

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

Held on 15 June 2023
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 the Securities and Exchange Commission ("SEC"), the notice of the meeting was published in online and printed format on May 23 and May 24, 2023 in The Manila Bulletin and The Manila Times, and on May 24, 2023 in 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 the authorized representatives of The Manila Bulletin and The Manila Times. 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 17 JUNE 2022**

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 17 June 2022.

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 2022 Annual Stockholders' Meeting as appearing in the minutes book of the Corporate Secretary.

V. MANAGEMENT REPORT AND APPROVAL OF FINANCIAL STATEMENTS FOR THE YEAR 2022

The Chairman then delivered the Management Report for the year 2022.

He reported that the year 2022 was a very good year. The growth of the Corporation was significant as was its results of operations. He noted that the Covid-19 pandemic was declared over by the Government, the economy had rebounded, businesses were in full throttle and the supply chain woes and component shortage had eased up. Many customers visited the Corporation's factories as a result of the lifting of travel restrictions. Work had been robust and social connectivity had gone back to physical interactions.

Driven by the increase in customer demand and more available parts, the Corporation increased its sales by 27% to \$72.69 million in 2022 from \$57.45 million in 2021. The current customers' orders picked up due to the improved market demand. Net income soared by 159% to \$2.15 million in 2022 from \$830,000 in 2021. Growth was seen to be propelled by higher customer demand and exciting prospects in the pipeline.

The Corporation would continue to achieve further growth by optimizing its manufacturing processes, expanding its customer portfolio, investing in advanced technologies and prioritizing employee development and training. It will ensure a healthy and safe working environment, manage identifiable risks, protect the environment, uphold social responsibility and contribute to the community.

Advancement in technology had always been the cornerstone of the Corporation's thrust. In a recent Smart Industry Readiness Index developed by the World Economic Forum and conducted by TUV-SUD, a global testing inspection and certification company, a panel of industry and academic experts validated the Corporation to be the only manufacturing company in the Philippines as of date to be ahead of its peers in several key areas of "Industry 4.0," commonly referred to as "smart factory" implementation. Management would continue to invest in leading technologies for automation, artificial intelligence, machine learning and industrial Internet of Things.

Strategic focus will be sustained in operational excellence, advanced engineering, marketing and sales, cost and price leadership, original design manufacturing, organizational development and healthy and safe environment.

The Chairman noted that the year 2023 would be as good as, if not better than, the year 2022.

Thereafter, the Corporate Secretary presented the proposed resolution for the notation and approval of the Corporation’s 2022 Annual Report, together with the Audited Financial Statements for the period ending December 31, 2022. 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 2022, 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 June 17, 2022 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

Ms. Lilia B. de Lima, Chairman of the Corporate Governance Committee, reported on the nominees who were qualified to be directors of the Corporation for the year 2023-2024, 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.

It was also reported that while Mr. Alfredo R. de Borja had 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 2023-2024 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 Corporate Governance 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 2023-2024.

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 2023-2024.”

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

MINUTES READ AND APPROVED:

LAWRENCE C. QUA
Chairman of the Meeting

Annex "A"

Present in Person	140,014
Present by Proxy	<u>2,436,625,615</u>
TOTAL	2,436,765,629
Total Issued and Outstanding	2,487,824,176
Present	2,436,765,629
Percentage Present	97.95%

Prepared by:

KRISHA F. VILLANUEVA
Assistant Corporate Secretary