

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

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PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

C	i	r	c	u	i	t		S	t	r	e	e	t	,		L	i	g	h	t		I	n	d	u	s	t	r	y
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C	i	t	y	,		L	a	g	u	n	a	,		P	h	i	l	i	p	p	i	n	e	s					

Form Type

A	C	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	/	A	
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COMPANY INFORMATION

<p>Company's Email Address</p> <p>ronan.andrade@ionics-ems.com</p>	<p>Company's Telephone Number</p> <p>(049) 508-1111</p>	<p>Mobile Number</p> <p>0917-869-5688</p>
<p>No. of Stockholders</p> <p>837</p>	<p>Annual Meeting (Month / Day)</p> <p>06/11</p>	<p>Fiscal Year (Month / Day)</p> <p>12/31</p>

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

<p>Name of Contact Person</p> <p>RONAN R. ANDRADE</p>	<p>Email Address</p> <p>ronan.andrade@ionics-ems.com</p>	<p>Telephone Number/s</p> <p>(049) 508-1111</p>	<p>Mobile Number</p> <p>0917-869-5688</p>
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CONTACT PERSON'S ADDRESS

<p>No.14 Mountain Drive, Light Industry and Science Park II Brgy. La Mesa, Calamba, Laguna</p>

NOTE 1 : In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2 : All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

IONICS, INC. AND SUBSIDIARIES

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended December 31, 2024
2. SEC Identification Number 107432
3. BIR Tax Identification No. 000-124-671-000
4. Exact name of issuer as specified in its charter **IONICS, INC.**
5. Province, Country or other jurisdiction of incorporation or organization
Laguna, Philippines
6. Industry Classification Code: (SEC Use Only)
7. Circuit Street, Light Industry and Science Park of the Philippines-I, 4025
Bo. Diezmo, Cabuyao City, Laguna, Philippines
Address of principal office Postal Code
(049) 508-1111 and Fax Number (049) 508-1111 loc. 309
Issuer's telephone number, including area code
9. In 1996, the Company changed its principal place of business from Makati, Metro Manila to Cabuyao, Laguna.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the SRC

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	₱1.00 par value per share, with 857,974,992 issued shares and 837,130,992 outstanding shares (net of 20,844,000 shares of treasury stock)

11. Are any or all of these securities listed on a Stock Exchange?

Yes [x] No []

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange Common

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the SRC and SRC Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes ☒ No ☐

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes ☒ No ☐

13. Based on the closing price at the Philippine Stock Exchange on December 31, 2024 at US\$0.015 per share, the Company's common shares held by non-affiliates as of December 31, 2024 would have a current market price of US\$7,254,045.

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes ☒ No ☐

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Ionics, Inc. and Subsidiaries (The Group)

Ionics, Inc. (the Parent Company)

The Parent Company was incorporated in the Philippines on September 10, 1982 and started commercial operations in July 1987 to engage in electronic manufacturing services business.

In September 1999, the Parent Company transferred its primary manufacturing business to a majority-owned subsidiary, Ionics EMS, Inc. (IEMS). Net assets with a book value of ₱530 million as of April 30, 1999 were transferred to IEMS under a tax-free exchange for shares of stock of IEMS. Accordingly, the Parent Company ceased to be a manufacturing company and amended its primary purpose from that of a manufacturing entity to that of a holding company.

In relation to the voluntary delisting of IEMS from the official list of Singapore Exchange Securities Trading Limited (Singapore Exchange), the Parent Company acquired an additional 104,801,455 shares or 6.72% ownership over IEMS.

Ionics EMS, Inc. (IEMS)

IEMS was incorporated on September 21, 1999 to take over the electronic manufacturing services business of the Parent Company. Certain assets and liabilities of the Parent Company were transferred to IEMS in a restructuring exercise that took effect on May 1, 1999. Its operations include printed circuit board assembly, box build assembly (finished product assembly), disk drive, magnetic head assembly, compact disk read-write assembly, systems and subsystems assembly, as well as design and testing services.

On February 25, 2000, IEMS offered its shares of stock to the public and became a public company listed in the Singapore Exchange. In accordance with the Singapore Exchange Listing Rule 1311, IEMS gave notice to the Singapore Exchange on March 4, 2008 that it has recorded: (a) pre-tax losses for the three most recently completed consecutive financial years; and (b) an average daily market capitalization of less than SGD\$40.00 million over the last 120 days on which trading was not suspended for a full market day. Pursuant to the said listing rule, IEMS was notified of inclusion on the Watch-list effective March 5, 2008. On March 2, 2010, IEMS and the Parent Company jointly announced the proposed voluntary delisting of IEMS from the official list of Singapore Exchange pursuant to Rules 1307 and 1309 of the Listing Manual of the SGX-ST. Subsequently, SGX-ST confirmed that the last day of trading was June 8, 2010 and the closing date was June 15, 2010. On June 23, 2010, the Company was officially delisted from the SGX-ST.

EMS-USA (the wholly owned subsidiary), incorporated in the United States of America, primarily engaged in designing and new product introduction, was organized and duly approved by the Board of Directors (BOD) on August 12, 2010.

Ionics Properties, Inc. (IPI)

IPI was incorporated on July 8, 1997 primarily to own the land, buildings, houses, apartments and other structures of whatever kind of the Ionics Group of Companies. IPI started commercial operations on January 1998.

Ionics Circuits, Limited (ICL)

Formerly Rising Moon Limited, ICL was incorporated in the Cayman Islands on July 5, 2000 with limited liability. On February 14, 2001 Rising Moon changed its corporate name to ICL. On March 22, 2005, the company registered address is Scotia Centre, 4th floor, George Town, Grand Cayman, Cayman Islands.

Iomni Precision, Inc. (Iomni)

Iomni was incorporated in the Philippines on June 20, 2000 primarily to manufacture and sell high-precision plastic products, parts, and injection molds and related products of every kind and description, and other disposition of plastic parts and related products, for its own account as principal or in a representative capacity.

The Company's registered office address is No. 14 Mountain Drive, Light Industry and Science Park of the Philippines II, Brgy. La Mesa, Calamba City, Laguna.

As of December 31, 2007, Iomni was 70% owned by the Parent Company. On January 20, 2008, the Parent Company acquired the remaining 30% of Iomni, thus it became a wholly-owned subsidiary.

Synertronix, Inc. (SI)

SI was registered with the Securities and Exchange Commission on May 10, 1990, to manufacture, purchase or otherwise acquire, buy and sell retail and wholesale, assemble, produce, or otherwise dispose of, and generally deal in components, parts and devices of all kinds and types used in connection with electronic and electrical machinery, appliances and equipment including but not limited to capacitors, semi-conductors, condensers and transformers for export abroad and for constructive exports to local companies. SI started commercial operations in June 1998.

On August 15, 2003, the Parent Company decided to discontinue the operations of SI.

On July 2, 2014, the Parent Company decided to sell the land and building of SI.

Ionics Products Solutions, Inc. (IPSI)

IPSI, is a domestic corporation incorporated under the laws of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on March 11, 2015. IPSI is established primarily to manufacture, purchase or otherwise acquire, buy and sell, both retail and wholesale, assemble, produce components, parts, apparatus and devices of all kinds and types used in connection with electronic and electrical machinery, appliances and equipment for export abroad and for sale in the territory of the Philippines.

On October 6, 2016, the SEC approved IPSI's proposed increase in authorized capital stock and, accordingly, the ₱11.75 million deposit for future stock subscription received by IPSI from Ionics, Inc. (II), its parent company, in 2015 was applied against its outstanding subscription. As a result, the IPSI became 100% owned by II as of December 31, 2016.

IPSI's registered office address is at Circuit Street, Light Industry and Science Park of the Philippines-I, Bo. Diezmo, Cabuyao City, Laguna, Philippines.

Line of Business

The Group is a total one-stop shop Electronics Manufacturing Services (EMS) provider. It has been the EMS solutions provider to some of the world's biggest Original Equipment Manufacturers (OEM) for over 41 years.

There are basically two general categories of electronics manufacturers or assemblers in the region: the Original Equipment Manufacturer (OEM) and the Contract Electronics Manufacturer (CEM). OEMs are companies who are leaders in PC, Computer Peripherals, Telecommunications, Consumer Electronics, Automotive, Industrial and Medical Equipment.

On the other hand, CEMs are firms involved in the production of electronic items similar to those produced by OEMs. These firms are basically independent, third party manufacturers or assemblers which do not have any corporate affiliations with their respective customers. CEMs therefore undertake subcontracting work only, and generally provide labor and manufacturing overhead as their basic inputs in the assembly of electronic products.

The Group is essentially a CEM. Most of the Group's "end" products, therefore, are components and sub-assembly which are eventually used as inputs for the finished products of its customers. The Group can accommodate most types of electronic manufacturing and assembly projects. Customers provide the specifications and blue print or prototype of a component or product that they want to be manufactured or assembled and the Group delivers the finished item.

The Group provides "On Consignment" or "Turnkey" manufacturing arrangements to its clients. Under an "On Consignment" arrangement, the Group furnishes labor and manufacturing overhead inputs, while the product design and raw or input materials are provided by the customer. Under the "Turnkey" arrangement, the Group provides all production inputs for its clients. The product design, however, is still provided and owned by the client.

In 2002, one of the Group's subsidiaries had successfully offered design services to its customer and also added an Original Design Manufacturer (ODM) component to its business line.

