

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO: ALL STOCKHOLDERS

NOTICE is hereby given that there will be an annual meeting of the stockholders of Crown Asia Chemicals Corporation (the "Company") on **09 July 2020 (Thursday) at 3:00 p.m.**, to consider the following:

AGENDA

1. Call to Order
2. Proof of Notice of Meeting
3. Certification of Quorum
4. Approval of the Minutes of the Previous Meeting of Stockholders held on 09 May 2019
5. Approval of 2019 Operations and Results
6. Ratification of all Acts of the Board of Directors and Management from the date of the last Annual Stockholders' Meeting to the date of this meeting
7. Election of Directors for 2020 to 2021
8. Appointment of External Auditors
9. Other Matters
10. Adjournment

In light of the COVID-19 global pandemic resulting in the imposition by the government of regulations limiting mobility and mass gatherings, the meeting will be conducted virtually, and can be accessed at the link which will be provided to stockholders after successful registration.

Attached are the rationales for the above agenda items for reference.

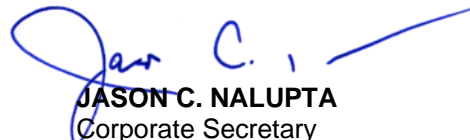
In accordance with the rules of the Philippine Stock Exchange (PSE), the close of business on **10 June 2020** has been fixed as the record date for the determination of the stockholders entitled to notice of, and vote, at said meeting and any adjournment thereof.

Stockholders may attend the meeting and/or cast their vote *in absentia* by registering via e-mail at corporatesecretary@crownpvc.com.ph on or before 5:00 p.m. on 29 June 2020. Upon verification of their registration credentials, an e-mail from the Corporation will be sent containing instructions on how the registered online participants may access and watch the livestream of the annual stockholders' meeting and/or cast their votes on matters to be taken up during the meeting using the e-voting platform to be set up for the purpose. The e-voting platform will be accessible until 10:00.am of 09 July 2020. Participants may send in questions or remarks via e-mail. Please see attached Guidelines for Participating via Remote Communication and Voting in Absentia.

Stockholders may also send their duly accomplished proxies to the Office of the Corporate Secretary at 2704 East Tower, Philippine Stock Exchange Centre, Ortigas Center, Pasig City or via electronic copy by sending an e-mail to corporatesecretary@crownpvc.com.ph on or before 5:00 p.m. on 29 June 2020. For corporate stockholders, the proxies should be accompanied by a Secretary's Certification on the appointment of the corporation's authorized signatory.

Validation of proxies is set on 30 June 2020. The votes already cast using the e-voting platform by that time will also be tallied on said date

Quezon City, Metro Manila, 10 June 2020.


JASON C. NALUPTA
Corporate Secretary

RATIONALE FOR AGENDA ITEMS:

Agenda Item No. 4. Approval of the Minutes of the Previous Meeting of Stockholders held on 09 May 2019

A copy of the Minutes of the 09 May 2019 Annual Stockholders' Meeting is available at the Corporation's website at <https://crownpvc.com.ph/pdfupload/CROWN%20ASM%202019%20MINUTES.pdf>. Stockholders will be asked to approve the Minutes of the 2019 Annual Stockholders' Meeting.

Agenda Item No. 5. Approval of 2019 Operations and Results

A report on the highlights of the performance of the Company for the year ended 2019 will be presented to the stockholders together with the Audited Financial Statements (AFS) for 2019. The AFS were reviewed by the Audit Committee and the Board of Directors, and have been audited by the external auditor, Punongbayan & Araullo (P&A), which rendered an unqualified opinion on the same. Highlights of the 2019 Operations and Results are discussed in the "Management Discussion and Analysis of Operation Performance and Financial Condition" portion of the attached condensed Annual Report. A summary of the 2019 AFS shall also be presented to the stockholders. Stockholders will be given an opportunity to raise questions regarding the operations and report of the Company.

Agenda Item No. 6. Ratification of all Acts of the Board of Directors and Management from the date of the last Annual Stockholders' Meeting to the date of this meeting

All actions, proceedings, and contracts entered into, as well as resolutions made and adopted by the Board of Directors and of Management since the Stockholders' Meeting held on 09 May 2019 until the date of this meeting, shall be presented for confirmation, approval, and ratification.

Agenda Item No. 7. Election of Directors for 2020 to 2021

The incumbent members of the Board of Directors, as reviewed, qualified, and recommended by the Corporate Governance Committee, have been nominated for re-election. Their expertise and qualifications based on current regulatory standards and the Company's own norms will help sustain the Company's performance that will, in turn, benefit the stockholders. The profiles of the Directors are further detailed in the Company's Information Statement. If elected, they shall serve as such from 09 July 2020 until their successors shall have been duly elected and qualified.

Agenda Item No. 8. Appointment of External Auditors

The Audit Committee has pre-screened and recommended, and the Board has endorsed for the consideration of the stockholders, the re-appointment of P&A as the Corporation's External Auditors for 2020 to 2021. P&A is one of the leading auditing firms in the country and is duly accredited by the Securities and Exchange Commission (SEC). The stockholders will also be requested to delegate to the Board the authority to approve the external audit fee for 2020.

PROXY FORM

The undersigned stockholder of Crown Asia Chemicals Corporation (the "Company") hereby appoints _____ or in his absence, the Chairman of the Meeting, as attorney and proxy, with power to substitute, represent, and vote all shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Meeting of Stockholders of the Company on 9 July 2020, and at any of the adjournments thereof, for the purpose of acting on the following matters:

1. Election of Directors.

- _____ 1.1. Vote for all nominees listed below:
- 1.1.1. Walter H. Villanueva
 - 1.1.2. Eugene H. Lee Villanueva
 - 1.1.3. Tita P. Villanueva
 - 1.1.4. Nicasio T. Perez
 - 1.1.5. Derrick P. Villanueva
 - 1.1.6. Hans Joseph T. Perez
 - 1.1.7. Ernesto R. Alberto (Independent Director)
 - 1.1.8. Marie Therese G. Santos (Independent Director)
 - 1.1.9. Bede Lovell S. Gomez (Independent Director)

_____ 1.2. Withhold authority for all nominees listed above.

_____ 1.3. Withhold authority to vote for the nominees listed below:

2. Approval of the Minutes of previous Annual Stockholders' Meeting.

___ Yes ___ No ___ Abstain

3. Approval of the 2019 Annual Report.

___ Yes ___ No ___ Abstain

4. Ratification of all acts and resolutions of the Board of Directors and Management from date of last Stockholders' Meeting to 09 July 2020.

___ Yes ___ No ___ Abstain

5. Appointment of Punongbayan & Araullo as external auditor.

___ Yes ___ No ___ Abstain

6. At their discretion, the proxies named above are authorized to vote upon such other matters as may properly come before the meeting.

___ Yes ___ No ___ Abstain

Printed Name of Stockholder

Signature of Stockholder /
Authorized Signatory

Date

THIS PROXY FORM SHOULD BE RECEIVED BY THE CORPORATE SECRETARY (IN HARDCOPY TO THE OFFICE OF THE CORPORATE SECRETARY AT 2704, EAST TOWER, PHILIPPINE STOCK EXCHANGE CENTRE, ORTIGAS CENTER PASIG CITY OR SOFTCOPY SUBMITTED THROUGH THE ASM ONLINE REGISTRATION PORTAL) AT LEAST TEN DAYS BEFORE THE DATE SET FOR THE ANNUAL MEETING

SECRETARY'S CERTIFICATE

I, _____, Filipino, of legal age, and with office address at _____, do hereby certify that:

1. I am the duly elected and qualified Corporate Secretary of _____ (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at _____;

2. Based on the records, during the lawfully convened meeting of the Board of Directors of the Corporation held on _____, the following resolution was passed and approved:

"RESOLVED, that _____ be authorized and appointed, as he is hereby authorized and appointed, as the Corporation's Proxy (the "Proxy"), to attend all meetings of the stockholders of Crown Asia Chemicals Corporation ("CROWN"), whether the meeting is regular or special, or at any meeting postponed or adjourned therefrom, with full authority to vote the shares of stock of the Corporation held in CROWN, and to act upon all matters and resolution that may come before or be presented during meetings, or any adjournments thereof, in the name, place, and stead of the Corporation; and

"RESOLVED, FINALLY, That CROWN be furnished with a certified copy of this resolution, and may rely on the continuing validity of this resolution until receipt of written notice of the resolution's revocation."

3. The foregoing resolution has not been modified, amended, or revoked in accordance with the records of the Corporation presently in my custody.

IN WITNESS WHEREOF, I have signed this instrument on _____ in _____.

Printed Name and Signature of the
Corporate Secretary

SUBSCRIBED AND SWORN TO BEFORE ME on _____ in _____.
Affiant exhibited to me his/her Competent Evidence of Identity by way of _____ issued on _____ at _____.

