

COVER SHEET

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S.E.C. Registration Number

CROWN ASIA CHEMICALS CORPORATION

(Company's Full Name)

KM 33 MC ARTHUR HIGHWAY BO TUKTUKAN GUIGUINTO BULACAN

NICASIO T. PEREZ

8 2 8 3 8 7 1 9

Contact Person

Company Telephone Number

1 2 3 1 Month Day Fiscal Year

SEC FORM 17-A

FORM TYPE

0 5 0 9 Month Day Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

6 5 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

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, *AS AMENDED*  
ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES  
REGULATION CODE AND SECTION 141  
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year: December 31, 2023
2. SEC Identification number: 159950
3. BIR Tax Identification No: 025-240-902-000
4. Exact name of issuer as specified in its charter: **CROWN ASIA CHEMICALS CORPORATION**
5. Province, country or other jurisdiction of incorporation or organization: **Metro Manila**
6. Industry Classification Code:  (SEC Use Only)
7. Address of issuer's principal office: **Km 33 Mc Arthur Highway Bo. Tuktukan Guiguinto, Bulacan**

Postal Code: 3015

8. Issuer's telephone number, including area code: (632) 82838719
9. Former name, former address, and former fiscal year, if changed since last report: **Not Applicable**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class

Number of shares of common  
stock outstanding

**Common stock**

**610,639,000**

Amount of Debt Outstanding  
as of December 31, 2023

**P472,920,636**

11. Are any or all of the securities listed on a Stock Exchange?

Yes [ / ] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

**The Philippine Stock Exchange, Inc.**

**Total of 610,639,000 common shares with par value of P1.00 per share**

12. Indicate by check mark whether the registrant:

1. has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 there under or Sections 11 of the RSA and RSA Rule 11(a)-1 there under, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [ / ] No [ ]

- (b) has been subject to such filing requirements for the past ninety (90) days.

Yes [ / ] No [ ]

13. Aggregate value of the voting stock held by public:

**The aggregate market value of the voting stock held by non-affiliates for 348,215,567 (public shares) as of December 31, 2023, computed based on the closing share price of P 1.56 per share as of December 31, 2023 is P543,216,284.52.**

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## **PART I—BUSINESS AND GENERAL INFORMATION**

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### **Item 1. Business**

The Company was incorporated and registered with the SEC on February 10, 1989 as Crown Asia Compounders Corporation. On September 29, 2014, the SEC approved the change of the Company's name to "Crown Asia Chemicals Corporation". Its primary purpose is to engage in, operate, conduct and maintain the business of manufacturing, importing, exporting, buying, selling or otherwise dealing in, at wholesale and retail such goods as; plastic and/or synthetic resins and compounds and other allied or related products/goods of same/similar nature, and any and all equipment, materials supplies used or employed in or related to the manufacture of such products. Its registered address and principal place of business is at Km. 33 MacArthur Highway, Bo. Tuktukan, Guiguinto, Bulacan, Philippines.

The Company started commercial operations in 1990 with the trading of imported PE compounds and paraffin waxes. In the same year, the Company started the production and sales of PVC compounds at its plant in Guiguinto, Bulacan.

Capitalizing on its expertise in PVC formulation, CROWN expanded downstream into the manufacture of industrial plastic pipes under the CROWN<sup>®</sup> pipes brand for electrical, sanitary, potable water, and telecommunications applications.

In 1998, the Company began the production of unplasticized PVC flexible electrical pipes. Soon after, the Company's range of product lines expanded further with the introduction of PVC electrical conduit pipes and potable water pipes in 2000, and sanitary pipes and fittings in 2002.

In 2003, CROWN saw the opportunity to expand the application of its PVC compounds beyond wires and cables. It started to develop and market PVC compounds for use in packaging, IC tubes, films and bottles, as well as door and window profiles.

The Company also has expanded its lines to include pressure main distribution pipes and telecommunication conduit pipes in 2006.

On April 27, 2015, Crown Asia Chemicals Corporation was listed at the Philippine Stock Exchange (PSE).

In August 2015, the Company started testing the manufacture of PPR and HDPE pipe products.

In February 2016, the Company started manufacturing its Enduro pipes.

Production of the company's PVC roofing commenced on October 2017 and started supplying projects in December 2017.

In 2018, the Company acquired ISO 9001-2015 for its Compounds and Pipes Divisions. It was also the year the company was listed by PSE as Shariah-compliant company.

In December 2018, the Board approved a P100million shares buy-back program for a period of up two (2) years, whichever comes first.

Moreover, the company was cited by Financial Times as Top 1,000 High-Growth companies in the Asia-Pacific Region in 2018 and 2019.

In 2020, the Company was also recognized by Forbes as one of the “200 Best Under a Billion” in Asia Pacific Region.

In December 2020, the Board concluded the shares buy-back program. Total of 20,161,000 shares were repurchased by the company.

In 2021, the CAC brand was introduced to the market for clean and comfort essentials which includes water closets, lavatories, bathroom faucets, and other accessories such as shower sets, bidets, towel racks and paper holders.

In the same year, the Company was cited as one of the Philippine’s Growth Champions by The Philippine Daily Inquirer and Statista.

## **PRODUCT LINES**

### **1. PVC Compounds**

#### ***a. Wires and Cables***

CROWN’s Wire and Cable PVC compounds are developed to comply with PNS and International Standards like Restriction of Hazardous Substances (“RoHS”). CROWN has been able to provide high standard PVC compounds for specific applications including flame retardant compounds, high insulation resistance compounds, CT-rated and low smoke emitting compounds and sunlight/UV resistant compounds.

#### ***b. IC Tubes***

CROWN’s IC Tube PVC compounds are specially designed to protect IC chips.

#### ***c. Films***

CROWN’s Film PVC compounds are developed for cap seals, shrink films, labels, footwear, bottles and other packaging applications.

## 2. PVC Pipes and Fittings

### a. *Crown Blue*

Crown Blue is the Company's PVC potable pipes and fittings. The Company's potable pipes and fittings are assured to be extra strong and safe, high pressure resistant, non-corrosive, has smooth internal and external surfaces, and made from 100.00% virgin materials.

### b. *Crown Electrical*

Crown Electrical is the Company's line for PVC electrical conduit pipes. The Company's electrical conduit pipes are assured to be self-extinguishing, highly flame-retardant, has excellent insulation resistance properties, uniform wall thickness, diameter, and color, smooth interior and exterior surfaces, and made from 100.00% virgin materials.

The Company offers two (2) types of electrical pipes, namely the Crown Supreme, which is the high impact thick wall electrical pipe, and Crown Hi-Tech, which is the thin wall electrical pipe.

### c. *Crownflex*

Crownflex is the Company's line for PVC flexible electrical pipes. The Company's flexible pipes are UV protected, characterized by its strength, convenience, flexibility, and high safety standard, especially against weather elements. It has uniform wall thickness and diameter and is impact and crash-resistant. It is made with high grade PVC material, self-extinguishing, highly resistant to flame, and has uniform material distribution to avoid breakage.

### d. *Crown Sanitary*

Crown Sanitary is the Company's line for Drain-Waste-Vent ("DWV") PVC sanitary pipe. The Company's DWV sanitary pipes are UV protected, characterized by its durability and quality, especially against weather elements. These pipes are available in three (3) categories, namely Series 500, which is thin wall, Series 600, which follows ASTM, and Series 1000, which also follows ASTM.

### e. *Crown Pressure Main Blue and Wide-diameter Pipes*

The Company's PVC pipe product used for high pressure waterworks, irrigation, and infrastructures. In buildings, it is the conduit by which water source from the government passes into the building reservoir or pipelines.

### f. *Crown Telecom*

The Company's PVC pipe product used as conduit by which telecommunications wiring passes through to reach the telecom outlet site.

### ***g. Crown Universal***

Crown Universal is the Company's multi-purpose PVC pipe with thin wall. These pipes do not conform to BPS standards and are intended for temporary usage during the early stages of construction. These pipes are lower priced but are yet characterized by its strength and durability.

### ***h. Enduro Pipes***

Durable pipes for the economically sensitive consumers for affordable housing projects.

## **3. HDPE Pipes and Fittings**

CROWN HDPE is characterized by its toughness and flexibility, chemical resistance with thermal properties, weather and environmental stress resistance, non-corrosive properties, and high flow capacities.

The Company's brands under its HDPE pipe products are CROWN Fuerza with a PE 100 designation and CROWN Sigma with PE 80. These designations are based on the long-term strength of its materials, known as the minimum strength requirement (MSR).

## **4. PP-R Pipes and Fittings**

PP-Rs or Polypropylene random copolymers are thermoplastic resins produced through the polymerization of propylene, with ethylene links introduced in the polymer chain. Because of its chemical features and fusion welding, PP-Rs are most reliable in plumbing and water supply plants, and ensures a substantially better seal tight system. They are also eco-friendly with no heavy metal content such as lead.

Crown Asia Chemicals Corporation is the first in the Pipe Industry to produce full range of PPR fittings.

## **5. PVC ROOF MATERIALS**

The Crown Roofing is high impact-resistant and has the strength and durability that can withstand tough loads, will not easily flatten, get distorted, crack or break. It successfully passed both the impact resistance and flattening tests performed by QA engineering in line with accepted industry standards.

It is built with UV Protection, an important component that prevents premature aging, weakens the roofing material and cause brittleness. Climate variability exacerbate material degradation by increased dosage of harmful ultra-violet rays. Moreover, it is highly resistant to extreme weather conditions and will not crack or disintegrate when exposed to chemical compounds like acetone.

This contemporary roofing material is non-corrosive and do not rust, making them ideal for structures in areas near or by the sea. Their versatile applications cover commercial, industrial and manufacturing structures such as factories, warehouses, wharfs and seaports.



Crown responds to the country's housing needs and infrastructure development by providing an all-weather, cool roofing solution. The brand produces three roofing profiles, namely, corrugated, rib and tile types, in commercial lengths of 8, 10 and 12 feet. Volume requirements for long span cool roof in transportable length are accepted by special order.