Products

The following is a brief description of the primary products produced by the Group:

- **Telecommunication Products**
 - Wireless broadband products
 - Wired telecom products
 - Fiber Optics - Synchronous Optical Networks
 - Infrastructure and Backplanes
 - WiFi based RFID Tags
 - Satellite Receivers and LNB's
 - Satellite Modems (VSAT)
 - Service Gateways and Switch
 - Optical Network Pole Cabinets
 - Two-way handheld Radio Transceivers
 - Mobile Radio (LMR)
 - WiFi Modules
 - GPS tracking and monitoring device
 - GPS module
 - Blue tooth module

- Automotive Products
 - GPS Navigation System
 - RF Tuners
 - Vehicle Security Systems
 - Electronic Dashboards
 - Engine Sensors
 - Engine Starters
 - Car Antenna Control System
 - Automotive Multi-Media Device
 - Automotive Headline cooling systems
- Computer Products / Peripherals
 - Micro Drives
 - Motherboards
 - PCBA for HDD and Optical Drives
 - Flip Chip on Flex for HDD
 - Adaptive PFC Power Supplies
 - Headless Computers
 - Radio Repeaters
 - Main Boards for Projectors
 - Power Supplies for Projectors
 - Sub-Assemblies for Printers
 - Bluetooth module
- Consumer Products
 - USB Drives
 - DVD Players and Recorders
 - Recorder / One Touch Media Upload Converter
 - Home Speaker Systems
 - IPOD Docking Units
 - GPS for SLR Cameras and Golf
 - Electronic Ballasts
 - Electronics Fishing Devices
 - Digipass Security Tool
 - Display Signages
 - Electronically Controlled Chemical Dispensers
 - High Fidelity Sound Systems
 - TV Tuners for Tablets
 - Gaming Assemblies
 - Overhead Projector
 - Home Automation Controllers
 - Cellphone Security
 - Electronic Keylocks
 - RFID Systems for petroleum distribution
 - Tap payment devices for gas stations
 - Label writers
 - Cellphone sub-assemblies
 - Smart Plugs
 - Smart Home IoT controls

- PCBA for Inkjet Printer
- Mother board for Refrigerator Inverter
- Iphone Enclosure w/ safety Encryption
- PCBA for Refrigerator and Freezer
- Industrial Products
 - Agricultural Tags
 - IoT based Building and Street Lighting Controls
- Medical Products
 - Telehealth devices
 - Hair growth enhancing helmet
 - RFID tags for infants
 - IoT based medicine bottle cap monitor
 - IoT based transformer monitoring device
 - Thermometer
 - Gynoscope device for Women's health
 - Medical diagnostic device
- Plastic Products
 - Enclosures
 - Sub-assemblies for Printers, Copiers and Optical Drives
 - Concentrators for Solar Cells
 - High Voltage Connectors for X-Ray
 - Automotive Plastics - Air Intake manifold & Fuel Delivery Modules
 - Air Tight Wi-Fi Antenna Cover
 - Wiring Harness Protectors
 - Hayabusa

Information on export sales and the relative contribution of each segment (based on product line) to total sales are fully disclosed in Note 29 to Audited Consolidated Financial Statements.

Significant Customers

The top five customers collectively account for 57.52%, 45.25% and 47.78% of the Group's total revenue from contracts with customers in 2024, 2023 and 2022, respectively. The Group anticipates that concentration of business in major customers will continue in the foreseeable future, although the Group's management started new relationships with other customers.

One customer accounted for approximately 24.85%, 10.63% and 13.56% of its total revenue from contracts with customers in 2024, 2023 and 2022, respectively. Contracts with the customers are on a continuing basis and the Group has been in business with them for many years.

Distribution Method

The bulk of the Group's products are intermediate products which are shipped to the customers' manufacturing plants in Asia, North America and Europe for incorporation or further assembly into the final finished products.

Competition, Status of New Products and Business Risk

The Group competes with other electronic manufacturers both domestic and foreign. The market for PCBA and the other product lines of the Group are subject to normal price, service, and quality competition. Among the Group's top competition are from the following:

- Flextronics
- Jabil
- Sanmina-SCI
- Venture
- IMI
- EMS
- Calcomp
- Tsukiden
- Kaifa
- P-Imes
- Automated Technology Phil Inc

While the traditional PC peripheral business has driven to build IEMS' strength in the telecommunications, automotive, electronics and medical and consumer product lines, IEMS has shifted its resources and established more flexible and adaptable manufacturing platforms so it can readily shift production into various products and components on the same production floor. IEMS will continue its profitable growth path; it plans to grow more in global sales and marketing, to focus on telecommunication, automotive, medical and Internet of Things (IoT). There is no publicly-announced new product that will require material amount of the resources of the Group.

The following are the major risks that the Group has:

1. Credit Risk
2. Liquidity Risk
3. Market Risk

Details of the above risks were fully discussed in Note 4 of the Audited Consolidated Financial Statements.

The Group has a Risk Management Committee which conducts meetings on a quarterly basis to discuss and analyze these major risks and decide on the measures on how to manage these risks.

Sources and Availability of Raw Materials

The customers under a consignment arrangement supply the bulk of raw material components needed in the manufacturing of their products. However, in response to global competition, the Group started building up its raw materials inventory for turnkey transactions. Among the principal suppliers of the Group are the following:

- Arrow Electronics Asia(S) Pte. Ltd
- Arrow/Rapac Ltd.
- CERAGON Networks Ltd.
- ST Engineering iDirect Europe CY NV
- BATM Advanced Communications LTD.
- AEROSCOUT
- Tyto Care Ltd.
- Future Electronics Inc.
- Beijing True-Tec Co., Ltd.
- Senju Solder (Phils.) Inc.

The Group has entered into non-cancellable purchase commitments with its suppliers. Purchases of raw materials and supplies are based on ordinary purchase transactions covered by a purchase order.

Sales

The Group's revenue is purely from export sales except for IPI which derives its revenue from the lease of properties. Amounts of revenue, profitability, and identifiable assets attributable to the Group's operations for 2024, 2023, and 2022 are as follows:

	(In '000 US Dollars)		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Export sales	104,697	95,116	75,262
Income from Operation	5,878	7,292	5,399
Total Assets	117,501	121,974	120,661

The following tables below show the percentage of sales and net assets per geographical area for the last three years:

a. Revenue

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Asia	94.12%	87.41%	84.44%
Europe	2.14%	7.26%	4.99%
North America	3.74%	5.33%	10.57%
	100.00%	100.00%	100.00%

b. Net Assets

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Asia	96.91%	96.85%	96.62%
North America	3.09%	0.17%	3.16%
Europe	-	2.98%	0.22%
	100.00%	100.00%	100.00%

See related discussion on Note 29 of the Audited Consolidated Financial Statements.

Transaction with and/or Dependence on Related Parties

The Group has no significant transactions that are dependent on related parties except for the transactions discussed in Item 12 of this report and in Note 23 of the Audited Consolidated Financial Statements.

Patents, Trademarks, Licenses, Franchises, Concessions, Royalty Agreements, or Labor Contracts, including Duration

On June 01, 2023, Intellectual Property Office of the Philippines grant Ionics EMS, Inc. the right to restrain, prohibit any unauthorized person or entity from making, using, offering for sale, selling or importing a product and importing any product obtained directly or indirectly from such process of Automatic Voltage Regulations for Distribution Transformer.

Need for Any Governmental Approval of Principal Products or Services

None

Effect of Existing or Probable Governmental Regulations on the Business

None

Estimate of Amount Spent for Research and Development Activities of the Last Completed Fiscal Year

None

Cost and Effects of Compliance with Environmental Laws

IEMS' plants are located in industrial parks with a centralized water treatment system.

Employees

As of December 31, 2024, the Group has a total of two thousand six hundred eight (2,608) employees consisting of eighty six (86) managers, eight hundred ninety nine (899) administrative personnel and one thousand six hundred twenty three (1,623) factory workers.

Aside from basic salaries, employees receive vacation and sick leave credits, transportation allowance, free medical and dental benefits, group insurance benefits and funeral assistance.

There is no existing collective bargaining agreement or labor union in the Group.

Debt Issues

Not applicable to the Group.

Investment Company Securities

Not applicable to the Group.

Item 2. Properties

As of December 31, 2024 the Group's manufacturing, design and prototyping operations are conducted in the following plants:

The EMS-HO Plant is located at the Light Industry Science Park of the Philippines (LISPP II) in Calamba, Laguna and has an area of 1,500 square meters with rental rate of \$6.815 per square meters. The property is leased from IOMNI Precision, Inc. for a period of one (1) year from January 16, 2024 to January 15, 2025.

The EMS-5 and EMS-6 Plants are located at the LISPP in Cabuyao, Laguna and have an aggregate area of 11,557 square meters. The land and the building thereon are owned by the Parent Company. The plants are leased to EMS for a period of one (1) year from July 01, 2023 to June 30, 2024(EMS-5) and from January 01, 2024 to December 31, 2024 (EMS-6). The new lease agreement is subject to yearly renewal at the rate of \$6.03 and \$6.33 per square meter for EMS-5 and EMS-6, respectively.

The EMS-2 Plant is located at the Carmelray Industrial Park II (CIP II) in Calamba, Laguna and has an area of 7,470 square meters with rental rate of \$6.34 per square meters from May 01, 2024 to April 30, 2025. The property is leased from Ionics Properties, Inc. for a period of one (1) year, subject to the extension or renewal upon mutual agreement of the parties.

The EMS -4 Plant is located at Mountain Drive, Light Industry and Science Park II, Brgy. Lamesa, Calamba City, Laguna and lease a portion of the 2nd floor with an area of 798 square meters with rental rate of \$6.00 per square meters from November 01, 2023 to April 30, 2024 afterwhich, additional area for a total of 1,300 square meters with rental rate of \$6.00 per square meters for another six months from May 01, 2024 to October 31, 2024 and renewed from November 1, 2024 April 30, 2025. The property is leased from Ionics Properties, Inc. for a period of (1) year, subject to extension or renewal upon mutual agreement of the parties.

The EMS SCM Hub and warehouse facility is located inside the Light Industry and Science Park I, Cabuyao City, Laguna with an area of 1,332.84 square meters with rental rate of ₱230.00 per square meters from May 01, 2021 to April 30, 2026. The property is leased from third party subject to automatic escalation of 5% per annum for each subsequent year starting on the second year until the expiration of the contract. The lease agreement was terminated on June 30, 2024.

The EMS warehouse extension facility is located inside the Light Industry and Science Park I, Cabuyao City, Laguna with an area of 5,331.36 square meters with rental rate of ₱215.00 per square meters from September 15, 2022 to September 14, 2027. The property is leased from third party subject to automatic escalation of 5% per annum for each subsequent year starting on the second year until the expiration of the contract.

