

COVER SHEET

1 5 9 9 5 0

S.E.C. Registration Number

CROWN ASIA CHEMICALS

CORPORATION

(Company's Full Name)

KM 33 MC ARTHUR HIGHWAY

BO TUKTUKAN GUIGUINTO BULACAN

TITA P. VILLANUEVA

4 1 3 8 0 3 2

Contact Person

Company Telephone Number

1 2 3 1

Month Day

Fiscal Year

SEC FORM 17- A

FORM TYPE

0 5 1 7

Month Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

2 6

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

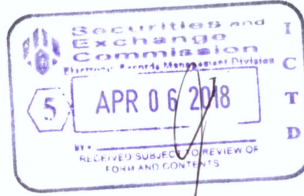
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STAMPS

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SECURITIES AND EXCHANGE COMMISSION

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



1. For the fiscal year: December 31, 2017
2. SEC Identification number: 159950
3. BIR Tax Identification No: 025-240-902-000
4. Exact name of issuer as specified in its charter: CROWN ASIA CHEMICALS CORPORATION
5. Province, country or other jurisdiction of incorporation or organization: Metro Manila
6. Industry Classification Code: (SEC Use Only)
7. Address of issuer's principal office: Km 33 Mc Arthur Highway Bo. Tuktukan Guiguinto, Bulacan
Postal Code: 3015
8. Issuer's telephone number, including area code: (632) 413-80-32
9. Former name, former address and former fiscal year, if changed since last report: Not Applicable
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class

Common stock

Number of shares of common
stock outstanding

630,800,000

Amount of Debt Outstanding
as of December 31, 2017

P 181,768,754

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

Yes [/] No []

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

The Philippine Stock Exchange, Inc.

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The Philippine Stock Exchange, Inc.

Total of 630,800,000 common shares with par value of P1.00 per share

12. Indicate by check mark whether the registrant:

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

Yes [/] No []

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

Yes [/] No []

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

The aggregate market value of the 267,152,000 voting stock held by non-affiliates (public shares) as of December 31, 2017, computed based on the closing share price of P 1.90 per share as of December 31, 2017 is P507,588,800.

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PART I—BUSINESS AND GENERAL INFORMATION

Item 1. Business

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

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

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

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

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

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

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

In August 2015, the Company commenced production of its PPR and HDPE pipe products.

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

In December 2017, the company started test operation 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 conscious consumers for mass and midcost housing usages.

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 new 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 won't 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 is already assessed as conforming to ISO 9001:2015 while Pipe Group is in the process to upgrade its certification 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.

Item 2. 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.

In 2016, the Company acquired a 5,462 sqms lot where the PPR/HDPE production and warehouse facilities are located.

Lands

Tax Declaration Number	Area	Classification
2014-09014-01533	892.00 sq.m.	Industrial
2014-09014-01535	3,214.00 sq.m.	Industrial
2014-09014-01537	6,415.00 sq.m.	Industrial
2014-09014-01543	2,888.00 sq.m.	Industrial
2014-09014-01623	11,935.00 sq.m.	Industrial
2014-09014-03847	5,462.00 sqm	Industrial

Buildings and Improvements

Tax Declaration Number	Area	Classification
2014-09014-01534	140.00 sq.m.	Industrial
2014-09014-01536	2,184.00 sq.m.	Industrial
2014-09014-01538	1,150.50 sq.m.	Industrial
2014-09014-03449	1,980.00 sq.m.	Commercial
2014-09014-03450	500.00 sq.m.	Commercial/Residential
2014-09014-01624	468.00 sq.m.	Industrial
2014-09014-01625	2,835.00 sq.m.	Industrial
2014-09014-01626	3,276.00 sq.m.	Industrial

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

Trademarks and Copyrights

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

CROWN's Trademarks Under License			
Registered Trademark	Registration Number	Date of Registration	Valid Until
CROWN	4-2006-013655	August 11, 2008	August 11, 2018
CROWN SUPREME	4-2006-013659	October 13, 2008	October 13, 2018
CROWN BLUE	4-2006-013656	August 11, 2008	August 11, 2018
CROWN FLEX	4-2006-013657	August 11, 2008	August 11, 2018
ENDURO WITH CROWN DEVICE	4-2006-012499	August 20, 2007	August 20, 2027
HI TECH WITH CROWN LOGO	4-2005-006473	October 23, 2006	October 23, 2026
PETROVIN & CROWN DEVICE	4-2006-010314	July 30, 2007	*July 30, 2017
TECHNOVINYL & CROWN DEVICE WITHIN THE CIRCLE	4-1997-123430	February 10, 2003	February 10, 2023
CROWN UNIVERSAL	4-2006-013658	August 13, 2007	August 13, 2027
CROWN EXTREME	4-2010-011168	February 24, 2011	February 24, 2021
CROWN HYDRO-PLUS	4-2014-00003801	August 7, 2014	August 7, 2024
CROWN HYDRO-FLEX	4-2014-00003802	August 7, 2014	August 7, 2024
CROWN HYDRO-TECH	4-2014-00003804	September 18, 2014	September 18, 2024
CROWN FUERZA	4-2014-00007463	February 12, 2015	February 12, 2025
CROWN SIGMA	4-2014-00007464	February 12, 2015	February 12, 2025
CROWN ClearBright	4-2017-011460	July 20, 2017	**
CROWN CorrWave	4-2017-011461	July 20, 2017	**
CROWN StrongRib	4-2017-011462	July 20, 2017	**
CROWN HeatProtect	4-2017-011463	July 20, 2017	**
CROWN SmartRoof	4-2017-011464	July 20, 2017	**

