

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

Held on 12 May 2022 at 3:00 P.M.  
via Zoom Webinar  
(in accordance with SEC regulations on Meetings by Remote Communication)

TOTAL NUMBER OF SHARES OUTSTANDING	610,639,000
TOTAL NUMBER OF SHARES PRESENT/REPRESENTED AND ENTITLED TO VOTE	496,449,029 (81.30%)

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  
DERRICK P. VILLANUEVA  
HANS JOSEPH T. PEREZ  
BEDE LOVELL S. GOMEZ  
MARIE THERESE G. SANTOS  
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)  
MARIE GRACE N. DALUPAN (Assistant Vice President - Finance/  
Chief Compliance Officer)

Other executive officers of the Corporation, 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. The Chairman explained that the Corporation was constrained to again hold the meeting in a virtual format due to restrictions that discourage mass gatherings and promote social distancing. The Chairman then thanked those who have taken time to participate in the shareholders’ meeting online and the shareholders who appointed him as their proxy for the 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 05 April 2022 in accordance with the provisions of the By-Laws. The Corporate Secretary then presented the Certification of Sending Notices. 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 Ten Million Six Hundred Thirty-Nine Thousand (610,639,000) shares of the total outstanding capital stock of the Corporation as of record date, Four Hundred Ninety-Six Million Four Hundred Forty-Nine Thousand and Twenty-Nine (496,449,029) shares, representing 81.30% 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 again 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. The rules of conduct and procedures were set forth in the Information Statement and in the Notice of Annual Stockholders’ Meeting, in accordance with the rules of the SEC.
- 2. Because the Management of the Corporation welcomes all opportunities to engage with its stockholders, the Corporation has set up facilities to afford all stockholders the opportunity to be heard.
- 3. Stockholders’ questions on matters to be taken up during the meeting were sent to the email address set up for the purpose. Questions can still be sent over the course of the meeting via the Q&A function of this Zoom Webinar, which can be found at the bottom of the screen of the attendees.
- 4. As the time dedicated for the meeting is not unlimited, the questions and comments which will not be read out and responded to during the meeting will be answered via email.
- 5. Stockholders’ questions on matters to be taken up during the meeting were sent to corporatesecretary@crownpvc.com.ph.
- 6. Some of the questions or comments received would be addressed during the Question and Answer period after Other Matters.
- 7. Management will reply via e-mail to questions and comments received but not taken up during 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 18 June 2021 was immediately made available for the stockholders to view soon after the last meeting when it was posted on the Corporation’s website. A link to the said Minutes was likewise included in the Information Statement sent to the stockholders prior to the meeting.

The Corporate Secretary then presented the proposed resolution on the approval of the Minutes of the last stockholders’ meeting held on 18 June 2021, 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 18 June 2021 is hereby approved.”

The votes for the approval of the Minutes of the 2021 Annual Stockholders’ Meeting are as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of the Minutes of the Last Stockholders’ Meeting	496,449,029 81.30% of total voting shares	0	0

REPORT ON 2021 OPERATIONS AND RESULTS

The next item on the agenda is the approval of the operations and results for the Year 2021, as summarized in the President’s Report presented by the Chairman & President, as follows:

“I am pleased to report positive developments in the company’s financial performance for the year ending December 31, 2021.  
Our current assets for 2021 increased by 19.16%.  
Then our current liabilities increased by 11.85% while non-current liabilities registered an 18.27% improvement.  
The company’s total equity posted a 19.52% growth and our total liabilities and equity increased by 18.23%.  
Crown generated total revenue of 1.74 Billion Pesos for 2021 indicating an increase of 55.75% versus 2020. Our gross profit went up to 38.50% or 478.57 Million Pesos.  
Our operating expense went up by 10.73%, much lower than our revenue growth. As a result, operating income went up by 65.91% resulting in 288.47 Million Pesos, and Net profit after tax of 224.31 Million Pesos which increased by 85% versus 2020.  
Earnings per share ending December 31 2021 was Php0.37.  
The rest of our financial highlights report will be posted and may be viewed at our company website - [www.crownpvc.com.ph](http://www.crownpvc.com.ph).”

The Chairman then explained that questions raised on the President’s Report, including the financial reports and results for 2021, if any, will be read and answered in the latter part of the meeting.

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 2021, and based on the votes received, reported the unanimous approval by the stockholders of the following Resolution:

“RESOLVED, that the 2021 Annual Report on the operations of **CROWN ASIA CHEMICALS CORPORATION** together with the Audited Financial Statements and accompanying notes thereto for the year ended 31 December 2021, be approved.”