The EMS Plant 2 factory warehouse facilities is located at Carmelray Industrial Park II, Calamba City, Laguna with an area of 4,299 square meters with rental rate of ₱230.00 per square meters from September 01, 2022 to August 31, 2025. The property is leased from third party subject to automatic escalation of 6% per annum for each subsequent year starting on the second year until the expiration of the contract.

The plant of Iomni is also located in LISP-II in Calamba City, Laguna. It has an aggregate total area of 10,893.15 square meters of covered factory building and paved open space. The land is leased from a third party from February 01, 2021 to January 31, 2026.

Ionics EMS (USA), Inc. is located at 3215 La Mesa Dr. San Carlos, CA 94070, USA.

Item 3. Legal Proceedings

As of December 31, 2024, there are no materials pending legal proceedings to which the Parent Company or any of its subsidiaries is a party or of which any of their properties is a subject.

Item 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of security holders for the fourth quarter of 2024.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Registrant's Common Equity and Related Stockholder Matter

	<u>(Amounts in US Dollar)</u>		<u>(Amounts in PhP)</u>	
	<u>HIGH</u>	<u>LOW</u>	<u>HIGH</u>	<u>LOW</u>
Latest price as of March 31, 2025	0.01	0.01	0.86	0.80
<u>2024</u>				
First Quarter	0.02	0.02	1.32	1.29
Second Quarter	0.01	0.01	0.85	0.81
Third Quarter	0.01	0.01	0.85	0.82
Fourth Quarter	0.01	0.01	0.86	0.84
<u>2023</u>				
First Quarter	0.01	0.01	0.62	0.58
Second Quarter	0.02	0.02	1.33	1.24
Third Quarter	0.02	0.02	1.20	1.14
Fourth Quarter	0.02	0.02	1.02	0.99
<u>2022</u>				
First Quarter	0.01	0.01	0.70	0.68
Second Quarter	0.01	0.01	0.59	0.54
Third Quarter	0.01	0.01	0.55	0.50
Fourth Quarter	0.01	0.01	0.56	0.54

The Parent Company's common stock is listed in the Philippine Stock Exchange.

The number of shareholders of record as of December 31, 2024 is 837 holding a total of 837,130,992 outstanding common shares.

The following were the top 20 stockholders based on the number of shares held and percentage to total shares outstanding as of December 31, 2024:

Class of Securities	Name	No. of Shares	%
Common	AQUA HOLDINGS, INC.	335,153,100.00	40.04
Common	PCD NOMINEE CORP - FILIPINO	330,348,680.00	39.46
Common	SIGUION REYNA, LEONARDO.*	75,006,000.00	8.96
Common	PCD NOMINEE CORP - NON FILIPINO	29,972,696.00	3.58
Common	QUA, LAWRENCE C..*	20,102,760.00	2.40
Common	IONICS PROPERTIES, INC.	14,059,000.00	1.68
Common	QUA, RAYMOND C..	8,562,350.00	1.02
Common	QUA, MELITON C..	6,497,362.00	0.78
Common	CHUA, CECILIA Q.	5,584,412.00	0.67
Common	CEDILLA, MA. ASUNCION Q..	4,640,616.00	0.55
Common	DY, VIRGINIA JUDY Q.	1,033,603.00	0.12
Common	GELI, BENJAMIN S.	470,000.00	0.06
Common	YANG, TEH MIN.	466,000.00	0.06
Common	TELENGTAN BROTHERS & SONS INC.	400,000.00	0.05
Common	UY, ABETO A..	250,000.00	0.03
Common	LIONG HEE, QUE.	100,000.00	0.01
Common	EPIFANIA FELIX QUA	100,000.00	0.01
Common	VILLONCO &/OR THELMA V. MABANTA, ROMEO.	100,000.00	0.01
Common	VANESSA PAMELA F. QUA	100,000.00	0.01
Common	DY, ARSENIA C..	99,000.00	0.01

**deceased*

Dividends per Share

2024 None

On March 13, 2023, the BOD during its Special Board meeting approved the declaration of ₱0.10 per share cash dividend amounting to US\$1.54 million to all stockholders of record as of March 28, 2023, with payment not later than April 25, 2023.

2022 None

Description of Any Restriction that Limits the Payment of Dividends on Common Shares

Dividends shall be declared at such time and in such percentage as the Board of Directors may determine, but no dividends shall be declared or paid except from the surplus profits arising from its business nor shall any dividends be declared that will impair the capital of the Parent Company.

Recent Sales of Unregistered or Exempt Sales

There are no recent sales of unregistered or exempt securities, including any recent issuance of securities constituting an exempt transaction.

Description of Registrant's Securities

The registrant has an authorized capital stock of 1,000,000,000 shares with par value of PhP1.00 per share. The issued and outstanding shares as of December 31, 2024 are 837,130,992.

No transfer of stock or interests which will reduce the ownership of Filipino citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the books of the Parent Company.

Debt Securities

There are no issuances of debt securities.

Stock Options

There are no issuances of stock options.

Securities Subject to Redemption or Call

There are no issuances of securities subject to redemption or call.

Warrants

There are no issuances of warrants.

Market Information for Securities Other Than Common Equity

There is no material information relating to securities other than the Parent Company's common equity.

Other Securities

There are no issuances of other securities.

Item 6. Management Discussion and Analysis or Plan of Operation

Management Plan for the Year 2025

Ionics EMS, Inc. (IEMS)

Ionics EMS, Inc. enters 2025 with a strategy of cautious growth amid ongoing global economic uncertainties. Slower global demand, continued supply chain realignments, and heightened geopolitical risks are reshaping the electronics manufacturing landscape. Despite these challenges, we remain confident in our ability to adapt and thrive, especially as the Philippines' low tariff access to the United States opens new avenues for export growth and customer acquisition.

In response to this dynamic environment, we are pursuing focused growth in sectors where demand remains strong—particularly in medical devices, telecommunications, IIoT, and automotive electronics. These markets align with Ionics EMS's core strengths and offer high potential for value-added partnerships. To support this, we are strengthening our global commercial presence through expanded sales representation and strategic partnerships in key international markets.

Operationally, we will continue our transition toward smarter and more efficient manufacturing by accelerating back-end automation across our production lines. This initiative is central to improving yield, consistency, and revenue per headcount, ensuring we maintain competitiveness while scaling effectively. Alongside automation, we are investing in continuous upskilling of our technical workforce—developing capabilities in robotics, advanced diagnostics, and data-driven process control—ensuring that our people remain at the forefront of industry innovation.

In parallel, Ionics EMS reaffirms its commitment to ESG principles, with a special focus on environmental sustainability and climate resilience. This year, we are conducting a climate resiliency study to assess long-term risks and embed sustainability in our operational planning. Projects such as the installation of rooftop solar systems and resource efficiency programs underscore our commitment to responsible and forward-looking growth.

Through a deliberate mix of prudence and ambition, Ionics EMS, Inc. is positioning itself for sustainable success. By focusing on automation, workforce development, market expansion, and environmental responsibility, we are charting a path of resilient and impactful growth in 2025 and beyond.

Ionics Properties, Inc. (IPI)

For 2025, the Company will start the construction of “Standard Factory Building” on one of the three (3) lots located at LISPIV, Malvar, Batangas. The building consists of four (4) adjacent facilities, and it is expected to be finished and available for lease to third party in 2026. It will be leased out to prospective interested party. The remaining two (2) lots consisting of 10,460 sqm and 17,210 sqm are open for long term lease and/or build to suit facilities.

Iomni Precision, Inc. (Iomni)

The Board of Directors confirmed the decision of the Management of IOMNI to cease its manufacturing operation effective May 15, 2025.

The Company's application for increase of authorized capital stock is still with the regulatory commission for approval.

As of filing date, the management of the Group is not aware of:

- a) any significant expenditures for product research and development;
- b) any expected significant change in number of employees;
- c) any known trends, events or uncertainties that have or are reasonably likely to have a material impact on the registrant's short term or long term liquidity;
- d) any event that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation;
- e) any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period;
- f) any known trends, events or uncertainties that have or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations; and
- g) any seasonal aspects that had a material effect on the financial condition or results of operations.

Sources of liquidity are expected from the Group's internal cash flow from the results of operations and from the Group's external borrowings.

Below are the consolidated key financial ratios for the years ended December 31, 2024 and 2023.

	December 31, 2024	December 31, 2023
Revenue Growth	9.60%	25.17%
Gross Profit Margins	10.02%	12.69%
Net Income Margins	2.87%	4.75%
Return on Equity	4.59%	7.22%
Current Ratio	1.88:1	1.65:1
Leverage Ratio	0.31:1	0.41:1
Debt-to-Equity Ratio	0.75:1	0.89:1
Asset-to-Equity Ratio	1.75:1	1.89:1
Interest Coverage Ratio	3.30:1	3.96:1

- **Revenue Growth (Decline)**

The revenue growth (decline) is the Group's increase/decrease in revenue for a given period. Revenue growth (decline) is computed by deducting prior year revenue from current year revenue and dividing it by revenue of the prior year. The result is expressed in percentage.

- **Gross Profit Margin**

The gross profit margin reflects the management's policies related to pricing and production efficiency. This is computed by dividing gross profit by net sales. The result is expressed in percentage.

- **Net Income Margin**

Net income margin is the ratio of the Group's net income after tax for a given period. This is computed by dividing net income by net sales. The result is expressed in percentage.

- **Return on Equity**
The return on equity is the ratio of the Group's net income to stockholders' equity. This is computed by dividing net income by total stockholders' equity. The result is expressed in percentage. This measures the management's ability to generate returns on their investments.
- **Current Ratio**
The current ratio is the ratio of the Group's current resources and its current obligations. This is computed by dividing current assets by current liabilities. The result is expressed in ratio.
- **Leverage Ratio**
Leverage ratio shows the balance that the Group's management has struck between forces of risk versus cost. This is computed by dividing net debt by the sum of total equity and net debt.
- **Debt-to-Equity Ratio**
The debt-to-equity ratio indicates the relative proportion of equity and debt used to finance the Group's assets. This is computed by dividing total liabilities by equity.
- **Asset-to-Equity Ratio**
Asset-to-equity ratio shows the relationship of the total assets of the Group to the portion owned by shareholders. This is computed by dividing total assets by equity.
- **Interest Coverage Ratio**
Interest coverage ratio is the ratio of the Group's ability to meet its interest payments. This is computed by dividing the sum of income before income taxes and finance costs by the finance costs.

