COVER SHEET

0 0 0 0 0 9 4 4 1 9

INTEGRATED MICRO-ELECTRONICS,
INC.

(Company's Full Name)

NORTH SCIENCE AVENUE, LAGUNA
TECHNOPARK-SEZ, BO. BIÑAN, LAGUNA

(Business Address: No. Street City / Town / Province)

ATTY. MARIA FRANCHETTE M. ACOSTA	7908-3346
Contact Person	Company Telephone Number

Definitive

12 31	20-IS	04 25
Month *Day*	FORM TYPE	*Month* *Day*
Fiscal Year		Annual Meeting

Secondary License Type, if Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. Of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = pls. Use black ink for scanning purposes

Integrated Micro-Electronics, Inc.
North Science Avenue,
Special Export Processing Zone
Laguna Technopark
Binan Laguna 4024
Philippines

Tel +63 2 7756 6840; +63 2 7756 6940
Tel +63 49 544 0312
www.global-imi.com

A member of AC Industrials

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that the annual meeting of stockholders of **INTEGRATED MICRO-ELECTRONICS, INC.** will be conducted virtually via https://conveneagm.com/ph/IMI2025ASM on **Tuesday, April 22, 2025** at **3:00 o'clock in the afternoon** with the following

AGENDA[1]

1. Call to Order
2. Certification of Notice and Quorum
3. Matters for Approval of Stockholders
   i. Approval of Minutes of Previous Meeting
   ii. Ratification of the Acts of the Board of Directors and Management
   iii. Approval of the Second Article of the Articles of Incorporation
   iv. 2025 Employee Stock Option Program
   v. Election of Directors (Including the Independent Directors)
   vi. Election of External Auditor and Fixing of its Remuneration
   vii. Approval of the Audited Financial Statements, including noting of Annual Report
4. Consideration of Such Other Business as May Properly Come Before the Meeting
5. Presentation of Management and Open Forum
6. Adjournment

Pursuant to the Company's By-Laws, the Chairman, acting on the authority delegated by the Board of Directors during its meeting on November 21, 2024, has approved that the Annual Stockholders' Meeting be conducted in a fully virtual format. Stockholders may only attend the meeting by remote communication and by voting *in absentia*, electronically or by proxy.

Only stockholders of record as of **March 7, 2025** are entitled to notice of, and to vote at, this meeting. Stockholders intending to participate by remote communication should notify the Company by email on or before **April 8, 2025**. Stockholders may likewise register online via Convene AGM starting March 28, 2025. Voting may be *in absentia*, electronically or by proxy, subject to validation procedures. The procedures for participating in the meeting through remote communication and for casting of votes *in absentia*, electronically or by proxy, will be set forth in the Information Statement[2].

Duly accomplished proxy form and voting instruction shall be submitted on or before **April 8, 2025** to the Office of the Corporate Secretary at 37/F Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City or by email. Validation of proxies is set for April 11, 2025 at 9:00 o'clock in the morning.

Stockholders of record as of March 7, 2025 owning at least 5% of the total outstanding capital stock of the Company may submit proposals on items for inclusion in the agenda on or before **April 15, 2025**[3].

All email communications should be sent to corporatesecretary@global-imi.com on or before the designated deadlines.

This notice supersedes the notice filed on February 21, 2025 with the Securities and Exchange Commission and Philippine Stock Exchange.

Makati City, March 13, 2025.

MARIA FRANCHETTE M. ACOSTA
Corporate Secretary

---

[1] *See next page for the explanation for each agenda item.*

[2] *Stockholders should notify the Company by email of their preference to receive hard copies of the Information Statement and other ASM materials on or before March 7, 2025.*

[3] *The inclusion of the proposed agenda item shall be in accordance with SEC Memorandum Circular No. 14, Series of 2020, and the Company's internal guidelines.*

EXPLANATION OF AGENDA ITEMS

Call to order
The Chairman will formally open the meeting at approximately 3:00 o' clock in the afternoon.

Certification of notice and quorum (and rules of conduct and procedures)
The Corporate Secretary will certify that written notice for the meeting was duly sent to stockholders and that a quorum exists for the transaction of business.