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of _____.

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS**

**Information Statement Pursuant to Section 20
of the Securities Regulation Code**

1. Check the appropriate box
[] Preliminary Information Statement
[] Definitive Information Statement
2. Name of Registrant as specified in its charter: **CROWN ASIA CHEMICALS CORPORATION**
3. Province, country, or other jurisdiction of incorporation or organization: **Metro Manila**
4. SEC Identification Number: **159950**
5. BIR Tax Identification Number: **025-000-240-902**
6. Address of principal office: **Km. 33 MacArthur Highway, Bo. Tuktukan, Guiguinto, Bulacan, Philippines**
7. Registrant's telephone number, including area code: **(02) 3413-8031 to 36**
8. Date, time, and place of the meeting of security holders:
- | | | |
|-------|---|--|
| Date | : | 09 July 2020 (Thursday) |
| Time | : | 3:00 p.m. |
| Venue | : | Video Conferencing in accordance with SEC Memorandum Circular No. 6, Series of 2020 |
9. Approximate date on which the Information Statement is to be sent or given to security holders: **11 June 2020.**
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):
- | Title of Each Class | Number of Shares of Common Stock Outstanding |
|--------------------------------------|--|
| Common Stock, ₱1.00 par value | 611,121,000 (as of 31 May 2020) |
11. Are any or all of Registrant's securities listed on a Stock Exchange?
- Yes [] No []
- | | | |
|--|---|---|
| If so, disclose the name of the Exchange | : | <u>The Philippine Stock Exchange, Inc.</u> |
| Class of securities listed | : | <u>Common Shares</u> |

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE NOT REQUESTED TO SEND US A PROXY.

GENERAL INFORMATION

Date, time, and place of meeting of security holders

- (a) Date - 09 July 2020 (Thursday)
Time - 3:00 p.m.
Place - Videoconferencing in accordance with SEC Memorandum Circular No. 6, Series of 2020
- (b) The approximate date on which the Information Statement will be sent or given to security holders is on **11 June 2020**.
- (c) The complete mailing address of the principal office of Crown Asia Chemicals Corporation (the "Company") is: **Km. 33 MacArthur Highway, Bo. Tuktukan, Guiguinto, Bulacan, Philippines**.

Dissenters' Right of Appraisal

The matters to be voted upon in the Annual Stockholders' Meeting on **09 July 2020** are not among the instances enumerated under Sections 41 and 80 of the Revised Corporation Code of the Philippines ("Revised Corporation Code") under which a stockholder may exercise his appraisal rights. A stockholder shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

- (a) In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- (b) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code;
- (c) In case of merger or consolidation; and
- (d) In case of investment of corporate funds for any purpose other than the primary purpose of the Corporation.

No matters or actions to be taken up at the meeting that may give rise to a possible exercise by stockholders of their appraisal rights.

Interest of Certain Persons in or Opposition to Matters to be Acted Upon

- (a) No person who has been a director or officer or nominee for election as director of the Company or associate of such persons, have substantial interest, direct or indirect, in any matter to be acted upon, other than the election of directors for the year 2020 to 2021.
- (b) The Company is not aware of any director or security holder who intends to oppose any action to be taken by it during the stockholders' meeting.

CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders Thereof

- (a) As of **31 May 2020**, the Company has **611,121,000** common shares outstanding and each share is entitled to one vote.
- (b) The record date with respect to the determination of the stockholders entitled to notice of and vote at the Annual Stockholders' Meeting is **10 June 2020**.
- (c) With respect to the election of nine directors, each stockholder may vote such number of shares for as many as nine persons he may choose to be elected from the list of nominees, or he may cumulate said shares and give one candidate as many votes as the number of his shares multiplied by nine shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by nine.
- (d) Security ownership of certain record and beneficial owners and management.
- (1) Security Ownership of Certain Record and Beneficial Owners

The following persons or groups are known to the Company as directly or indirectly the record or beneficial owners of more than 5.00% of the Company's voting securities as of **31 May 2020**:

Title of Class	Name and address of Record Owner and relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Class
Common	Eugene H. Lee Villanueva West Triangle Homes, Quezon City <i>Shareholder</i>	Same as Record Owner	Filipino	74,577,108	12.20%
Common	Walter H. Villanueva Corinthian Gardens, Quezon City <i>Shareholder</i>	Same as Record Owner	Filipino	73,564,000	12.04%
Common	Jefferson T. Sy Damar Village, Quezon City <i>Shareholder</i>	Same as Record Owner	Filipino	49,744,422	8.14%
Common	Nicasio T. Perez West Triangle Homes, Quezon City <i>Shareholder</i>	Same as Record Owner	Filipino	47,280,000	7.74%
Common	Tita P. Villanueva Corinthian Gardens, Quezon City <i>Shareholder</i>	Same as Record Owner	Filipino	47,280,000	7.74%
TOTAL				292,445,530	47.86%

Apart from the foregoing, there are no other persons holding more than 5.00% of the Company's outstanding capital stock.

- (2) Security Ownership of Management

The following table shows the shares beneficially owned by the directors and executive officers of the Company and the percentage of shareholdings of each of them as of **31 May 2020**:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Eugene H. Lee Villanueva <i>General Manager – Compounds Division, and Director</i>	74,577,108 (<i>Direct</i>)	Filipino	12.20%
Common	Walter H. Villanueva <i>Chairman of the Board, President, Head– Pipes Group, General Manager –PVC Roof Division, and Director</i>	70,920,000 (<i>Direct</i>) 2,644,000 (<i>Indirect</i>)	Filipino	12.04%
Common	Tita P. Villanueva <i>Senior Vice President (SVP)/Chief Financial Officer and Director</i>	47,280,000 (<i>Direct</i>)	Filipino	7.74%
Common	Nicasio T. Perez <i>Vice President (VP) – Treasurer and Director</i>	47,280,000 (<i>Direct</i>)	Filipino	7.74%
Common	Derrick P. Villanueva <i>General Manager – PVC Pipes Division and Director</i>	6,080,000 (<i>Direct</i>) 5,808,293 (<i>Indirect</i>)	Filipino	1.95%
Common	Hans Joseph T. Perez <i>Director</i>	2,464,422 (<i>Direct</i>)	Filipino	0.40%
Common	Marie Therese G. Santos <i>Independent Director</i>	1,000 (<i>Direct</i>)	Filipino	-nil-
Common	Ernesto R. Alberto <i>Independent Director</i>	1,000 (<i>Direct</i>)	Filipino	-nil-
Common	Bede Lovell S. Gomez <i>Lead Independent Director</i>	1 (<i>Direct</i>)	Filipino	-nil-
Common	Jason C. Nalupta <i>Corporate Secretary</i>	-nil-	Filipino	-nil-
Common	Ann Margaret K. Lorenzo <i>Assistant Corporate Secretary</i>	-nil-	Filipino	-nil-
Total				42.07%

(3) Voting Trust Holders of 5.00% or More

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

Changes in Control

There are no existing provisions in the amended Articles of Incorporation and amended By-Laws of the Company, which may cause delay, defer, or in any manner prevent a change in control of the Company.

Directors and Executive Officers

The names, ages, and periods of service of all incumbent Directors and Executive Officers of the Company are as follows:

Directors:

Name	Age	Nationality	Present Position	Period of Service in the Company
Walter H. Villanueva	65	Filipino	Chairman of the Board	19 years
Eugene H. Lee Villanueva	63	Filipino	Director	31 years
Tita P. Villanueva	64	Filipino	Director	30 years
Nicasio T. Perez	62	Filipino	Director	30 years
Derrick P. Villanueva	37	Filipino	Director	10 years
Hans Joseph T. Perez	30	Filipino	Director	less than a year
Marie Therese G. Santos	62	Filipino	Independent Director	more than 4 years
Ernesto R. Alberto	57	Filipino	Independent Director	more than 4 years
Bede Lovell S. Gomez	51	Filipino	Lead - Independent Director	more than 3 years

Executive Officers:

Name	Age	Nationality	Present Position	Year Position was Assumed
Walter H. Villanueva	65	Filipino	President	2019
			Head – Pipe Group	2014
			General Manager –PVC Roof Divisions	2017
Eugene H. Lee Villanueva	63	Filipino	General Manager – Compounds Division	1989
Tita P. Villanueva	64	Filipino	SVP/Chief Financial Officer	2017
Nicasio T. Perez	62	Filipino	VP – Comptroller	2005
Derrick P. Villanueva	37	Filipino	VP – Treasurer	1992
			General Manager – PVC Pipes Division	2014
Hans Joseph T. Perez	30	Filipino	Assistant General Manager – PVC Pipes Division	2009
			General Manager – PP-R/HDPE Pipes Division	2017
Marie Grace N. Dalupan	38	Filipino	General Manager – Compliance Officer and Chief Risk Officer	2020
			AVP for Finance	
Jason C. Nalupta	48	Filipino	Corporate Secretary and Chief Information Officer	2012
Ann Margaret K. Lorenzo	31	Filipino	Assistant Corporate Secretary	2017

Board of Directors

All the incumbent members of the Board of Directors were also nominated herein, as certified by the Corporate Governance Committee composed of Mr. Bede Lovell S. Gomez (Chairman), Ms. Marie Therese G. Santos (Independent Director), Mr. Ernesto R. Alberto (Independent Director), Ms. Tita P. Villanueva and Mr. Walter H. Villanueva, for re-election as members of the Board of Directors for 2020 to 2021.