As of filing date, the management of the Group is not aware of:

- a) any known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity;
- b) any events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation;
- c) all material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period;
- d) any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures; except for the construction of new IPI building at LISP IV, Malvar Batangas and IEMS installation of solar panel. These capital expenditures will be partly funded by bank borrowings.
- e) any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/ income from continuing operations;
- f) any significant elements of income or loss that did not arise from the issuer's continuing operations; and
- g) any seasonal aspects that had a material effect on the financial condition or results of operations.

The causes for any material change from period to period which shall include vertical and horizontal analysis of any material item were disclosed in pages 18 to 24 of this report.

Financial Performance

2024

CONSOLIDATED RESULTS OF OPERATIONS

Consolidated sales increased by 10% from US\$95.12 million in 2023 to US\$104.70 million in 2024, , due to the ramped up of sales from turnkey customers net of decrease in sales of consignment business. Despite increase in sales, gross profit decreased by 13% from US\$12.45 million in 2023 to US\$10.77 million in 2024 resulting from decrease in contribution margin from consignment business due to soft market demand. Also, the Group has not yet fully optimize its sales resulting to under utilization of the additional capacity installed in 2023.

Operating expenses decreased from US\$5.16 million in 2023 to US\$4.89 million in 2024 primarily due to decrease in commission expense. Interest expense decreased to US\$1.65 million in 2024 from US\$1.80 million in 2023 due to lower loan balance. Others expenses increase due to net foreign exchange loss in 2024 due to the impact of depreciation on Peso against US dollar.

On March 14, 2025, the Board of Directors of Parent Company confirmed the decision of the Management and Board of Directors of Iomni, to cease its manufacturing operations, as a result Iomni provided impairment of its machinery and equipment amounting US\$0.84 million.

With the foregoing, the Group reported a consolidated net income attributable to equity holders of the Parent Company amounting to US\$3.01 million and US\$4.58 million for year ended December 31, 2024 and 2023, respectively.

The summarized revenues and net income (losses) of the Group for the year ended December 31, 2024 are as follows:

(In US Dollars)		
COMPANY	REVENUE	NET INCOME (LOSS)
Parent Company	678,726	(435,686)
IEMS	103,683,543	2,165,283
IPI	3,446,118	2,108,074
ICL	—	(14,119)
Iomni	1,890,700	(1,257,460)
Synertronix	—	—
IPSI	—	(1,812)
TOTAL	109,699,088	2,564,280
Reclass/Eliminating entries	(2,207,020)	516,363
Consolidated	107,492,068	3,080,643

CONSOLIDATED FINANCIAL POSITION

As of December 31, 2024, the consolidated assets of the Group amounted to US\$117.50 million which is US\$4.47 million lower than the December 31, 2023 figure of US\$121.97 million. The decrease in the Group's total assets was due to the decrease in receivables, inventories, prepayments and other current assets, financial at FVOCI property plant and equipment, investment property and right-of-use asset.

Current ratio increased to 1.88:1 in 2024 from 1.65:1 in 2023 due to increase in cash and cash equivalents and advances to suppliers, while debt-to-equity ratio decreased from 0.89:1 in 2023 to 0.75:1 in 2024.

INDIVIDUAL RESULT OF OPERATIONS

Ionics, Inc. (the “Parent Company”)

The Parent Company reported a net loss of US\$0.44 million after impairment provision of US\$0.49 million representing the net loss of Iomni and US\$0.03 million in December 31, 2024 and 2023, respectively.

The individual performance of the subsidiaries for the year ended December 31, 2024 is as follows:

Ionics Ems, Inc. and Subsidiary (“IEMS”)

IEMS revenue increased by 12% from US\$92.58 million in 2023 to US\$103.68 million in 2024, due to the ramped up of sales from turnkey customers net of decrease in sales of consignment business. Sales from consignment business decreased due to soft market demand. Despite increase in sales, the gross profit decreased by 12% or US\$1.06 million from US\$9.00 million in 2023 to US\$7.94 million in 2024 resulting from decrease in contribution margin from consignment business. Also, IEMS has not yet fully optimize its sales resulting to under utilization of the additional capacity installed in 2023.

Operating expenses decreased by US\$0.20 million from US\$4.41 million in 2023 to US\$4.21 million in 2024 primarily due to decrease in commission expense. Interest expense decreased to US\$1.33 million in 2024 from US\$1.49 million in 2023 due to lower loan balance. IEMS reported net foreign exchange gain of US\$0.21 million in 2024 from net foreign exchange loss of US\$0.14 million due to the impact of depreciation on Peso against US dollar.

With the foregoing, the IEMS reported a decrease in net income of US\$2.17 million in 2024, from US\$2.48 million in 2023.

Ionics Properties, Inc. (“IPI”)

IPI, the subsidiary engaged in real estate holdings decreased net income to US\$2.11 million in 2024 from US\$2.15 million in 2023, due to reduction of rental rate on one existing lessee.

Iomni Precision, Inc. (“Iomni”)

Iomni’s sales in 2024 decrease to US\$1.77 million from US\$3.30 million in 2023 due to soft customer demand. As a result of lower sales Iomni reported a gross loss of US\$0.25 million in 2024 compared with gross income of US\$0.30 million in 2023.

Operating expenses amounted to US\$0.15 million and US\$0.16 million in 2024 and 2023, respectively.

On March 14, 2025, the Board of Directors of Parent Company confirmed the decision of the Management and Board of Directors of Iomni, to cease its manufacturing operations, as a result Iomni provided impairment of its machinery and equipment amounting US\$0.84 million.

With the foregoing, the Company’s performance resulted to a net loss of US\$1.26 million and net income of US\$0.42 million in 2024 and 2023, respectively.

Ionics Circuits, Limited (“ICL”)

ICL, the offshore investment subsidiary reported a net loss amounting to US\$0.01 million in 2024 and 2023, respectively. This is due to the increase in the share in net loss of investees.

Synertronix, Inc. (“SI”)

SI reported a net loss of nil in 2024 and US\$0.001 million in 2023, respectively.

2023

CONSOLIDATED RESULTS OF OPERATIONS

Consolidated sales increased by 25% from US\$75.26 million in 2022 to US\$95.12 million in 2023, due to increasing customer demand. With the increase in sales, gross profit increased by 28% from US\$9.77 million in 2022 to US\$12.45 million in 2023.

Operating expenses increased from US\$4.37 million in 2022 to US\$5.16 million in 2023 due to increase in commission expenses resulting from higher sales subject to commission. Interest expense increased to US\$1.80 million in 2023 from US\$1.07 million in 2022 due to higher bank loans to finance the working capital and capital expenditures and increase in interest rates. Others expenses decrease due to net foreign exchange loss of in 2023 due to the impact of depreciation on Peso against US dollar.

With the foregoing, the Group reported a consolidated net income attributable to equity holders of the Parent Company amounting to US\$4.58 million and US\$4.45 million for year ended December 31, 2023 and 2022, respectively.

The summarized revenues and net income (losses) of the Group for the year ended December 31, 2023 are as follows:

(In US Dollars)		
COMPANY	REVENUE	NET INCOME (LOSS)
Parent Company	689,384	33,091
IEMS	92,576,975	2,481,740
IPI	3,525,566	2,147,823
ICL	30	(12,385)
Iomni	3,428,841	41,479
Synertronix	—	(9)
IPSI	277	(100)
TOTAL	100,177,730	4,691,190
Reclass/Eliminating entries	(2,096,271)	(28,169)
Consolidated	98,081,458	4,663,021

CONSOLIDATED FINANCIAL POSITION

As of December 31, 2023, the consolidated assets of the Group amounted to US\$121.97 million which is US\$01.13 million higher than the December 31, 2022 figure of US\$120.66 million. The increase in the Group's total assets was mainly due to the increase in receivables, contract assets, property plant and equipment and investment property.

Current ratio decreased to 1.65:1 in 2023 from 1.69:1 in 2022 due to increase in contract liabilities, while debt-to-equity ratio increased from 0.99:1 in 2022 to 0.89:1 in 2023.

INDIVIDUAL RESULT OF OPERATIONS

Ionics, Inc. (the “Parent Company”)

The Parent Company reported a net income of US\$0.03 million and a net loss US\$0.04 million in December 31, 2023 and 2022, respectively.

The individual performance of the subsidiaries for the year ended December 31, 2023 is as follows:

Ionics Ems, Inc. and Subsidiary (“IEMS”)

IEMS revenue increased by 27% from US\$72.69 million in 2022 to US\$92.58 million in 2023, due to increasing customer demands. With the increase in sales, gross profit increased by 47% or US\$2.856 million from US\$6.14 million in 2022 to US\$9.0 million in 2023.

Operating expenses increased by US\$0.98 million from US\$3.43 million in 2022 to US\$4.41 million in 2023 primarily due to increase in commission expenses resulting from higher sales subject to commission. Interest expense increased to US\$1.49 million in 2023 from US\$0.77 million in 2022 due to higher bank loans to finance the working capital and capital expenditures and increase in interest rates. From net foreign exchange gain of US\$0.71 million in 2022, the Company reported net foreign exchange loss of US\$0.14 million in 2023 due to the impact of depreciation on Peso against US dollar.

With the foregoing, IEMS reported net income of US\$2.48 million in 2023, from US\$2.15 million in 2022.

Ionics Properties, Inc. (“IPI”)

IPI, the subsidiary engaged in real estate holdings decreased net income to US\$2.15 million in 2023 from US\$2.28 million in 2022, due to no renewal of one existing lessee.

Iomni Precision, Inc. (“Iomni”)

Iomni’s sales in 2023 decrease to US\$3.30 million from US\$3.57 million in 2022. Iomni reported a gross income of US\$0.30 million in 2023 and 2022.