Pursuant to Sections 57 and 23 of the Revised Corporation Code which allow voting *in absentia* by the stockholders, the Company has set up a designated online web address, https://conveneagm.com/ph/IMI2025ASM, which may be accessed by the stockholders to register and vote electronically *in absentia* on the matters for resolution at the meeting[4]. A stockholder participating by remote communication or voting *in absentia,* electronically or by proxy, shall be deemed present for purposes of quorum.

The following are the rules of conduct and procedures for the meeting to be conducted in virtual format:

(i) Stockholders may attend the meeting remotely through the online web address (URL) provided. Questions and comments may be sent prior to or during the meeting at corporatesecretary@global-imi.com.

(ii) Each of the proposed resolutions will be shown on the screen during the meeting as the same is taken up at the meeting.

(iii) Stockholders must notify the Company through corporatesecretary@global-imi.com on or before April 8, 2025 of their intention to participate in the Meeting by remote communication in order to be included in the determination of the existence of a quorum, together with the stockholders who voted *in absentia,* electronically and by proxy.

(iv) Voting shall only be allowed for validated stockholders registered in Convene AGM or who submitted a duly accomplished proxy form. Stockholders registered in the Convene AGM may cast their votes through the said system at any time prior to or at real time during the meeting. Vote tabulation shall be completed and finalized after the meeting.

(v) All the items in the agenda for approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock present at the meeting unless the law requires otherwise.

(vi) Election of directors will be by plurality of votes and every stockholder will be entitled to cumulate his votes. Each outstanding share of stock entitles the registered stockholder to one vote.

(vii) The Proxy Validation Committee will tabulate all votes received and an independent third party will validate the results. The Corporate Secretary shall report the results of initial voting during the meeting.

(viii) The meeting proceedings shall be recorded in audio and video format.

Matters for Stockholders Approval

1. Approval of minutes of previous meeting

The minutes of the meeting held on April 25, 2024 are available at the Company's website, www.global-imi.com and shall be presented for stockholders' approval.

2. Ratification of the acts of the Board of Directors and Management

The actions of the Board and its committees taken and the acts of Management to implement the resolutions of the Board or its committees or made in the general conduct of business since the annual stockholders' meeting on April 25, 2024 until April 22, 2025 shall be presented for stockholders' ratification. They include the approval of the Company's agreements, projects, investments, capital allocations, treasury-related matters and other matters covered by disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange.

3. Approval of the Second Article of the Articles of Incorporation

Approval by the stockholders will be sought to include in the Company's primary purpose the following activities: "To provide warehousing/logistics support services, particularly importation/procurement, storage, deposit, inventory management of goods for subsequent sales, transfers or dispositions to clients, interested establishments, agencies and/or export enterprises."

A resolution on this agenda item must be approved by stockholders owning at least 2/3 of the outstanding capital stock.

4. 2025 Employee Stock Option Program

The 2025 Employee Stock Option Program (ESOP), as endorsed by the Personnel and Compensation Committee, shall be presented for approval by the stockholders. The 2025 ESOP may be in the form of a Stock Appreciation Rights Plan that grants cash settled and/or equity settled options, at the option of the Company, to its key talents.

A summary of the key provisions of the 2025 ESOP will be provided in the Information Statement.

5. Election of directors (including the independent directors)

The eleven (11) nominees for directors, including the nominees for independent directors, as evaluated by the Corporate Governance and Nomination Committee to have all the qualifications and competence necessary for the effective performance of the Board's roles and responsibilities, and none of the disqualifications to serve as members of the Board, shall be presented for election to the stockholders.

The profiles of the nominees to the Board will be provided in the Information Statement.

---

[4] *The detailed instructions pertaining to the URL and the use thereof will be provided in the Information Statement.*

6. Election of external auditor and fixing of its remuneration

As endorsed by the Audit and Risk Committee, the election of the external auditor for the ensuing year as well as its proposed remuneration shall be presented for stockholders' approval. The external auditor conducts an independent verification of the Company's financial statements and provides an objective assurance on the accuracy of its financial statements.

The profile of the external auditor will be provided in the Information Statement.