CROWN TileTech	4-2017-011465	July 20, 2017	**
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*awaiting for the release of Certificate of Renewal

** awaiting for the release of Certificate of Registration

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

Item 3. Legal Proceedings

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

Involvement in Legal Proceedings

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

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

Item 4. Submission Matters to a Vote of Security Holders

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

PART 11 – OPERATIONAL AND FINANCIAL INFORMATION

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

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

Full year high and low prices from January 01, 2017 to December 31, 2017 are as follows:

High	P 2.26
Low	P 1.85

As at December 31, 2017, based on closing price of P 1.90 per share, the market capitalization of the common shares of the company was P 1,198,520,000.00

(2). Total shares outstanding as of December 31, 2017 was 630,800,000 shares with a par value of P 1.00 per share.

(3). The top 15 shareholders as of the same date are:

Name	Number of Shares Held	% to total outstanding
1 PCD Nominee – Local	198,177,696	31.42%
2 Eugene H. Lee Villanueva	94,560,000	14.99%
3 Nicasio T. Perez/Christie T. Perez	94,559,999	14.99%
4 Walter H. Villanueva	72,800,000	11.54%
5 Tita P. Villanueva	47,280,000	7.49%
6 Jefferson T. Sy	47,280,000	7.49%
7 Sofia P. Po	23,640,000	3.74%
8 Meda T. Perez	23,640,000	3.74%
9 Gloria P. Go	23,640,000	3.74%
10 Oscar T. Perez	23,640,000	3.74%
11 Elizabeth P. Lee Villanueva	11,820,000	1.87%
12 Derrick P. Villanueva	4,940,000	0.78%
13 Natalie Lee Villanueva Penaranda	3,940,000	0.62%
14 Warren Michael P. Lee Villanueva	3,940,000	0.62%
15 Johanns P. Lee Villanueva	3,940,000	0.62%

Dividends and Dividend Policy

The Company is authorized to distribute dividends out of its surplus profit, in cash, properties of the Company, shares of stock, and/or securities of other companies belonging to the Company. Dividends paid in the form of cash or property is subject to approval of the Company's Board of Directors. Dividends paid in the form of additional shares are subject to the approval of the Company's Board of Directors and stockholders that own at least two-thirds ($\frac{2}{3}$) of the outstanding capital stock of the Company. Holders of outstanding Common Shares as of a dividend record date will be entitled to full dividends declared without regard to any subsequent transfer of such shares.

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

From 2015 to 2017, the Company declared cash dividends as follows:

Cash Dividend Payout: 2014 – 2016						
Year	Declaration Date	Record Date	Payment Date	Amount	Cash Dividends per Share	Dividend Rate
2015	Jan. 16, 2015	Jan. 15, 2015	Jan. 30, 2015	12,500,000	₱0.0264	38.24%
			Feb. 25, 2015	12,500,000	₱0.0264	
2016	April 25, 2016	May 10, 2016	May 27, 2016	31,540,000	₱0.018 regular P0.032 special	31.49%
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	

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

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.

11. 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	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	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

FY 2016 versus 2015

1. Results of Operations

Material Changes to the Statement of Comprehensive Income for the period ended December 31, 2016 compared to the Statement of Comprehensive Income for the period ended December 31, 2015 (increase/ decrease of 5.00% or more)

Revenues

For the period ended December 31, 2016, revenues increased from ₱1,072.84 million in 2015 to ₱ 1,115.98 showing an increase of 4.02%.

Cost of Goods Sold

In 2016, cost of goods sold increased by 2.81% from ₱ 795.23 million to ₱ 817.57million. The increase is mainly due to the slight increase in manufacturing overhead.

Outside services increased due to the hiring of more contractual workers during the year. Depreciation expense increased due to acquisitions of new machines and equipments. Repairs and maintenance increased due to necessary repairs made on machineries and production buildings.

Gross Profit and Gross Profit Margin

Gross profit increased from ₱277.61 million for the year 2015 to ₱298.40 million for the full year 2016, equivalent to a 7.49% increase. The gross profit margin improved from 25.88% for the full year 2015 to 26.74% for the full year 2016.

Other Operating Expenses

For the year 2016, other operating expenses increased by 9.02% from ₱126.74 million for the year 2015 to ₱138.16 million for the full year 2016.