On 05 March 2020, the Company's Corporate Governance Committee also endorsed the nominations for the three independent directors. These nominations were given in favor of Mr.

Ernesto R. Alberto by Mr. Walter H. Villanueva, Ms. Marie Therese G. Santos by Ms. Tita P. Villanueva, and Mr. Bede Lovell S. Gomez by Mr. Jefferson T. Sy. The nominees, Mr. Alberto, Ms. Santos, and Mr. Gomez are not related to the nominating stockholders, Mr. Villanueva, Ms. Villanueva, and Mr. Sy, respectively.

To describe the business experiences of the Company's directors for the past five years, we have outlined hereunder their professional and business affiliations.

Walter H. Villanueva, 65, Filipino, Chairman of the Board, President, Group Head-Pipe Group and General Manager – PVC Roof Division

Mr. Walter H. Villanueva is concurrently a director 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.

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

Eugene H. Lee Villanueva, 63, Filipino, Director, and General Manager – Compounds Division

Mr. Eugene H. Lee Villanueva is concurrently a director 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 previously served as President of Crown Asia Chemicals Corporation until July 31, 2019..

Tita P. Villanueva, CPA, 64, Filipino, Director and SVP/Chief Financial Officer

Mrs. Tita P. Villanueva (CPA) is concurrently a director of Asean Timber Corporation, Husky Plastics Corporation, WT Derrick Realty Corporation, and Guiguinto Integrated Wood Industries Corporation. She likewise serves as the Comptroller and Chairman of the Board of Asean Timber Corporation, Treasurer of both Husky Plastics Corporation and WT Derrick Realty Corporation, and Vice President of Guiguinto Integrated Wood Industries Corporation. Mrs. Villanueva holds a Bachelor of Science degree in Business Administration and Accountancy from the University of the Philippines Diliman. She was promoted to Senior Vice President and Chief Financial Officer on December 15, 2017.

Nicasio T. Perez, 62, Filipino, Director and VP-Treasurer

Mr. Nicasio T. Perez is concurrently a director 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, 37, 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 of WT Derrick Realty 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.

Hans Joseph T. Perez, 30, Filipino, Director and General Manager – PP-R/HDPE Pipes Division

Mr. Hans T. Perez assumed his position as director and General Manager of the PP-R /HDPE Pipes Division in 2017. He holds a Bachelor of Science degree in Commerce major in Business Management from the De La Salle University.

Marie Therese G. Santos, 62, Filipino, Independent Director

Ms. Marie Therese G. Santos is concurrently a director and administrator of Gravitas Prime. Ms. Santos also sits as Independent Director of First Abacus Holdings, Inc. and Cordillera Savings Bank. 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 the Rural Bank of Solano (Nueva Vizcaya), Inc.

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 passed the licensure examination for Chemical Engineering.

Ernesto R. Alberto, 57, Filipino, Independent Director

Mr. Ernesto "Eric" R. Alberto retired from the PLDT Group as Chief Revenue Officer & Executive Vice President for PLDT and Smart and as President and CEO of ePLDT on 30 June 2019. During his term, he was a member of the PLDT Group's Top Management Team and held chairmanships and directorships in a number of subsidiaries and affiliates of PLDT, ePLDT and Smart. He brings with him nearly forty (40) years of extensive experience in telecommunications, corporate banking, relationship management and business development, having held key positions in the PLDT Group and leading local and foreign banks. He pursued masteral studies in economic research from the University of Asia and the Pacific in 1985, and is a graduate of San Beda College with a major degree in Economics minor in Mathematics and Political Science in 1982.

Bede Lovell S. Gomez, 51, Filipino, Lead Independent Director

Bede Lovell Gomez is currently a member of the Board of Directors of Verzontal Infrastructure Corporation, Orbis Capital Ventures, Inc., Orbis Lending Partners, Inc., Costa Ventures, OPC and Ardenwood Steel Industrial Corporation. He is currently the Chief Executive Officer of Verzontal Infrastructure Corporation and a member of the Shareholders Association of the Philippines (SharePhil). Mr. Gomez spent 25 years in the finance and investment field, commercial banking, private equity and construction. Prior to being the CEO of Verzontal, he spent more than 5 years with First Metro Investment Corporation as the Head of the Investment Advisory Group. He also held several positions in Security Bank, Robinsons Bank and the Asian Finance and Investment

Corporation (AFIC). He graduated with a degree in Political Science and Economics from Loyola University Chicago in Illinois, USA.

* Independent Director – the Company has complied with the Guidelines set forth by SRC (Securities Regulation Code) Rule 38 regarding the Nomination and Election of Independent Directors. The procedures for the nomination and election of independent director/s laid down in the Company's By-Laws are in accordance with the requirements of said Rule.

EXECUTIVE OFFICERS

Marie Grace N. Dalupan, 38, Filipino, Compliance and Risk Management Officer, AVP for Finance

Ms. Marie Grace N. Dalupan, Filipino, 38, is the Compliance and Risk Management Officer of the Corporation. She is also the AVP for Finance since 2019. She received her Bachelor of Science, Major in Accountancy from the De La Salle University and she is a Certified Public Accountant.

Jason C. Nalupta, 48, Filipino, Corporate Secretary and Chief Information Officer

Mr. Jason C. Nalupta, Filipino, 48, 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., Pacific Online Systems Corporation, and Asia United Bank. 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., Grabagility, Inc., Lucky Circle Corporation, Loto Pacific Leisure Corporation, Basic Leisure Networks, Inc., Stage Craft International, Inc. and Sta. Clara International Corporation. He is a Partner at Tan Venturanza Valdez Law Offices specializing on corporate, securities, and business laws.

Atty. 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. Atty. Nalupta was admitted to the Philippine Bar in 1997.

Ann Margaret K. Lorenzo, 31, Filipino, Assistant Corporate Secretary

Madam Ann Margaret K. Lorenzo, Filipino, 31, is the Assistant Corporate Secretary of the Corporation. She is concurrently the Corporate Secretary of the following companies: GGO Realty Holdings, Inc., Athena Ventures, Inc. and Galileo Software Services Inc. She is likewise the Corporate Secretary of the listed company TKC Metals Corporation. She is also the Assistant Corporate Secretary of the following listed companies: Asia United Bank and Coal Asia Holdings, Inc.

Ms. Lorenzo is a Senior Associate at Tan Venturanza Valdez where she specializes in securities law, special projects and data privacy. She also lectures at the Paralegal Training Program of the UP Law Center. 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 within the Company.

Family Relationships

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

Mrs. Tita P. Villanueva and Mr. Nicasio T. Perez are siblings.

Mr. Walter H. Villanueva and Ms. Tita P. Villanueva are spouses.

Mr. Derrick P. Villanueva is the son of Mr. Walter H. Villanueva and Ms. Tita P. 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 chosen by the Company to become directors or executive officers other than the ones disclosed.

Involvement in Certain Legal Proceedings

To the best of the Company's knowledge, there has been no occurrence during the past five years up to the date of this Information Statement 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 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.

Certain Relationships and Related Transactions

No director or executive officer or any member of their immediate family has, during the last two years, had a direct or indirect material interest in a transaction or proposed transaction to which the Company was a party.

Disagreement with Director

No director has resigned nor declined to stand for re-election to the Board of Directors because of a disagreement with the Company on any matter relating to the latter's operations, policies, or practices since the date of the last Annual Stockholders' Meeting.

Compensation of Directors and Executive Officers

Under the By-Laws of the Company, by resolution of the Board, each director shall receive a reasonable per diem 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.

Currently, for Board meetings, the Chairman receives ₱25,000.00, while other directors receive ₱20,000.00 per meeting attended. For Committee meetings, the Committee Chairperson receives ₱12,000.00 and the members receive ₱10,000.00 per meeting attended.

As of **31 May 2020**, there were no outstanding warrants or options held by any of the Company's directors and officers.

The following summarizes the executive compensation received by the President and the top four (4) most highly compensated officers of the Company for 2017, 2018 and 2019. It also summarizes the aggregate compensation received by all the officers and directors, unnamed.

