

MABUHAY VINYL CORPORATION
MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
22F The Salcedo Towers, 169, H.V. Dela Costa Street,
Salcedo Village, Barangay Bel-Air, Makati City
Via Remote Communication
on **25 April 2024**

I. CALL TO ORDER

After the invocation and singing of the Philippine national anthem, the meeting was called to order by the Chairman, Mr. Yohei Chikamoto, at 3:00 pm.

II. PROOF OF NOTICE OF MEETING

The Corporate Secretary, Atty. Maria Melva E. Valdez, confirmed and certified that written notice of the meeting was published in print and online formats by two (2) newspapers of general circulation namely, The Philippine Star and The Manila Times, on April 4 and 5, 2024. The publication was made in accordance with the Company by-laws and the Securities and Exchange Commission (SEC) Memorandum Circular No. 6 series of 2020 and SEC Notice dated 22 February 2024.

A Certification to this effect was executed by Leo N. Alisgar of The Philippine Star and Eden F. Del Rosario of The Manila Times. These Certificates are hereby submitted to form part of the Company records.

Additionally, the Notice of Meeting was posted on the Company website and disclosed via PSE Edge.

III. CERTIFICATION OF QUORUM

Certifying to the presence of a quorum, the Corporate Secretary stated that stockholders owning **93.98%** of the outstanding capital stock were present, either by remote communication or by proxy. Hence, there was quorum for the transaction of any business during the meeting.

For the list of present directors and stockholders, see Annex "A".

IV. GUIDELINES IN PARTICIPATION BY REMOTE COMMUNICATION

The Chairman thanked all attendees for their patience and cooperation in making possible the Y2024 Annual Stockholders' Meeting (ASM). Similar to last year's ASM, this year's ASM was held via remote communication.

To guide all participants, the Corporate Secretary reminded the stockholders of the basic guidelines, which was published on the Company website and disclosed on the PSE Edge System before the meeting, *to wit*:

Description of the voting and voting tabulation procedures

The holders of common stocks are entitled to one vote per share. An affirmative vote by the stockholders owning at least a majority of the outstanding capital stock shall be sufficient to approve matters requiring stockholder's action, except as to the election of directors. The holder of a majority interest of all outstanding stock of the Company entitled to vote at the meeting shall constitute a quorum for the transaction of business.

In connection with the election of directors, however, the system of cumulative voting will be followed. In cumulative voting, each stockholder is entitled to as many votes equal to the number of shares held by the stockholder at the close of business on the record date multiplied by the number of directors to be elected. A stockholder may cast all votes for a single nominee or may apportion such votes among any two or more nominees. The total number of votes cast shall not exceed the number of shares owned by him multiplied by the number of Directors to be elected.

Description of the opportunity given to stockholders or members to ask questions

An online web address (URL) was provided on the Company website, <http://www.mvc.com.ph>. Questions and comments could be sent via email prior to or during the meeting to asm@mvc.com.ph, and were limited to the items in the agenda of the meeting.

V. READING AND APPROVAL OF THE MINUTES OF THE ASM HELD ON 27 APRIL 2023

Copy of the minutes of the ASM held on 27 April 2023 was posted on the Company website before the meeting.

Upon motion duly made and seconded, the reading of the said minutes was dispensed with and the same was approved without amendments.

The Corporate Secretary recorded the following votes:

	FOR	AGAINST	ABSTAIN
NUMBERS OF SHARES VOTED	621,516,463 93.98%	0	0

VI. DECLARATION OF CASH DIVIDENDS

Mr. Chikamoto announced that the Board of Directors in its earlier meeting, declared cash dividend at 10% per share (P 0.10/share) to stockholders of record as of 24 May 2024, to be paid on 17 June 2024.

VII. PRESIDENT'S REPORT

The President and Chief Operating Officer (COO), Mr. Steve S.C. Pangilinan, reported highlights of the Y2023 operational and financial performance, significant events, as well as Company outlook for the year 2024:

Mr. Pangilinan reported that MVC was able to attain record breaking operating results as well as achieve its strategic objective.