Other Income (Charges)

In 2016, this resulted to Other Income-net of P4.35million compared with Other (Charges) –net of P 4.53million in 2015. This was due to the full provision for allowance on impairment loss on the company's claim for Tax Credit Certificate on zero duty importations filed with the Bureau of Customs amounting to ₱7.01 million in 2015.

Profit before Tax

The Company's profit before tax in 2016 increased by 12.46% from ₱ 146.35 million in 2015 to ₱164.59 million in 2016. The improvement was due to the revenue growth and improved gross profit margin.

Tax Expense

Tax expenses increased by 8.26% from ₱ 46.21million in 2015 to ₱ 50.02million in 2016 due to higher profitability in 2016 versus 2015.

Net Profit and Net Profit Margin

The Company registered net profit of P 114.57million compared with ₱100.15 million in 2015, which is equivalent to 14.40% increase. The increase is due to increased revenues and improved gross profit margins.

Net profit margins improved from 9.33% to 10.27%.

11. Financial Condition

Material Changes to the Statement of Financial Position as at December 31, 2016 compared to the Statement of Financial Position as at December 31, 2015 (increase/decrease of 5.00% or more)

Cash and Cash Equivalents

Cash and cash equivalents decreased by 11.29% to ₱ 105.40 million as at December 31, 2016 from ₱118.82 million as at year-end 2015. The decrease was primarily due to purchase of new machineries and payment of cash dividend.

Prepayment and Other Current Assets

Prepayment and other current assets increased by 25.76% to ₱ 74.41million as at December 31, 2016, from ₱59.17 million as at year-end 2015. The net increase was mainly due to the increase in input VAT.

Property, Plant, and Equipment – net

Property, plant, and equipment – net increased by 29.70% from ₱254.07 as at year-ended 2015 to ₱329.53 million as at period-ended December 31, 2016. The increase was due primarily to the purchase of lot for ₱ 30.97million.

Other Non-current Assets

Other non-current assets decreased by 5.39% from ₱13.86 million as at year end 2015 to ₱13.11 million as at year end 2016. The decrease was mainly due to refund of utility deposit from Meralco resulting from their bill deposit update program based on average monthly electricity consumption.

Trade and Other Payables

This account increased by 56.94% from ₱119.15 million as at year end 2015 to ₱187.0 million by year-end 2016 due mostly to the additional purchases of machineries and equipments and raw materials..

Income tax payables

Income tax payable as of year-end 2016 decreased by 46.94% from ₱13.49 million to P6.33million due to higher tax payments in the first three (3) quarters compared to annualized computation of regular income tax due for 2016.

Mortgage Payable

This account increased by 37.60% from P1.79million as at year-end 2015 to P4.27million in 2016 due to additional car financing loan from banks.

Car loans represent the acquisition of certain delivery equipment and motor vehicles through loan financing agreements with commercial banks, bearing annual effective interest that ranges from 9.95% to 12.75% and have maturity terms of five (5) years.

Post-Employment Defined Benefit Obligations

Post-employment defined benefit obligation decreased by 13.33% from ₱6.28million in 2015 to ₱5.44 million in 2016.

The Company maintains a tax-qualified, partially funded, non-contributory post-employment defined benefit plan covering all regular full-time employees. The actuarial valuations are made annually to update the retirement benefit costs and the amount of contributions.

Retained Earnings

As at December 31, 2016, retained earnings increased by 62.36% from ₱133.15 million as at year-end 2015 to ₱216.18 million as at year- end 2016. The net increase is primarily due to the net profits reported for the year amounting to ₱114.57 million

III. Segment Operations

The operating profit of the business segments of the company - Compounds and Pipe group increased by 6.78% from P176.90 million to P 188.89 due to increase in revenues.

IV. Key Performance Indicators

LIQUIDITY RATIOS		
Key Indicators	December 31, 2016	December 31, 2015
Current ratio	4.15 : 1.00	5.52 : 1.00
Acid test ratio	1.85 : 1.00	2.81 : 1.00
Book value per share	1.48	1.35
SOLVENCY RATIOS		
Key Indicators	December 31, 2016	December 31, 2015
Debt to equity ratio	0.23 : 1.00	0.18 : 1.00
Asset to equity ratio	1.23 : 1.00	1.18 : 1.00

	PROFITABILITY RATIOS	PROFITABILITY RATIOS
Key Indicators	December 31, 2016	December 31, 2015
Earnings per share	0.18	0.16
Return on assets	10.68%	10.95%
Return on equity	12.86%	14.18%
Gross profit ratio	26.74%	25.88%
Net profit (after tax) ratio	10.27%	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 2015 versus 2014

1. Results of Operations

Material Changes to the Statement of Comprehensive Income for the period ended December 31, 2015 compared to the Statement of Comprehensive Income for the period ended December 31, 2014 (increase/ decrease of 5.00% or more)

Revenues

For the period ended December 31, 2015, revenues increased from ₱850.74 million in 2014 to ₱1,072.84 million, showing a year on year increase of 26.11%. The net increase in revenues primarily came from the 20.47% increase in PVC compounds sales and the 30.13% increase in pipes sales..