The votes for the approval of the Annual Report for the year ended 31 December 2021, together with the Audited Financial Statements for the Fiscal Year ended 31 December 2021, are as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of 2021 Operations and Results	496,449,029 81.30% of total voting shares	0	0

RATIFICATION OF CORPORATE ACTS

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

The Corporate Secretary explained that these acts and resolutions are mostly reflected in the Minutes of last year’s meeting and includes the corporate acts, as follows:

1. Membership in different committees of the Board of Directors;
2. Designation of authorized signatories for day-to-day transactions;
3. Designation of authorized representatives for transactions with various companies and entities;
4. Approval of 2021 Audited Financial Statements;
5. Declaration of cash dividend;

- 6. Opening of accounts and credit facilities with various banks;
- 7. Designation of officers;
- 8. Review of policies; and
- 9. Purchase or sale of motor vehicles.

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 18 June 2021 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 18 June 2021 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 and Officers of **CROWN ASIA CHEMICALS CORPORATION** from the date of the last stockholders’ meeting on 18 June 2021 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.	496,449,029  81.30% of total voting shares	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. Ernesto R. Alberto, to present the nominees.

Mr. Alberto 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. Alberto 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, to elect the following nominees, receiving the votes indicated opposite their names, as directors of **CROWN ASIA CHEMICALS CORPORATION** for the year 2022-2023, 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	496,449,029	Nil

Eugene H. Lee Villanueva	496,449,029	Nil
Tita P. Villanueva	496,449,029	Nil
Nicasio T. Perez	496,449,029	Nil
Derrick P. Villanueva	496,449,029	Nil
Hans Joseph T. Perez	496,449,029	Nil
Bede Lovell S. Gomez	496,449,029	Nil
Marie Therese G. Santos	496,449,029	Nil
Ernesto R. Alberto	496,449,029	Nil

Mr. Gomez, 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 auditor for the Year 2022. 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 2022.

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** (the ‘Corporation’) hereby approves the re-appointment of Punongbayan & Araullo as the Corporation’s external auditor for Year 2022.”

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Appointment of Punongbayan & Araullo as External Auditor for 2022	496,449,029  81.30% of total voting shares	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.

The first question asked was the following: “The company has survived well the first 2 years of the pandemic. Given the continued pandemic this year, how does management ensure that company operations will not be adversely affected?” The Chairman answered that businesses in the country and worldwide, went through very uncertain times particularly in 2020, the first year of the pandemic. Fortunately for the Corporation, it was able to resume full operations after the initial lockdown and continued servicing essential requirements, infrastructures and other priority construction projects as well to its dealers. Operations were normal as usual with sufficient raw materials and uninterrupted production. The Corporation maintained the health protocol requirements, shuttle service for employees and continuous delivery for infrastructure projects and other client requirements.

The next question was: “We learned that Crown Pipes has been heavily used for infrastructure projects, how do you intend to keep this going? That Crown Pipes will still be the pipes of choice for infrastructure projects this year and in the coming years? The Chairman answered that he was happy to inform that with the Corporation’s continued partnerships for infrastructure developments that is beneficial to the general public and the economy, the premium quality of Crown Pipes is validated, building an increased preference for the brand. The

Corporation is ready to meet the buildup of production requirements to ensure adequate supply for more infrastructure, priority projects and goods for its trade partners. With the Corporation's commitment to product quality and precision, management expects to continue supplying projects beyond 2022, having earned the trust and confidence of project proponents, project developers and trade partners.

The third question was: "The company started operations with Crown Compounds. How will you sustain its performance-standing in the face of many competition in the PVC Compounds market?" The Chairman answered that the Corporation has been a major player in the PVC Compounds industry. The Corporation continues to serve and cater to the diversified applications of its clients, and pursue acquiring more new customers. Given its long years in manufacturing premium compound products, the Corporation will embark on tapping direct exports to possible foreign markets to broaden and expand its market. New product applications will likewise be expanded.

The fourth question was: "Many companies have been reducing employment costs by implementing alternative working schedules, adjusted working hours and for some, laying off personnel. Is Crown Asia Chemicals doing this? The Chairman answered that the Corporation is fortunate to have quickly resumed full operations and sustained them since then. Management's major concern is the physical and financial well-being of the Corporation's employees and their families. Because of preparation and readiness, the Corporation didn't have to resort into direction of laying-off or scheduling work alternatives. In fact, the Corporation was continuously hiring personnel for different departments to augment expansion needs.

The last question involved two parts. The first was whether the increase in revenues was due to volume increase. The Chairman answered in the affirmative. Sales volume increased during 2021 which the Corporation can attribute to heightened brand awareness for CROWN quality, coverage of more areas nationwide thru hiring of more sales agents and quick turnaround time from sales to deliveries. Generally, there was no price adjustment thru 2021 in spite of higher product costs. However, there was only a slight adjustment to selling prices at the latter part of the year as a result of higher raw material and production costs.

The second part and final question was whether there were new products introduced in the market. The Chairman answered that in 2020, the Corporation launched a new line of bathroom equipment such as water closet, lavatories and related peripherals. As of the moment of the meeting, they were being distributed to housing and subdivision projects. Hopefully within the next twelve (12) months, the Corporation can resume to launch a new pipe product which was disrupted when the pandemic started. The Corporation is fine tuning its machineries in preparation for its actual production.

## **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