Summary Compensation Table (Annual Compensation)					
Name and Position	Year	Salaries	Bonuses	Others	Total
Eugene Lee Villanueva General Manager – Compounds Division	2019	₱21,265,020	₱1,518,930	₱1,097,197	₱ 23,811,147
Walter H. Villanueva Chairman/ President/ General Manager – Pipe Group / General Manager – PP- R/HDPE Pipes and PVC Roof Divisions					
Tita P. Villanueva SVP/Chief Financial Officer					
Nicasio T. Perez VP – Treasurer					
Derrick P. Villanueva General Manager – PVC Pipes Division					
CEO and the four most highly compensated officers named above	2018	₱21,265,020	₱1,518,930	₱667,876	₱ 23,451,826
CEO and the four most highly compensated officers named above	2017	₱18,295,603	₱3,324,643	₱970,517	₱ 22,590,763
Aggregate compensation paid to all officers and directors as a group unnamed	2020 (estimated)	₱12,831,177	-	₱244,000	₱13,075,177
	2019	₱21,957,208	₱3,975,310	₱1,128,066	₱27,060,584
	2018	₱22,624,020	₱1,518,930	₱667,876	₱ 24,810,826
	2017	₱18,295,603	₱3,324,643	₱2,788,517	₱24,408,763

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

There are no special employment contracts between the Company and its executive officers. Furthermore, there are no special retirement plans for executives. There is also no arrangement for compensation to be received from the Company.

Warrants and Options Outstanding

There are no outstanding warrants or options held by directors and officers and consequently, there are no adjustments in the exercise price of said warrants or options.

Independent Public Accountants

Punongbayan & Araullo (P&A) the Company's external auditors for 2019 to 2020 , will be recommended for re-appointment as such for the current year. Representatives of P&A are expected to be present at the Annual Stockholders' Meeting to respond to appropriate questions and will be given the opportunity to make a statement if they so desire.

P&A audited the Company's financial statements for the year ended 31 December 2019. 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. The partner who handled the Company's external audit was John Endel Mata. Since the appointment of P&A in 2012, there has been no change in the auditor and there has been 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.

In Compliance with SEC Memorandum Circular No. 8 Series of 2003, the assignment of Mr. Mata as P&A's engagement partner for the Company shall not exceed five years.

P&A billed the Company ₱400,000.00, ₱425,000.00, and ₱485,000.00 for the examination of the latter's financial statements for the calendar years 31 December 2017, 2018 and 2019, respectively, exclusive of 15% of professional fees for out-of-pocket expenses.

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

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, composed of Ms. Marie Therese G. Santos as Chairperson, and Mr. Bede Lovell S. Gomez, Mr. Ernesto R. Alberto, Mr. Nicasio T. Perez, and Mr. Jefferson T. Sy as members.

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.

OTHER MATTERS

Action with Respect to Reports

The Company will seek the stockholders' approval of the Minutes of the previous Stockholders' Meeting during which the following were taken up: (1) Call to Order; (2) Proof of Notice of Meeting; (3) Certification of Quorum; (4) Approval of the Minutes of the Previous Meeting of Stockholders; (5) Approval of 2019 Operations and Results; (6) Ratification of all Acts of the Board of Directors and Management from the date of last Annual Stockholders' Meeting to the date of this meeting; (7) Election of Directors for 2020 to 2021; (8) Appointment of P&A as External Auditors; (9) Other Matters; and (10) Adjournment.

The 2019 Operations and Results is contained and discussed in the Annual Report attached, and made part of this Information Statement. Approval of the reports will constitute approval of the Audited Financial Statements as well as approval and ratification of the acts of management and of the Board of Directors for the past year.

Matters Not Required to be Submitted

No action is to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

Amendment of Charter, By-Laws or Other Documents

No action will be taken with respect to any amendment to the Corporation's Articles of Incorporation or By-Laws.

Other Proposed Actions

The following are to be proposed for approval during the Annual Stockholders' Meeting:

1. Minutes of the Previous Meeting of Stockholders;
2. 2019 Operations and Results;
3. Ratification of all Acts of the Board of Directors and Management from the date of the last Annual Stockholders' Meeting up to 09 July 2020;
4. Election of Directors for 2020 to 2021;
5. Appointment of P&A as External Auditors; and
6. Other Matters.

The acts of the Board of Directors and Management from the date of the last Annual Stockholders' Meeting up to 09 July 2020 that are for ratification are those items entered into in the ordinary course of business, with those of significance having been covered by appropriate disclosures such as:

1. Membership in the different committees of the Board of Directors;
2. Designation of authorized signatories for day-to-day transactions;
3. Designation of authorized representatives with various companies and entities;
4. Approval of 2019 Audited Financial Statements;
5. Declaration of cash dividend;
6. Opening of accounts and credit facilities;
7. Designation of officers;
8. Resignation of Director/s & Election to Fill Vacancy;
9. Review of policies; and
10. Purchase or sale of motor vehicles.

Management reports, which summarize the acts of management for the year 2019, are included in the Company's Annual Report to be sent to the stockholders together with this Information Statement and submitted for the stockholders' approval at the meeting. Accordingly, approval of the Annual Report will constitute approval of the Audited Financial Statements as well as approval and ratification of the acts of management stated in the management reports during the period covered thereby.

Voting Procedures

- (a) Actions to be taken at the Annual Stockholders' Meeting shall require the vote of the stockholders representing at least a majority of the Company's outstanding capital stock.
- (b) Two inspectors, who are officers or employees of the Company, shall be appointed by the Board of Directors before or at each meeting of the stockholders, at which an election of directors shall take place. If no such appointment shall have been made or if the inspectors appointed by the Board of Directors refused to act or failed to attend, then the appointment shall be made by the presiding officer of the meeting. For purposes of the Annual Stockholders' Meeting on **09 July 2020**, the Corporate Secretary and/or his representative, together with the Audit Partner of the External Auditor and/or his representative, have been designated as inspectors tasked to oversee the counting of votes.
- (c) Stockholders may vote at all meetings either in person or by proxy duly given in writing in favor of any person of their confidence, and each stockholder shall be entitled to one vote for each share of stock standing in his name in the books of the Company. However, in the election of Directors, each stockholder shall be entitled to cumulate his votes in the manner provided by law. For the purpose of this year's annual stockholders' meeting, which will be held only in virtual format, the stockholders may only vote through proxies or by remote communication (in absentia). The stockholders are encouraged to participate in the meeting by either of the following:
 - i. By submitting duly accomplished proxies to the Office of the Corporate Secretary at 2704 East Tower, Philippine Stock Exchange Centre, Ortigas Center, Pasig City or via electronic copy by emailing corporatesecretary@crownpvc.com.ph on or before 5:00 pm on 29 June 2020.

For corporate stockholders, the proxies should be accompanied by a Secretary's Certificate on the appointment of the corporation's authorized signatory.
 - ii. By registering your votes on the matters to be taken up during the meeting through the e-voting platform set-up for the purpose which can be accessed at **www.crownpvc.com.ph**. The e-voting platform will be open until 10:00 am of 09 July 2020.
- (d) The By-Laws of the Company are silent as to the method by which votes are to be counted. In practice, however, the same is done by the raising of hands or *viva voce*.
- (e) With respect to the election of nine directors, each stockholder may vote such number of shares for as many as nine persons he may choose to be elected from the list of nominees, or he may cumulate said shares and give one candidate as many votes as the number of his shares multiplied by nine shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by nine.

- (f) Upon confirmation by the inspectors that there is a mathematical impossibility for certain nominees to be elected into office based on proxies held and votes present/represented in the meeting, the actual casting and counting of votes for the election of Directors may be dispensed with.


Omitted Items

Items 8, 9, 10, 11, 12, 16, and 17 are not responded to in this report, the Company having no intention to take any action with respect to the information required therein.

SIGNATURE

After reasonable inquiry and to the best of our knowledge and belief, we hereby certify that the information set forth in this report are true, complete, and correct.

This report is signed in Pasig City, on 10 June 2020.


JASON C. NALUPTA
Corporate Secretary

CROWN ASIA CHEMICALS CORPORATION

BUSINESS AND GENERAL INFORMATION

BACKGROUND

The Company was incorporated and registered with the SEC on 10 February 1989 as Crown Asia Compounders Corporation. On 29 September 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, and 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® pipes brand for electrical, sanitary, potable water, and telecommunications applications.

In 1998, the Company began the production of PVC flexible electrical pipes using the latest German machinery (Battenfeld and Fränkische) and technology at that time. 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 IC packaging tubes, films, and bottles, as well as door and window profiles.

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

On 27 April 2015, Crown Asia Chemicals Corporation was listed at the PSE.

In August 2015, the Company commenced production of PP-R and HDPE pipes.

In February 2016, the Company started manufacturing Enduro pipes.

In December 2017, the Company started test operations of its PVC roof materials.

PRODUCT LINES

PVC COMPOUNDS

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.

IC Tubes

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

Films

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

PVC PIPES AND FITTINGS

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.

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.

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.

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.

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.

Crown Telecom

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

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.

Enduro Pipes

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

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).