Cost of Goods Sold

In 2015, cost of goods sold increased by 24.37% from ₱639.43 million to ₱795.23 million. The increase is mainly due to the slight increase in overhead by 4.43% and increase in direct labor cost by 35.57%.

Outside services increased due to the hiring of more contractual workers during the year.

Gross Profit and Gross Profit Margin

Gross profit increased from ₱211.31 million for the year 2014 to ₱277.61 million for the full year 2015, equivalent to a 31.38% growth. The gross profit margin improved from 24.84% for the full year 2014 to 25.88% for the full year 2015.

Other Operating Expenses

For the year 2015, other operating expenses increased by 9.29% from ₱115.96 million for the year 2014 to ₱126.74 million for the full year 2015. The increase was mostly due to the 405.07% increase in IPO related expense from P 0.83million to P 4.21 million in 2015.

Other Income (Charges)

In 2015, Other charges (net) increased from ₱1.63 million in 2014 to ₱4.53 million in 2015 due to full provision for allowance on impairment loss on the company's claim for Tax Credit Certificate on zero duty importations filed with the Bureau of Customs amounting to ₱7.01 million.

Profit before Tax

The Company's profit before tax in 2015 increased by 56.16% from ₱93.72 million in 2014 to ₱146.35 million in 2015. The improvement was due to the revenue growth and improved gross profit margin.

Tax Expense

Tax expenses increased by 63.03% from ₱28.34 million in 2014 to ₱46.21 million in 2015 due to the improved profitability in 2015 versus 2014.

Net Profit and Net Profit Margin

The Company ended 2015 with ₱100.15 million in net profits, which is a 53.18% increase from ₱65.38 million in 2014. The increase is due to the increased revenues and improved gross profit margins.

Net profit margins improved from 7.69% to 9.33%.

11. Financial Condition

Material Changes to the Statement of Financial Position as at December 31, 2015 compared to the Statement of Financial Position as at December 31, 2014 (increase/decrease of 5.00% or more)

Cash and Cash Equivalents

Cash and cash equivalents increased by 246.24% to ₱118.82 as at December 31, 2015 from ₱34.32 million as at year-end 2014. The increase was primarily due to increase in revenues and collections.

Trade and Other Receivables - Net

Trade and other receivables – net increased by ₱40.87 million or 19.24% to ₱253.25 million as at December 31, 2015 from ₱212.38 million as at year-end 2014. The increase was primarily due to the ₱32.06 million increase in trade receivables, and the ₱6.0 million increase in advances to related parties for purchase of land.

Prepayment and Other Current Assets

Prepayment and other current assets increased by 10.07% to ₱59.17 million as at December 31, 2015, from ₱53.75 million as at year-end 2014. The net increase was mainly due to the increase in input VAT net of allowance on impairment loss on application for TCC filed with the BOC.

Property, Plant, and Equipment – net

Property, plant, and equipment – net increased by 18.21% from ₱214.93 as at year-ended 2014 to ₱254.07 million as at period-ended December 31, 2015. The increase was due primarily to the ₱23.59 million increase in construction in progress and ₱34.66 million increase in machineries, factory, and other equipment and revaluation increase of land for ₱5.39 million.

Construction in progress pertains to accumulated costs incurred in the construction of the PP-R/HDPE factory building, PP-R/HDPE machineries installation, PP-R/HDPE warehouse, plant electricity consolidation, flood control system, and elevated flooring of warehouse, including capitalized borrowing costs.

Other Non-current Assets

Other non-current assets increased by 40.25% from ₱9.88 million as at year end 2014 to ₱13.86 million as at year end 2015. The increase was mainly due to the ₱1.93 million increase in Deferred input VAT and ₱2.07 million increase in Security Deposits for Meralco power consolidation.

Trade and Other Payables

This account decreased by 31.73% from ₱174.53 million as at year end 2014 to ₱119.15 by year-end 2015 due to timely settlement of obligations.

Interest-Bearing Loans and Borrowings - Current

The amount of bank loans totaling to ₱43.80 million in 2014 was fully settled in 2015 from IPO proceeds while the balance of ₱25.00 million was paid from receivable collections.

Income tax payables

Income tax payables increased by 73.55% from ₱7.8 million to ₱13.49 million. The increase was due to the increase in taxable Net profit from operations.

Deferred tax liability - net

Deferred tax liability – net increased by 26.42% from ₱7.39 million in 2014 to ₱9.35 million in 2015. The increase was due to the deferred tax liabilities relating to the revaluation increment in the value of land in 2015.

Post-Employment Defined Benefit Obligations

Post-employment defined benefit obligation increased by 57.99% from ₱3.97 million in 2014 to ₱6.28 million in 2015.

The Company maintains a tax-qualified, partially funded, non-contributory post-employment defined benefit plan covering all regular full-time employees. The actuarial valuations are made annually to update the retirement benefit costs and the amount of contributions.

Mortgage Payable

Mortgage payable decreased by 50.55% from ₱3.63 million in 2014 to ₱1.8 million in 2015 due to settlement of car loans upon maturity.