## **Management of Key Risks related to the Company**

### ***Risks relating to the Company and its Business***

- **Raw Material Cost and Availability**

The Company's margins depend on the selling prices that the Company is able to charge for its products and the costs of the raw materials and other inputs that it requires to produce these products. The primary raw materials that the Company utilizes in the manufacture of its products include PVC resins, polymers, stabilizers, and plasticizers. The prices of these primary raw materials represent a substantial portion of the Company's manufacturing costs. The prices of these raw materials are influenced by factors that the Company cannot control, such as market conditions, general global economic conditions, production capacity in the markets, production constraints on the part of the Company's suppliers, fluctuations in oil or other commodity prices, infrastructure failures, political conditions, weather conditions, regulations and other factors.

To protect itself against adverse movements in the prices of raw materials, the Company maintains a raw materials inventory equivalent to around 45-60 days of production. In the event that any of the Company's suppliers is subject to a major production disruption or is unable to meet its obligations under existing supply arrangements, the Company can purchase such inputs from any of its other accredited local and foreign suppliers that the Company had already dealt with in the past. The Company also has a list of approved alternative materials that can substitute the raw materials it currently uses.

- **Operating or Process Failures and Quality Assurance**

PVC pipes dominate the plastic pipes market with significant application in the construction and building industry. Given the increasing competition in plastic pipes market, the quality of the products will need to adhere to certain standards to ensure its reliability and effectiveness, such as ISO and BPS.

Any problems that the Company may incur in relation to the quality of its products can affect how the Company's customers perceive its products. This situation could have a material adverse effect on the Company's business, operations, and financial condition.

The Company has established quality assurance and control procedures for both its Compounds and Pipes Groups. It has dedicated quality assurance laboratories and competent and professional staff for each of its quality assurance departments in the Compounds and Pipes Group. In addition, for its Pipes Group, CROWN pipes undergo additional testing externally through the project-clients' technical consultants and/or accredited independent laboratories.

In the Company's continuing commitment to maintain the highest level of quality in its operations and products, the Company owns and continues to update its ISO certifications, certifying that CROWN operates a quality management system that has been assessed as conforming to ISO 9001:2008 for the manufacture and distribution of both compounds and PVC products. The company's Compounds Division and Pipe Group are already assessed as conforming to ISO 9001:2015.

- **Power Shortages**

The Company has been relying primarily on mainstream power for the production of compounds, PVC pipes, PPR/HDPE pipes and PVC roof materials that requires a significant amount of stable power load for its operations.

Any downtime of the Company's operations over an extended period, due to power interruptions, would have adverse effect on the Company's business, operations, and financial condition.

At present, the Company has a standby generator set to partially address the prospective power shortage that will affect the country.

- **Imitation or Infringement of the Company's Intellectual Property Rights**

In the event that the Company's trademarks under license are imitated or otherwise infringed, the Company's reputation and business may be adversely affected.

The Company has its legal team that can handle any infringement and take legal action should a litigation matter arise. Furthermore, the Intellectual Property Office closely coordinates with the National Bureau of Investigation (NBI), which apprehends infringement violators, thus the Company believes that infringement cases, if any, can be easily resolved.

### ***Risks relating to the Philippines***

- **Change in Political or Social Instability in the Philippines**

The Philippines has from time to time experienced political and social instability. The Philippine Constitution provides that, in times of national emergency, when the public interest so requires, the Government may take over and direct the operation of any privately-owned public utility or business.

The Philippines has a presidential system that changes the country's chief executive every six (6) years which may cause changes in the political, economic and social policies.

- **Occurrence of Natural Calamities**

The Philippines has experienced a significant number of major natural calamities over the years, including typhoons, volcanic eruptions and earthquakes.

The Company completed its flood control system in the Bulacan plant to ensure that production will not be disrupted and assets and inventories will be protected.

## **Item 2. Properties**

The Company owns the following properties in Bulacan and Valenzuela covered by individual tax declarations.

### **Lands**

<b>Tax Declaration Number</b>	<b>Location</b>	<b>Area</b>	<b>Classification</b>
2018-09014-01623	Bulacan	5,462.00 sq.m	Industrial
2018-09014-01624	Bulacan	892.00 sq.m.	Industrial
2018-09014-01626	Bulacan	3,214.00 sq.m.	Industrial
2018-09014-01628	Bulacan	6,415.00 sq.m.	Industrial
2018-09014-01634	Bulacan	2,888.00 sq.m.	Industrial
2018-09014-01704	Bulacan	11,935.00 sq.m.	Industrial
E-027-00381	Valenzuela	5,052 sq.m.	Industrial

### **Buildings and Improvements**

<b>Tax Declaration Number</b>	<b>Location</b>	<b>Area</b>	<b>Classification</b>
2018-09014-01625	Bulacan	140.00 sq.m.	Industrial
2018-09014-01627	Bulacan	2,184.00 sq.m.	Industrial
2018-09014-01629	Bulacan	1,150.50 sq.m.	Industrial
2018-09014-01635	Bulacan	1,980.00 sq.m.	Industrial
2018-09014-01636	Bulacan	500.00 sq.m.	Industrial/Residential
2018-09014-01705	Bulacan	2,835.00 sq.m.	Industrial
2018-09014-01706	Bulacan	468.00 sq.m.	Industrial
2018-09014-01707	Bulacan	3,276.00 sq.m.	Industrial
E-027-00344	Valenzuela	3,505.80 sq.m.	Industrial

The properties (lands, buildings and improvements) are neither subject of any mortgage, lien, or encumbrance nor limitations on its ownership or usage.

## Trademarks and Copyrights

The Company has various trademarks registered with the Intellectual Property Office, as follows:

<b>CROWN's Trademarks Under License</b>			
<b>Registered Trademark</b>	<b>Registration Number</b>	<b>Date of Registration</b>	<b>Valid Until</b>
TECHNOVINYL & CROWN DEVICE WITHIN THE CIRCLE*	4-1997-123430	February 10, 2003	February 10, 2023
HI TECH WITH CROWN LOGO	4-2005-006473	October 23, 2006	October 23, 2026
PETROVIN & CROWN DEVICE	4-2006-010314	July 30, 2007	July 30, 2027
CROWN UNIVERSAL	4-2006-013658	August 13, 2007	August 13, 2027
ENDURO WITH CROWN DEVICE	4-2006-012499	August 20, 2007	August 20, 2027
CROWN	4-2006-013655	August 11, 2008	August 11, 2028
CROWN BLUE	4-2006-013656	August 11, 2008	August 11, 2028
CROWN FLEX	4-2006-013657	August 11, 2008	August 11, 2028
CROWN SUPREME	4-2006-013659	October 13, 2008	October 13, 2028
CROWN EXTREME	4-2010-011168	February 24, 2011	February 24, 2031
CROWN HYDRO-PLUS	4-2014-00003801	August 7, 2014	August 7, 2024
CROWN HYDRO-FLEX	4-2014-00003802	August 7, 2014	August 7, 2024
CROWN HYDRO-TECH	4-2014-00003804	September 18, 2014	September 18, 2024
CROWN RED AND GREEN	4-2014-00004482	December 11, 2014	December 11, 2024
CROWN FUERZA	4-2014-00007463	February 12, 2015	February 12, 2025
CROWN SIGMA	4-2014-00007464	February 12, 2015	February 12, 2025
CROWN CorrWave	4-2017-011461	November 23, 2017	November 23, 2027
CROWN ClearBright	4-2017-011460	December 17, 2017	December 17, 2027
CROWN StrongRib	4-2017-011462	December 17, 2017	December 17, 2027
CROWN SmartRoof	4-2017-011464	December 17, 2017	December 17, 2027
CROWN TileTech	4-2017-011465	December 17, 2017	December 17, 2027
CROWN HeatProtect	4-2017-011463	April 26, 2018	April 26, 2028

The Company has a team that handles renewal of trade registrations.

### **Item 3. Legal Proceedings**

There are no pending legal proceedings to which the Company is a party or of which any of its properties is the subject up to the time of the preparation of this report.

#### **Involvement in Legal Proceedings**

To the best of the Company's knowledge, there has been no occurrence during the past five (5) years up to this date of any of the following events that are material to an evaluation of the ability or integrity of any director, any nominee for election as director, executive officer, underwriter, or controlling person of the Company:

- any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer, either at the time of the bankruptcy or within two (2) years prior to that time;
- any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

### **Item 4. Submission Matters to a Vote of Security Holders**

There were no matters submitted to a vote of security holders during the period covered by this report.

## PART II – OPERATIONAL AND FINANCIAL INFORMATION

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### Item 5. Market for Issuer’s Common Equity and Related Stockholders Matters

1. The Company common shares were listed at the Philippine Stock Exchange (PSE) on April 27, 2015 and traded in the First Board.

Full year high and low prices from January 01, 2023 to December 31, 2023 are as follows:

High	P 1.62
Low	P 1.46

As at December 31, 2023, based on closing price of P 1.56 per share, the market capitalization of the common shares of the company was P 925,596,840

2. Total shares outstanding as of December 31, 2023 was 610,639,000 shares with a par value of P 1.00 per share.
3. The top 15 shareholders as of the same date are:

	<b>Name</b>	<b>Number of Shares Held</b>	<b>% to Total Outstanding</b>
1.	PCD Nominee – Filipino	202,867,608	33.22%
2.	Walter H. Villanueva	70,920,000	11.61%
3.	Christie T. Perez	49,744,422	8.15%
4.	Nicasio T. Perez	47,280,000	7.74%
5.	Derrick P. Villanueva	39,086,293	6.40%
6.	Sofia P. Po	25,640,000	4.20%
7.	Meda T. Perez	24,860,000	4.07%
8.	Gloria P. Go	23,672,211	3.88%
9.	Oscar T. Perez	23,640,000	3.87%
10.	Elizabeth P. Lee Villanueva	12,436,105	2.04%
11.	Daphne V. Yu	5,068,188	0.83%
12.	Natalie Lee Villanueva Penaranda	4,143,004	0.68%
13.	Johanns Plana. Lee Villanueva	4,143,004	0.68%
14.	Warren Michael P. Lee Villanueva	3,940,000	0.63%
15.	PDC Nominee Corporation - Non-Filipino	3,678,190	0.60%

### Dividends and Dividend Policy

The Company is authorized to distribute dividends out of its surplus profit, in cash, properties of the Company, shares of stock, and/or securities of other companies belonging to the Company. Dividends paid in the form of cash or property is subject to approval of the Company’s Board of Directors. Dividends paid in the form of additional shares are subject to the approval of the Company’s Board of Directors and stockholders that own at least two-thirds ( $\frac{2}{3}$ ) of the outstanding

capital stock of the Company. Holders of outstanding Common Shares as of a dividend record date will be entitled to full dividends declared without regard to any subsequent transfer of such shares.