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.

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 price 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. The Company is also assessing the purchase and installation of additional standby generator sets to increase its auxiliary power capacities in the event of power outages.

- **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.

- **Volatility in the Value of Peso against the US Dollar and other Currencies**

Historically, the Philippines has experienced volatility in the exchange rate between the Philippine peso and the U.S. dollar, as well as against other currencies.

The Company's foreign exchange earnings are used to meet its importation requirements.

- **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.

Properties

The Company owns the following properties covered by individual tax declarations issued under its name in Km. 33 Mac Arthur Highway Bo. Tuktukan, Guiguinto, Bulacan where the manufacturing plant is located.

- **Lands**

Tax Declaration Number	Area	Classification
2018-09014-01623	5,462.00 sqm	Industrial
2018-09014-01624	892.00 sq.m.	Industrial
2018-09014-01626	3,214.00 sq.m.	Industrial
2018-09014-01628	6,415.00 sq.m.	Industrial
2018-09014-01634	2,888.00 sq.m.	Industrial
2018-09014-01704	11,935.00 sq.m.	Industrial

- **Buildings and Improvements**

Tax Declaration Number	Area	Classification
2018-09014-01625	140.00 sq.m.	Industrial
2018-09014-01627	2,184.00 sq.m.	Industrial
2018-09014-01629	1,150.50 sq.m.	Industrial
2018-09014-01635	1,980.00 sq.m.	Industrial
2018-09014-01636	500.00 sq.m.	Industrial/Residential
2018-09014-01706	468.00 sq.m.	Industrial
2018-09014-01705	2,835.00 sq.m.	Industrial
2018-09014-01707	3,276.00 sq.m.	Industrial

The properties (lands, buildings, and improvements) are not subject to any mortgage, lien, encumbrance, or limitations on ownership or usage.

- **Trademarks and Copyrights**

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

CROWN's Trademarks Under License			
Registered Trademark	Registration Number	Date of Registration	Valid Until
CROWN	4-2006-013655	11 August 2008	11 August 2028
CROWN SUPREME	4-2006-013659	13 October 2008	13 October 2028
CROWN BLUE	4-2006-013656	11 August 2008	11 August 2028
CROWN FLEX	4-2006-013657	11 August 2008	11 August 2028
ENDURO WITH CROWN DEVICE	4-2006-012499	20 August 2007	20 August 2027
HI TECH WITH CROWN LOGO	4-2005-006473	23 October 2006	23 October 2026
PETROVIN & CROWN DEVICE	4-2006-010314	30 July 2007	30 July 2027
TECHNOVINYL & CROWN DEVICE WITHIN THE CIRCLE	4-1997-123430	10 February 2003	10 February 2023
CROWN EXTREME	4-2010-011168	24 February 2011	24 February 2021
CROWN UNIVERSAL	4-2006-013658	13 August 2007	13 August 2027
CROWN HYDRO-PLUS	4-2014-00003801	7 August 2014	7 August 2024
CROWN HYDRO-FLEX	4-2014-00003802	7 August 2014	7 August 2024
CROWN HYDRO-TECH	4-2014-00003804	18 September 2014	18 September 2024
CROWN FUERZA	4-2014-00007463	12 February 2015	12 February 2025

CROWN SIGMA	4-2014-00007464	12 February 2015	12 February 2025
CROWN ClearBright	4-2017-011460	17 December 2017	17 December 2027
CROWN CorrWave	4-2017-011461	23 November 2017	23 November 2027
CROWN StrongRib	4-2017-011462	17 December 2017	17 December 2027
CROWN HeatProtect	4-2017-011463	26 April 2018	26 April 2028
CROWN SmartRoof	4-2017-011464	17 December 2017	17 December 2027
CROWN TileTech	4-2017-011465	17 December 2017	17 December 2027
CROWN RED AND GREEN	4-2014-00004482	11 December 2014	11 December 2024

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

DISAGREEMENT WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

P&A audited the Company's financial statements for the year ended 31 December 2019. 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. The partner who handled the Company's external audit was Mr. Romualdo V. Murcia III. Since the appointment of P&A in 2012, there has been no change in auditor and 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.

MANAGEMENT DISCUSSION AND ANALYSIS OF OPERATION PERFORMANCE AND FINANCIAL CONDITION

Results of Operation

(Based on Financial Statements adopted in accordance with the Philippine Financial Reporting Standards)

Review of March 31, 2020 versus March 31, 2019

Sales Revenues decreased by 5.25% from P 338.52M to P320.75 or by P 17.77M. This was due to the decrease in domestic sales in compliance with the strict government safety guidelines against COVID-19 pandemic. (Enhanced Community Quarantine (ECQ) commencing on March 17, 2020).

Cost of Sales decreased with the decline in Sales Revenues by 9.26% from P234.65M to P212.92M .

Financial Condition

Review of financial condition as of March 31, 2020 compared with financial condition as of December 31, 2019

Cash and cash equivalents increased by P4.17M or 7.39% from P56.46M to P60.63M. This was primarily due to deferral of payments to suppliers during ECQ period.

Trade and Other Receivables increased by P31.39M or 12.28% from P255.57M to P286.96M. This was primarily due to ECQ which prevented sales agents and collectors in the collection of customer accounts.

Inventories decreased by P30.02M or 6.05% from P495.99M to P465.97M. This was also due to lockdown and strict government safety guidelines against COVID-19 pandemic which resulted to lesser raw materials and supplies purchases and no manufacturing operations starting March 17, 2020.

Other non-current assets decreased by P0.74M or 6.22% from P11.95M to P11.21M due to amortization of deferred input tax balance on purchase of capital goods.

Trade and other payables decreased by P64.98M or 23.11% from P281.25M to P216.26M due to reduced raw materials and supplies purchases in March as operations were temporarily halted due to declaration of ECQ.

Loans and mortgage payable decreased by P0.78M or 24.79% due to partial settlement of car loans.

Post employment retirement payable increased by P0.81M or 11.93% from P6.83M to P7.65M due to additional provision for retirement benefit.

Treasury Stocks transactions started in March 2019 with reference to the approved Share Buy-Back program of the company filed with PSE on December 5, 2018. The amount of P40.08M was incurred as at end of the period.

Retained Earnings increased by P45.43M or 11.12% due to Net Profit after tax during the period.

Material Changes as of March 31, 2020 Financial Statements

Statement of Financial Position

(Increase/decrease of 5% or more versus December 31, 2019)

7.39% increase in cash and cash equivalents
Primarily due to deferral of payments to suppliers during ECQ period.

12.28% increase in trade and other receivables
Primarily due to ECQ which prevented sales agents and collectors in the collection of customer accounts.

6.05% decrease in inventories
Due to lockdown and strict government safety guidelines against COVID-19 pandemic which resulted to lesser raw materials and supplies purchases and halted manufacturing operations starting March 17, 2020.

6.22% decrease in other non-current assets
Due to amortization of deferred input tax on purchase of capital goods.

23.11% decrease in trade and other payables
Due to COVID-19 pandemic which restricted purchases of raw materials and supplies and manufacturing operations starting mid March 2020.

24.79% decrease in loans and mortgage payable
Due to partial settlement of bank loans.

11.93% increase in post employment defined benefit obligation
Due to provision for retirement benefit payable for the period

11.12% increase in retained earnings
Due to net profit after tax for the quarter

Statement of Income

(Increase/decrease of 5% or more versus March 31, 2019)

5.25% decrease in sales revenue
Due to decrease in domestic sales brought about by COVID-19 pandemic

9.26% decrease increase in cost of goods sold
Due to decrease in sales revenues

528.57% increase in other income -net
Due to decrease in finance costs because of repayment of car loans and foreign exchange rate differentials during the period

6.52% increase in tax expense
Due to increase in profit before tax

There are no other significant changes in the Company's financial position (5% or more) and condition that will warrant a more detailed discussion. Further, there are no material events and uncertainties known to management that would have impact or change the reported financial information and condition of the Company.

There are no known trends or demands, commitments, events or uncertainties that would result in or that are reasonably likely to result in increasing or decreasing the Company's liquidity in any material way. The Company does not anticipate having any cash flow or liquidity problems. The Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

The Company has no unusual nature of transactions or events that affects assets, liabilities, equity, net income or cash flows.

The unaudited interim financial statements do not include all the information or disclosure required in the financial statements and should be read in conjunction with the Company's audited annual financial statements as of and for the year ended December 31, 2019.

The accounting policies and methods of computation adopted in preparation of the Company's unaudited interim financial statements are the same with the most recent audited annual financial statements for the year ended December 31, 2019.

There were no known material events subsequent to the end of the interim period that have not been reflected in the Company's Financial Statements for the first quarter of 2020.

There were no changes in estimates of amount reported in the current financial year or changes in estimates of amounts reported in prior financial years.