7. Approval of the Audited Financial Statements and Noting of Annual Report

The Audited Financial Statements (AFS) as of December 31, 2024, as approved by the Board upon the recommendation of the Audit and Risk Committee, will be embodied in the Information Statement to be sent to the stockholders at least 15 business days prior to the meeting. The AFS shall be presented for stockholders' approval during the meeting, together with the noting of the Company's annual report. The annual report will contain the "Message from the Chairman", "Report of the Chief Executive Officer" and "Report of the President".

Consideration of such other business as may properly come before the meeting

The Chairman will take up agenda items received from stockholders on or before April 15, 2025 in accordance with existing laws, rules and regulations of the Securities and Exchange Commission and the Company's internal guidelines[5].

Presentation of Management and Open Forum

The Chairman, Mr. Alberto M. de Larrazabal, and the Chief Executive Officer, Mr. Lous Sylvester Hughes, and the President, Mr. Jerome S. Tan, will report on the performance of the Company in 2024. The Company's performance is also embodied in the Company's Annual Report. A soft copy of the Annual Report will be posted on the Company's website, www.global-imi.com.

The Chairman will open the floor for comments and questions by the stockholders.

[5] *SEC Memorandum Circular No. 14, series of 2020 or "Shareholders' Right to Put items on the Agenda for Regular/Special Stockholders' Meetings": https://www.sec.gov.ph/mc-2020/mc-no-14-s-2020shareholders-right-to-put-items-on-the-agenda-for-regular-special-stockholders-meetings/.*

PROXY AND VOTING INSTRUCTION

1. IDENTIFICATION

This Proxy, when properly executed, will be voted in the manner herein directed by the stockholder(s)in connection with the Annual Stockholders' Meeting of **INTEGRATED MICRO-ELECTRONICS, INC.**, to be held on April 22, 2025, at 3:00 o'clock in the afternoon.

2. INSTRUCTIONS

The undersigned stockholder of **INTEGRATED MICRO-ELECTRONICS, INC.** (the "Corporation") hereby appoints the *Chairman of the meeting of the stockholders*, as *attorney-in-fact* and *proxy,* to represent and vote all shares registered in his/her/its name at the annual meeting of the stockholders of the Corporation on April 22, 2025 and at any of the adjournments thereof for the purpose of acting on the matters stated below.

Please place an "X" in the box below how you wish your votes to be cast in respect of the matter to be taken up during the meeting.

If no specific direction as to voting is given, the votes will be cast for the approval of the resolution on the matter stated below and as set out in the notice, and for such other matters as may properly come before the meeting in the manner described in the Information Statements and as recommended by the Chairman.

1. Approval of minutes of previous meeting
   Resolution No. S-01-2025- RESOLVED, to approve the minutes of the annual stockholders' meeting held on 25 April 2024.

   ❑ For ❑ Against ❑ Abstain

2. Ratification of the acts of the Board of Directors and Officers
   Resolution No. S-02-2025 - RESOLVED, to ratify each and every act and resolution, from 25 April 2024 to 22 April 2025 (the "Period"), of the Board of Directors (the "Board") and the Executive Committee and other Board committees exercising powers delegated by the Board, and each and every act, during the Period, of the officers of the Corporation performed in accordance with the resolutions of the Board, the Executive Committee and other Board committees as well as with the By-laws of the Corporation.

   ❑ For ❑ Against ❑ Abstain

3. Approval of the Second Article of the Articles of Incorporation
   Resolution No. S-03-2025 - RESOLVED, as endorsed by the Board of Directors, to approve the amendments to the Second Article of the Amended Articles of Incorporation to include in the primary purpose of the Corporation providing of warehousing and logistics services, and for this purpose, the Second Article of the Amended Articles of Incorporation shall henceforth read as follows:

   xxx xxx

   SECOND: The purposes for which this Corporation is formed are:

   PRIMARY PURPOSE

   xxx xxx

   j) To provide warehousing/logistics support services, particularly importation/procurement, storage, deposit, inventory management of goods for subsequent sales, transfers or dispositions to clients, interested establishments, agencies and/or export enterprises. (*As amended on April 22, 2025)*

   ❑ For ❑ Against ❑ Abstain

4. 2025 Employee Stock Option Program
   Resolution No. S-04-2025 - RESOLVED, to approve the Corporation's 2025 Employee Stock Option Program, which may be in the form of a Stock Appreciation Rights Plan that grants to key talents of the Corporation cash settled and/or equity settled options, at the option of the Corporation, of up to 5% of the Corporation's authorized capital stock.