On March 4, 2014, the Board of Directors of the Company approved its dividend policy wherein it shall distribute to its stockholders as dividends, whether cash, property or stock, at least ten percent (10.00%) of the Company's net income after tax for the previous fiscal year, subject to the provision of sufficient funds for the implementation of the Company's business plan, operating expenses and budget, appropriation for expansion projects (as applicable), lenders' requirements, appropriate reserves and applicable laws.

From 2020 to 2023, the Company declared cash dividends as follows:

<b>Cash Dividend Payout: 2020 – 2022</b>						
<b>Year</b>	<b>Declaration Date</b>	<b>Record Date</b>	<b>Payment Date</b>	<b>Amount</b>	<b>Cash Dividends per Share</b>	<b>Dividend Payout Ratio</b>
2020	May 29, 2020	June 26, 2020	July 22, 2020	24,443,640	₱0.04	17.92%
2021	May 7, 2021	May 25, 2021	June 15, 2021	13,739,378	₱0.0225	11.32%
2022	March 9, 2022	March 25, 2022	April 19, 2022	30,531,950	₱0.05	27.22%
		June 28, 2022	July 19, 2022	30,531,950		
2023	March 9, 2023	April 5, 2023	May 3, 2023	30,531,950	₱0.05	24.01%
		August 31, 2023	September 25, 2023	24,425,560	₱0.04	

## Item 6. Management's Discussion and Analysis of Results of Operations and Financial Condition

### FY 2023 versus 2022

Changes in Financial Condition and/or Results of Operations  
(Comparative balances for December 31, 2023 and December 31, 2022)

Changes in Financial Condition	2023	2022	Change	% Change
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	374,244,448	255,027,375	119,217,073	46.75%
Trade and other receivables - net	343,924,123	294,422,081	49,502,042	16.81%
Inventories	716,917,605	705,687,384	11,230,221	1.59%
Prepayments and other current assets	151,067,824	116,582,436	34,485,388	29.58%
<b>Total Current Assets</b>	<b>1,586,154,000</b>	<b>1,371,719,276</b>	<b>214,434,724</b>	<b>15.63%</b>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment - net	846,879,338	671,957,011	174,922,327	26.03%
Right-of-use assets - net	13,422,110	14,762,376	(1,340,266)	-9.08%
Post-employment defined benefit asset - net	3,139,156	4,671,133	(1,531,977)	-32.80%
Other non-current assets - net	37,594,241	12,816,124	24,778,117	193.34%
<b>Total Non-current Assets</b>	<b>901,034,845</b>	<b>704,206,644</b>	<b>196,828,201</b>	<b>27.95%</b>
<b>TOTAL ASSETS</b>	<b>2,487,188,845</b>	<b>2,075,925,920</b>	<b>411,262,925</b>	<b>19.81%</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	292,885,547	214,516,411	78,369,136	36.53%
Mortgage and loan payables	333,679	1,984,626	(1,650,947)	-83.19%
Lease liabilities	2,827,692	4,332,370	(1,504,678)	-34.73%
Income tax payable	8,767,103	9,207,090	(439,987)	-4.78%
<b>Total Current Liabilities</b>	<b>304,814,021</b>	<b>230,040,497</b>	<b>74,773,524</b>	<b>32.50%</b>
<b>NON-CURRENT LIABILITIES</b>				
Lease liabilities	13,194,332	13,088,724	105,608	0.81%
Deferred tax liabilities - net	91,192,283	72,105,374	19,086,909	26.47%
Mortgage payables	-	333,679	(333,679)	-100.00%
Other payables	63,720,000	-	63,720,000	0.00%
<b>Total Non-current Liabilities</b>	<b>168,106,615</b>	<b>85,527,777</b>	<b>82,578,838</b>	<b>96.55%</b>
<b>Total Liabilities</b>	<b>472,920,636</b>	<b>315,568,274</b>	<b>157,352,362</b>	<b>49.86%</b>
<b>EQUITY</b>				
Capital stock	630,800,000	630,800,000	-	0.00%
Treasury shares, at cost	(41,096,031)	(41,096,031)	-	0.00%
Additional paid-in capital	52,309,224	52,309,224	-	0.00%
Revaluation reserves	295,801,165	234,782,852	61,018,313	25.99%
Retained earnings	1,076,453,851	883,561,601	192,892,250	21.83%
<b>Total Equity</b>	<b>2,014,268,209</b>	<b>1,760,357,646</b>	<b>253,910,563</b>	<b>14.42%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,487,188,845</b>	<b>2,075,925,920</b>	<b>411,262,925</b>	<b>19.81%</b>
Changes in Results of Operations	2023	2022	Change	% Change
Revenues	1,506,695,998	1,760,815,265	(254,119,267)	-14%
Cost Of Goods Sold	956,681,271	1,218,783,523	(262,102,252)	-22%
Gross Profit	550,014,727	542,031,742	7,982,985	1%
Other Operating Expenses	230,325,646	241,044,053	(10,718,407)	-4%
<b>Other Income (Charges)</b>				
Foreign currency gains - net	1,663,716	4,843,031	(3,179,315)	-66%
Finance costs - net	(1,167,870)	(1,912,959)	745,089	-39%
Finance income	9,063,146	135,264	8,927,882	6600%
Other income	968,923	2,263,395	(1,294,472)	-57%
<b>Profit Before Tax</b>	<b>330,216,996</b>	<b>306,316,420</b>	<b>23,900,576</b>	<b>8%</b>
Tax Expense	82,367,236	77,416,110	4,951,126	6%
<b>Net Profit</b>	<b>247,849,760</b>	<b>228,900,310</b>	<b>18,949,450</b>	<b>8%</b>



## 1. Results of Operations

***Material Changes to the Statement of Comprehensive Income for the period ended December 31, 2023 compared to the Statement of Comprehensive Income for the period ended December 31, 2022 (increase/ decrease of 5.00% or more)***

### Revenues

Revenues decreased by 14% or by P254.12M from P1,706.82M in 2022 to P1,506.70M in 2023. During the first quarter of the year, the Company's revenue was falling behind when compared to same period last year. 51% of the decline in the said quarter came from export sales of the Compounds Division. The situation for the said segment reversed as it slowly increased its sales. However, the increase in these periods were not enough to cover the sales loss in the first quarter. On the other hand, Pipes Division, had a slow turnout of sales as there was slowdown in the infrastructure project which is brought about by high interest rates.

### Cost of Sales

Total Cost of Sales for the year was at P956.68M. Comparing this with 2022 cost of sales, it declined by P262.1M or by 22%. This is mainly driven by the decline in sales during the year. It can be noted that the decline in

### Other Income (Charges)

Total Other Income (Charges) comprising of foreign currency gains (loss), financial cost, finance income and other income increased by P5.2M or by 98% from P5.33M in 2022 to P10.53M in 2023. This is due to the amount of interest income earned from peso and dollar time deposits placed towards the end of 2022.

### Tax Expense

There was an increase in tax expense of P4.95M or 6% from P77.42M in 2022 to 82.37M in 2023. Despite the decline in sales, taxable income still increased due to reduction in production and operating costs.

## 2. Financial Condition

***Material Changes to the Statement of Financial Position as at December 31, 2022 compared to the Statement of Financial Position as at December 31, 2021 (increase/ decrease of 5.00% or more)***

### Cash and Cash Equivalents

Cash and cash equivalents increased by 46.75% or by P119.44M from P255.03M in 2022 to P374.24M in 2023. This is driven by collections from customers, increased advance payments made by clients, and lesser payments to raw material suppliers as purchases for the year dropped by 24%.

### Trade and Other Receivables

Trade and Other Receivables increased by 16.81% or by P49.50M from P294.42 in 2022 to P343.92M in 2023. This increase is due the generated credit sales during the year and slightly longer collection days as compared to last year.

### Prepayments and Other Current Assets

Prepayments and other current assets increased by 29.58% or by P34.49M from P116.58 in 2022 to P151.07M in 2023. This is mainly due to the short-term placements which were mostly placed in 2023.

### Property, plant and equipment - net

Property, plant and equipment – net increased by 26.03% or by P174.92 from Php671.96M to Php846.88M. This is significantly due to the revaluation of land that happens every 2 years, and the recognition of a land being purchased on installment basis. While no transfer of title yet was made for the land being purchased, the provision in the Contract to Sell which states Crown Asia Chemicals Corporation can pre-use the land warrants the recognition of land in its books.

### Right of Use Assets - Net

Right of use asset decreased by 9.08% or Php1.34M from Php14.76M in 2022 to Php13.42M in 2023. This is mainly due to the monthly depreciation of right of use asset.

### Post-Employment defined benefit asset

Retirement Asset decreased by 32.80% or Php1.53M from P4.67M in 2022 to P3.14M in 2023. Based on the 2022 Actuarial Report for the Company's Employee Retirement Fund, the fair value of plan assets increased by Php1.43M. However, the present value of the retirement obligation also increased Php3.37M. This caused the noted decline in the post-employment benefit asset.

### Other Non-Current Assets

Other non-current assets increased by 193.34% or Php24.78M from Php12.82M in 2022 to Php37.52M in 2023. This is mainly due to the advanced payments/downpayments made in November and December for the purchase of trucks and machines to be used in operations. The increase is also driven by the recognized deferred input VAT on the land being purchased on installment.