Operating expenses amounted to US\$0.16 million and US\$0.18 million in 2023 and 2022, respectively.

With the foregoing, the Company’s performance resulted to a net income of US\$0.42 million and US\$0.12 million in 2023 and 2022, respectively.

Ionics Circuits, Limited (“ICL”)

ICL, the offshore investment subsidiary reported a net loss amounting to US\$0.01 million and US\$0.02 million in 2023 and 2022, respectively. This is due to the increase in the share in net loss of investees.

Synertronix, Inc. (“SI”)

SI reported a net loss of US\$0.001 million in 2023 and 2022, respectively.

2022

CONSOLIDATED RESULTS OF OPERATIONS

Consolidated sales increased by 25% from US\$60.28 million in 2021 to US\$75.26 million in 2022, due to increasing customer demand. With the increase in sales, gross profit increased by 31% from US\$7.28 million in 2021 to US\$9.77 million in 2022.

Operating expenses increased from US\$3.85 million in 2021 to US\$4.37 million in 2022 due to increase in commission expenses resulting from higher sales subject to commission.

With the foregoing, the Group reported a consolidated net income attributable to equity holders of the Parent Company amounting to US\$4.45 million and US\$2.63 million for year ended December 31, 2022 and 2021, respectively.

The summarized revenues and net income (losses) of the Group for the year ended December 31, 2022 are as follows:

(In US Dollars)		
COMPANY	REVENUE	NET INCOME (LOSS)
Parent Company	616,395	(38,011)
IEMS	72,685,611	2,149,092
IPI	3,556,293	2,276,647
ICL	30	(16,573)
Iomni	3,753,810	122,654
Synertronix	–	(9)
IPSI	–	(4,763)
TOTAL	80,612,108	4,489,037
Reclass/Eliminating entries	(2,256,347)	30,500
Consolidated	78,355,761	4,519,537

CONSOLIDATED FINANCIAL POSITION

As of December 31, 2022, the consolidated assets of the Group amounted to US\$120.66 million which is US\$19.68 million higher than the December 31, 2021 figure of US\$100.93 million. The increase in the Group's total assets was mainly due to the increase in receivables, inventories, prepayments and other current assets and contract assets.

Current ratio decreased to 1.69:1 in 2022 from 1.84:1 in 2021 due to increase in bank loan payable and accounts payable and accrued expenses, while debt-to-equity ratio increased from 0.79:1 in 2021 to 0.99:1 in 2022.

INDIVIDUAL RESULT OF OPERATIONS

Ionics, Inc. (the "Parent Company")

The Parent Company reported a net loss of US\$0.04 million and US\$0.45 million in December 31, 2022 and 2021, respectively. Impairment loss amounting US\$0.04 million and US\$0.52 million on the investment and advances in Iomni Precision, Inc. was recognized in 2022 and 2021, respectively.

The individual performance of the subsidiaries for the year ended December 31, 2022 is as follows:

Ionics Ems, Inc. and Subsidiary (“IEMS”)

IEMS revenue increased by 27% from US\$57.46 million in 2021 to US\$72.69 million in 2022, due to increasing demands of existing customers and new customers. As a result of the increase in sales, gross profit increased by 32% or US\$1.50 million from US\$4.65 million in 2021 to US\$6.14 million in 2022.

Operating expenses increased by US\$0.41 million from US\$3.02 million in 2021 to US\$3.43 million in 2022 primarily due to increase in commission expenses resulting from higher sales subject to commission. Interest expense increased to US\$0.77 million in 2022 from US\$0.60 million in 2021 due to increase in bank loans for working capital requirements. Net foreign exchange gain increased from US\$0.082 million in 2021 to US\$0.71 million in 2022 due to the impact of depreciation on Peso against US dollar.

With the foregoing, IEMS reported net income of US\$2.15 million in 2022, from US\$0.83 million in 2021.

Ionics Properties, Inc. (“IPI”)

IPI, the subsidiary engaged in real estate holdings remained profitable with increased net income of US\$2.28 million in 2022 from US\$1.88 million in 2021, due to additional lease contract with an existing Lessee.

Iomni Precision, Inc. (“Iomni”)

Iomni’s sales in 2022 increased to US\$3.57 million from US\$3.54 million in 2021. Iomni reported a gross income of US\$0.30 million and US\$0.05 million in 2022 and 2021, respectively.

Operating expenses amounted to US\$0.18 million and US\$0.17 million in 2022 and 2021, respectively.

With the foregoing, the Company’s performance resulted to a net income of US\$0.12 million and a net loss of US\$0.15 million in 2022 and 2021, respectively.

Ionics Circuits, Limited (“ICL”)

ICL, the offshore investment subsidiary reported a net loss amounting to S\$0.02 million in 2022 and 2021. This is due to the increase in the share in net loss of investees.

Synertronix, Inc. (“SI”)

SI reported a net loss of US\$0.001 million in 2022 and 2021, respectively.

Below is the summary of Balance Sheet Accounts with more than 5% increase (decrease)

	December 31	
	2024	2023
	%	%
ASSETS		
Cash and cash equivalents	43	(60)
Contract assets	13	46
Inventories	(7)	N/A
Advances to suppliers	155	(49)
Prepayments and other current assets	(37)	25
Noncurrent asset held for sale	100	N/A
Financial assets at FVOCI	(8)	71
Property, plant and equipment – net	(20)	21
Investment properties	N/A	38
Right-of-use assets	(47)	(51)
LIABILITIES		
Accounts payable and other liabilities	(13)	(20)
Contract liabilities	(19)	302
Bank loans and long-term debt	(10)	(9)
Lease liabilities	(46)	(28)
Income tax payable	44	(30)
Net pension liabilities	N/A	27

2024

Cash increased due cash flows generated from operations. Contract assets increased due to higher level of work in process and finished goods. Inventories decreased due increase in consumption due to higher turnkey sales. The increase in advances to suppliers was due to advance payment made to suppliers. The decreased in prepayments and other current assets was due to amortization of prepayments during the year. Assets held for sale increase due to reclassification of the recoverable value of machinery and equipment of Iomni to this account. Financial Assets at FVOCI decreased due to fair value loss recognized as of December 31, 2024. Property and equipment decrease due to depreciation during the year and reclassification to asset available for sales and impairment made by Iomni. Right-of-use assets (ROU) decreased due to amortization for the year. The decrease in accounts payable and accrued expenses is attributable to the payment made to suppliers and controlled material ordering. Contract liabilities decreased due to return of customers advanced payment and application against receivable. Bank loans and long-term debt decreased due to payments made during the year. Lease liabilities decreased due to rental payment for the year. Income taxes increased due to provision of income tax during the year.

2023

Cash decreased due to net cash used in payment of bank loans, payment of dividends to stockholders and acquisition of land. Receivables increased due to higher sales. Contract assets increased due to higher level of work in process and finished goods. The decrease in advances to suppliers was attributable to the delivery of materials covered by advanced payments and controlled material ordering for the year. The increase in prepayments and other current assets is due to payment for VAT input tax to BOC and prepayment for health insurance plan of employees. Financial Assets at FVOCI increased due to fair value income recognized as of December 31, 2023. Property and equipment and investment properties increased due to acquisitions made during the year. Right-of-use assets (ROU) decreased due to amortization for the period. The decrease in accounts payable and accrued expenses is attributable to the payment made to suppliers and controlled material ordering. Contract liabilities increased due to payment received from customer for advance ordering of materials. Bank loans and long-term debt decreased due to payments made during the period. Lease liabilities decreased due to payment of leased amortization for the period. Income taxes decreased due to payment of income tax during the period. Net pension liability increased due to accrual of pension expense during the period.

2022

Cash increased due to net positive cash flows financing activities. Receivables increased due to higher sales. Contract assets increased due to higher level of work in process and finished goods recognized as contract assets under PFRS 15. Inventories increased due to inventory build up resulting from longer material lead time of critical components due to global material shortage impacting the industry and the materials intended for new turnkey customers. Advances to suppliers decreased due to the decrease in advanced payment made to suppliers for material ordering. The increase in prepayments and other current assets is due to the annual renewal of insurance of machine and equipment, healthcare and prepayments of factory rental. Financial Assets at FVOCI and investment in associates decreased due to fair value loss recognized as of December 31, 2022. The increase in accounts payable and accrued expenses was attributable to the increase in materials and sales for the first three quarters of 2022. Contract liabilities increased due to payment received from customer for advance ordering of materials. Banks loans and long-term debt increased due to the additional loan drawdown for the construction of new building of IPI and working capital loan during the year. Net pension liability decreased due to the number of eligible employees who reached the normal retirement age. Deferred tax liabilities - net decreased due to the decrease on fair value of financial assets at FVOCI.

Item 7. Financial Statements

The Group's consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this Form 17-A

1. General Notes to Financial Statements:

See Audited Consolidated Financial Statements.

Assets subject to lien and restriction on sales of assets:

Not applicable to the Group.

Restriction which limits the availability of Retained Earnings for dividend declaration:

See related discussion on Note 2 of the Audited Consolidated Financial Statements.

Commitments and Contingent Liabilities:

See related discussion on Leases under Note 24 of the Audited Consolidated Financial Statements.

Material Related Party Transactions which affect the Financial Statements:

The Parent Company has no significant related party transactions with its subsidiaries, affiliates and stockholders that affect the Financial Statements except for the matters discussed in Note 23 to the Audited Consolidated Financial Statements.

Bonus, Profit Sharing and Other Similar Plans:

The Group has car plan for the employees and profit sharing for its BOD and Management.

Interest Cost

IEMS paid interest on bank loans and financial institution.

2. Subsidiaries

As of December 31, 2024, the details of investments and advances to subsidiaries are as follows:

Subsidiaries	% owned	Investment	Advances
ICL	100	US\$2,579,265	-
Iomni	100	1,321,445	1,050,000
IPI	100	1,535,578	-
IPSI	100	99,416	-
IEMS	97	36,969,459	11,400,000

3. Cash and Cash Equivalents

Out of the total cash of US\$9,651,175 as of December 31 2024, US\$1,326,222 is peso-denominated. This represents savings deposit and current accounts in local banks.

