

**MINUTES OF THE
ANNUAL SHAREHOLDERS' MEETING
OF IONICS EMS, INC.**

Held on 20 August 2020
Via Remote Communication (Microsoft Teams)

STOCKHOLDERS PRESENT/REPRESENTED

Please refer to Annex "A"

I. CALL TO ORDER

The Chairman, Mr. Lawrence C. Qua, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Manuel R. Roxas, recorded the minutes of the proceedings.

II. PROOF OF NOTICE OF MEETING

The Corporate Secretary certified that in accordance with Rule 20 of the Securities Regulation Code and SEC Memorandum Circular No. 3, series of 2020, notice of the meeting was published in online and printed format on July 30, 2020 to July 31, 2020 in The Business Times of Singapore. A Certification to this effect was executed by Ms. Armida Bongon of Xpress Print Pte. Ltd., Singapore, the publishing company utilized by the Corporation to publish the notice. The notice was also posted in the Corporation's website.

III. CERTIFICATION OF QUORUM

The Corporate Secretary certified that based on the attendance record and the proxies and powers of attorney on hand, present in person and represented by proxy were a total of Two Billion Four Hundred Thirty Six Million Six Hundred Ninety Six Thousand Six Hundred Twenty Seven (2,436,696,627) shares or 97.94% of the Two Billion Four Hundred Eighty Seven Million Eight Hundred Twenty Four Thousand One Hundred Seventy Six (2,487,824,176) total outstanding shares.

He thus certified that a quorum existed for the valid transaction of business.

**IV. READING AND APPROVAL OF THE MINUTES OF THE
PREVIOUS STOCKHOLDERS' MEETING HELD ON 21 JUNE 2019**

The Chairman proceeded to the next item in the agenda which was the reading and approval of the minutes of the previous meeting of the shareholders held on 21 June 2019.

Since the stockholders were fully apprised of the salient matters approved in the previous meeting, the reading of the minutes of the last annual stockholders' meeting was dispensed with. Based on the total votes received, a total of 2,436,695,622 shares voted in favor of approving the Minutes of the 2019 Annual Stockholders Meeting as appearing in the minutes book of the Corporate Secretary.

V. MANAGEMENT REPORT AND APPROVAL OF FINANCIAL STATEMENTS FOR THE YEAR 2019

The Chairman, Mr. Lawrence C. Qua, delivered the Management Report for the year 2019.

Mr. Qua reported that 2019 was a good year for the Corporation. On a standalone basis, it remained solid with gradual but steady sales growth. The Corporation continued to make progress on its strategic objective to grow its manufacturing business with product design capabilities.

The Corporation gained an 8.9% revenue growth at \$56.1 million in 2019 relative to 2018. The gross profit, line and operating expenses were lower, and finance costs and net foreign exchange variances from various equipment acquisitions impacted slightly downward. Still, the net income after taxes grew by 12.13% at \$2.6 million from that of 2018.

Looking ahead, the Corporation will strive to fulfill its goals for 2020. New equipment acquired in 2019 and an expanded footprint in another factory has been set up with the end in sight of boosting customer confidence and a consequent increase of allocation and orders.

Sales and marketing channels have been added to enhance the sales funnel and improve qualification criteria with prospective customers. Technology remains a key part of the Corporation's focus. In recent years, the Corporation upgraded to a smart factory of Industry 4.0 standard which was much admired by customers and hailed as an impressive first. A leading Japanese manufacturer has sought to partner with the Corporation to promote this technological advantage.

Improvements in operations and information technology are the Corporation's two-pronged approach to advance manufacturing technology. The Corporation continues to build on its internet of things know-how, alternately dubbed as the "Intelligence of Things," and has upgraded artificial intelligence.

The quarantine and lockdown due to Covid-19 has caused unprecedented challenges. The deployment of a skeletal workforce, the scarcity of public transportation and the employees' initial reluctance to work due to fear of infection weighed down on the first half of 2020. Customers, however, patiently waited for the return to full operations in the new normal and even increased their levels of engagement. The pipeline of prospects is excitingly strong and the business visibility ahead is very promising.