### Trade and Other Payables

Trade and other payables increased by 36.53% or Php78.37M from Php214.52M in 2022 to Php292.89M in 2023. This is due the increase in advance payments made by customers and, the recognition of liability from the land being purchased on installment for entire installment period.

### Mortgage Payable-Current

Mortgage payable decreased by 83.19% or Php1.65M from Php1.99M in 2022 to Php0.33M in 2023 due to a vehicle mortgage that will be fully settled in 2024.

### Lease Liabilities

Lease liabilities decreased by 34.73% or Php1.50M from Php4.33M in 2022 to Php2.83M in 2023. This is due to the non-renewal of a warehouse lease contract in one of the Company's sales depots.

### Deferred Tax Liabilities - net

Net Deferred Tax Liabilities increased by 26.47% or Php19.09M from Php72.11M in 2022 to Php91.19M in 2023. The increase is mainly due to the revaluation of land properties of the Company.

### Revaluation Reserve

Revaluation Reserve increased by 21.83% or Php192.89M from Php883.56M in 2022 to Php1,076.45M in 2023. This is due to the revaluation of land properties of the Company which happens every 2 years.

### Retained Earnings

Retained Earnings increased by 21.83% or Php192.89M from Php883.56M in 2022 to P1,076.45M in 2023. The increase is due to the generated profit after tax during the year reduced by the P54.96M dividends paid in May and July 2023.

## 3. *Key Performance Indicators*

<b>LIQUIDITY RATIOS</b>		
<b>Key Indicators</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Current ratio	5.20 : 1.00	5.95 : 1.00
Acid test ratio	2.55 : 1.00	2.41 : 1.00
Book value per share	3.30	2.88
<b>SOLVENCY RATIOS</b>		
<b>Key Indicators</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Debt to equity ratio	0.23 : 1.00	0.18 : 1.00
Asset to equity ratio	1.23 : 1.00	1.18 : 1.00
<b>PROFITABILITY RATIOS</b>		
<b>Key Indicators</b>	<b>December 31, 2023</b>	<b>December 31, 2021</b>
Earnings per share	0.41	0.37
Return on assets	9.97%	11.03%
Return on equity	12.30%	13.00%
Gross profit ratio	36.50%	30.78%
Net profit (after tax) ratio	16.45%	13.00%

**Notes:**

1. **Current Ratio (Current Assets/Current Liabilities)**  
To test the Company's ability to pay its short-term debts
2. **Acid Test Ratio (Quick Assets/Current Liabilities)**  
Measures the Company's ability to pay its short-term debts from its most liquid assets without relying on inventory.
3. **Book Value per Share (Equity/Shares Outstanding)**  
Measures the amount of net assets available to stockholders of a given type of stock.
4. **Debt to Equity Ratio (Total Liabilities/Total Equity)**  
Measures the amount of total assets provided by stockholders
5. **Asset to Equity Ratio (Total Assets/Total Equity)**  
Shows the relationship of the total assets to the portion owned by the stockholders.  
Indicates the Company's leverage, the amount of debt used to finance the firm.
6. **Earnings per Share (Net Profit/Shares Outstanding)**  
Reflects the Company's earning capability.
7. **Return on Assets (Net Profit/Average Total Assets)**  
Indicates whether assets are being used efficiently and effectively
8. **Return on Equity (Net Profit/Average Total Equity)**  
Measures the ability of the company to generate profit from investment of stockholders
9. **Gross Profit Ratio (Gross Profit/Revenues)**  
Measures the percentage of gross income to sales
10. **Net Profit Ratio (Net Profit/Revenues)**  
Measures the percentage of net income to sales

## FY 2022 versus 2021

### Changes in Financial Condition and/or Results of Operations (Comparative balances for December 31, 2022 and December 31, 2021)

Changes in Financial Condition	2022	2021	Change	% Change
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	255,027,375	108,633,691	146,393,684	134.76%
Trade and other receivables - net	294,422,081	339,062,457	(44,640,376)	-13.17%
Inventories	705,687,384	700,898,060	4,789,324	0.68%
Prepayments and other current assets	116,582,436	137,924,436	(21,342,000)	-15.47%
<b>Total Current Assets</b>	<b>1,371,719,276</b>	<b>1,286,518,644</b>	<b>85,200,632</b>	<b>6.62%</b>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment - net	671,957,011	676,798,883	(4,841,872)	-0.72%
Right-of-use assets - net	14,762,376	16,838,522	(2,076,146)	-12.33%
Post-employment defined benefit asset - net	4,671,133	2,936,556	1,734,577	59.07%
Other non-current assets - net	12,816,124	18,506,540	(5,690,416)	-30.75%
<b>Total Non-current Assets</b>	<b>704,206,644</b>	<b>715,080,501</b>	<b>(10,873,857)</b>	<b>-1.52%</b>
<b>TOTAL ASSETS</b>	<b>2,075,925,920</b>	<b>2,001,599,145</b>	<b>74,326,775</b>	<b>3.71%</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	214,516,411	311,802,136	(97,285,725)	-31.20%
Mortgage and loan payables	1,984,626	2,246,361	(261,735)	-11.65%
Lease liabilities	4,332,370	3,571,012	761,358	21.32%
Income tax payable	9,207,090	5,057,816	4,149,274	82.04%
<b>Total Current Liabilities</b>	<b>230,040,497</b>	<b>322,677,325</b>	<b>(92,636,828)</b>	<b>-28.71%</b>
<b>NON-CURRENT LIABILITIES</b>				
Lease liabilities	13,088,724	15,666,756	(2,578,032)	-16.46%
Deferred tax liabilities - net	72,105,374	72,049,746	55,628	0.08%
Mortgage payables	333,679	2,316,587.00	(1,982,908)	-85.60%
Other payables	-	-	0	0.00%
<b>Total Non-current Liabilities</b>	<b>85,527,777</b>	<b>90,033,089</b>	<b>(4,505,312)</b>	<b>-5.00%</b>
<b>Total Liabilities</b>	<b>315,568,274</b>	<b>412,710,414</b>	<b>(97,142,140)</b>	<b>-23.54%</b>
<b>EQUITY</b>				
Capital stock	630,800,000	630,800,000	-	0.00%
Treasury shares, at cost	(41,096,031)	(41,096,031)	-	0.00%
Additional paid-in capital	52,309,224	52,309,224	-	0.00%
Revaluation reserves	234,782,852	231,142,347	3,640,505	1.58%
Retained earnings	883,561,601	715,725,191	167,836,410	23.45%
<b>Total Equity</b>	<b>1,760,357,646</b>	<b>1,588,880,731</b>	<b>171,476,915</b>	<b>10.79%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,075,925,920</b>	<b>2,001,591,145</b>	<b>74,334,775</b>	<b>3.71%</b>
<b>Changes in Results of Operations</b>				
Revenues	1,760,815,265	1,740,847,346	19,967,919	1%
Cost Of Goods Sold	1,218,783,523	1,262,277,223	(43,493,700)	-3%
<b>Gross Profit</b>	<b>542,031,742</b>	<b>478,570,123</b>	<b>63,461,619</b>	<b>13%</b>
Other Operating Expenses	241,044,053	190,097,813	50,946,240	27%
<b>Other Income (Charges)</b>				
Foreign currency gains - net	4,843,031	7,221,166	(2,378,135)	-33%
Finance costs - net	(1,912,959)	(2,016,237)	103,278	-5%
Finance income	135,264	163,550	(28,286)	-17%
Other income	2,263,395	1,744,216	519,179	30%
<b>Profit Before Tax</b>	<b>306,316,420</b>	<b>295,585,005</b>	<b>10,731,415</b>	<b>4%</b>
Tax Expense	77,416,110	71,278,846	6,137,264	9%
<b>Net Profit</b>	<b>228,900,310</b>	<b>224,306,159</b>	<b>4,594,151</b>	<b>2%</b>

## **1. Results of Operations**

***Material Changes to the Statement of Comprehensive Income for the period ended December 31, 2022 compared to the Statement of Comprehensive Income for the period ended December 31, 2021 (increase/ decrease of 5.00% or more)***

### Gross Profit and Gross Profit Margin

Gross profit margin increased by 13% or by 63.46M from 478M in 2021 to P542M. This is due to the implemented price increases of Pipes and PPR products as well as decrease in the unit purchase price of major raw materials used in production.

### Other Operating Expenses

A significant increase in operating expenses was noted at 27% or P50.95M from P190.10M in 2021 to P241.04M in 2022. Contributing to this material change is the increase in salaries of employees arising from promotion and annual salary adjustments, travel and fuels costs, commission and marketing expenses to boost sales.

### Finance Cost

There was a 5% drop in finance cost due to the decrease in interest expense from our mortgage on vehicles and trucks. The mortgages have a 5-year term and were taken in the years 2018 and 2019. Full settlement will be in 2023 and 2024.

### Foreign Exchange Gains - net

Foreign exchange gains decreased by 33% due to the decrease in the Company's dollar denominated sales transactions during the year while US Dollar strengthens its value.

### Tax Expense

2022 tax expense increased by 8% or by 6.14M due to higher taxable income as compared in 2021. There were tax credits arising from the change in the corporate income tax rate in 2020 which was carried over to 2021 resulting to lower 2021 tax expense.

## **2. Financial Condition**

***Material Changes to the Statement of Financial Position as at December 31, 2022 compared to the Statement of Financial Position as at December 31, 2021 (increase/ decrease of 5.00% or more)***

### Cash and Cash Equivalents

Cash and cash equivalents increased by 135% or by P146.40M from P108.63M in 2021 to P255.03M in 2022. The increase is driven by the improvements in collections from customers. Also, the cost of raw materials decreased thereby reducing the amounts paid to suppliers.

### Trade and Other Receivables

Due to the improvements in customer collections, trade and other receivable decreased by 13% or P43.83M from P339.06 to P295.23M. Further, the company implemented a stricter credit evaluation for existing and new customers.

### Prepayments and Other Current Assets

Prepayments and other current assets decreased by 15% or by P21.34M from P137.92 in 2021 to P116.58M in 2022 due to higher amount of input vat claimed and used against output vat during the year.