4. Accounts Receivable - Others

Receivable from customers other than sales	US\$2,973,375
Rent receivable	202,862
Advances to officers and employees	168,113
Claims against SSS and other government agencies	20,858
Others	451,770

5. Inventories

No significant increased or decreased in inventories.

6. Property, Plant and Equipment

As of December 31, 2024, the Group has no equipment that is still under installation as discussed in Note 13 to the Audited Consolidated Financial Statements.

7. Investment Properties

There was no significant movement in investment properties as of December 31, 2024.

8. General and Administrative Expenses - Please see schedule in page 46.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

1. External Audit Fees and Services

(a) Audit and Audit - Related Fees

The Auditing firm of Sycip Gorres Velayo & Co. (SGV) has been the external auditor of the Company since 1992. The Auditing partner-in-charge of the accounts of the Company for the financial year ended December 31, 2024 is Ms. Maria Antoniette L. Aldea who took office after her appointment at the June 17, 2022 stockholders' meeting of the Company. Audit fee including Out-of-Pocket Expenses (OPE) in 2024 is one hundred fifty eight thousand three hundred dollars (US\$158,349) and one hundred sixty nine thousand eight hundred nineteen dollars (US\$169,819) in 2023. The fees are generally based on the complexity of the issues involved, the work to be performed, the special skills required to complete the work, the experience level of the team members and most importantly, the ability to provide the auditors' report expressing an opinion on the financial statements of the Company.

(b) There are no assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements.

(c) All Other Fees such as Corporate Governance Seminar conducted on November 27, 2024 amounting to US\$2,904.

(d) Any additional services that the Company may request will be the subject of a separate written arrangement.

(e) The Audit Committee approved policies and procedures for the above services.

The Audit Committee heard the reports of the External Auditor and validated the financial reports prepared by Management.

2. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure
There are no changes in, and no disagreements with, the registrant's accountants on any accounting and financial disclosure during the two most recent fiscal years or any subsequent interim period.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Registrant

Position	Name	Term	Period Served	Age	Citizenship
Director -Chairman of the Board	Alfredo de R. Borja	1 year	21	80	Filipino
Director – Independent	Medel T. Nera	1 year	5	69	Filipino
Director	Meliton C. Qua	1 year	31	83	Filipino
Director– Independent	Lilia B. De Lima	1 year	8	84	Filipino
Director-President and Chief Executive Officer	Raymond Maria C. Qua	1 year	36	74	Filipino
Director	Virginia Judy Q. Dy	1 year	30	84	Filipino
Director-Treasurer	Cecilia Q. Chua	1 year	17	72	Filipino
Director	Monica Siguion Reyna Villonco	1 year	14	71	Filipino
Director	Guillermo D. Luchangco	1 year	31	85	Filipino
Director	Earl Lawrence S. Qua	1 year	1	46	Filipino
Director	Jay A. Chavez	1 year	1	52	Filipino
Corporate Secretary	Manuel R. Roxas	1 year	32	75	Filipino
Asst. Corporate Secretary	Krishna F. Villanueva		5	32	Filipino
Senior Vice President for Corporate Affairs and Human Resources	Judy C. Qua			74	Filipino
VP-Finance/Chief Risk Officer	Ronan R. Andrade			54	Filipino
Vice President Internal Audit and Assistant Compliance Officer	Cesar G. Caubalejo			58	Filipino

Directors serve for a term of one (1) year and until the election and qualification of his successor.

The following are the Chairman and members of the Corporate Governance Committee as of December 31, 2024:

Lilia B. De Lima	Chairman
Alfredo de Borja	Member
Medel T. Nera	Member

The Independent Directors were advised of SEC Memorandum Circular No. 4, Series of 2017 on the term limits for Independent Directors. Based on the Memorandum Circular, Mr. Alfredo de Borja has served the maximum cumulative term of nine years. The Board resolved to approve the re-nomination of Mr. Alfredo de Borja for the position of independent director for the term 2024-2025. The Board considered Mr. Alfredo de Borja's in-depth knowledge of the Company's business as well as that of its subsidiaries due to his length of service as an independent director of the Company. Furthermore, the technical nature of the Company's business and the industry in which it belongs require specialized knowledge which Mr. de Borja has contributed to the Company for many years. The Board believes that retaining Mr. de Borja as independent director will be instrumental in attaining its goals for the ensuing year. The Board

therefore decided that it is to the best interest of the Company if Mr. de Borja will be re-nominated and re-elected.

All the independent directors were nominated by Mr. Guillermo D. Luchangco, a stockholder and director of the Company. Mr. Luchangco is not related to any of the nominated independent directors.

Profile of Incumbent Directors, Nominees, and Officers:

Alfredo De Borja, 80, has been an independent director of Ionics, Inc. since 2004, Chairman of the Board since October 2023 and an independent director of Ionics EMS, Inc. since 2007. He is the incumbent President and Director of Makiling Ventures, Inc., a real estate development company, and President and Director of E. Murio, Inc., a furniture manufacturer and exporter. He is also a director of Investment Capital Corp. of the Phil. (ICCP), ICCP Venture Partners, Inc. (where he is Chairman of the Investment Company), ICCP Management Corp, Pueblo de Oro Development Corp., Regatta Properties, Inc., Science Park of the Philippines (SPPI), Cebu Light Industrial Park, Inc., Ionics, Inc., Ionics EMS, Inc., and Araneta Properties, Inc., both listed companies with the Philippine Stock Exchange; and Philippine Coastal Storage & Pipeline Corp. He has also served as board director of a number of companies including First Metro Investment Corp., SPI, Alsons Power, Alsons Cement, Iligan Cement, Manila Memorial Park, Philcom, Shopwise, and Republic Glass. He was the President of Gervel, Inc. from 1973 to 1986; Director and Chairman of the Executive Committee of First Metro Investment Co. from 1978 to 1983; Director and Vice President of Iligan Cement Corp. from 1973 to 1977; Professional Lecturer of the University of the Philippines-Graduate School of Business Administration from 1971 to 1974; Executive Assistant to the Vice President of Philippine Long Distance Telephone Co. from 1970 to 1973; and Executive Assistant to the Vice President of Investment Manager, Inc. from 1966 to 1968. He holds a Master of Business Administration degree from Harvard University and a Bachelor of Science in Economics from the Ateneo de Manila University.

Medel T. Nera, 69, Filipino, is a Certified Public Accountant. He has been an Independent Director of the Corporation since November 11, 2020. Mr. Nera is presently a Director of House of Investments, Inc., iPeople Inc., Seafront Resources Corp. and EEI Corporation. He is also an Independent Director of the National Reinsurance Corporation of the Philippines, Inc., Holcim Philippines, Inc and the Generika pharmaceutical group. His past experiences include: President and CEO of House of Investments, Inc.; President of Honda Cars Kalookan, Inc., Director and President of RCBC Realty Corp.; Director and Chairman of the Risk Oversight Committee of Rizal Commercial Banking Corp.; Director and Treasurer of CRIBS Foundation, Inc., and Senior Partner at Sycip Gorres Velayo & Co. where he had 35 years of experience in professional services. Mr. Nera served as Assurance Leader for the Financial Services Assurance practice of Ernst and Young in the Far East covering China, Taiwan, Hongkong, Korea, Singapore, Philippines and Vietnam.. Mr. Nera obtained his Master in Business Administration degree from Stern School of Business, New York University, New York, USA and Bachelor of Science in Commerce degree from Far Eastern University. He also attended the International Management Program of the Manchester Business School, United Kingdom, and the Pacific Rim Bankers' Program of the University of Washington, Seattle, Washington, USA.

Meliton C. Qua, 83, held key positions in several companies which included the Philippine Bank of Communications as Senior Vice President; Citibank N.A., as Vice President; Bancnet as Director and Aqua Holdings, Inc. as Director. Mr. Qua has been a director of Ionics, Inc. since 1985. He received his Bachelor of Science degree in Business Administration from De La Salle University, Philippines.

Lilia B. De Lima 84, Filipino, is an independent director of Ionics, Inc. and Ionics EMS, Inc. She is currently a director of AC Industrial Technology Holdings, Inc. In 2017, she served as an independent advisory board member of the Rizal Commercial Banking Corporation and was also a member of the board of directors of Science Park of the Philippines and RFM Science Park of the Philippines. Since 1981 until 2016, Atty. de Lima has been in government service, holding high positions in various government instrumentalities such as the Department of Trade and Industry, National Amnesty Commission, Cagayan Economic Zone Authority, Zamboanga Economic Zone Authority, PHIVIDEC Industrial Authority, and the Philippine Economic Zone Authority. Atty. de Lima was awarded the Ramon Magsaysay Laureat in 2017 for her service as Director General of the Philippine Economic Zone Authority for 21 years. She was also a recipient of other various awards such as the Presidential Medal of Merit, awarded to her by former Presidents Benigno Aquino III and Gloria Macapagal Arroyo, The Order of the Rising Sun, Gold and Silver Star, which is the highest award given to a non-head of state by the Government of Japan for bringing hundreds of Japanese investors to the Philippines, People of the Year Award given by Peoples Asia Magazine, and Excellence in Public Service Award, which was awarded to Ms. de Lima five times by BIZNEWS ASIA. She attained her Bachelor of Laws from the Manuel L. Quezon University in 1965, and her Doctor of Laws LLD (Honoris Causa) from the same university in 2014. She passed the Philippine Bar Exams in 1966.

Raymond Ma. C. Qua, 74, has been a member of the Board of Directors of Ionics, Inc. since 1985 and holds the position of Treasurer and Senior Vice President. He is also a director of Ionics EMS, Inc. Previously, he was the Senior Vice President and General Manager of Synertronix, Inc. and the Vice President for Administration of Ionics, Inc. Mr. Qua is presently affiliated with various organizations and 14 associations serving as head, ranking officer or member. Mr. Qua received his Bachelor of Science degree in Commerce from De La Salle University, Philippines.

