

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

Held on 21 June 2019  
Sta. Elena Golf & Country Club  
Light Industry and Science Park I,  
Cabuyao, Laguna

**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 Secretary certified that in accordance with Rule 20 of the Securities Regulation Code and SEC Memorandum Circular No. 19, series of 2016, written notice of the meeting was sent to shareholders of record at least twenty-eight (28) days prior to the date of the meeting. A certification to this effect was executed by Mr. Cal Joseph R. Cano of the private courier service company, Varied Services, Incorporated utilized by the Corporation to send out the notices.

**III. CERTIFICATION OF QUORUM**

Atty. Roxas 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 Five Hundred Thirty Eight Million Forty Nine Thousand, Six Hundred Four (538,049,604) shares or 64.27% of the Eight Hundred Thirty Seven Million One Hundred Thirty Thousand Nine Hundred Ninety Two (837,130,992) 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 19 JUNE 2018**

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 19 June 2018.

Upon motion duly made and seconded, the reading of the minutes of the last annual stockholders' meeting was dispensed with and the minutes covering the same as appearing in the minutes' book of the Corporate Secretary were approved.

**V. REPORT OF MANAGEMENT AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR 2018**

The President and Chief Executive Officer, Mr. Lawrence C. Qua, delivered the Management Report for the year 2018 and reported that the Ionics Group of companies ("Group") remained on course with positive outcomes in 2018.

He informed the stockholders that the Group's net income rose by 19% and revenue rose by 4%. The Group's topline increased from US\$55.091 million to US\$57.301 million and the net income, attributable to the equity holders of Ionics, Inc., inched up to US\$4.166 million in 2018 from US\$3.581 million in 2017.

Ionics EMS, Inc. ("EMS") registered a 4.77% growth in 2018 at US\$51.932 million compared to US\$49.569 million in 2017, thriving in both consignment and turnkey business models. Its gross profit was steady at US\$5.768 million, higher than the gross profit of US\$5.741 million in 2017. Operating expenses were at US\$2.938 million, lower than the operating expenses in 2017 of US\$2.960 million. Consequently, the net income after tax increased to US\$2.375 million in 2018 from US\$2.217 million in 2017.

Ionics Properties, Inc. (IPI), the subsidiary involved in real estate holdings and property leases, exhibited an identical performance in revenue and returns in 2018 compared to 2017 with the net income after tax of US\$1.928 million.

Iomni Precision, Inc. (Iomni) experienced a dip in sales from US\$3.087 million in 2017 to US\$2.772 million in 2018. Correspondingly, the gross income decreased from US\$0.248 in 2017 to US\$0.224 million in 2018. Despite the revenue reduction, the operating expenses were reduced to US\$0.182 million in 2018 from US\$0.227 million in 2017, enabling the net income after tax to soar from US\$0.008 million in 2017 to US\$0.25 million in 2018.

Ionics Circuits, Inc. (ICL), the offshore investment subsidiary, rebounded from a net loss of US\$0.255 million in 2017 to earnings of US\$0.012 million in 2018.

As of December 31, 2018, the consolidated assets of the Group were up by US\$2.749 million, from US\$68.742 million in 2017 to US\$71.491 million in 2018. The Return on Equity ratio at 8.29% was higher relative to 7.97% in 2017. The Current Ratio likewise increased from 227% in 2017 to 270% in 2018, while the Debt to Equity decreased from 50% to 40%.

Mr. Qua reported that EMS is geared to expand its manufacturing footprint with the addition of a facility consisting of several assembly lines as it anticipates engagements from multiple clients for product development and mass production.

Mr. Qua likewise reported that Iomni is seeking to build on its strong competency and extensive experience in “glocalization,” that is to assist companies to localize their plastic product parts and allied requirements from off-shore sourcing for significant cost-savings in logistics and handling. More than shifting from foreign production to local processing, Iomni offers quality and consistency to match the customers’ global standards and competitive costs.

Mr. Qua expressed his appreciation and gratitude to the stockholders for their unrelenting support and committed to enhance the value of the Corporation for all concerned.

Thereafter, upon motion duly made and seconded, the following resolution was unanimously approved:

**“RESOLVED**, That the Audited Financial Statement of the Corporation for the period ending 31 December 2018 as prepared by SGV & Co., the external auditors of the Corporation, and as contained in the Annual Report, be, as it is hereby, 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.

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

**“RESOLVED**, That, all acts, resolutions and investments by the Board of Directors, Executive Committee and the Officers of the Corporation for the year 2018 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 approved by the Nomination Committee for directorship for the year 2019-2020, as follows:

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

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

There being no other nominees, upon motion duly made and seconded, the nominations were closed.

Since there were only eleven (11) nominees to the Board of Directors, upon motion duly made and seconded, the Corporate Secretary was instructed to cast all votes equally among the nominees and the eleven (11) nominees were proclaimed as elected directors to serve as such for the ensuing year and until the election and qualification of their successors.

## **VIII. ELECTION OF EXTERNAL AUDITORS**

Upon motion duly made and seconded, the auditing firm of SGV & Co. was appointed external auditors of the Corporation.

## **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

**Annex "A"**

<b>In Person</b>	<b>By Proxy</b>	<b>No. of Shares</b>
11		53,803,904
	4	484,245,698

<b>ISSUED &amp; OUTSTANDING</b>	837,130,992
<b>COUNT</b>	15
<b>TOTAL SHARES PRESENT</b>	538,049,602
<b>TOTAL PERCENTAGE PRESENT</b>	<b>64.273%</b>

Prepared by:

**POLA LIA CELINA L. LAMARCA**  
Assistant Corporate Secretary