### Right of Use Assets - Net

Right of use asset decreased by 12% or Php2.08M from Php16.84M to Php14.76M due to the monthly depreciation of right of use asset.

### Post-Employment defined benefit asset

Retirement Asset increased by 59% or 1.73M from P2.94 to P4.67M. Based on the 2022 Actuarial Report for the Company's Employee Retirement Fund, it is overfunded by P4.67M. This was computed based on the financial assumption that the discount rate is at 7.22%.

### Other Non-Current Assets

Other non-current assets decreased by 31% or Php5.70M from Php18.52M to Php12.82M. This is due to the receipt of goods paid in advance to suppliers.

### Trade and Other Payables

Trade and other payables decreased by 31% or P97.30M from P311.80M to P214.50M due to the decrease in raw materials purchased during the year as well as the decline in the cost of raw materials.

### Mortgage Payable-Current

Mortgage payable decreased by 12% or P0.26M from P2.25M to P1.99M due to a vehicle mortgage that will be fully settled in 2023.

### Lease Liabilities

Lease liabilities increased by 21% or P0.76M from P3.57M to P4.33M. This is due to the renewal of two lease contracts with lease terms of 2 and 3 years in 2022. Under PFRS 16, all leases are considered as finance lease. The lease liability for the entire lease contract duration is immediately recognized and will be reduced by the amount of monthly amortization.

### Income Tax Payable

Income Tax Payable increased by 98% due to higher taxable income in 2022 as compared to previous year. There was a tax credit arising from the change in the corporate income tax rate in 2020 which was applied in 2021 resulting to lower tax payable in 2021.

### Mortgage Payable

Mortgage Payable decreased by 86% or P1.99M from P2.32M to P0.33M. This is due to the reclassification of mortgage payments to be made in the next 12 months to Mortgage Payable – Current. Also, these mortgages will be fully settled in 2023 and early 2024.

### Retained Earnings

Retained Earnings increased by 23% or P167.83M from P715.73M to P883.56M as a result of the generated profit after tax during the year reduced by dividends paid last April 19, 2022 and June 19, 2022 totaling to Php61.06M.

## **3. Key Performance Indicators**

<b>LIQUIDITY RATIOS</b>		
<b>Key Indicators</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Current ratio	5.95 : 1.00	3.99 : 1.00
Acid test ratio	2.41 : 1.00	1.39 : 1.00
Book value per share	2.88	2.60
<b>SOLVENCY RATIOS</b>		
<b>Key Indicators</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Debt to equity ratio	0.18 : 1.00	0.26 : 1.00
Asset to equity ratio	1.18 : 1.00	1.26 : 1.00
<b>PROFITABILITY RATIOS</b>		
<b>Key Indicators</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Earnings per share	0.37	0.37
Return on assets	11.03%	11.21%
Return on equity	13.00%	14.12%
Gross profit ratio	30.78%	27.49%
Net profit (after tax) ratio	13.00%	12.88%



**Notes:**

11. Current Ratio (Current Assets/Current Liabilities)

To test the Company's ability to pay its short-term debts

12. Acid Test Ratio (Quick Assets/Current Liabilities)

Measures the Company's ability to pay its short-term debts from its most liquid assets without relying on inventory.

13. Book Value per Share (Equity/Shares Outstanding)

Measures the amount of net assets available to stockholders of a given type of stock.

14. Debt to Equity Ratio (Total Liabilities/Total Equity)

Measures the amount of total assets provided by stockholders

15. Asset to Equity Ratio (Total Assets/Total Equity)

Shows the relationship of the total assets to the portion owned by the stockholders.

Indicates the Company's leverage, the amount of debt used to finance the firm.

16. Earnings per Share (Net Profit/Shares Outstanding)

Reflects the Company's earning capability.

17. Return on Assets (Net Profit/Average Total Assets)

Indicates whether assets are being used efficiently and effectively

18. Return on Equity (Net Profit/Average Total Equity)

Measures the ability of the company to generate profit from investment of stockholders

19. Gross Profit Ratio (Gross Profit/Revenues)

Measures the percentage of gross income to sales

20. Net Profit Ratio (Net Profit/Revenues)

Measures the percentage of net income to sales

## FY 2021 versus 2020

Changes in Financial Condition and/or Results of Operations  
(Comparative balances for December 31, 2021 and December 31, 2020)

Changes in Financial Condition	2021	2020	Change	% Change
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	108,633,691	188,196,658	(79,562,967)	-42.28%
Trade and other receivables - net	339,062,457	276,007,104	63,055,353	22.85%
Inventories	700,898,060	469,233,996	231,664,064	49.37%
Prepayments and other current assets	137,924,436	106,582,764	31,341,672	29.41%
<b>Total Current Assets</b>	<b>1,286,518,644</b>	<b>1,040,020,522</b>	<b>246,498,122</b>	<b>23.70%</b>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment - net	676,798,883	566,031,393	110,767,490	19.57%
Right-of-use assets - net	16,838,522	21,020,024	(4,181,502)	-19.89%
Post-employment defined benefit asset - net	2,936,556	0	2,936,556	0.00%
Other non-current assets - net	18,506,540	9,632,333	8,874,207	92.13%
<b>Total Non-current Assets</b>	<b>715,080,501</b>	<b>596,683,750</b>	<b>118,396,751</b>	<b>19.84%</b>
<b>TOTAL ASSETS</b>	<b>2,001,599,145</b>	<b>1,636,704,272</b>	<b>364,894,873</b>	<b>22.29%</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	311,802,136	262,342,133	49,460,003	18.85%
Mortgage and loan payables	2,246,361	2,480,902	(234,541)	-9.45%
Lease liabilities	3,571,012	3,466,766	104,246	3.01%
Income tax payable	5,057,816	16,171,614	(11,113,798)	-68.72%
<b>Total Current Liabilities</b>	<b>322,677,325</b>	<b>284,461,415</b>	<b>38,215,910</b>	<b>13.43%</b>
<b>NON-CURRENT LIABILITIES</b>				
Lease liabilities	15,666,756	19,237,768	(3,571,012)	-18.56%
Deferred tax liabilities - net	72,049,746	49,687,926	22,361,820	45.00%
Mortgage payables	2,316,587	4,561,326.00	(2,244,739)	-49.21%
Post-employment defined benefit obligation	-	48,856.00	(48,856)	-100.00%
Advances from Stockholders	0%	46,057	(46,057)	-100.00%
<b>Total Non-current Liabilities</b>	<b>90,033,089</b>	<b>73,581,933</b>	<b>16,451,156</b>	<b>22.36%</b>
<b>Total Liabilities</b>	<b>412,710,414</b>	<b>358,043,348</b>	<b>54,667,066</b>	<b>15.27%</b>
<b>EQUITY</b>				
Capital stock	630,800,000	630,800,000	-	0.00%
Treasury shares, at cost	(41,096,031)	(41,096,031)	-	0.00%
Additional paid-in capital	52,309,224	52,309,224	-	0.00%
Revaluation reserves	231,142,347	131,489,321	99,653,026	75.79%
Retained earnings	715,725,191	505,158,410	210,566,781	41.68%
<b>Total Equity</b>	<b>1,588,880,731</b>	<b>1,278,660,924</b>	<b>310,219,807</b>	<b>24.26%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,001,591,145</b>	<b>1,636,704,272</b>	<b>364,886,873</b>	<b>22.29%</b>
<b>Changes in Results of Operations</b>				
Revenues	1,740,847,346	1,117,688,552	623,158,794	56%
Cost Of Goods Sold	1,262,277,223	772,150,288	490,126,935	63%
<b>Gross Profit</b>	<b>478,570,123</b>	<b>345,538,264</b>	<b>133,031,859</b>	<b>38%</b>
Other Operating Expenses	190,097,813	171,670,539	18,427,274	11%
<b>Other Income (Charges)</b>				
Foreign currency gains - net	7,221,166	1,281,674	5,939,492	463%
Finance costs - net	(2,016,237)	(4,765,295)	2,749,058	-58%
Finance income	163,550	357,614	(194,064)	-54%
Other income	1,744,216	2,550,327	(806,111)	-32%
<b>Profit Before Tax</b>	<b>295,585,005</b>	<b>173,292,045</b>	<b>122,292,960</b>	<b>71%</b>
Tax Expense	71,278,846	52,042,956	19,235,890	37%
<b>Net Profit</b>	<b>224,306,159</b>	<b>121,249,089</b>	<b>103,057,070</b>	<b>85%</b>

## 1. Results of Operations

*Material Changes to the Statement of Comprehensive Income for the period ended December 31, 2021 compared to the Statement of Comprehensive Income for the period ended December 31, 2020 (increase/ decrease of 5.00% or more)*

### Revenues

The Company ended the year of 2021 with total revenues of Php1.74B. This is Php0.62B or 55.75% higher as compared to the P1.12B generated revenues in 2020. Contributing 64.18% to this revenue growth is the performance of the Pipes Division wherein it increased its sales by 92.57% from P432.02 in 2020 to P831.95 in 2021. Furthermore, it surpassed its sale in 2019, the pre-pandemic year, by 73.21%.

### Cost of Sales

Cost of sales increased by 63.48% from ₱0.77 billion in 2020 to ₱1.26 billion in 2021. This is due to the increase in sales volume as well as the increase in the price of its raw materials.

### Gross Profit and Gross Profit Margin

Gross profit increased by ₱133.03 million or 38.5% from ₱345.54.40 million to ₱478.57 million.

### Other Operating Expenses

Other operating expenses increased by ₱18.43 million or 7.87% from ₱171.67 million to ₱190.10 million. It must be noted that between March to May of 2020, the lockdown period, the Company has minimal to zero operations. Thus, there were operating and selling expense not incurred such as salaries, commissions, travel and transportation, and freight costs. In 2021, these costs were now consistently incurred and even increased due to the increase in sales.

### Other Income (Charges)

In 2021, the Company reported Other Income amounting to ₱7.11 million. This improved by ₱7.69 million from a loss of ₱0.58 million in 2020. Driving this favorable change is the ₱5.94 million increase foreign exchange gains from its export sales transactions.

