 36 MacArthur Highway
Guiguinto, Bulacan

TOTAL NUMBER OF SHARES OUTSTANDING	630,800,000
TOTAL NUMBER OF SHARES PRESENT/REPRESENTED AND ENTITLED TO VOTE	491,527,001

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
JEFFERSON T. SY
DERRICK P. VILLANUEVA
MARIE THERESE G. SANTOS
BEDE LOVELL S. GOMEZ
ERNESTO R. ALBERTO

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

JASON C. NALUPTA (Corporate Secretary)
ANN MARGARET K. LORENZO (Assistant Corporate Secretary)
HANS JOSEPH T. PEREZ (General Manager – PP-R/HDPE Pipes
Division/Compliance Officer/Risk Management Officer)

CALL TO ORDER

The Chairman, 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 Corporate Secretary certified that notices of the meeting were sent to all shareholders of record as of March 27, 2019 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 proxies as tabulated by the Stock Transfer Agent, out of 630,307,000 shares of the total outstanding capital stock of the Corporation as of record date, 155,637,000 shares were represented by proxy and holders of 335,890,001 shares were present in person, or a total of 491,527,001 shares were present/represented either in person or by proxy, representing an attendance of 77.98% of the total outstanding capital stock of the Corporation. Accordingly,

the Corporate 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 May 17, 2018 was dispensed with, as copy of the same had been previously distributed to the shareholders. Meanwhile, the Chairman opened the floor for questions about the Minutes of the 2018 Annual Stockholders’ Meeting, but none were raised.

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

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of the Minutes of the Last Stockholders’ Meeting	491,527,001	0	0

The following resolution was thereafter passed:

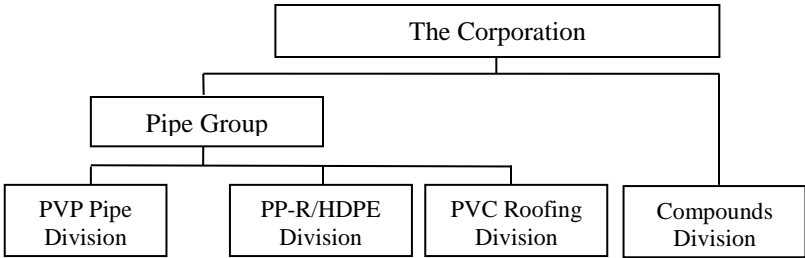
“RESOLVED, that the Minutes of the Annual Meeting of the Stockholders of the Corporation held on May 17, 2018 is hereby approved.”

REPORT ON 2018 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 2018.

The President first informed the stockholders of the Corporation’s notable citations for the year. He informed the stockholders that the Corporation was included in the Financial Times Top 1,000 High Growth Companies in Asia Pacific for 2018. He also mentioned that the Corporation was recently recognized by the Philippine Stock Exchange as among the Shariah-compliant publicly-listed companies in the country.

The President next informed the Board that following the launch of the Corporation’s new product, uPVC Roofing Materials, the Corporation’s business groups as of April 30, 2019 are as follows:



The President next presented the Financial Highlights for the previous year. He reported on the Summary of Comprehensive Income showing Revenues at Php1.18 Billion, which decreased by 5.43% from the previous year. The Corporation posted a Net Income of Php117.60 Million, or a growth of 0.43% from 2017. As to the Corporation’s Financial Position, the Corporation had Total Assets of Php1.30 Billion, Total Liabilities of Php240 Million and Total Liabilities and Equity of Php1.30 Billion for 2018. In 2018, the Corporation’s Cash Dividends per Share was at Php0.09.

The President then gave a background on the business and products of each business group, and presented the sales generated by the Compounds Division and Pipe Group. For 2018, the sale of wires and cables made up 81.66% of the sales of the Compounds Division. Meanwhile, most of the sales made by the Pipe Group come from the sale of sanitary pipes, electrical pipes, and PP-R/HDPE pipes, which respectively made up 48.77%, 28.39%, and 12.17% of the sales of the group for 2018.

The President then highlighted the Corporation’s business focus for this year. He shared that the Corporation plans to pursue growth and expansion, either by geographic or product diversification. Among the areas for growth identified by the President are the development of new products, the creation of new market segments in trade sales and projects sales and modern trade/retail, business collaborations, and capacity expansion. The President also said that the Corporation will undertake more aggressive marketing campaigns in key areas, by deploying and mobilizing more business development personnel. The Corporation is also in the process of upgrading its Information Technology System. Further, the President said that the Corporation plans to enhance its corporate governance, reengineer the Corporation’s organization, and develop succession planning.

Before ending his Report, the President thanked the members of the Board of Directors for their 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 on the Report on the Corporation’s operations.

No question having been raised, the President’s Report for the year ended December 31, 2018 together with the Audited Financial Statements for the Fiscal Year ended December 31, 2018, upon motion duly made and seconded, were approved based on the results of the voting:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of 2018 Operations and Results	491,527,001	0	0

The following resolution was likewise approved:

“RESOLVED, that the President’s Report on Crown Asia Chemicals Corporation’s Operations and Results for 2018, together with the Audited Financial Statements for the year ended December 31, 2018, be approved.”

RATIFICATION OF CORPORATE ACTS

The next item in the agenda was the ratification of corporate acts. The Chairman advised the Body that the acts of the Board of Directors and Officers of the Corporation being presented for ratification by the shareholders are described in the Information Statement circulated to all the shareholders prior to the meeting.

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 questions pertaining to the ratification of all corporate acts. No questions or issues, however, were raised about the corporate acts. Accordingly, the motion was then approved based on the results of voting:

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.	491,527,001	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 May 18, 2018 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, other directorships in publicly-listed companies, and other affiliations.

After the names of the nominees were announced by the Corporate Governance Committee Chairman, their nominations were duly made and seconded from the floor, and based on the results of voting, the following persons were elected as members of the Board of Directors of the Corporation for the Year 2019-2020 after receiving the votes indicated opposite their names:

	NO. OF VOTES RECEIVED	NO. OF NEGATIVE VOTES/ABSTENTIONS
Walter H. Villanueva	491,527,001	Nil
Eugene H. Lee Villanueva	491,527,001	Nil
Tita P. Villanueva	491,527,001	Nil
Nicasio T. Perez	491,527,001	Nil
Jefferson T. Sy	491,527,001	Nil
Derrick P. Villanueva	491,527,001	Nil
Marie Therese G. Santos	491,527,001	Nil
Ernesto R. Alberto	491,527,001	Nil
Bede Lovell Gomez	491,527,001	Nil

Ms. Santos, Mr. Alberto, and Mr. Gomez were elected to serve as the Corporation’s Independent Directors. The directors elected shall serve for a period of one (1) year or until their successors shall have been qualified and elected.

APPOINTMENT OF EXTERNAL AUDITOR

The Body next considered the appointment of the Corporation’s external auditor for the Year 2019. 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 the Year 2019.

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 the Year 2019 was approved by the shareholders based on the results of voting:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Appointment of Punongbayan & Araullo as External Auditor for 2019	491,527,001	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 the Year 2019-2020.”

OTHER MATTERS

Before the meeting was adjourned, the Chairman again opened the floor for questions on other matters that the stockholders wish to discuss. There were no other matters raised 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