Car loans represent the acquisition of certain transportation equipment and motor vehicles through loan financing agreements with commercial banks, bearing annual effective interest that ranges from 9.95% to 12.75% and have terms of five (5) years payable monthly.

Capital Stock

Capital stock increased by 33.42% from ₱472.80 million in 2014 to ₱630.80 million in 2015 due to the listing and issuance of 158,000,000 shares at the Philippine Stock Exchange at ₱1.41 per share offer price.

Additional Paid In Capital

This resulted from issuance of 158 million shares at ₱0.41 per share above par value ₱1.00 per share, net of registration and listing expenses and taxes incurred.

Revaluation Reserves

Revaluation reserves increased by 4.84% from ₱32.10 million in 2014 to ₱33.61 million in 2015. The increase was due to the revaluation increment in the value of land in 2015.

Retained Earnings

As at December 31, 2015, retained earnings increased by 129.56% from ₱58.00 million as at year-end 2014 to ₱133.15 million as at year- end 2015. The net increase is primarily due to the net profits reported for the year amounting to ₱100.15 million

III. Segment Operations

The operating profit of the business segments of the company - Compounds and Pipes increased by 51.32% from P116.90 million to P 176.9 due to increase in sales of both segments.

IV. Key Performance Indicators

LIQUIDITY RATIOS		
Key Indicators	December 31, 2015	December 31, 2014
Current ratio	5.52 : 1.00	2.41 : 1.00
Acid test ratio	2.81 : 1.00	0.98 : 1.00
Book value per share	1.35	1.19
SOLVENCY RATIOS		
Key Indicators	December 31, 2015	December 31, 2014
Debt to equity ratio	0.18 : 1.00	0.47 : 1.00
Asset to equity ratio	1.18 : 1.00	1.47 : 1.00
PROFITABILITY RATIOS		
Key Indicators	December 31, 2015	December 31, 2014
Earnings per share	0.16	0.14
Return on assets	10.95%	8.80%
Return on equity	14.18%	12.28%
Gross profit ratio	25.88%	24.84%
Net profit (after tax) ratio	9.33%	7.69%

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

2018 Plan of Operations

1. **Pursue growth/expansion (geographic and/or product diversification)**
2. **Expand market segments**
3. **Enhance Corporate Governance**
4. **Succession Planning**
5. **Upgrade Information Technology**
6. **Re-engineer Corporate Organization**
7. **Adopt Green Initiatives**

Item 7. Financial Statements

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

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

1. Independent Public Accountant

a. Punongbayan & Araullo (P&A) was engaged by the company to audit the Company's financial statements for the calendar years December 31, 2017, 2016 and 2015. Their responsibility is to express an opinion on these financial statements based on their audit. The audits were conducted in accordance with Philippine Standards on Auditing.

Punongbayan & Araullo has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe to the securities in the Company. Both these independent public accountants will not receive any direct or indirect interest in the Company

and in any securities thereof (including options, warrants, or rights thereto) pursuant to or in connection with the Listing. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Committee.

b. Audit and Audit Related Fees

Punongbayan & Araullo billed the Company P350,000.00, P380,000.00 P 400,000.00 for the examination of the financial statements for the calendar years December 31, 2015, 2016 and 2017 respectively, exclusive of 15% of professional fees for out of pocket expenses

c. Tax Fees

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

d. Audit Committee Approval Policies

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

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

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

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

Changes in Accounting Policies

Please refer to Note 2 – Summary of Significant Accounting Policies under Changes in Accounting Policies and Disclosures discussion on the Notes to Financial Statements of the year ended December 31, 2017, included in this report.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

Board of Directors

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

As of December 31, 2017, the composition of the Company's Board of Directors is as follows. The independent directors, Marie Therese G. Santos and Ernesto R. Alberto were elected on September 5, 2014, while Mr. Bede Lovell S. Gomez was elected on August 11, 2016. The rest were elected during the Company's annual stockholders' meeting held on May 18, 2017:

Board of Directors				
Name	Age	Nationality	Present Position	Period of Service in the Company
Walter H. Villanueva	63	Filipino	Chairman of the Board	27 years
Eugene H. Lee Villanueva	61	Filipino	Director	27 years
Tita P. Villanueva	62	Filipino	Director	27 years
Nicasio T. Perez	60	Filipino	Director	27 years
Derrick P. Villanueva	35	Filipino	Director	8 years
Jefferson T. Sy	61	Filipino	Director	more than 2 years
Marie Therese G. Santos	60	Filipino	Independent Director	more than 3 years
Ernesto R. Alberto	55	Filipino	Independent Director	more than 3 years
Bede Lovell S. Gomez	49	Filipino	Independent Director	less than 2 years

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

Walter H. Villanueva, 63, Filipino, Chairman of the Board, Group Head-Pipe Group and General Manager – PP-R/HDPE Pipes and PVC Roof Divisions

Mr. Walter H. Villanueva is concurrently a director and stockholder of Asean Timber Corporation, Husky Plastics Corporation, WT Derrick Realty Corporation and Guiguinto Integrated Wood Industries Corporation. He is likewise the President or Chairman 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.