## Tax Expense

Tax expense increased by ₱19.24 million or by 36.96% from ₱52.04 million to ₱71.28 million. This is due to the high growth in revenues arising from the increase demands for PVC products resulting to higher net profit before tax.

## **2. Financial Condition**

***Material Changes to the Statement of Financial Position as at December 31, 2021 compared to the Statement of Financial Position as at December 31, 2020 (increase/decrease of 5.00% or more)***

### Cash and Cash Equivalents

Cash and cash equivalents decreased by ₱79.56 million or 42.28% from P188.20 million to P108.63 million. This is due to the increased payments to suppliers arising from the increased purchases of raw materials to support the requirements of the Company's customers. This is also coupled with the rise in the cost of major raw materials. The Company also paid higher quarterly taxes this year as a result of better performance in 2021.

### Trade and Other Receivables

Trade and Other Receivables increased by P63.06M or 22.85% from P276.01M to P339.06M. This is primarily due to the 55.75% increase in sales net of improvements in customer collections.

### Inventories

Inventory balances at the end of 2021 grew by ₱231.66 million or 49.37% from ₱469.23 million to ₱700.69 million. Purchases of raw materials increased during the year to beef up the requirements of production that will enable the Company to deliver customer orders. Also, there were price increases in major raw materials used in production.

### Prepayments and Other Current Assets

Prepayments and other current assets increased by ₱31.34 million or 29.41% from ₱106.58 million to ₱137.92 million. This is due to the increase in input vat from purchase of raw materials and supplies.

### Property, Plant and Equipment, net

The Company purchased machineries amounting to P39.95 million during the year to increase production capacity. Some of these assets were originally allocated to the Davao plant which was temporarily deferred due to mobilization limitations brought about by the pandemic. Also, the Company had its land properties revalued in 2021 thereby increasing its value by P119.10 million. This two are the reasons for the increase on the Company's Property, Plant and Equipment by ₱110.77 million or 19.57% from ₱566.03 million to ₱676.80 million.

### Right of Use Assets - Net

Right of Use Assets - net decreased by ₱4.18 million or 4.18% from ₱21.02 million to ₱16.84 million due to the monthly recognition of depreciation expense.

### Post-Employment defined benefit asset

The Company recognized Post-Employment Defined Benefit Asset amounting to ₱2.94 million in 2021 while in 2020, post-employment defined benefit liability was reported amounting to P48,856.00. During year, the Company amended its retirement plan which resulted to an overfunding in the Company's Employee Retirement Fund. Thus, the recognition of post-employment defined benefit asset.

### Other Non-Current Assets

Other non-current assets increased by P8.8 million or 92.23% from P9.63M to P18.52 million. This is due to the recognition of deferred input vat from its fixed asset purchases during the year.

### Trade and Other Payables

Trade and other payables increased by P49.46 million or 18.85% from P262.34 million to P311.80 million. This due to the increased purchases of raw materials.

### Mortgage Payable-Current

Loans and Mortgage Payable-Current decreased by P0.23 million or 9.45% from P2.48 million to P2.25 million due to settlement of car loan amortization.

### Deferred Tax Liabilities - net

Deferred Tax Liabilities - net increased by P22.36 million or 45% from P49.69 million to P72.05 million primarily due to the revaluation increment on land.

### Retained Earnings

Retained Earnings increased by P210.57 million or 41.68%. This is due to Net Profit after tax generated during the year amounted to P224.31 million, reduced by the amount of cash dividends paid amounting to P13.74 million.

### 3. Key Performance Indicators

<b>LIQUIDITY RATIOS</b>		
<b>Key Indicators</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Current ratio	3.99 : 1.00	3.66 : 1.00
Acid test ratio	1.39 : 1.00	1.63 : 1.00
Book value per share	2.60	2.09
<b>SOLVENCY RATIOS</b>		
<b>Key Indicators</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Debt to equity ratio	0.26 : 1.00	0.28 : 1.00
Asset to equity ratio	1.26 : 1.00	1.28 : 1.00
<b>PROFITABILITY RATIOS</b>		
<b>Key Indicators</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Earnings per share	0.37	0.20
Return on assets	11.21%	7.57%
Return on equity	14.12%	9.87%
Gross profit ratio	27.49%	30.92%
Net profit (after tax) ratio	12.88%	10.85%

#### Notes:

1. **Current Ratio (Current Assets/Current Liabilities)**  
To test the Company's ability to pay its short-term debts
2. **Acid Test Ratio (Quick Assets/Current Liabilities)**  
Measures the Company's ability to pay its short-term debts from its most liquid assets without relying on inventory.
3. **Book Value per Share (Equity/Shares Outstanding)**  
Measures the amount of net assets available to stockholders of a given type of stock.
4. **Debt to Equity Ratio (Total Liabilities/Total Equity)**  
Measures the amount of total assets provided by stockholders
5. **Asset to Equity Ratio (Total Assets/Total Equity)**  
Shows the relationship of the total assets to the portion owned by the stockholders.  
Indicates the Company's leverage, the amount of debt used to finance the firm.
6. **Earnings per Share (Net Profit/Shares Outstanding)**  
Reflects the Company's earning capability.
7. **Return on Assets (Net Profit/Average Total Assets)**  
Indicates whether assets are being used efficiently and effectively
8. **Return on Equity (Net Profit/Average Total Equity)**  
Measures the ability of the company to generate profit from investment of stockholders
9. **Gross Profit Ratio (Gross Profit/Revenues)**  
Measures the percentage of gross income to sales
10. **Net Profit Ratio (Net Profit/Revenues)**  
Measures the percentage of net income to sales

## **2024 Plan of Operations**

1. Manufacture new product
2. Continue geographic expansion
3. Broaden market segments
4. Purchase of Property
5. Enhance Data Privacy and Cyber Security
6. Succession Planning
7. Upgrade logistics equipment
8. Purchase additional machineries
9. Upgrade production facilities, tools, equipment and accessories
10. Expand production capacity in Valenzuela plant

### **Item 7. Financial Statements**

The Financial Statements of the Company are incorporated herein by reference and attached as an integral part of this SEC Form 17-A.

### **Item 8. Information on Independent Public Accountant and Other Related Matters**

#### **1. Independent Public Accountant**

- a. Punongbayan & Araullo (P&A) was engaged by the company to audit the Company's financial statements for the calendar years December 31, 2021, 2022 and 2023. Their responsibility is to express an opinion on these financial statements based on their audit. The audits were conducted in accordance with Philippine Standards on Auditing.

Punongbayan & Araullo has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe to the securities in the Company. Both these independent public accountants will not receive any direct or indirect interest in the Company and in any securities thereof (including options, warrants, or rights thereto) pursuant to or in connection with the Listing. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Committee.

- b. Audit and Audit Related Fees

Punongbayan & Araullo billed the Company P560,000.00, P600,000 and P640,000 for the examination of the financial statements for the calendar years December 31, 2021, 2022 and 2023 respectively, exclusive of 15% of professional fees for out-of-pocket expenses

- c. Tax Fees

Punongbayan & Araullo did not render professional services to the Company for tax accounting, compliance, advice, planning, and any other form of tax services.

d. Audit Committee Approval Policies

Under the Company's Manual on Corporate Governance, the policies and procedures for the audit rendered by the independent public auditors are to be taken up, discussed, and approved by the Company's Audit Committee.

The Audit Committee's decisions are based on the standards set forth by the Company for the purpose of audit or tax services, as the case may be. If the proposal submitted by the independent public auditor is within the standards set forth, then the proposal is forwarded to the Company's Board of Directors for approval.

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

There was no event where P&A and the Company had any disagreement with regard to any matter relating to accounting principles or practices, disclosure of financial statements or auditing scope or procedure.

**Changes in Accounting Policies**

Please refer to Note 2 – Summary of Significant Accounting Policies under Changes in Accounting Policies and Disclosures discussion on the Notes to Financial Statements of the year ended December 31, 2023, included in this report.

**PART III – CONTROL AND COMPENSATION INFORMATION**

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**Item 9. Directors and Executive Officers of the Issuer**

Board of Directors

The Company's Board of Directors is responsible for the over-all management and direction of the Company. The Board meets to review and monitor the Company's future. Each Board member serves for a term of one (1) year, subject to re-election. A director who was elected to fill any vacancy holds office only for the unexpired term of his/her predecessor.

As of December 31, 2023, the composition of the Company's Board of Directors is as follows:

<b>Board of Directors</b>				
<b>Name</b>	<b>Age</b>	<b>Nationality</b>	<b>Present Position</b>	<b>Period of Service in the Company</b>
Walter H. Villanueva	69	Filipino	Chairman of the Board	22 years
Nicasio T. Perez	66	Filipino	Director	34 years
Derrick P. Villanueva	41	Filipino	Director	14 years
Hans T. Perez	34	Filipino	Director	10 years
Eugene H. Villanueva	67	Filipino	Director	34 years



Daphne V. Yu	40	Filipino	Director	Less than a year
Marie Therese G. Santos	66	Filipino	Independent Director	More than 5 years
Ernesto R. Alberto	61	Filipino	Lead - Independent Director	More than 5 years
Fernando Lopez	72	Filipino	Independent Director	1 year

Ms. Marie Therese G. Santos was appointed as Lead Independent Director on September 23, 2022.

Ms. Tita P. Villanueva, due to her untimely demise, ceased to be a director of the Company last October 2, 2023. The vacant seat in the Board was filled up by Ms. Daphne V. Yu after electing her as a regular member of the Board of Directors last November 20, 2023.

To describe the business experience of the Company's directors for the past five (5) years, we have outlined hereunder their professional and business affiliations, as follows:

***Walter H. Villanueva, 69, Filipino, Chairman of the Board, President, General Manager – PVC Roof Division, Chief Risk Officer***

Mr. Walter H. Villanueva is concurrently a director and stockholder of Asean Timber Corporation, Husky Plastics Corporation, WT Derrick Realty Corporation and Guiguinto Integrated Wood Industries Corporation. He is likewise the Chairman or President and General Manager of these companies. From 2005 to present, Mr. Villanueva served as the Vice President for Sales and Marketing and the General Manager for the Pipe Group of Crown Asia Chemicals Corporation. He was appointed by the Board of Directors on July 19, 2019 as President of Crown Asia Chemicals Corporation, effective August 1, 2019. He was also appointed by the Board of Directors as Chief Risk Officer effective July 10, 2020.