Virginia Judy Q. Dy, 84, has been a member of the Board of Directors of Ionics, Inc. since 1991. In the last seven years, she is connected with Aqua Holdings, Inc. as director. She is also the Finance Director of DVPRO Solutions, Inc. from 2001 to the present. Previous corporate affiliations include Philippine Commercial and International Bank as Branch Manager, Insular Bank of Asia & America as Branch Manager, Ladtek Corporation/Interphase Development System as Accounting Manager and the International Corporate Bank as Branch Manager. Ms. Dy received her Bachelor of Science in Commerce degree from the Assumption Convent and is a Certified Public Accountant, having passed the government board exams in 1963.

Cecilia Q. Chua, 72, was a director of Ionics, Inc. from 1997 to 2000 and from 2007 up to the present. She is the Treasurer of B-Pack Corporation, Vice President of CQ B-Pack Corporation and has been the Purchasing Manager of Ionics Ems, Inc. since 1985. Previous corporate affiliations include Complex Electronics Corporation, Interphase Development Corporation, Ladtek Corporation and Pimeco.

Monica Siguion-Reyna Villonco, 71, is the Chairman of Lowe Philippines, where she has served as a director since 2002. She also served as the editor-in-chief of Town & Country Philippines from 2007-2010. Ms. Villonco is the incumbent President of Whitespace, Inc. and Datascope Communications (Phils.), Inc. Ms. Villonco is a member of the Board of Governors of the Philippine National Red Cross. She is also a member of the board of directors of Provident Plans International Corp. and Sa Aklat Sisikat Foundation; She was a member of the Film Rating Board from 1998 to 2002; and a board member of CCP Tanghalang Pilipino from 1988-1990.

Guillermo D. Luchangco, 85, has been a member of the Board of Directors of Ionics, Inc. since 1991. He is the Chairman and Chief Executive Officer of the ICCP Group, whose members include, among others, Investment & Capital Corporation of the Philippines, whose principal activities are in investment banking; ICCP Venture Partners Inc., which is in venture capital; Science Park of the Philippines, Inc., a developer of industrial parks; and Pueblo de Oro Development Corporation, a developer of residential and township projects; and Manila Exposition Complex, Inc., the owner of the World Trade Center Metro Manila. Before founding ICCP in 1988, he served as Vice Chairman and President of Republic Glass Corporation, a publicly-listed company. Between 1969 and 1980, Mr. Luchangco worked with the SGV, the Philippines' leading auditing and consulting firm. He rose to the position of Managing Director and Regional Coordinator for management services. Mr. Luchangco serves on a number of Boards, including the following publicly-listed companies in the Philippine Stock Exchange: Phinma Corporation, Globe Telecom, Inc., Ionics, Inc., and Roxas & Co., Inc. He holds a Master of Business Administration degree from the Harvard Business School and a Bachelor of Science degree in Chemical Engineering (magna cum laude) from De La Salle University, Philippines.

Earl Lawrence S. Qua, 46, has been a member of the Board of Directors of Ionics, Inc. since 2023, he is the Vice-President for Business Development of Ionics Ems, Inc.(EMS), a subsidiary of the Corporation. He also held the position of Vice President of the Original Design Manufacturing Group of EMS from 2010 until 2018. He is the Co-founder and Chief Operating Officer of VOXP Technologies, Inc., a software development services company and original equipment manufacturer that serves telecom, B2B business platforms, B2C service platforms and IOT infrastructure and analytics solutions. Since 2020, he has been a member of the Board of Directors of Communigate Technologies Inc., a distribution company with over 300,000 sari-sari store points of presence in NCR and NCR+. Furthermore, he is the President of the Electronics Industries Association of the Philippines, Inc. an industry organization supporting electronics design companies, since 2015. He is a member of the Board of Directors of Domingo AI Research Center Laboratory since 2016 and the Advisor of the Manufacturing Enterprise Solutions Association (MESA) International since 2018. He also served as Project Director at the Electronics Product Development Center, an electronics facility owned by the Department of Science and Technology – Advanced Science and Technology Institute which provides electronics design, PCB and PCBA prototyping and electronics product testing services. He worked at Marvell Technologies Inc. in Santa Clara, CA where he was Engineering Program Manager and Customer Service Manager. He graduated from Occidental College, CA, USA with BA in Economics and earned his MBA at Babson College, MA, USA. He completed the Owners and Presidents Management Program at the Harvard Business School in 2015.

Jay A. Chavez, 52, has been a member of the Board of Directors of Ionics, Inc. since 2023, he is the Executive Vice President & Chief Operating Officer of Ionics EMS, Inc. ("Ionics EMS"). He joined Ionics EMS in 1995 as a Quality Control and Quality Assurance (QC/QA) engineer. Since then, he went up the organizational ladder and became QC/QA Manager, Manufacturing Senior Manager/Deputy Plant Manager, Assistant Vice President for Manufacturing/Deputy for Operations, Assistant Vice President for Materials Management, and finally, Assistant Vice President for Supply Chain Management. In May 2015, he represented the Philippines as speaker at the World Trade Organization ("WTO") Information Technology Agreement ("ITA") Workshop on Non-Tariff Barriers Affecting Trade in Information Technology Products which was held at the WTO Headquarters in Geneva, Switzerland. In June 2017, he represented the Philippines as speaker at the WTO Symposium on the 20th Anniversary of the ITA held in Geneva, Switzerland. He finished his secondary education at the Philippine Science High School and holds an Electrical Engineering degree from Mapua Institute of Technology.

Manuel R. Roxas, 75, Filipino, has been the Company's Corporate Secretary for the past seventeen (17) years. His professional experience covers general corporate law practice as counsel to various companies engaged in banking, investments, pharmaceuticals, shipping, and manufacturing. Atty. Roxas received his Bachelor of Science degree in Economics from the University of Pennsylvania in 1970 and Bachelor of Laws degree from the University of the Philippines in 1975. His other professional affiliations include: Roxas de los Reyes Laurel Rosario & Gonzales as Partner, Tax Management Association of the Philippines as past President, President Manuel A. Roxas Foundation, Inc., Mother Rosa Memorial Foundation, Inc. as Secretary, the Integrated Bar of the Philippines, Philippine Bar Association, and the Wharton Club of the Philippines as member.

Krishna F. Villanueva, 32, Filipino, is the Corporation's Assistant Corporate Secretary. Atty. Villanueva is an associate lawyer at Roxas de los Reyes Laurel Rosario & Gonzales Law Offices. She received her Bachelor of Science degree in Business Administration (Cum Laude) from the University of the Philippines Diliman and her Juris Doctor degree from the University of the Philippines College of Law.

Judy C. Qua, 74, Filipino, is the Company's Senior Vice President for Corporate Affairs and Human Resources. She is also the Executive. She is concurrently the President and Chief Operating Officer of Iomni Precision, Inc. She was the Executive Director for Finance of IONOTE Ltd., the joint venture facility of Ionics EMS, Inc. and NOTEAB of Sweden in China. Prior to joining the Ionics, Inc., she was in college teaching, advertising and marketing practice, data management, and was a consulting resource for Ionics in people management and corporate communications. Ms. Qua is a transformational psychologist, a professional lecturer, a certified faculty for the American Management Association and the Swedish-based CELEMI management simulation learning systems, and an author of four (4) books on life essays. She is the lecturer-facilitator of The Second Wind Mind Works neurodynamics course. She holds a Master of Arts degree in Social and Industrial Psychology from the Ateneo de Manila University and a Master of Business Administration degree from Kellogg-HKUST Business School of Northwestern University.

Ronan Andrade, 54, is the Vice President for Finance/Chief Finance Officer. He graduated from San Beda College in 1991 and passed the Certified Public Accountant Board Examination in the same year. He worked with SGV in audit division from 1992 to 1998, starting as an audit staff member until he became audit supervisor. He joined Ionics in 1999 as Senior Manager for Finance and became Assistant Vice President and Acting Finance Head of the Company, prior to his transfer to Internal Audit as Vice President. In 2007, Mr. Andrade was appointed as Vice President for Finance.

Cesar G. Caubalejo, 58, is the Vice President for Internal Audit and Assistant Compliance Officer. He graduated from the University of the Philippines at Tacloban City, Leyte in 1988 with a degree in Bachelor in Business Administration Major in Accounting. He is a Certified Public Accountant and a Certified Fraud Examiner. He worked and started his career with SGV in 1988 until his resignation from the firm as a Senior Director under the Business Risk Services in December 2008. During his stint with SGV, he was assigned to work in other countries such as US, France, Vietnam, Cambodia, Laos, Malaysia and Kingdom of Saudi Arabia. He also worked for a year (1997) as a group controller in one of the diversified companies in the Philippines. He is a member of Philippine Institute of Certified Public Accountants, and Philippine Chapters of Association of Certified Fraud Examiners and Institute of Internal Auditors. He joined Ionics EMS, Inc. on January 5, 2009.

The Directors of the Company are elected at the annual stockholders' meeting to hold office until the next succeeding annual meeting and until their respective successors have been elected.

Messrs. Meliton C. Qua, Raymond C. Qua, Virginia Judy Q. Dy and Cecilia Q. Chua, all of whom are directors of the Company, are all related within the second degree of consanguinity.

No director has transacted with the Group in his/her personal capacity.

None of the directors were involved, during the past five years and up to the date hereof, in any bankruptcy petition filed by or against any business of which a director was a general partner or executive officer either at the time of the bankruptcy or within two years to that time; nor was any director convicted by final judgment in a criminal proceeding, domestic or foreign, or was subject to a criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses; or was subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking services; or was found by a domestic or foreign court of competent jurisdiction (in a civil action), the commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, to have violated a securities or commodities law.

None of the directors has informed the Group that he/she intends to oppose any action to be taken by the Group at the meeting.

While all of the employees are valued, none are expected to contribute more significantly than the others to the business of the Company.

Item 10. Executive Compensation

The following table summarizes the compensation of the five (5) highest paid executive officers of the Group and the aggregate compensation of all officers and directors as a group for the last two completed calendar years, and the estimated aggregate compensation of the said officers and directors for the present calendar year.