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

Eugene H. Lee Villanueva, 61, Filipino, Director, President, and General Manager – Compounds Division

Mr. Eugene H. Lee Villanueva is concurrently a director and stockholder of Husky Plastics Corporation. He is an MBA Candidate in the Ateneo De Manila University and holds a Bachelor of Science degree in Pre Medicine from the University of the Philippines.

Tita P. Villanueva, CPA, 62, Filipino, Director and SVP/Chief Financial Officer

Mrs. Tita P. Villanueva is concurrently a director and stockholder 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, 60, Filipino, Director and VP-Treasurer

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

Derrick P. Villanueva, 35, Filipino, Director and General Manager – PVC Pipes Division

Mr. Derrick P. Villanueva was the Assistant General Manager – PVC Pipes Division position from July 2009 to December 2013 before he was promoted to General Manager for the same division on January 1, 2014. He is concurrently a director and stockholder of WT Derrick Realty Corporation. 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.

Jefferson T. Sy, 61, Filipino, Director

Jefferson T. Sy was duly elected and assumed office effective May 29, 2015. Mr. Sy holds a Bachelor of Science degree in IME from the De La Salle University – Taft. He is also officer of two (2) other companies.

Marie Therese G. Santos, 60, Filipino, Independent Director

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

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

Ernesto R. Alberto, 55, Filipino, Independent Director

Mr. Ernesto R. Alberto is concurrently the Executive Vice President of the Philippine Long Distance Telephone Company (PLDT). He is also the President and CEO of Telesat, Inc. and ePLDT, Inc., as well as the President of ePDS, Inc. In addition, he is the Chairman of ACASIA Communications Sdn Bhd, Bonifacio Communications Corp., PLDT SUBIC TELECOM, INC. (PLDT Subictel), Clark Telecommunication Company Inc. (PLDT Clarktel), ABM Global Solutions, iPlus, and Junior Achievement Philippines. He also holds directorships in PLDT Philcom, PLDT Maratel, Inc., PLDT Global Philippines, PLDT Global Malaysia, Mabuhay Investments Corp., IP Converge Data Services, Inc., and IBM Analitika Philippines. Mr. Alberto was a director of the Business Processing Association of the Philippines (BPA/P) from 2007 to 2011. Mr. Alberto obtained his Master's Degree in Economic Research from the University of Asia and the Pacific and his Bachelor's Degree Major in Economics, Minor in Mathematics and Political Science from San Beda College.

Bede Lovell S. Gomez, 49, Filipino, Independent Director

Mr. Bede Lovell S. Gomez is currently a member of the Board of Directors of Ardenwood Construction and Orbis Capital Ventures, Inc. He is also a Board Member/Trustee of the Fund Managers Association of the Philippines a a member of the Trust Officers Association of the Philippines. Prior to this, he was the Trust Officer/Group Head of the Investment Advisory and Trust Group of First Metro Investment Corporation (FMIC) where he was also the Assistant Vice President-Head of Investment Advisory Group. Before his stint in FMIC, he was Assistant Vice President/Head of Investments-Equities and Fixed Income of the Robinsons Bank Trust and Investment Group. Mr. Gomes earned his B.A. Political Science/Economics degree from the Loyola University of Chicago (USA).

Executive Officers

As of this date, the following are the executive officers of the Company:

Principal Officers				
Name	Age	Nationality	Present Position	Year Position was Assumed
Eugene Lee Villanueva	61	Filipino	President; General Manager - Compounds Division	1989
Walter H. Villanueva	63	Filipino	Head of Pipe Group and General Manager of PPR/HDPE and PVC Roof Divisions General Manager – Pipes Division	2014 2017 2005
Tita P. Villanueva	62	Filipino	SVP/Chief Financial Officer Vice President-Comptroller	2017 2005
Nicasio T. Perez	60	Filipino	Vice President-Treasurer	1992
Derrick P. Villanueva	35	Filipino	General Manager – PVC Pipes	2014

Principal Officers				
Name	Age	Nationality	Present Position	Year Position was Assumed
			Division	
Hans Joseph T. Perez	28	Filipino	Risk Management Officer And Assistant General Manager – PPR /HDPE Pipes Division	2017
			Assistant General Manager – PPR /HDPE Pipes Division	2014
Jason C. Nalupta	46	Filipino	Corporate Secretary and Compliance Officer	2012
Ann Margaret Keh Lorenzo	29	Filipino	Assistant Corporate Secretary	2017

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

Hans Joseph T. Perez, 28, Filipino, Assistant General Manager – PP-R/HDPE Pipes Division

Mr. Hans T. Perez assumed his position as Assistant General Manager of the PP-R /HDPE Pipes Division in 2015. He holds a Bachelor of Science degree in Commerce major in Business Management from the De La Salle University. He was designated by the Board as Risk Management Officer on September 29, 2017.