Mr. Villanueva holds a Bachelor of Science degree in Business Administration and Marketing from the University of the Philippines Diliman.

***Nicasio T. Perez, 66, Filipino, Director and VP-Treasurer***

Mr. Nicasio T. Perez is concurrently a director and stockholder of Asean Timber Corporation and Guiguinto Integrated Wood Industries Corporation. He likewise serves as Treasurer of Asean Timber Corporation and Chairman of the Board of Directors of Guiguinto Integrated Wood Industries Corporation. He holds a Bachelor of Science degree in Commerce from the University of Sto. Tomas.

***Derrick P. Villanueva, 41, Filipino, Director and General Manager – PVC Pipes Division***

Mr. Derrick P. Villanueva was the Assistant General Manager – PVC Pipes Division position from July 2009 to December 2013 before he was promoted to General Manager for the same division on January 1, 2014. He is concurrently a director and stockholder of WT Derrick Realty Corporation and Husky Plastics Corporation. Mr. Villanueva holds a Diploma in Chemical Sciences from the British Columbia Institute of Technology and a Bachelor of Science degree in Entrepreneur Management from the University of Asia and the Pacific. He also finished his Regis-Ateneo MBA at the Ateneo Graduate School of Business last November 2022.

***Hans Joseph T. Perez, 34, Filipino, General Manager – PP-R/HDPE Pipes Division***

Mr. Hans T. Perez assumed his position as Assistant General Manager of the PP-R /HDPE Pipes Division in 2014. He holds a Bachelor of Science degree in Commerce major in Business Management from the De La Salle University. In 2017, he was promoted to the position of General Manager of the same division. He was designated by the Board as Risk Management Officer on September 29, 2017. On May 29, 2020, he was elected as Director of the company.

***Eugene H. Lee Villanueva, 67, Filipino, Director***

Mr. Eugene H. Lee Villanueva is concurrently a director and stockholder of Husky Plastics Corporation. He is an MBA Candidate in the Ateneo De Manila University and holds a Bachelor of Science degree in Pre Medicine from the University of the Philippines Diliman. He retired as President of Crown Asia Chemicals Corporation effective August 1, 2019.

***Daphne V. Yu, 40, Filipino, Director***

Ms. Daphne V. Yu is currently a director and broker in RE/MAX Capital. She has been in the real estate field since 2011. She first gained experience in Century Properties Group then eventually forming her own real estate brokerage, the President of Property Source PH, in 2014.

Ms. Yu obtained her BS Management Engineering Degree from Ateneo de Manila in 2004.

***Marie Therese G. Santos, 66, Filipino, Lead Independent Director***

Ms. Marie Therese G. Santos is concurrently a director and stockholder of Gravitax Prime. Ms. Santos also sits as Independent Director of First Abacus Holdings, Inc. and Treasurer of UP High, Preparatory, Elementary, and Integrated School Alumni Foundation. She previously served as CFO, and after her resignation, as Independent Director and Chairman of the Audit Committee of Music Semiconductors Corporation. She also served as Director and Chairman of the Risk Management Committee of both Rural Bank of Solano (Nueva Vizcaya), Inc. and Cordillera Savings and Loan Association.

Ms. Santos holds a Masters degree in Business Administration and Bachelor of Science degree in Chemical Engineering from the University of the Philippines Diliman. She is a licensed Chemical Engineer.

***Ernesto R. Alberto, 61, Filipino, Independent Director***

Mr. Ernesto R. Alberto is currently the President and a Board Director of DITO CME Holdings Corporation. He is a retired Executive Vice President of the Philippine Long Distance Telephone Company (PLDT). He was also the President and CEO of Telesat, Inc. and ePLDT, Inc., as well as the President of ePDS, Inc. In addition, he was the Chairman of ACASIA Communications Sdn Bhd, Bonifacio Communications Corp., PLDT SUBIC TELECOM, INC. (PLDT Subictel), Clark Telecommunication Company Inc. (PLDT Clarktel), ABM Global Solutions, iPlus, and Junior Achievement Philippines. He also held directorships in PLDT Philcom, PLDT Maratel, Inc., PLDT Global Philippines, PLDT Global Malaysia, Mabuhay

Investments Corp., IP Converge Data Services, Inc., and IBM Analitika Philippines. Mr. Alberto was a director of the Business Processing Association of the Philippines (BPA/P) from 2007 to 2011.

At present, he is the Chief Executive Officer of Dito Telecommunity, a subsidiary of Dito CME Holdings Corp. Prior to his CEO appointment, Mr. Alberto served as the president of Dito CME, the information and community technology unit of Udenna Group.

Mr. Alberto obtained his Master's Degree in Economic Research from the University of Asia and the Pacific and his Bachelor's Degree Major in Economics, Minor in Mathematics and Political Science from San Beda College.

***Fernando S. Lopez, 72, Filipino, Independent Director***

Mr. Fernando S. Lopez is currently a Director and the Treasurer of A. Magsaysay Inc. and Subsidiaries. He also holds the position of President of Fairex Trading (Asia) Corp. and Magsaysay Holder Insurance Broker Inc.

Mr. Lopez obtained his Bachelor's Degree on Accountancy from University of the East and is a Certified Public Accountant.

**Executive Officers**

As of December 31, 2023, the following are the executive officers of the Company:

<b>Principal Officers</b>				
<b>Name</b>	<b>Age</b>	<b>Nationality</b>	<b>Present Position</b>	<b>Year Position was Assumed</b>
Walter H. Villanueva	69	Filipino	Chief Risk Officer President General Manager of PVC Roof Division Head of Pipe Group	2020 2019 2017 2014
Nicasio T. Perez	66	Filipino	Chief Finance Office - OIC Vice President – Treasurer	2023 1992
Derrick P. Villanueva	41	Filipino	General Manager – PVC Pipes Division Assistant General Manager- PVC Pipes Division	2014 2009
Hans Joseph T. Perez	34	Filipino	Risk Management Officer and General Manager – PPR /HDPE Pipes Division Assistant General Manager-PPR/HDPE Division	2017 2014

Marie Grace N. Dalupan	42	Filipino	Compliance Officer and AVP-Finance	2020 2019
Jason C. Nalupta	52	Filipino	Corporate Secretary and Chief Information Officer	2012
Ann Margaret Keh Lorenzo	35	Filipino	Assistant Corporate Secretary	2017

The following outlines the business experience of the other Company's officers for the past five (5) years:

***Marie Grace N. Dalupan, 42, Filipino, AVP-Finance***

Ms. Dalupan assumed her position as AVP-Finance of the Corporate Division in 2019. She was designated by the Board as Compliance Officer on May 29, 2020.

***Jason C. Nalupta, 51, Filipino, Corporate Secretary and Chief Information Officer***

Jason C. Nalupta, Filipino is the Corporate Secretary of the Corporation. He is also currently the Corporate Secretary or Assistant Corporate Secretary of listed firms A. Brown Company, Inc., Asia United Bank, Pacific Online Systems Corporation. He is also a Director and/or Corporate Secretary or Assistant Corporate Secretary of private companies Sino Cargoworks Agencies, Inc., Falcon Resources, Inc., Mercury Ventures, Inc., Total Gaming Technologies, Inc., Parallax Resources, Inc., SLW Development Corporation, Metropolitan Leisure & Tourism Corporation, Sagesoft Solutions, Inc., Radenta Technologies, Inc., Xirrus, Inc., Glyphstudios, Inc., Loto Pacific Leisure Corporation, and Sta. Clara International Corporation. He is a Partner at Tan Venturanza Valdez Law Offices specializing on corporate, securities, and business laws. Mr. Nalupta earned his Juris Doctor degree, as well as his Bachelor of Science degree in Management (major in Legal Management), from the Ateneo de Manila University in 1996 and 1992, respectively. Mr. Nalupta was admitted to the Philippine Bar in 1997.

***Ann Margaret K. Lorenzo, 34, Filipino, Assistant Corporate Secretary***

Ms. Lorenzo is the Assistant Corporate Secretary of the Company. She is also currently the Corporate Secretary of the following companies: Athena Ventures, Inc., TGTI Services, Inc., Galileo Software Services Inc., and GGO Realty Holdings, Inc. She is likewise the Assistant Corporate Secretary of I-Remit, Inc. (listed), Coal Asia Holdings, Incorporated (listed), TKC Metals Corporation (listed), Philequity PSE Index Fund, Inc., Philequity Fund, Inc., Philequity Peso Bond Fund, Inc., Philequity Dollar Income Fund, Inc., Philequity Dividend Yield Fund, Inc., Philequity Strategic Growth Fund, Inc., Philequity Balanced Fund, Inc., Philequity Resources Fund, Inc., Philequity Foreign Currency Fixed Income Fund, Inc., Aldex Realty Corporation, Oakridge Properties, Inc., Demikk Realty, Inc., Demikk Holdings, Inc., JTKC Leisure Holdings Corporation, Pan-Asean Multi-Resources Corporation, Etruscan Resources Philippines, Inc., and Tao Mohin Resources Corporation. She also serves as a Director of TGTI Services, Inc.

Ms. Lorenzo is currently a Junior Associate of Tan Venturanza Valdez. She obtained her Bachelor of Arts degree in English Studies and Juris Doctor degree from the University of the Philippines in 2010 and 2014, respectively. She was admitted to the Philippine bar in April 2015.

### Significant Employees

No single person is expected to contribute more significantly than others do to the business since the Company considers the collective efforts of all its employees as instrumental to the overall success of the Company's performance. Other than standard employment contracts, there are no arrangements with non-executive employees that will assure the continued stay of these employees with the Company.