   ❑ For ❑ Against ❑ Abstain

5. Election of directors

	No. of Votes
Alberto M. de Larrazabal	_____________
Louis Sylvester Hughes	_____________
Jaime Z. Urquijo	_____________
Mark Robert H. Uy	_____________
Rafael C. Romualdez	_____________
Jose Ignacio A. Carlos	_____________
Roland Joseph L. Duchâtelet	_____________
Gilles Bernard	_____________
Independent Directors:	
Jesse O. Ang	_____________
Sherisa P. Nuesa	_____________
Hiroshi Nishimura	_____________

Resolution No. S-05-2025 - RESOLVED, to elect the following as directors of the Corporation to serve as such beginning 22 April 2025 until their successors are elected and qualified:

Alberto M. de Larrazabal
Louis Sylvester Hughes
Jaime Z. Urquijo
Mark Robert H. Uy
Jose Ignacio A. Carlos
Rafael C. Romualdez
Gilles Bernard
Roland Joseph L. Duchâtelet
Jesse O. Ang (*Independent Director*)
Sherisa P. Nuesa (*Independent Director*)
Hiroshi Nishimura (*Independent Director*)

6. Election of External Auditors and Fixing of its Remuneration
Resolution No. S-06-2025 - RESOLVED, as endorsed by the Board of Directors, to approve the election of SyCip Gorres Velayo & Co. as the external auditor of the Corporation for the year 2025 for an audit fee of PhP4,887,543, exclusive of value added tax.

❏ For ❏ Against ❏ Abstain

7. Audited Financial Statements, including noting of Annual Report
Resolution No. S-07-2025 - RESOLVED, to approve the consolidated audited financial statements of the Corporation and its subsidiaries as of December 31, 2024, as audited by the Corporation's external auditor, SyCip Gorres Velayo & Co., and to note the annual report of the Corporation.

❏ For ❏ Against ❏ Abstain

8. Other Matters
At his/her discretion, the proxy named above is authorized to vote upon such other matters as may properly come before the meeting.

❏ For ❏ Against

Duly accomplished proxy form and voting instruction shall be submitted to the Office of the Corporate Secretary at 37/F Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City or by email to corporatesecretary@global-imi.com on or before **April 8, 2025**, the deadline for submission of

Proxies. For corporate stockholders, please attach to this Proxy form the Secretary's Certificate on the authority of the signatory to appoint the Proxy and sign this form.

3. REVOCABILITY OF PROXY

The Proxy and Voting Instruction may be revoked by the stockholder executing the same at any time by submitting to the Corporate Secretary a written notice of revocation not later than the start of the meeting. A Proxy and Voting Instruction is also considered revoked if the stockholder registers and votes on the Corporation's secured online voting system (the "Voting System") before or during the Annual Stockholders' Meeting of the Corporation on April 22, 2025. Shares represented by a duly validated and unrevoked Proxy will be voted as authorized by the stockholder.

4. PERSON MAKING THE SOLICITATION

The Corporation is not soliciting proxy.

5. INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

The directors and officers do not have a substantial interest, direct or indirect, by security holdings or otherwise, on any matter to be acted upon. The Corporation has not received any written information from anyone seeking to oppose any action to be taken up in the Annual Stockholders' Meeting of the Corporation.

NOTARIZATION OF THIS PROXY IS NOT REQUIRED.

____________________ SIGNATURE OF STOCKHOLDER / AUTHORIZED SIGNATORY OVER PRINTED NAME	____________________ NUMBER OF SHARES
	____________________ DATE

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

Information Statement
of
INTEGRATED MICRO-ELECTRONICS, INC.
(the "Company", "Corporation" or "IMI")
Pursuant to Section 20 of the Securities Regulation Code (the "Code" or "SRC")

1. **Check the appropriate box:**

    ____ Preliminary Information Statement
    _✔_ Definitive Information Statement

2. **Name of registrant as specified in its charter:** INTEGRATED MICRO-ELECTRONICS, INC.