Jason C. Nalupta, 46, Filipino, Corporate Secretary and Chief Information Officer

Jason C. Nalupta, Filipino, 45, is the Corporate Secretary of the Corporation. He is also currently the Corporate Secretary or Assistant Corporate Secretary of listed firms A. Brown Company, Inc., Asia United Bank, Pacific Online Systems Corporation. He is also a Director and/or Corporate Secretary or Assistant Corporate Secretary of private companies Sino Cargoworks Agencies, Inc., Falcon Resources, Inc., Mercury Ventures, Inc., Total Gaming Technologies, Inc., Parallax Resources, Inc., SLW Development Corporation, Metropolitan Leisure & Tourism Corporation, Sagesoft Solutions, Inc., Radenta Technologies, Inc., Xirrus, Inc., Glyphstudios, Inc., Loto Pacific Leisure Corporation, and Sta. Clara International Corporation. He is a Partner at Tan Venturanza Valdez Law Offices specializing on corporate, securities, and business laws. Mr. Nalupta earned his Juris Doctor degree, as well as his Bachelor of Science degree in Management (major in Legal Management), from the Ateneo de Manila University in 1996 and 1992, respectively. Mr. Nalupta was admitted to the Philippine Bar in 1997.

Ann Margaret K. Lorenzo, 29, Filipino, Assistant Corporate Secretary

Ms. Lorenzo is the Assistant Corporate Secretary of the Company. She is also currently the Corporate Secretary of the following companies: Athena Ventures, Inc., TGTI Services, Inc., Galileo Software Services Inc., and GGO Realty Holdings, Inc. She is likewise the Assistant Corporate Secretary of I-Remit, Inc. (listed), Coal Asia Holdings, Incorporated (listed), TKC Metals Corporation (listed), Philequity PSE Index Fund, Inc.,

Philequity Fund, Inc., Philequity Peso Bond Fund, Inc., Philequity Dollar Income Fund, Inc., Philequity Dividend Yield Fund, Inc., Philequity Strategic Growth Fund, Inc., Philequity Balanced Fund, Inc., Philequity Resources Fund, Inc., Philequity Foreign Currency Fixed Income Fund, Inc., Aldex Realty Corporation, Oakridge Properties, Inc., Demikk Realty, Inc., Demikk Holdings, Inc., JTKC Leisure Holdings Corporation, Pan-Asean Multi-Resources Corporation, Etruscan Resources Philippines, Inc., and Tao Mohin Resources Corporation. She also serves as a Director of TGTI Services, Inc.

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

Significant Employees

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

Board Meetings and Attendance

Board	Name	No. of Meetings Held during the Year	No. of Meetings Attended	%
Chairman	Walter H. Villanueva	8	8	100%
Member	Eugene H. Villanueva	8	7	87%
Member	Tita P. Villanueva	8	8	100%
Member	Nicasio T. Perez	8	8	100%
Member	Derrick P. Villanueva	8	8	100%
Member	Jefferson T. Sy	8	7	87%
Member	Marie Therese G. Santos	8	8	100%
Member	Ernesto R. Alberto	8	6	75%
Member *	Bede Lovell S. Gomez	8	8	100%

Note: * Mr. Oscar T. Perez resigned effective August 11, 2016. Mr. Bede Lovell S. Gomez assumed his post as Independent Director effective August 11, 2016 and re-elected on May 18, 2017. Mr. Bede Lovell S. Gomez was appointed as Lead Independent Director on June 20, 2017.

Item 10. Executive Compensation

The following summarizes the executive compensation received by the President and the top four (4) most highly compensated officers of the Company for 2015, 2016 and 2017. It also summarizes the aggregate compensation received by all the officers and directors, unnamed.

Name and Position	Year	Salaries	Bonuses	Others	Total
Eugene Lee Villanueva/President and General Manager-Compounds Division	2015	₱12,104,755	-none-	₱410,784	₱12,515,539
Walter H. Villanueva/ 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	2016	₱11,617,445	-none-	₱402,548	₱12,019,993
CEO and the four (4) most highly compensated officers named above					
CEO and the four (4) 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	2015	₱12,104,755	-none-	₱410,784	₱12,515,539
	2016	₱14,965,621	-none-	₱479,391	₱15,445,012
	2017	₱18,295,603	₱3,324,643	₱2,788,517	₱24,408,763

Compensation of Directors

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

Currently for Board meetings, the Chairman receives P25,000.00 and other directors at P20,000.00 per meeting attended. For Committee meetings, the Committee Chairperson receives P 12,000.00 and the members receive P 10,000.00 per meeting attended.