As a manufacturing concern which is essentially an onsite operation, the Corporation has implemented a minimal working from home set-up. As such, the Corporation has fully phased in a back to plant work arrangement with strict adherence to all stipulated Covid-19 precautionary measures. Management is pleased with the dedication of the Corporation's human capital asset and continues to hire more workers to service increasing customer requirements.

Mr. Qua concluded his report by thanking the stockholders for their continued trust and support.

Thereafter, the Corporate Secretary presented the proposed resolution for the notation and approval of the Corporation's 2019 Annual Report, together with the Audited Financial Statements for the period ending December 31, 2019. A total of 2,436,695,622 shares voted in favor of approving the following resolution:

“RESOLVED, That the Management Report as reflected in the Annual Report, together with the financial statements for the period ending 31 December 2019, be, as it is hereby, noted and approved.”

VI. RATIFICATION OF ALL ACTS, RESOLUTIONS AND INVESTMENTS OF THE BOARD OF DIRECTORS, EXECUTIVE COMMITTEE AND OFFICERS OF THE CORPORATION

The Chairman proceeded to the next item on the agenda which was the ratification of all the acts, proceedings, and resolutions of the Board of Directors, Executive Committee and Officers of the Corporation from the date of the last annual stockholders' meeting up to the present as reflected in the minutes of the meetings of the Board of Directors.

A summary of significant transactions undertaken by the Board was provided in the Information Statement distributed to the stockholders and was likewise presented during the meeting.

The Corporate Secretary presented the proposed resolution for the ratification of all acts, resolutions and investments of the Board of Directors, Executive Committee and the officers of the Corporation. With a total of 2,436,695,622 shares voting in favor of the proposed resolution, the following was approved:

“RESOLVED, That all acts, resolutions and investments approved by the Board of Directors, Executive Committee and the Officers of the Corporation for the year 2019 in so far as the same are reflected in the minutes book of the Corporate Secretary, be as they are hereby, approved, confirmed and ratified.”

VII. ELECTION OF DIRECTORS

The Chairman of the Nomination Committee, Mr. Alfredo R. de Borja, reported on the nominees determined by the Nomination Committee as qualified to be directors of the Corporation for the year 2020-2021, as follows:

Lawrence C. Qua
Alfredo R. de Borja
Amelia B. Cabal
Virginia Judy Q. Dy
Guillermo D. Luchangco
Meliton C. Qua
Raymond C. Qua
Lilia B. De Lima
Monica Siguion Reyna Villonco

Mr. Alfredo R. de Borja, Ms. Amelia B. Cabal and Ms. Lilia B. de Lima were nominated as independent directors.

Since there were only nine (9) nominees to the Board of Directors and the nominees to the nine (9) available seats all received votes in their names, it was proposed that the nine (9) nominees be proclaimed as duly elected directors of the Corporation, to serve as such until the election and qualification of their successors.

The following resolution was approved:

“RESOLVED, to elect the following as Directors of the Corporation to serve as such until the election and qualification of their successors:

Lawrence C. Qua
Alfredo R. de Borja
Amelia B. Cabal
Virginia Judy Q. Dy
Guillermo D. Luchangco
Meliton C. Qua
Raymond C. Qua
Lilia B. De Lima
Monica Siguion Reyna Villonco

VIII. APPOINTMENT OF EXTERNAL AUDITORS

The Chairman of the Audit Committee, Ms. Amelia B. Cabal discussed the appointment of the Corporation's External Auditor for the ensuing year. Ms. Cabal reported that after careful deliberation, the Audit Committee endorsed to the Board the

reappointment of Sycip Gorres Velayo & Co. (SGV and Co.) as External Auditor of the Corporation for the year 2020-2021.

The Corporate Secretary presented the proposed resolution on this matter. A total of 2,436,695,622 shares voted in favor of the following resolution:

“RESOLVED, that the Corporation be, as it is hereby, authorized to appoint Sycip Gorres Velayo & Co. (SGV & Co.) as the External Auditor for the year 2020-2021.”

IX. ADJOURNMENT

There being no further business to transact, and upon motion duly made and seconded, the meeting was adjourned.

MANUEL R. ROXAS
Corporate Secretary

ATTEST:

LAWRENCE C. QUA
Chairman of the Meeting