There was no contingent liability reflected in the most recent annual financial statements, the same in the current year financial statements for the first quarter of 2020. There are commitments, guarantees, and contingent liabilities that arise in the normal course of operations

of the Company which are not reflected in the accompanying interim financial statements. The management of the Company is of the opinion that losses, if any, from these items will not have any material effect on its interim financial statements.

There are no material commitments for capital expenditures, events or uncertainties that have had or that are reasonable expected to have material impact on the continuing operations of the Company.

Key Performance Indicators

LIQUIDITY RATIOS		
Key Indicators	March 31, 2020	December 31, 2019
Current ratio	3.84 : 1.00	3.21 : 1.00
Acid test ratio	1.43 : 1.00	1.08 : 1.00
Book value per share	2.00	1.93
SOLVENCY RATIOS		
Key Indicators	March 31, 2020	December 31, 2019
Debt to equity ratio	0.28 : 1.00	0.33 : 1.00
Asset to equity ratio	1.28 : 1.00	1.33 : 1.00
PROFITABILITY RATIOS		
Key Indicators	March 31, 2020	March 31, 2019
Earnings per share	0.07	0.07
Return on assets	2.90%	3.20%
Return on equity	3.78%	3.90%
Gross profit ratio	33.62%	30.68%
Net profit ratio	14.16%	12.60%

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 2019 versus 2018

1. Results of Operations

Material Changes to the Statement of Comprehensive Income for the period ended December 31, 2019 compared to the Statement of Comprehensive Income for the period ended December 31, 2018 (increase/ decrease of 5.00% or more)

Revenues

For the period ended December 31, 2019, revenues increased from ₱1,187.19 million in 2018 to ₱ 1,433.40 million showing an increase of 20.74% due to increase in export and local sales resulting from more aggressive sales efforts and broader geographic market.

Cost of Goods Sold

Cost of goods sold increased by 21.69% from ₱ 854.65 million to ₱ 1,040.00 million.

Gross Profit and Gross Profit Margin

Gross profit increased by ₱60.87 million or 18.30% from ₱ 332.53 million to ₱393.40 million.

Other Operating Expenses

Other operating expenses increased by 11.54% from ₱167.06 million for the year 2018 to ₱186.34 million in 2019 due to increase in selling and marketing expenses, directors' compensation and fees and consultancy fees for data privacy and information security, organizational and human resources development, and operations management audit.

Other Income (Charges)

In 2019, it resulted to Other Charges –net for P 14.71 million compared with Other Income -net of P 2.74 million in 2018, due to net foreign currency losses, impairment loss on application for VAT refund and increase in finance costs on bank loan availments for working capital and recognition of interest expense on the Lease Liability, in accordance with PFRS 16, new accounting standard on Right of Use Asset on Leases.

Tax Expense

Tax expense increased by P 5.33 million or 10.52% from P50.61 million to P55.93 million due to increase in taxable income from P168.21 million to P192.35 million. The denied input VAT credit/refund applications with Bureau of Internal Revenue in 2018 and 2015 for P15.89 million were written-off this year and tax deduction benefit were realized in 2019.

11. Financial Condition

Material Changes to the Statement of Financial Position as at December 31, 2019 compared to the Statement of Financial Position as at December 31, 2018 (increase/ decrease of 5.00% or more)

Cash and Cash Equivalents

Cash and cash equivalents decreased by P24.93 million or 30.63% to ₱ 56.46 million as at December 31, 2019 from ₱81.39 million as at year-end 2018 primarily due to payment of cash dividends, repayment of bank loans and advance payment for purchase of land.

Trade and Other Receivables-net

Trade and Other Receivables-net increased by P49.65 million or 24.11% to ₱ 255.57 million as at December 31, 2019 from ₱205.92 million as at year-end 2018 primarily due to increase in revenues.

Inventories

Inventories increased by P38.29 million or 8.37% from P457.70 million to P495.99 million primarily due to additional purchases of raw materials to hedge against price volatility and also due to more production of pipes and roof, and to supply for the new sales depot in Cebu.

Prepayment and Other Current Assets

Prepayment and other current assets increased by P12.53 million or 11.82% from ₱105.98 million to ₱118.51 million due to the increase in input VAT from purchases.

Property, Plant, and Equipment – net

Property, plant, and equipment – net increased by P 171.24 million or 41.22% from ₱415.4 million to ₱586.64 million due to appraisal increase on revaluation of land, new acquisitions of machineries and equipments, and transportation equipments.

Right of Use Asset - Net

The initial adoption of the new PFRS 16 requires recognition of Right of Use Asset on Leases for lease contracts in place as at January 1, 2019 with remaining lease term of more than one (1) year. The related depreciation expense and accumulated depreciation are also recognized based on the remaining lease term.

Other Non-current Assets

Other non-current assets decreased by P36.04 million or 75.10% from ₱48.0 million to ₱11.95 million due to reclassification of the advance payment made on purchase of land from Other Non-current Asset to Property, Plant and Equipment.

Trade and Other Payables

This account increased by P105.70 million or 60.21% from ₱175.55 million as at year end 2018 to ₱281.25 million by year-end 2019 due to more purchases of raw materials and purchase of machineries.

Loans and Mortgage Payable

This account decreased by P26.74 million or 89.43% from P29.89 million to P3.16 million due to repayment of bank loans for working capital requirements.

Income tax payable

There was no Income tax payable balance as at end of 2019 compared with ₱5.09 million at end of 2018 due to lower taxable income resulting from the write-off of denied input VAT.

Mortgage Payable

This account increased by P3.33 million or 91.99% from P3.62 million to P6.95 million due to vehicle loans for purchase of delivery equipments.

Deferred Tax Liability-net

This account increased by P27.39 million or 139.13% from P19.68 million to P47.07 million due to the tax effect on the revaluation of Land.

Post Employment Defined Benefit Obligation

This account increased by P 0.71 million or 11.54% from P 6.12 million to P 6.83 million due to actuarial valuation as at December 31, 2019.

Revaluation Reserves

This account increased by P 62.10 million or 98.65% from P 62.95 million to P125.08 million due to revaluation increment in the value of land as at valuation date December 31, 2019 from the last valuation date December 31, 2017.

Retained Earnings

As at December 31, 2019, retained earnings increased by 24.38% from ₱328.31 million as at year-end 2018 to ₱408.35 million as at year- end 2019. The net increase is primarily due to the net profits after tax reported for the year amounting to ₱136.41 million.

Treasury Stock

Pursuant to the approved Share-buy back program, total amount of P37.46 million was incurred as at December 31, 2019, for the repurchase of 18,356,000 shares.

III. Key Performance Indicators

LIQUIDITY RATIOS		
Key Indicators	December 31, 2019	December 31, 2018
Current ratio	3.21 : 1.00	4.04 : 1.00
Acid test ratio	1.08 : 1.00	1.36 : 1.00
Book value per share	1.93	1.70
SOLVENCY RATIOS		
Key Indicators	December 31, 2019	December 31, 2018
Debt to equity ratio	0.33 : 1.00	0.22 : 1.00
Asset to equity ratio	1.33 : 1.00	1.22 : 1.00
PROFITABILITY RATIOS		
Key Indicators	December 31, 2019	December 31, 2018
Earnings per share	0.22	0.19
Return on assets	9.46%	9.35%
Return on equity	12.11%	11.23%
Gross profit ratio	27.44%	28.01%
Net profit (after tax) ratio	9.52%	9.91%

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 2018 versus 2017***1. Results of Operations***

Material Changes to the Statement of Comprehensive Income for the period ended December 31, 2018 compared to the Statement of Comprehensive Income for the period ended December 31, 2017 (increase/ decrease of 5.00% or more)

Revenues

For the period ended December 31, 2018, revenues decreased from ₱1,255.30 million in 2017 to ₱ 1,187.19 showing a decrease of 5.43% due to decrease in export sales and slower infrastructure projects.

Cost of Goods Sold

Cost of goods sold also decreased by 5.8% from ₱ 907.32 million to ₱ 854.65 million in relation to the decrease in revenues.

Gross Profit and Gross Profit Margin

Gross profit decreased from ₱ 347.98 million for the year 2017 to ₱332.53 million for the year 2018, equivalent to a 4.44% decrease. The gross profit margin improved from 27.72% to 28.01% for the year 2018.

Other Operating Expenses

Other operating expenses decreased by 6.81% from ₱179.26 million for the year 2017 to ₱167.06 million in 2018 due to decrease in selling, marketing and rent expenses.

Other Income (Charges)

In 2018, it resulted to Other Income –net for P 2.74 million compared with Other charges-net of P 0.74 million in 2017, due to net foreign currency gains and effect of adoption of PFRS 9, net of impairment loss on application for VAT refund.