Item 11. Security Ownership of Certain Beneficial Owners and Management

Security Ownership of Certain Record and Beneficial Owners

As at December 31, 2017, the following are the owners of record, directly or indirectly, of more than 5.00% of the Company's outstanding capital stock, the number of shares and percentage of shareholdings of each of them:

Security Ownership

Title of Class	Name, 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	94,560,000	14.99%
Common	Walter H. Villanueva Corinthian Gardens, Quezon City <i>Shareholder</i>	Same as record owner	Filipino	72,800,000	11.54%
Common	Jefferson T. Sy Damar Village, Quezon City <i>Shareholder</i>	Same as record owner	Filipino	47,280,000	7.47%
Common	Nicasio T. Perez West Triangle Homes, Quezon City <i>Shareholder</i>	Same as record owner	Filipino	94,559,999	14.99%
Common	Tita P. Villanueva Corinthian Gardens, Quezon City <i>Shareholder</i>	Same as record owner	Filipino	47,280,000	7.49%
TOTAL				356,479,999	56.51%

Security Ownership of Directors and Management

The following are the number of shares owned of record by the directors and executive officers of the Company and the percentage of shareholdings of each of them as of December 31, 2017:

Direct Ownership by Board of Directors and Management				
Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Eugene H. Lee Villanueva <i>President, General Manager – Compounds Division, and Director</i>	94,560,000 <i>Direct</i>	Filipino	14.99%
Common	Walter H. Villanueva <i>Chairman of the Board, General Manager – Pipes Group, and General Manager – PP-R/HDPE Pipes and PVC Roof Divisions and Director</i>	70,920,000 <i>Direct</i>	Filipino	11.24%

Direct Ownership by Board of Directors and Management				
Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Tita P. Villanueva <i>SVP/Chief Financial Officer and Director</i>	47,280,000 <i>Direct</i>	Filipino	7.49%
Common	Nicasio T. Perez <i>Vice President – Treasurer and Director</i>	47,279,999 <i>Direct</i>	Filipino	7.49%
Common	Derrick P. Villanueva <i>General Manager – PVC Pipes Division and Director</i>	4,589,000 <i>Direct</i>	Filipino	0.73%
Common	Jefferson T. Sy <i>Director</i>	100,000 <i>Direct</i>	Filipino	0.02%
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 <i>Direct</i>	Filipino	-nil-
Common	Bede Lovell S. Gomez <i>Lead Independent Director</i>	1 <i>Direct</i>	Filipino	-nil-
Total				41.96%

As of December 31, 2017, the aggregate direct ownership of all directors and officers of the Company as a group is 41.96% of the total issued and outstanding shares of the Company.

Selling Security Holders

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

Voting Trust

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

Item 12. Certain Relationships and Related Transactions

Family Relationships

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

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

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

Mr. Derrick P. Villanueva is the son of Mr. Walter H. Villanueva and Mrs. 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 chose by the registrant to become directors or executive officers other than the ones disclosed.

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

PART IV – CORPORATE GOVERNANCE

Item 13. Compliance with Leading Practice on Corporate Governance

The company was listed at the Philippine Stock Exchange (PSE) on April 27, 2015. The company's Integrated Annual Corporate Governance Report (I-ACGR) shall be submitted on or before May 30, 2018, in compliance with SEC Memorandum Circular No. 15 Series of 2017.

PART V – EXHIBITS AND SCHEDULES

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

(a) Exhibits - none

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

CROWN ASIA CHEMICALS CORPORATION LIST OF CORPORATE DISCLOSURES UNDER SEC FORM 17-C JULY 1, 2017 TO DECEMBER 31, 2017

Date	Description of Disclosure
August 7, 2017	Press Release
August 9, 2017	Change in Directors and/or Officers
September 27, 2017	Press Release
September 29, 2017	Change in Directors and/or Officers
November 10, 2017	Press Release
December 15, 2017	Change in Directors and/or Officers
December 18, 2017	Press Release

CROWN ASIA CHEMICALS CORPORATION

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Form 17-A, Item 7

Statement of Management's Responsibility for Financial Statements
Independent Auditor's Report
Statements of Financial Position

Statements of Income
Statements of Comprehensive Income
Statements of Changes in Equity
Statements of Cash Flows
Notes to Financial Statements


SIGNATURES

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

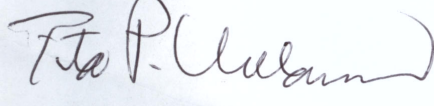
CROWN ASIA CHEMICALS CORPORATION

Issuer

By:


WALTER H. VILLANUEVA
Chairman


EUGENE H. LEE VILLANUEVA
President


TITA P. VILLANUEVA
SVP/Chief Finance Officer


ATTY. JASON C. NALUPTA
Corporate Secretary

APR 05 2018

SUBSCRIBED AND SWORN to before me this _____ day
of _____ 2018 affiants exhibiting to me their Residence Certificates, as follows:

NAMES	CTC NO.	DATE/PLACE OF ISSUE
Walter H. Villanueva	23540367	02/01/2018 Valenzuela City
Eugene H. Lee Villanueva	23565659	02/23/2018 Valenzuela City
Tita P. Villanueva	23540368	02/01/2018 Valenzuela City
Atty. Jason C. Nalupta	09951395	01/05/2018 Manila

NOTARY PUBLIC

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ATTY. JASON G. DE BELEN
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IBP AR No. 000379; QC1-3-18
PTR No. 5520349; QC 1-3-18
MCLE V 0017261; 3-30-16