3. **Province, country or other jurisdiction of incorporation or organization:**

    REPUBLIC OF THE PHILIPPINES

4. **SEC Identification Number:** 94419

5. **BIR Tax Identification Code:** 000-409-747-000

6. **Address of principal office:** North Science Avenue
    Laguna Technopark-Special Economic Zone (LT-SEZ)
    Bo. Biñan, Biñan, Laguna

7. **Registrant's telephone number:** (632) 7756-6840

8. **Date, time and place of the meeting of stockholders:**

Date	-	April 22, 2025
Time	-	3:00 P.M.
Place	-	To conducted virtually through https://conveneagm.com/ph/IMI2025ASM

9. **Approximate date on which the Information Statement is first to be sent or given to stockholders:**

    March 26, 2025

10. **Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA:**

    a. **Shares of stock as of February 28, 2025**

Title of each class	Par value	No. of shares	Amount
Common	₱1.00	2,233,185,439	₱2,233,185,439.00

    b. **Debt securities as of February 28, 2025** - None

11. **Are any or all *of* registrant's securities listed in a stock exchange?**

    _✔_ Yes ______ No

As of February 28, 2025, a total of 2,116,0001,370 common shares are listed in the Philippine Stock Exchange ("PSE"), including 15,892,224 treasury shares.

* * *

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of stockholders (hereafter, the "annual stockholders' meeting" or "meeting")

a.	Date	-	April 22, 2025
	Time	-	3:00 P.M.
	Place	-	To conducted virtually through https://conveneagm.com/ph/IMI2025ASM

b. Approximate date when the Information Statement is first to be sent to stockholders: March 26, 2025

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

Item 2. Dissenter's right of appraisal

Under Section 80, Title X of the Revised Corporation Code of the Philippines ("Revised Corporation Code"), a stockholder shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

(a) In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;

(b) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code;

(c) In case of merger or consolidation; and

(d) In case of investment of corporate funds for any purpose other than the primary purpose of the Corporation.

Section 81 of the Revised Corporation Code provides:

Section 81. How Right is Exercised. - The dissenting stockholder who votes against a proposed corporate action may exercise the right of appraisal by making a written demand on the corporation for the payment of the fair market value of shares held within thirty (30) days from the date on which the vote was taken: Provided, That the failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the corporation shall pay the stockholder, upon surrender of the certificate or certificates of stock representing the stockholders' shares, or the fair value thereof as of the day before the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within sixty (60) days from the approval of the corporate action by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom, shall be named by the stockholder, another by the corporation, and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: Provided, That no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment: Provided further, That upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer the share to the corporation.

No matters or actions that may give rise to a possible exercise by stockholders of their appraisal rights will be taken up at the meeting.

Item 3. Interest of certain persons in or opposition to matters to be acted upon

None of the Directors or Executive Officers of the Company have any personal involvement or interest, either direct or indirect, in the matters to be acted upon.

No Director has informed the Company of his opposition to any matter to be acted upon.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting securities and principal holders thereof

a. **Number of shares outstanding as of February 28, 2025:** 2,217,293,215 common shares

   Number of votes per share: One (1) vote per share

b. All **stockholders of record** as of March 7, 2025 (the "Record Date") are entitled to notice and to vote at the annual stockholders' meeting.

c. **Manner of voting**

   Sections 6, 7 and 8 of Article III of the By-laws of the Company (the "By-laws") provide:

> Section 6 – Any stockholder entitled to vote may vote in person, through remote communication, in absentia, or be represented by proxy at any regular or special stockholders' meetings, subject to compliance with rules and regulations as may be issued by the Securities and Exchange Commission from time to time. Proxies shall be in writing and signed and in accordance with existing laws, rules and regulations of the Securities and Exchange Commission. Duly accomplished proxies must be submitted to the Office of the Corporate Secretary not later than seven (7) business days prior to the date to the stockholders' meeting. Validation of proxies shall be conducted at least five (5) business days prior to the date of the stockholders' meeting.
>
> Section 7 - Each share of stock entitles the person in whose name it is registered in the books of the corporation to one vote, provided the share has not been declared delinquent.
>
> Section 8 - The election of Directors shall be by ballot and each stockholder entitled to vote may cast the vote in person, by proxy, through remote communication, or in absentia, electronically or otherwise, to which the number of shares he owns entitles him, for as many persons as are to be elected as Directors, or he may give to one candidate as many votes as the number of Directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates he may see fit, provided that the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of Directors to be elected.