SUMMARY COMPENSATION TABLE
Annual Compensation

	<u>Year</u>	<u>Salary</u>	<u>Others*</u>
Chief Executive Officer and four (4) most highly compensated executive officers	2025 (estimate)	\$ 562,270	\$ 112,100
	2024	\$ 511,155	\$ 101,909
	2023	\$ 506,294	\$ 77,421

All officers and directors as a group unnamed	2025 (estimate)	\$ 874,100	\$ 263,975
	2024	\$ 794,636	\$ 239,977
	2023	\$ 981,297	\$ 238,085

**Others -includes per diem of directors*

The following are the CEO and four (4) most highly compensated executive officers of the Group (i.e. on a consolidated basis):

1. Raymond Maria C. Qua is President and Chief Executive Officer
2. Jay A. Chavez is the Executive Vice President for Operations and Chief Operating Officer
3. Ms. Judy C. Qua is the Senior Vice President for Corporate Affairs and Human Resources.
4. Mr. Ronan R. Andrade is the Vice President for Finance.
5. Mr. Cesar G. Caubalejo is the Vice President of Internal Audit and Assistant Compliance Officer

Directors who are not officers of the Company are entitled to a per diem of Fifteen Thousand Pesos (₱15,000.00) per regular meeting attended.

The President of both Ionics, Inc. and IEMS, receives compensation plus a percentage of net profit after tax before bonus. All other executive officers receive monthly compensation without, however, any entitlement to a percentage of the profits.

As of December 31, 2024, no executive officer of the Registrant is under employment contract.

Item 11. Security Ownership of Certain Beneficial Owners and Management.

As of December 31, 2024

(a) Security Ownership of Certain Record and Beneficial Owner

Title of class	Name and address Of owner	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	Percentage of class
Common	Aqua Holdings, Inc. <i>c/o Ionics EMS, Inc. Carmelray Industrial Park II, Bgy. Tulo, Calamba, Laguna</i>	Lawrence C. Qua (<i>deceased</i>), Meliton C. Qua, Raymond C. Qua, Virginia Judy Q. Dy, Cecilia Q. Chua(<i>stockholders of Aqua Holdings, Inc.</i>)	Filipino	335,153,100 (R)	40.04 %
Common	Leonardo T. Siguion Reyna* <i>7 Tanguile Road, North Forbes Park Makati City</i>	N/A	Filipino	75,006,000 (R)	8.96 %
	<i>Director</i>				

**deceased*

(b) Security Ownership of Management

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Meliton C. Qua <i>Director</i>	6,497,362 Direct	Filipino	0.78%
Common	Guillermo D. Luchangco <i>Director</i>	19,620,000 Indirect	Filipino	2.34%
Common	Alfredo R. de Borja <i>Chairman of the Board / Independent Director</i>	14,000 Direct	Filipino	nil
Common	Earl Lawrence S. Qua <i>Director</i>	610,000 Indirect	Filipino	0.07%
Common	Virginia Judy Q. Dy <i>Director</i>	1,033,603 Direct 4,887,140 Indirect	Filipino	0.12% 0.58%
Common	Raymond C. Qua <i>Director/President/CEO</i>	8,562,350 Direct	Filipino	1.02%
Common	Cecilia Q. Chua <i>Director and Treasurer</i>	5,584,412 Direct 3,000 Indirect	Filipino	0.67% nil
Common	D Monica Siguion Reyna Villonco <i>Director</i>	24,000 Direct 127,000 Indirect	Filipino	nil 0.02%

Common	Medel T. Nera <i>Director</i>	1,000 Indirect	Filipino	nil
Common	Lilia B. De Lima <i>Director</i>	50,000 Indirect	Filipino	0.01%
Common	Judy C. Qua <i>SVP- Business Development & Corporate Affairs</i>	-0-	Filipino	-0-
Common	Manuel R. Roxas <i>Corporate Secretary</i>	14,500 Direct	Filipino	nil
Common	Krishna F. Villanueva <i>Assistant Corporate Secretary</i>	-0-	Filipino	-0-
Common	Ronan R. Andrade <i>VP – Finance / Chief Risk Officer</i>	-0-	Filipino	-0-
Common	Cesar G. Caubalejo <i>VP- Internal Audit/Assistant Compliance Officer</i>	-0-	Filipino	-0-
	TOTAL	47,029,367		5.62%

(c) Voting Trust Holders of 5% or More

There are no voting trust holders of 5% or more.

(d) Changes in control

The Group has not entered into any arrangement which may result in a change in control of the Group.

Item 12. Certain Relationships and Related Transactions

The Group has no significant related party transactions with its stockholders, directors, officers and affiliated companies except for the following:

(a) lease arrangements:

- the Company leases two factory buildings to its subsidiary, Ionics EMS, Inc. as production plant site V and VI for its manufacturing business. The rental rate was based on the prevailing and current market rates within the area and assumed no risks on the transactions.
- Ionics EMS, Inc. also entered into a lease agreement with Iomni Precision, Inc., a wholly-owned subsidiary of Ionics, Inc. for its corporate office with an area of 1,500 square meters from January 16, 2024 to January 15, 2025, subject to renewal annually. The rental rates was based on the current market rates and the rate of another tenant within the building.
- Ionics EMS, Inc. also leased another factory, Plant 2, from Ionics Properties, Inc. with an area of 7,470 square meters from 01 May 2024 to 30 April 2025.
- Ionics EMS, Inc. also leased another factory, Plant 4, from Ionics Properties, Inc. with an area of 1,300 square meters from November 1, 2024 to October 31, 2025.

(b) legal services

Roxas de los Reyes Laurel Rosario & Gonzales Law Offices where the Corporate Secretary, Manuel R. Roxas, and the Assistant Corporate Secretary, Krisha F. Villanueva, are partner and associate lawyer, respectively. The Company believes that legal fees are reasonable for the services rendered.

(c) financial advisors

Investment and Capital Corporation of the Philippines (“ICCP”) is retained by the Company as its Financial Advisor. Guillermo D. Luchangco, who has been a director of the Company since 1991, is Chairman and Chief Executive Officer of ICCP. The Company believes that the retainer fees are reasonable for the services rendered.

PART IV – CORPORATE GOVERNANCE REPORT

This portion has been deleted pursuant to SEC Memorandum Circular No.5, Series of 2013.

Item 13. Corporate Governance

a) **Evaluation System**

The Compliance Officer is currently in charge of evaluating the level of compliance of the Board of Directors and top-level management of the Corporation. The implementation of the Corporate Governance Scorecard allows Ionics, Inc. to properly evaluate compliance with the Manual.

b) **Compliance Report**

Measures are being undertaken by Ionics, Inc. to fully comply with the adopted leading practices on good corporate governance, such as participation of Ionics, Inc.’s directors and officers in corporate governance seminars. Further, Ionics, Inc. sees to it that its Integrated Annual Corporate Governance Report, or any amendments or changes thereto, is timely submitted to the Securities Exchange Commission and the Philippine Stock Exchange.

c) **Deviations**

Ionics, Inc. is taking steps towards full compliance with its Corporate Governance Manual. The Company submitted its Amended Manual on Corporate Governance on 09 July 2020.

d) **Plan to improve**

Ionics, Inc. continues to improve its Corporate Governance when appropriate and warranted in its best judgment and in accordance with the Code of Corporate Governance for Publicly-Listed Companies.

PART V – SUSTAINABILITY REPORT

In compliance with SEC Memorandum Circular No. 4, issued on February 15, 2019, with subject Sustainability Reporting Guidelines for Publicly-Listed Companies, kindly refer to attached Sustainability Report of Ionics, Inc.

PART V - EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

(a) Exhibits - See accompanying Index to Exhibits

(b) Reports to SEC via Form 17-C

1. March 8, 2024 – The Board of Directors approved the following:
 - Change in Stock Transfer Agent – Formal appointment of RCBC Trust Corporation
 - Notice of Annual Shareholder’s Meeting
2. March 21, 2024 – RCBC Trust Corporation has informed Ionics, Inc., that its application for registration as transfer agent was approved by the SEC last March 14, 2024. The Corporation was also requested to notify the PSE and SEC that the effective date of engagement of RCBC Trust Corporation is March 27, 2024.
3. June 14, 2024 –Announced the results of the Annual Stockholders’ Meeting
4. December 9, 2024- Special Joint Meeting of the Board of Directors of Ionics, Inc. and its wholly owned subsidiary, Ionics Properties, Inc. (IPI), approved the construction of a standard factory building located at LISP IV, Malvar, Batangas.


The Board of Directors of IPI approved a loan from RCBC to be secured by a mortgage on IPI’s property at LISP IV, Malvar, Batangas.

Finally, the Board of Directors of Ionics, Inc. and its subsidiary, Ionics Ems, Inc. (EMS), approved the proposed Solar Panel Project to install solar panels to be financed partially through a bank loan.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the city of MAKATI CITY on APR 10 2025

By:



Ronan R. Andrade
Chief Finance Officer



Manuel R. Roxas
Corporate Secretary



Raymond Maria C. Qua
President & Chief Executive Officer



APR 10 2025

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2025 affiant(s) exhibiting to me their Passport Numbers, as follows:

NAMES

Ronan R. Andrade
Raymond Maria C. Qua
Manuel R. Roxas

PASSPORT

P6019614A
P5737906A
P7678659B

DATE OF ISSUE

February 13, 2018
January 24, 2018
September 23, 2021

PLACE OF ISSUE

Lucena
NCR South
Manila

Doc. No. 234
Page No. 48
Book No IX
Series of 2025



ATTY. KRISHA F. VILLANUEVA
Notary Public until 31 December 2026
19th/F BDO Plaza, 8737 Paseo de Roxas, Makati City
PTR No. 10467738, Makati City, 03 January 2025
IBP No. 498888, Oriental Mindoro, 06 January 2025
Roll No. 75697, Appointment No. M-160
MCLE Compliance No VIII-0015294 30 Oct 2024

DOCUMENTARY STAMP TAX PAID	
29146614	APR 10 2025
(SERIAL NUMBER)	(DATE OF PAYMENT)