11. Financial Condition

Material Changes to the Statement of Financial Position as at December 31, 2018 compared to the Statement of Financial Position as at December 31, 2017 (increase/ decrease of 5.00% or more)

Cash and Cash Equivalents

Cash and cash equivalents decreased by P9.58 million or 10.53% to ₱ 81.39 million as at December 31, 2018 from ₱90.96 million as at year-end 2017 due to payment of cash dividends, purchases of raw materials, acquisitions of new machineries and equipments and advance payment for future purchase of lot.

Trade and Other Receivables-net

Trade and Other Receivables-net decreased by P28.82 million or 12.28% to ₱ 205.92 million as at December 31, 2018 from ₱234.74 million as at year-end 2017 due to stricter credit and collection policies and provision for impairment on application for VAT refund.

Inventories

Inventories increased by P88.15 million or 23.85% from P369.55 million to P457.7 million primarily due to additional purchases of raw materials to hedge against price volatility and also due to start of production of PVC roof division.

Prepayment and Other Current Assets

Prepayment and other current assets increased by P17.58 million or 19.88% from ₱88.41million to ₱105.98 million due to the increase in input VAT from purchases and application for VAT refund.

Other Non-current Assets

Other non-current assets increased by P26.24 million or 120.67% from ₱21.75 million to ₱48.0 million due to advance payment on future purchase of land.

Trade and Other Payables

This account increased by P34.98 million or 24.89% from ₱140.56 million as at year end 2017 to ₱175.55 million by year-end 2018 due to more purchases of raw materials at longer suppliers' credit terms and purchase of machineries.

Loans and Mortgage Payable

This account increased by P28.14 million or 1,605.93% from P1.75 million to P29.89 million due to release of bank loans for working capital requirements.

Income tax payable

Income tax payable decreased by 15.27% from ₱6.0 million to P5.09 million due to lower tax payable from annualized computation of regular income tax due for 2018.

Mortgage Payable

Mortgage payable increased by 45.91% from P2.48 million to P3.62 million due to release of vehicle loan for purchase of delivery equipments.

Deferred Tax Liability-net

This account decreased by 9.12% from P1.98 million from P21.66 million to P19.68 million due to the effect of adoption of PFRS 9.

Post Employment Defined Benefit Obligation

This account decreased by P 3.14 million or 33.90% from P 9.27 million to P 6.12 million due to actuarial valuation decrease as at December 31, 2018 valuation date.

Retained Earnings

As at December 31, 2018, retained earnings increased by 18.74% from ₱276.51 million as at year-end 2017 to ₱328.31 million as at year- end 2018. The net increase is primarily due to the net profits after tax reported for the year amounting to ₱117.60 million

III. Key Performance Indicators

LIQUIDITY RATIOS		
Key Indicators	December 31, 2018	December 31, 2017
Current ratio	4.04 : 1.00	5.28 : 1.00
Acid test ratio	1.36 : 1.00	2.20 : 1.00
Book value per share	1.70	1.62
SOLVENCY RATIOS		
Key Indicators	December 31, 2018	December 31, 2017
Debt to equity ratio	0.22 : 1.00	0.18 : 1.00
Asset to equity ratio	1.22 : 1.00	1.18 : 1.00
PROFITABILITY RATIOS		
Key Indicators	December 31, 2018	December 31, 2017
Earnings per share	0.19	0.19
Return on assets	9.35%	9.98%
Return on equity	11.23%	12.00%
Gross profit ratio	28.01%	27.72%
Net profit (after tax) ratio	9.91%	9.33%

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 2017 versus 2016**1. Results of Operations**

Material Changes to the Statement of Comprehensive Income for the period ended December 31, 2017 compared to the Statement of Comprehensive Income for the period ended December 31, 2016 (increase/ decrease of 5.00% or more)

Revenues

For the period ended December 31, 2017, revenues increased from ₱1,115.98 million in 2016 to ₱ 1,255.30 showing an increase of 12.48%.

Cost of Goods Sold

Cost of goods sold increased by 10.98% from ₱ 817.57 million to ₱ 907.32million. The increase was mainly due to higher raw materials cost.

Gross Profit and Gross Profit Margin

Gross profit increased from ₱298.40 million for the year 2016 to ₱347.98 million for the year 2017, equivalent to a 16.61% increase. The gross profit margin improved from 26.74% to 27.72% for the full year 2017.

Other Operating Expenses

Other operating expenses increased by 29.75% from ₱138.16 million for the year 2016 to ₱179.26 million in 2017 due to increase in selling and marketing expenses on higher revenues, increases in employee salaries and benefits, start up costs and expenses for the new PVC roof division and depreciation expenses for the new acquisitions of machineries and equipments.

Other Income (Charges)

In 2017, finance costs were lower by P0.60 million or 35.59% from P1.68million to P1.08 million due to settlement of bank financing loan. Net finance charges consisted of Interest income/expense, and foreign currency gains/losses.

21. Financial Condition

Material Changes to the Statement of Financial Position as at December 31, 2017 compared to the Statement of Financial Position as at December 31, 2016 (increase/decrease of 5.00% or more)

Cash and Cash Equivalents

Cash and cash equivalents decreased by 13.70% to ₱ 90.97 million as at December 31, 2017 from ₱105.40 million as at year-end 2016 due to payment of higher cash dividends and purchases of raw materials, acquisitions of new machineries and equipments and transportation equipments, lease and leasehold improvements and related expenses for the new PVC Roof division.

Prepayment and Other Current Assets

Prepayment and other current assets increased by 18.74% to ₱ 88.41million as at December 31, 2017, from ₱74.41 million as at year-end 2016. The increase was due to the increase in input VAT from purchases and prepayment of freight.

Property, Plant, and Equipment – net

Property, plant, and equipment – net increased by 20.51% from ₱329.53 as at year-ended 2016 to ₱397.11 million as at period-ended December 31, 2017. The increase was due to new acquisitions of machineries and equipments, transportation equipments and leasehold improvements.

Other Non-current Assets

Other non-current assets increased by 12.72% from ₱13.11 million as at year end 2016 to ₱14.78 million as at year end 2017. The increase was due to increase in deferred input VAT on purchases of capital goods, payment of rental deposits for the PVC roof division and increase in rental deposit for office space.

Trade and Other Payables

This account decreased by 24.01% from ₱184.98 million as at year end 2016 to ₱140.56 million by year-end 2017 due to timely settlement of outstanding payables.

Income tax payable

Income tax payable as of year-end 2017 decreased by 5.23% from ₱6.33 million to P6.0 million due to lower tax payable from annualized computation of regular income tax due for 2017.

Mortgage Payable

This account decreased by 41.91% from P4.27million as at year-end 2016 to P2.48 million in 2016 due to settlement of car financing loan from banks.

Deferred Tax Liabilities-net

This account increased by P 12.09 million or 126.27% from P 9.57 million in 2016 to P 21.66 million due to revaluation increase in the value of land,

Post Employment Defined Benefit Obligation

This account increased by P 3.83 million or 70.34% from P 5.44 million to P 9.27 million due to actuarial valuation increase as at December 31, 2017 valuation date.

Revaluation Reserves

This account increased by P27.98 million or 84.38% from P 33.16 million to P 61.14 million due to revaluation increment in the value of land as at valuation date December 31, 2017.

Retained Earnings

As at December 31, 2017, retained earnings increased by 27.91% from ₱216.18 million as at year-end 2016 to ₱276.51 million as at year- end 2017. The net increase is primarily due to the net profits after tax reported for the year amounting to ₱117.1 million

III. Segment Operations

The operating profit of the business segments of the company - Compounds and Pipe group increased by 4.5% from P188.89 million to P 197.38 due to increase in revenues.

IV. Key Performance Indicators

LIQUIDITY RATIOS		
Key Indicators	December 31, 2017	December 31, 2016
Current ratio	5.33 : 1.00	4.15 : 1.00
Acid test ratio	2.25 : 1.00	1.85 : 1.00
Book value per share	1.62	1.48
SOLVENCY RATIOS		
Key Indicators	December 31, 2017	December 31, 2016
Debt to equity ratio	0.18 : 1.00	0.23 : 1.00
Asset to equity ratio	1.18 : 1.00	1.23 : 1.00
PROFITABILITY RATIOS		
Key Indicators	December 31, 2017	December 31, 2016
Earnings per share	0.19	0.18

Return on assets	9.98%	10.68%
Return on equity	12.00%	12.86%
Gross profit ratio	27.72%	26.74%
Net profit (after tax) ratio	9.33%	10.27%

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

2020 Plan of Operations

1. **Growth with new product or thru geographic expansion**
2. **Broaden market segments**
3. **Open satellite manufacturing plant in Davao City**
4. **Enhance Data Privacy and Cyber Security**
5. **Re-engineer Corporate Organization**
6. **Success Planning**
7. **Continue Share Buy-back program**

FINANCIAL STATEMENTS

The Financial Statements of the Company are incorporated herein by reference and attached as an integral part of this Information Statement.

MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

The Company common shares were listed at the PSE on 27 April 2015 and traded in the First Board.