   Stockholders may vote on the resolutions for approval at the meeting by voting in *absentia,* by proxy or electronically using the online web address, https://conveneagm.com/ph/IMI2025ASM, subject to validation procedures. A stockholder voting *in absentia,* by proxy or electronically, shall be deemed present for purposes of quorum. The detailed instructions for electronic voting *in absentia* are set forth in Annex A.

d. **Security ownership of certain record and beneficial owners and management**

(i) Security ownership of certain record and beneficial owners (of more than 5%) as of February 28, 2025

Title of class of shares	Name and address of record owner and relationship with Issuer	Name of beneficial owner and relationship with record owner	Citizenship	No. of Shares Held	Percent of outstanding shares
Common	AC Industrial Technology Holdings, Inc.[1] 37th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City	AC Industrial Technology Holdings, Inc.[2]	Filipino	1,153,725,046	52.0330%
Common	PCD Nominee Corporation (Non-Filipino)[3] 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City 1226	PCD participants acting for themselves or for their customers [4]	Various Non-Filipino	242,405,503	10.9325%
Common	PCD Nominee Corporation (Non-Filipino)[3] 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City 1226	Fremach International[5]	Belgian	199,999,000	9.0200%
Common	Resins, Inc.[6] E. Rodriguez Jr. Avenue, Bagong Ilog, Pasig City.	Resins, Inc.[7]	Filipino	291,785,034	13.1595%
Common	PCD Nominee Corporation (Filipino)[3] 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City 1226	PCD participants acting for themselves or for their customers[4]	Filipino	274,060,520	12.3601%

[1] *AC Industrial Technology Holdings, Inc. (AC Industrials) is a stockholder of the Company.*
[2] *The Board of Directors of AC Industrials has the power to decide how AC Industrials' shares in IMI are to be voted. The Chairman of the meeting is appointed to exercise the voting power.*
[3] *PCD Nominee Corporation (PCD) is not related to the Company.*
[4] *Each beneficial owner of shares through a PCD participant is the beneficial owner to the extent of the number of shares in his/her account with the PCD participant. The beneficial owner, with certification of ownership of shares from the PCD Participant, has the power to vote either in person or by proxy. Based on the records of Company, none of PCD participants or any of their customers beneficially owns more than 5% of the Company's common shares, other than Fremach International.*
[5] *The Board of Directors of Fremach International has the power to decide how Fremach International's shares in IMI are to be voted. The Chairman of the meeting is usually appointed to exercise the voting power.*
[6] *Resins, Inc. is a substantial stockholder to the Company.*
[7] *The Board of Directors of Resins, Inc. has the power to decide how Resins' shares in IMI are to be voted. The Chairman of the meeting is usually appointed to exercise the voting power.*