As a commitment to its customers, MVC has substantially completed its chlor-alkali expansion and modernization project in Iligan Plant by the end of 2023. The project has increased production capacity by 68%, reduced power consumption through the use of the latest electrolyzers, and considerably lowered carbon dioxide emissions with the country's first plate-type caustic soda evaporator.

Corporate Performance

MVC reached another milestone in 2023 by posting its highest profit since inception at P409.1 Million or P9.65 Million higher than the previous best attained in 2022.

MVC posted revenues of P3.074 Billion in 2023 or P127.3 Million lower than in 2022. Sales revenues were relatively stable even as prices of liquid caustic soda declined by 20% in the international market due to higher volumes and proactive revenue management. Gross profit increased by P19.8 Million due to timely replenishment of traded commodities which was sufficient to offset lower sales and higher production cost.

Operating expenses increased by P60.7 Million or 9% due to higher depreciation, taxes, supplies and retirement benefits. Fortunately, these were mitigated by higher other income coming from interest from money market placements and sales of excess power.

While the Management is heartened by the Company's robust performance, it belies the numerous challenges that Company has and will face in the years to come such as emergence of new competitors, increasing lease rates at several depots and power supply issues.

Caustic Soda Market in 2023

The prevailing situation for liquid caustic soda in 2023 was that of weak demand and ample supply throughout most of the Asian region. Demand was weak in most major Asian economies except in Korea. However, even Korea turned bearish by the fourth quarter when demand for electric vehicle batteries slowed.

When 2022 ended, the price of caustic soda was at \$700/dmt due to the high cost of energy such as coal and natural gas. When it became clear that the Chinese economy was struggling, the price of coal fell sharply from \$400/mt in December 2022 to \$200/mt in February 2023, and further to around \$140/dmt for the rest of 2023. As a result, caustic soda prices fell as well and stayed within the range of \$370 - \$470/dmt CFR Southeast Asia.

Chlor-alkali production is an intensive user of both electrical and heat energy. During periods of weak demand and low price, producers with the lowest energy costs have the best chance of survival. This basic premise is now more complicated with the goal of reducing carbon dioxide emissions.

Manufacturing Operations

MVC's production output at the Iligan Plant declined by 4% compared to 2022 due to intermittent operations during the last quarter triggered by the Ion Exchange Membrane Plant 2 (IEM2) Expansion Project. To minimize impact on production and supply, the IEM2 Expansion Project facilities were constructed beside an existing plant that was on full 24-hour operation. The IEM2 Plant was shut down only when the Expansion facilities were completed and ready to be interconnected and commissioned.

Production cost on a per ton basis increased by 7% due to higher

cost of salt raw material and manufacturing overhead, particularly maintenance and operating supplies. Nevertheless, the plant's operating parameters were favorable with power, salt and steam registering up to 1.8% lower consumption.

Through prudent power management, the Iligan Plant was also successful in lowering power rates by 3.7% and sold excess power to the Mindanao grid thereby contributing a net income before tax of P17.1 Million.

MVC's Premium Bleach Plant in Laguna once again performed well with production volumes higher by 1% compared to 2022 despite the conclusion of the pandemic period. We recall that demand surged during the pandemic since sodium hypochlorite was used as a disinfectant against the Covid-19 virus.

Environmental Responsibility

Caustic soda and chlorine-derivatives are basic chemicals that are indispensable in our modern everyday life. They are the building blocks of chemical products and processes essential in food, water, energy, metals and electronics industries. They have been proven to be the most suitable chemical in terms of cost, safety and environmental impact.

However, production of caustic and chlorine-derivatives uses a large amount of electrical energy and water.

