

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

Held on 17 June 2022  
Via Remote Communication (Zoom)

**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 the requirements of the Securities Regulation Code and Article II, Section 8 of the Corporation's By-Laws, notice of the meeting was published in online and printed format on May 26, 2022 in the Philippine Daily Inquirer and on May 27, 2022 in Businessworld and The Business Times of Singapore. A Certification to this effect was executed by Ms. Armida Bongon of Xpress Print Pte. Ltd., Singapore, and Affidavits of Publication were executed by Mr. Buenaventura R. Arcano, Jr. and Mr. Bernard E. Enolva of The Philippine Daily Inquirer and Business World, the publishing companies utilized by the Management 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 Seven Hundred Sixty Five Thousand Six Hundred Twenty Nine (2,436,765,629) shares or 97.95% 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 MAY 2021**

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 stockholders held on 21 May 2021.

Since the stockholders were fully apprised of the salient matters approved in the previous meeting, the reading of the minutes of the previous annual stockholders' meeting was dispensed with. Based on the total votes received, a total of 2,436,625,615 shares voted in favor of approving the Minutes of the 2021 Annual Stockholders Meeting as appearing in the minutes book of the Corporate Secretary.

**V. MANAGEMENT REPORT AND APPROVAL OF FINANCIAL STATEMENTS FOR THE YEAR 2021**

The Chairman then delivered the Management Report for the year 2021.

He began by reporting that notwithstanding the continuing spread of the Covid-19 subvariants and the global chip shortage, the Corporation rebounded with a growth in sales and a profit in 2021. It hiked its sales by 14% to \$57.4 million in 2021 from \$50.3 million in 2020, and reported a net income of \$831,000 in 2021 from a net loss of \$546,000 in 2020.

The festering pandemic and the lingering supply chain woes continued to restrict and limit customers' production and supply of products in 2022. Demand was high but fulfillment was delayed which impacted sales. China was the biggest source of electronic components, and its zero-Covid policy with alternating shutdowns in numerous provinces, such as Beijing and Shanghai, compounded the supply chain issue. The sudden and aggressive invasion of Ukraine by Russia likewise aggravated the availability of electronic parts due to the lack of raw materials manufactured in these countries and compounded by sanctions imposed by western nations.

In spite of these challenges, the electronics manufacturing services ("EMS") industry witnessed significant growth owing to the rising demand for renewable energy, electronic vehicles and greener electronic devices. For 2022, the Corporation expects to utilize the expanded capacity of machinery and warehouse spaces to fulfill current demand and new customer acquisitions in medical, electronics and industrial sectors.

The original product design capabilities combining hardware, software and artificial intelligence would provide greater value to customers. The Corporation continued to lead in the Industry 4.0 development to innovate and transform manufacturing in the Philippines. Referencing the Smart Industry Readiness Index ("SIRI") now adopted by the World Economic Forum, the Corporation achieved noteworthy milestones in shop-floor automation, connectivity and intelligence levels. It would be a continuing journey towards full digitalization, integrating devices, machines and systems, optimizing processes and operations, and enabling humans and machines to work together in smart facilities that are efficient, flexible and adaptive.

With these developments, the Chairman confidently concluded that 2022 would be a better year.

Thereafter, the Corporate Secretary presented the proposed resolution for the notation and approval of the Corporation's 2021 Annual Report, together with the Audited Financial Statements for the period ending December 31, 2021. He stated that a total of 2,436,625,615 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 2021, be, as it is hereby, noted and approved.”

#### **VI. RATIFICATION OF ALL ACTS, RESOLUTIONS AND INVESTMENTS OF THE BOARD OF DIRECTORS 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 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 and was likewise presented to the stockholders during the meeting.

The Corporate Secretary presented the proposed resolution for the ratification of all acts, resolutions and investments of the Board of Directors and the officers of the Corporation. He stated that a total of 2,436,625,615 shares voted approving the proposed resolution:

**“RESOLVED**, That all acts, resolutions and investments approved by the Board of Directors and the officers of the Corporation from the date of the Corporation's last Annual Stockholders' Meeting on May 21, 2021 up to the present date 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 Corporate Secretary reported on the nominees approved by the Nomination Committee as qualified to be directors of the Corporation for the year 2022-2023, as follows:

Lawrence C. Qua  
Alfredo R. de Borja  
Virginia Judy Q. Dy

Lilia B. de Lima  
Guillermo D. Luchangco  
Medel T. Nera  
Meliton C. Qua  
Raymond C. Qua  
Monica Siguion Reyna Villonco

Mr. Alfredo R. de Borja, Mr. Medel T. Nera and Ms. Lilia B. de Lima were nominated as independent directors.

The Corporate Secretary also reported that while Mr. Alfredo R. de Borja has served the allowed cumulative term of nine (9) years as independent director under the Code of Corporate Governance for Public Companies and Registered Issuers, he was, however, re-nominated as independent director for the term 2022-2023 because of his in-depth knowledge of the Corporation’s business which he acquired during his tenure as an independent director. The highly technical nature of the Corporation’s operations and the industry to which it belongs requires the specialized knowledge which Mr. de Borja possesses. The Nomination Committee believed that retaining Mr. de Borja as an independent director would be instrumental in attaining the Corporation’s goals for the ensuing year and it was to the best interest of the Corporation if he was re-nominated and re-elected.

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 thereupon 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  
Virginia Judy Q. Dy  
Lilia B. de Lima  
Guillermo D. Luchangco  
Medel T. Nera  
Meliton C. Qua  
Raymond C. Qua  
Monica Siguion Reyna Villonco

#### **VIII. APPOINTMENT OF EXTERNAL AUDITOR**

The Chairman of the Audit Committee, Mr. Medel T. Nera reported on the appointment of the Corporation’s External Auditor for the ensuing year. Mr. Nera

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 2022-2023.

The Corporate Secretary then presented the proposed resolution on this matter. He stated that a total of 2,436,625,615 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 2021-2022.”

**IX. ADJOURNMENT**

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

Minutes prepared by:

**MANUEL R. ROXAS**  
Corporate Secretary

ATTEST:

**LAWRENCE C. QUA**  
Chairman of the Meeting

**Annex "A"**

<b>Present in Person</b>	140,014
<b>Present by Proxy</b>	<u>2,436,625,615</u>
<b>TOTAL</b>	<b>2,436,765,629</b>

<b>Total Issued and Outstanding</b>	2,487,824,176
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<b>Present</b>	2,436,765,629
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<b>Percentage Present</b>	<b>97.95%</b>
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Prepared by:

**KRISHA F. VILLANUEVA**  
Assistant Corporate Secretary