(ii) **Security ownership of directors and management as of February 28, 2025**

Title of class of outstanding shares	Name of beneficial owner	Amount and nature of beneficial ownership	Citizenship	Percent of total outstanding shares
Directors				
Common	Alberto M. de Larrazabal	100 (direct)	Filipino	0.0000%
Common	Jerome S. Tan	2,884,733 (indirect)	Singaporean	0.1301%
Common	Louis Sylvester Hughes	3,010,001 (direct & indirect)	American	0.1358%
Common	Hiroshi Nishimura	712,578 (direct & indirect)	Japanese	0.0321%
Common	Jose Ignacio A. Carlos	1 (direct)	Filipino	0.0000%
Common	Jesse O. Ang	1 (direct)	Filipino	0.0000%
Common	Sherisa P. Nuesa	503,385 (direct & indirect)	Filipino	0.0227%
Common	Jaime Z. Urquijo	100 (direct)	Filipino	0.0000%
Common	Rafael C. Romualdez	1 (direct)	Filipino	0.0000%
Common	Roland Joseph L. Duchâtelet	1,000 (direct)	Belgian	0.0000%
Common	Gilles Bernard	1,280,476 (direct & indirect)	French	0.0577%
CEO and most highly compensated officers				
Common	Louis Sylvester Hughes	3,010,001 (direct & indirect)	American	0.1358%
Common	Jerome S. Tan	2,884,733 (indirect)	Singaporean	0.1301%
Common	Robert William Heese	1,101,000 (indirect)	Canadian	0.0497%
Common	Eric De Candido	0	Filipino	0.0000%
Common	Laurice S. Dela Cruz	219,221 (indirect)	Filipino	0.0099%
Other Officers				
Common	Anthony Raymond P. Rodriguez	0	Filipino	0.0000%
Common	Maria Margarita V. Del Rosario	0	Filipino	0.0000%
Common	Maria Franchette M. Acosta	0	Filipino	0.0000%
Common	Rosario Carmela G. Austria	0	Filipino	0.0000%
All Directors and Officers as a group		**9,712,597**		**0.4380%**

No director or member of the Company’s management owns 2% or more of the outstanding capital stock of the Company.

(iii) **Voting trust holders of 5% or more**

The Company knows of no person holding more than 5% of common shares under a voting trust or similar agreement.

(iv) **Changes in control**

No change of control in the Company has occurred since 2017.

e. **Foreign owned shares as of February 28, 2025**

Type of Shares	Total Outstanding Shares	Shares Owned by Foreigners	Percent of Ownership
Common	2,217,293,215	452,750,031	20.42%

Item 5. Directors and executive officers

Section 9 of Article III of the By-laws provides in part:

> Section 9 - At the regular general meetings, a Board of eleven (11) Directors shall be elected who shall hold office for a term of one (1) year or until their successors shall have been elected and qualified. xxx.

The attendance of the directors at the meetings of the Board of Directors ("Board") held in 2024 is as follows:

Directors	No. of Meetings Attended/Held[8]	Percent Present
Alberto M. de Larrazabal	8/8	100%
Arthur R. Tan[9]	2/3	67%
Jerome S. Tan	7/8	88%
Hiroshi Nishimura	8/8	100%
Jose Ignacio A. Carlos	8/8	100%
Edgar O. Chua[10]	3/3	100%
Jesse O. Ang[11]	5/5	100%
Sherisa P. Nuesa	8/8	100%
Jaime Z. Urquijo	8/8	100%
Rafael C. Romualdez	7/8	88%
Roland Joseph L. Duchâtelet	7/8	88%
Louis Sylvester Hughes[12]	4/4	100%
Gilles Bernard[13]	3/4	75%
Mark Robert H. Uy[14]	1/1	100%
Ginaflor C. Oris[15]	1/1	100%

All the directors were also present during the annual stockholders' meeting on April 25, 2024. The non-executive directors held a separate meeting on March 6, 2024, wherein all the incumbent non-executive directors were present.

The Board has established committees to assist in exercising its authority in monitoring the performance of the business of the Company. The committees, as mentioned below, provide organized and focused means for the Board to achieve specific goals and address issues, including those related to corporate governance.

Board Committees	Members*	No. of Meetings Attended/Held **	Present*
Executive Committee	Alberto M. de Larrazabal, Chairman	4/4	100%
	Rafael C. Romualdez, Member	4/4	100%
	Roland Joseph L. Duchâtelet, Member	4/4	100%
Corporate Governance and Nomination Committee	Sherisa P. Nuesa, Chairman	4/4	100%
	Hiroshi Nishimura, Member	4/4	100%
	Jesse O. Ang, Member	4/4	100%
Audit and Risk Committee	Jesse O. Ang, Chairman	4/4	100%
	Edgar O. Chua	3/3	100%
	Rafael C. Romualdez, Member	7/7	100%
	Hiroshi Nishimura, Member	7/7	100%
Related Party Transactions Committee[16]	Hiroshi Nishimura, Chairman	N.A.	N.A.
	Rafael C. Romualdez, Member	N.A.	N.A.
	Jesse O. Ang, Member	N.A.	N.A.
	Alberto M. de Larrazabal, Member	N.A.	N.A.