In 2023, MVC's Iligan Plant consumed 54.9 Million kWh of electrical power of which 69.4% was sourced from renewable sources. The plant also uses 9,065 million liters of fresh surface water. No water was withdrawn from a ground-water source.

Details of MVC's environmental performance can be found in the Company's Sustainability Report which is part of the 17-A Annual Report. The report conforms to the Global Reporting Initiative (GRI) Standard as required by the Securities and Exchange Commission and is also available on our website.

IEM2 Expansion Project

MVC started implementation of the IEM2 Expansion and Modernization Project last May 2022 with the goal of increasing caustic soda and chlorine production capacity at the Iligan Plant by 68% with an investment cost of P630 Million. The project was installed and commissioned in sections to minimize disruption

while the Electrolyzer, responsible for increased production capacity, was put online in December 2023.

Initial performance was promising with power and steam consumption of the electrolyzer and evaporator, respectively, were within expectations. One section, the HCl Synthesis Unit, will be commissioned in April 2024 due to late arrival of equipment.

Outlook for the Rest of 2024

2024 could be the year the Philippine economy gets back on track as inflation and interest rates seem to have peaked. Consumer confidence remains strong, semiconductor and electronics exports are rising, and foreign investors are showing interest in expanding in the Philippines.

However, demand for caustic soda in Asia remains weak, and prices are depressed. This situation heightens the challenge of making a reasonable margin from caustic soda while competing against low-priced imports of liquid chlorine.

MVC likewise needs to sharpen our focus on operating its newly expanded/modernized IEM2 Plant in a safe, stable and efficient manner, and optimize our logistics services in the face of increasing costs. All this we do in the furtherance of our commitment to be a strong partner of choice to our customers.

Mr. Pangilinan also thanked the customers, shareholders, business partners, bankers, suppliers, employees and everyone who made MVC's resounding success possible.

VIII. RATIFICATION OF THE CORPORATE ACTS AND PROCEEDINGS OF THE BOARD OF DIRECTORS, OFFICERS AND MANAGEMENT FOR THE PERIOD UNDER REVIEW

The acts, proceedings, and resolutions were discussed and approved in the meetings of the Board of Directors and documented by minutes of meetings. These matters constitute the transactions and operations of the Company. This was also mentioned on pages 14-15 of the Information Statement posted on the Company website and available for public perusal via the PSE EDGE portal.

One such Board action is the amendment of the Shareholders' Agreement entered into by MVC and MVC Retirement Fund executed in December 2009. The Board approved on 28 February 2024 to revise said Agreement to conform

to current laws and accounting standards. The Board, in the immediately concluded 25 April 2024 Regular meeting, approved the revised Shareholders' Agreement.

As to the enumeration of Board meetings for 2023, the same can be found on page 40 of the Information Statement.

On motion duly made and seconded, the following resolution was approved:

"RESOLVED, That the corporate acts and proceedings of the Board of Directors, Officers, and Management of Mabuhay Vinyl Corporation for the preceding year (28 April 2023 to 25 April 2024) are hereby approved and ratified."

The Corporate Secretary recorded the following votes:

	FOR	AGAINST	ABSTAIN
NUMBERS OF SHARES VOTED	621,516,463 93.98%	0	0

IX. PRESENTATION AND APPROVAL OF Y2023 ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Copies of MVC's Y2023 Annual Report and Audited Financial Statements for the year ended 31 December 2023 were made available on the Company website prior to the meeting.

On motion duly made and seconded, the following resolution was approved:

"RESOLVED, That the Y2023 Annual Report and Audited Financial Statements for the year ended 31 December 2023 of Mabuhay Vinyl Corporation are hereby approved."

The Corporate Secretary recorded the following votes:

	FOR	AGAINST	ABSTAIN
NUMBERS OF SHARES VOTED	621,516,463 93.98%	0	0

X. ELECTION OF DIRECTORS FOR THE YEAR 2024 - 2025

On behalf of the Nominations Committee, the Corporate Secretary announced the names of the nominees to the Board of Directors as well as the justifications for nominating as independent directors Messrs. Abejuela and Kong.