Full year high and low prices from 1 January 2019 to 31 December 2019 are as follows:

High	₱ 2.21
Low	₱ 1.70

High and Low Sales Prices for the following Quarter end dates are:

Quarter	High	Low
1 st Quarter 2018	₱2.05	₱ 2.01
2 nd Quarter 2018	₱1.89	₱1.81
3 rd Quarter 2018	₱1.74	₱1.71
4 th Quarter 2018	₱1.80	₱1.73
1 st Quarter 2019	₱1.91	₱1.90
2 nd Quarter 2019	₱2.11	₱2.01
3 rd Quarter 2019	₱2.04	₱2.03
4 th Quarter 2019	₱2.17	₱2.14
1 st Quarter 2020	₱1.92	₱1.80

As at December 31, 2019, based on closing price of P 2.15 per share, the market capitalization of the common shares of the company was P 1,316,754,600.00.

Total shares outstanding as of 31 December 2019 was 612,444,000 shares, with a par value of ₱1.00 per share.

As of 08 June 2020, the High and Low Prices were at ₱1.86 and ₱1.80 with the Last Traded Price at ₱1.86

The Top 20 shareholders as of 31 March 2020 are as follows:

Name	Number of Share Held	% to Total Outstanding
1. PCD Nominee – Filipino	193,617,297	30.69%
2. Eugene H. Lee Villanueva	70,920,000	11.24%
3. Walter H. Villanueva	70,919,999	11.24%
4. Christie Tan Perez	47,280,000	7.49%
5. Nicasio T. Perez	47,279,999	7.49%
6. Tita P. Villanueva	47,279,999	7.49%
7. Oscar T. Perez	23,640,000	3.74%
8. Meda T. Perez	23,640,000	3.74%
9. Sofia P. Po	23,640,000	3.74%
10. Gloria P. Go	23,640,000	3.74%
11. Elizabeth P. Lee Villanueva	11,820,000	1.87%
12. Derrick P. Villanueva	6,431,293	1.01%

Name	Number of Share Held	% to Total Outstanding
13. PCD Nominee Corporation	4,908,401	0.78%
14. Warren Michael P. Lee Villanueva	3,940,000	0.62%
15. Natalie Lee Villanueva Penaranda	3,940,000	0.62%
16. Johanns Plana Lee Villanueva	3,940,000	0.62%
17. Derrick P. Villanueva	3,689,000	0.58%
18. Eugene H. Lee Villanueva	3,657,108	0.58%
19. Jefferson T. Sy	2,564,422	0.41%
20. Christie T. Perez	2,464,422	0.39%

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 4 March 2014, the Board of Directors of the Company approved its dividend policy under which the Company shall distribute to its stockholders as dividends, whether cash, property, or stock, at least 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 2016 to 2018, the Company declared cash dividends as follows:

Cash Dividend Payout: 2017 – 2019						
Year	Declaration Date	Record Date	Payment Date	Amount	Cash Dividends per Share	Dividend Rate
2017	February 24, 2017	April 12, 2017	May 10, 2017	25,232,000	₱0.04	49.55%
		June 26, 2017	July 11, 2017	31,540,000	₱0.05	
2018	March 09, 2018	April 12, 2018	May 9, 2018	25,232,000	₱0.04	48.48%
		June 26, 2018	July 11, 2018	31,540,000	₱0.05	
2019	March 12, 2019	April 12, 2019	May 9, 2019	31,455,100	₱0.05	47.94%
		July 9, 2019	July 23, 2019	24,921,080	₱0.04	

DIRECTORS AND EXECUTIVE OFFICERS

Please refer to the portion of this Information Statement on “Directors and Executive Officers.”

COMPLIANCE WITH THE MANUAL OF CORPORATE GOVERNANCE

The Company was listed at the PSE on 27 April 2015. The Company’s Integrated Annual Corporate Governance Report (I-ACGR) shall be submitted on or before 31 July 2020, in compliance with SEC Memorandum Circular No. 15 Series of 2017.

UNDERTAKING TO PROVIDE PRINTED COPIES OF THE INFORMATION STATEMENT AND ANNUAL REPORT

UPON WRITTEN REQUEST OF ANY SHAREHOLDER OF RECORD ENTITLED TO NOTICE OF AND VOTE AT THE MEETING, THE COMPANY SHALL FURNISH SUCH SHAREHOLDER WITH A COPY OF THE COMPANY’S INFORMATION STATEMENT (ON SEC FORM 20-IS) AND ANNUAL REPORT (ON SEC FORM 17-A) WITHOUT CHARGE. ANY SUCH WRITTEN REQUEST SHALL BE ADDRESSED TO:

ATTY. JASON C. NALUPTA

Corporate Secretary

CROWN ASIA CHEMICALS CORPORATION

RM 508 PRESIDENT TOWER,

81 TIMOG AVENUE, QUEZON CITY

Email: jcn@tvvlaw.com

Tel No.: 632-413-8032 to 36

Fax No.: 632-413-8032 Loc. 111

Guidelines for Participating via Remote Communication and Voting in Absentia

The 2020 Annual Stockholders' Meeting (ASM) of Crown Asia Chemical Corporation (the "Company") will be held on 9 July 2020 at 3:00 P.M. and the Board of Directors of the Corporation has fixed the end of trading hours of the Philippine Stock Exchange, Inc. on 10 June 2020 ("Record Date") as the record date for the determination of stockholders entitled to notice of, to attend, and to vote at such meeting and any adjournment thereof. In view of the continuing mobility restrictions and prohibition on mass gatherings due to the public health emergency, the Board of Directors of the Company has approved and authorized stockholders to participate in the ASM via remote communication and to exercise their right to vote in absentia or by proxy

REGISTRATION

The conduct of the meeting will be streamed live, and stockholders may attend the meeting by registering until 29 June 2020, 5:00 p.m. via <https://www.crownpvc.com.ph/investors> and by submitting the following requirements and documents to corporatesecretary@crownpvc.com.ph, subject to verification and validation:

1. Individual Stockholders

1.1. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver's license, SSS ID, senior citizen ID, among others in order to validate the registration of the shareholder

1.2. Stock certificate number

1.3. Active e-mail address/es

1.4. Active contact number/s, with area and country codes

2. Multiple Stockholders or with joint accounts

2.1. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver's license, SSS ID, senior citizen ID, among others in order to validate the registration of the shareholders

2.2. Stock certificate number/s

2.3. Active e-mail addresses of the stockholders

2.4. Active contact numbers, with area and country codes

2.5. Digital copy of an authorization letter executed by all named holders, authorizing a holder to vote for and on behalf of the account

3. Corporate Stockholders

3.1. Digital copy of the Secretary's Certificate (or equivalent for non-resident) attesting to the authority of the representative to vote for and on behalf of the corporation

3.2. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver's license, SSS ID, senior citizen ID, among others to validate the registration of the authorized representative

3.3. Active e-mail address/es of the authorized representative

3.4. Active contact number of an authorized representative, with area and country codes

4. PCD Participants/Brokers

4.1. Digital copy of the Secretary's Certificate (or equivalent for non-resident) attesting to the authority of the representative to vote for and on behalf of the PCD participant/broker

4.2. Digital copy of the certificate of shareholdings issued by the PCD/broker

4.3. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver's license, SSS ID, senior citizen ID, among others to validate the registration of the authorized representative

4.4. Active e-mail address/es of the authorized representative

4.5. Active contact number of the authorized representative, with area and country codes

ONLINE VOTING

1. Log-in to the voting portal by clicking the link, and using the log-in credentials, sent to the email address of the shareholder to the Company.

2. Upon accessing the portal, the stockholder can vote on each agenda item. A brief description of each item for stockholders' approval are appended to the Notice of Meeting.

2.1 A stockholder has the option to vote "Yes", "No", or "Abstain" on each agenda item for approval.

2.2 For the election of directors, the stockholder has the option to vote for all nominees, withhold vote for any of the nominees, or vote for certain nominees only.

3. Once the stockholder has finalized his vote, he can proceed to submit his vote by clicking the "Submit" button.

4. The stockholder can vote only once, after successful registration. Once submitted, the votes cast shall be considered final.

ASM LIVESTREAM

The ASM will be broadcasted live and stockholders who have successfully registered will be provided access to participate via remote communication. Instructions on how to access the livestream will be sent to their emails upon registration.

OPEN FORUM

During the virtual meeting, after all items in the agenda have been discussed, the Company will have the Question and Answer Portion, during which, the meeting's moderator will read and where representatives of the Company shall answer questions and comments received from stockholders, as time will allow. Stockholders may send their questions in advance by sending an email bearing the subject "Questions for ASM 2020" to corporatesecretary@crownpvc.com.ph on or before 10:00 am on 09 July 2020. Questions/comments received but not entertained during the Open Forum due to time constraints will be addressed separately by the Company via email.