### Board Meetings and Attendance

Board	Name	No. of Meetings Held during the Year	No. of Meetings Attended	%
Chairman	Walter H. Villanueva	7	7	100.00%
Member	Tita P. Villanueva (deceased)	7	6	86.00%
Member	Nicasio T. Perez	7	7	100.00%
Member	Derrick P. Villanueva	7	7	100.00%
Member	Eugene H. Villanueva	7	7	100.00%
Member	Hans T. Perez	7	7	100.00%
Member	Marie Therese G. Santos	7	7	100.00%
Member	Ernesto R. Alberto	7	6	86.00%
Member	Fernando S. Lopez	7	7	100.00%

### Item 10. Executive Compensation

The following summarizes the executive compensation received by the President and the top four (4) most highly compensated officers of the Company for 2018, 2019 and 2020. It also summarizes the aggregate compensation received by all the officers and directors, unnamed.

Name and Position	Year	Salaries	Bonuses	Others	Total
Walter H. Villanueva/ Chairman/President/Head- Pipe Group/ General Manager – PVC Roof Division	2022	₱ 19,771,896.00	₱ 22,135,061.40	₱ 1,512,606.94	₱ 43,419,264.34
Tita P. Villanueva/ SVP/Chief Financial Officer					
Nicasio T. Perez/VP- Treasurer					
Derrick P. Villanueva/General Manager-PVC Pipes Division					
Hans T. Perez/General Manager-PPR/HDPE Division					

Walter H. Villanueva/ Chairman/President/Head- Pipe Group/ General Manager – PVC Roof Division	2022	₱ 20,400,360	₱ 21,990,107.64	₱ 2,243,124.40	₱ 44,634,092.04
Tita P. Villanueva/ SVP/Chief Financial Officer					
Nicasio T. Perez/VP- Treasurer					
Derrick P. Villanueva/General Manager-PVC Pipes Division					
Walter H. Villanueva/ Chairman/President/Head- Pipe Group/ General Manager – PVC Roof Division	2021	₱ 22,901,454	₱ 1,264,607	₱ 5,793,996.66	₱ 29,959,607.66
Tita P. Villanueva/ SVP/Chief Financial Officer					
Nicasio T. Perez/VP- Treasurer					
Derrick P. Villanueva/General Manager-PVC Pipes Division					
Hans T. Perez/General Manager-PPR/HDPE Division					
Aggregate compensation paid to all officers and directors as a group unnamed	2023	₱ 20,613,896	₱ 22,135,061.40	₱ 3,962,838.30	₱ 46,711,795.70
	2022	₱ 20,400,360	₱ 24,355,287.64	₱ 3,185,124.40	₱ 47,940,772.04
	2021	₱ 24,552,648	₱ 1,381,070	₱ 7,628,996.66	₱ 33,562,714.66

### Compensation of Directors

Under the By-Laws of the Company, by resolution of the Board, each director shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than 10.00% of the net income before income tax of the Company during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders.

For 2023, the Board received per diem allowance of P1,372,000 and P6,126,328.40 performance incentive. Net income before tax in 2022 was P306,316,420.

Currently for Board meetings, the Chairman receives P25,000 and other directors at P20,000 per meeting attended. For Committee meetings, the Committee Chairperson receives P12,000 and the members receive P10,000 per meeting attended.

## Item 11. Security Ownership of Certain Beneficial Owners and Management

### Security Ownership of Certain Record and Beneficial Owners

As at December 31, 2023, the following are the owners of record, **directly or indirectly**, of more than 5.00% of the Company's outstanding capital stock, the number of shares and percentage of shareholdings of each of them:

<b>Security Ownership</b>					
<b>Title of Class</b>	<b>Name, address of record owner and relationship with Issuer</b>	<b>Name of Beneficial Owner and Relationship with Record Owner</b>	<b>Citizenship</b>	<b>No. of Shares Held</b>	<b>Percent of Class</b>
Common	<b>Nicasio T. Perez</b> West Triangle Homes, Quezon City <i>Shareholder</i>	Same as record owner	Filipino	97,024,422	15.89%
Common	<b>Walter H. Villanueva</b> Corinthian Gardens, Quezon City <i>Shareholder</i>	Same as record owner	Filipino	78,052,000	12.78%
Common	<b>Derrick P. Villanueva</b> Royal View Mansion, San Juan City <i>Shareholder</i>	Same as record owner	Filipino	40,418,293	6.62%
Common	<b>Eugene H. Lee Villanueva</b> West Triangle Homes, Quezon City <i>Shareholder</i>	Same as record owner	Filipino	34,255,108	5.61%
<b>TOTAL</b>					

## Security Ownership of Directors and Management

The following are the number of shares owned of record by the directors and executive officers of the Company and the percentage of shareholdings of each of them as of December 31, 2023:

<b>Direct Ownership by Board of Directors and Management</b>				
<b>Title of Class</b>	<b>Name of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Citizenship</b>	<b>Percent of Class</b>
Common	<b>Walter H. Villanueva</b> <i>Chairman of the Board, President, Head – Pipes Group, and General Manager – PVC Roof Division and Director</i>	78,052,000 <i>Direct</i>	Filipino	12.78%
Common	<b>Nicasio T. Perez</b> <i>Chief Finance Officer - OIC Vice President – Treasurer and Director</i>	47,280,000 <i>Direct</i>	Filipino	7.74%
Common	<b>Derrick P. Villanueva</b> <i>General Manager – PVC Pipes Division and Director</i>	39,863,293 <i>Direct</i>	Filipino	6.53%
Common	<b>Eugene H. Lee Villanueva</b> <i>Director</i>	34,255,108 <i>Direct</i>	Filipino	5.61%
Common	<b>Daphne V. Yu</b> <i>Director</i>	5,068,188 <i>Direct</i>	Filipino	0.85%
Common	<b>Hans T. Perez</b> <i>General Manager - PPR/HDPE Division and Director</i>	2,464,422 <i>Direct</i>	Filipino	0.40%
Common	<b>Marie Therese G. Santos</b> <i>Lead Independent Director</i>	108,000 <i>Direct</i>	Filipino	-nil-
Common	<b>Ernesto R. Alberto</b> <i>Independent Director</i>	108,000 <i>Direct</i>	Filipino	-nil-
Common	<b>Fernando S. Lopez</b> <i>Independent Director</i>	10,000 <i>Direct</i>	Filipino	-nil-
<b>Total</b>		<b>207,209,011</b> <b><i>Direct</i></b>		<b>33.93%</b>

As of December 31, 2023, the aggregate direct ownership of all directors and officers of the Company as a group is 33.93% of the total issued and outstanding shares of the Company.

### Selling Security Holders

None of the Offer Shares is to be offered for the account of security holders.

### Voting Trust

The Company knows of no person holding more than 5.00% of shares under a voting trust of similar agreement.



## **Item 12. Certain Relationships and Related Transactions**

### **Family Relationships**

Mr. Walter H. Villanueva and Mr. Eugene H. Lee Villanueva are siblings.

Mr. Derrick P. Villanueva is the son of Mr. Walter H. Villanueva.

Ms. Daphne V. Villanueva is the daughter of Mr. Walter H. Villanueva.

Mr. Hans Joseph T. Perez is the son of Mr. Nicasio T. Perez.

There are no other family relationships known to the Company among directors, executive officers, or persons nominated or chose by the registrant to become directors or executive officers other than the ones disclosed.

Details of the Related Party Transaction are discussed under Note 17 of the Audited Financial Statements.

## **PART IV – CORPORATE GOVERNANCE**

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### **Item 13. Compliance with Leading Practice on Corporate Governance**

The Company was listed at the Philippine Stock Exchange (PSE) on April 27, 2015. The company's Integrated Annual Corporate Governance Report (I-ACGR) shall be submitted on or before May 30, 2024, in compliance with SEC Memorandum Circular No. 15 Series of 2017.

## **PART V – EXHIBITS AND SCHEDULES**

### **Item 14. Exhibits and Reports on SEC Form 17-C**

(a) Exhibits - none

(b) Reports on SEC Form 17-C for the last six months of the year

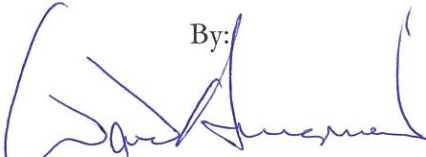
**INDEX TO FINANCIAL STATEMENTS**  
**Form 17-A, Item 7**

**Statement of Management's Responsibility for Financial Statements**  
**Independent Auditor's Report**  
**Statements of Financial Position**  
**Statements of Income**  
**Statements of Comprehensive Income**  
**Statements of Changes in Equity**  
**Statements of Cash Flows**  
**Notes to Financial Statements**

**SIGNATURES**

Pursuant to the requirements of the Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned thereunto duly authorized, in Pasig City on 11 MAR 2024.

**CROWN ASIA CHEMICALS CORPORATION**  
**Issuer**

By:   
**WALTER H. VILLANUEVA**  
Chairman and President



**NICASIO T. PEREZ**  
VP – Treasurer



**ATTY. JASON C. NALUPTA**  
Corporate Secretary

**SUBSCRIBED AND SWORN** to before me this 11 MAR 2024 day of \_\_\_\_\_ 2024 affiants exhibiting to me their Passports, as follows:

NAMES	Passport NO.	DATE/PLACE OF ISSUE
Walter H. Villanueva	P0607032B	02/09/2019 DFA NCR East
Nicasio T. Perez	P9957630A	12/17/2018 DFA NCR East
Atty. Jason C. Nalupta	P7670714A	06/26/2018 DFA NCR South

**NOTARY PUBLIC**

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**JESERAIRE NOC L. QUISAOT**  
Notary Public for Cities of Pasig and San Juan  
and in the Municipality of Pateros  
Appointment No. 301 (2023-2024)  
Commission Expires on December 31, 2024  
2704 East Tower, Tektite Towers, Exchange Road  
Ortigas Center, 1605 Pasig City  
PTR No. 1504080/01.02.24/Pasig  
IBP No. 301427/01.02.24/RSM  
Roll of Attorneys No. 87050  
Admitted to the Bar: 05.02.23