After tabulation of votes of proxies received and of those that participated by remote communication, the following were declared as the duly elected Directors of the Company for Y2024 - Y2025 and/or until their successors are duly elected and qualified in accordance with the by-laws of MVC:

1. Yohei Chikamoto
2. Steve S.C. Pangilinan
3. Yasuhiro Fukuki
4. Barbara Anne C. Migallos
5. Francisco J. Kong – Independent Director
6. Ramon J. Abejuela – Independent Director
7. Satoshi Maruyama

The Corporate Secretary recorded the following votes:

NAME OF DIRECTOR	FOR	AGAINST	ABSTAIN
Yohei Chikamoto	621,516,463 93.98%	0	0
Steve S.C. Pangilinan	621,516,463 93.98%	0	0
Yasuhiro Fukuki	621,516,463 93.98%	0	0
Barbara Anne C. Migallos	621,516,463 93.98%	0	0
Francisco J. Kong	621,516,463 93.98%	0	0
Ramon J. Abejuela	621,516,463 93.98%	0	0
Satoshi Maruyama	621,516,463 93.98%	0	0

XI. APPOINTMENT OF EXTERNAL AUDITOR

On behalf of the Audit Committee, Mr. Pangilinan announced that Sycip Gorres Velayo & Co. (SGV) was recommended and endorsed by the Audit Committee and the Board of Directors as the Company's external auditor for the audit period 31 December 2024.

On motion duly made and seconded, the following resolution was approved:

"RESOLVED, That Sycip Gorres Velayo & Co. is hereby appointed as Mabuhay Vinyl Corporation's External Auditor for the fiscal year ending 31 December 2024, under such terms and conditions as Management may deem appropriate."

The Corporate Secretary recorded the following votes:

	FOR	AGAINST	ABSTAIN
NUMBERS OF SHARES VOTED	621,516,463 93.98%	0	0

XII. OTHER MATTERS

The Chairman inquired whether any stockholder who participated by remote communication raised questions.

After checking the online platform used, the Corporate Secretary reported that no questions were raised by stockholders.

XIII. ADJOURNMENT

There being no other matter to be discussed, the meeting was adjourned at around 4:00 p.m.


MARIA MELVA E. VALDEZ
Corporate Secretary

Attested by:


YOHEI CHIKAMOTO
Chairman of the Board of Directors
Presiding Officer of the Stockholders' Meeting

Annex A

STOCKHOLDERS PRESENT:

Total No. Shares Outstanding	661,309,398
Total No. Shares of Stockholders Present in Person	50,629
Total No. of Shares of Stockholders Represented by Proxy	621,465,834
Total No. of Shares Present (In Person and by Proxy)	621,516,463
Percentage of Shares of Stockholders Present	93.98%

DIRECTORS PRESENT:

Yohei Chikamoto		
Steve S.C. Pangilinan		
Yasuhiro Fukuki		
Francisco J. Kong	-	Independent Director
Barbara Anne C. Migallos		
Ramon J. Abejuela	-	Independent Director
Satoshi Maruyama		

OFFICERS PRESENT:

Romeo G. Dela Cruz	-	VP- Marketing
Atsushi Utsunomiya	-	VP- Finance
Michael S. Yu	-	Treasurer/VP-Corporate Planning
Mark Francis D. Basan	-	AVP-Manufacturing
Maria Melva E. Valdez	-	Corporate Secretary
Pamela Ann T. Cayabyab	-	Assistant Corporate Secretary

REPRESENTATIVE FROM THE AUDITOR:

Manolito R. Elle	-	Partner-in-charge (Sycip, Gorres, Velayo & Co.)
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REPRESENTATIVE FROM THE STOCK TRANSFER AGENT

Roland Raymund P. Rojas	-	Security Services (BDO Stock Transfer)
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