[8] *In 2024 and during the incumbency of the director.*
[9] *Served as a Director until April 25, 2024.*
[10] *Served as a Director until April 25, 2024.*
[11] *Elected on April 25, 2024.*
[12] *Elected on June 20, 2024.*
[13] *Elected on June 20, 2024.*
[14] *Elected on April 25, 2024 and served as a Director until June 30, 2024.*
[15] *Elected on April 25, 2024 and served as a Director until June 30, 2024.*
[16] *The Risk Management Committee had no meeting in 2024.*

Finance Committee	Jaime Z. Urquijo, Chairman	8/8	100%
	Alberto M. de Larrazabal, Member	8/8	100%
	Rafael C. Romualdez, Member	8/8	100%
Personnel and Compensation Committee	Sherisa P. Nuesa, Chairman	4/4	100%
	Jaime Z. Urquijo, Member	4/4	100%
	Jose Ignacio A. Carlos, Member	4/4	100%

**Jesse O. Ang is the Lead Independent Director of the Company. Hiroshi Nishimura and Sherisa P. Nuesa are the independent directors.*
***Represents Board Committee meetings held and resolutions acted upon in 2024 and during the incumbency of the Director.*

Each director was requested to complete a self-assessment form, which is composed of four (4) parts, namely: Part I: Board Effectiveness; Part II: Committee Effectiveness; Part III: Individual Effectiveness; and Part IV: President and CEO Effectiveness. The 2023 Board Self-Assessment Survey was facilitated by Aon Singapore Pte. Ltd. in compliance with recommended best practice.

a. **Information required of directors and executive officers**

i. **Directors and executive officers**

The following have been nominated to the Board for election at the annual stockholders' meeting and have accepted their respective nominations:

Name	Age	Citizenship	Date of First Nomination to the Board
Alberto M. de Larrazabal	69	Filipino	November 24, 2023
Louis Sylvester Hughes	60	American	June 20, 2024
Gilles Bernard	67	French	June 20, 2024
Jose Ignacio A. Carlos	55	Filipino	December 2006
Roland Joseph L. Duchâtelet	77	Belgian	October 21, 2022
Rafael C. Romualdez	61	Filipino	May 21, 1997
Jaime Z. Urquijo	37	Filipino	October 21, 2022
Mark Robert H. Uy	37	Filipino	April 24, 2025[17]
Jesse O. Ang	65	Filipino	April 25, 2024
Sherisa P. Nuesa	70	Filipino	April 13, 2018
Hiroshi Nishimura	71	Japanese	June 17, 2020

Messrs. Alberto M. de Larrazabal, Mark Robert H. Uy, Louis Sylvester Hughes and Jaime Z. Urquijo were nominated by AC Industrial Technology Holdings, Inc. Messrs. Jose Ignacio A. Carlos and Rafael C. Romualdez were nominated by Resins. Inc. Mr. Roland Joseph L. Duchâtelet was nominated by Fremach. Messrs. Gilles Bernard, Jesse O. Ang, Hiroshi Nishimura and Ms. Sherisa P. Nuesa were nominated by a minority shareholder of the Company, Mr. Joseph M. Garfin, who holds 22,560 common shares, or 0.0102% of the total outstanding voting shares of the Company, and who is not related to any of the nominees, all in accordance with SRC Rule 38 (Requirements on Nomination and Election of Independent Directors). The Corporate Governance and Nomination Committee of the Company (with Ms. Sherisa P. Nuesa, as Chairman, and Messrs. Hiroshi Nishimura and Jesse O. Ang, as members) evaluated the qualifications of all the nominees. The Board approved the final list of nominees during its regular meeting on March 7, 2025, in accordance with the Amended By-Laws, revised Corporate Governance Manual, the Charter of the Board of Directors of the Company.

Mr. Nishimura has served an independent director for more than nine years. The Corporate Governance and Nomination Committee endorsed his nomination as independent director notwithstanding the fact that if elected once again, his services as such will exceed the recommended nine-year term provided in the SEC Corporate Governance Code for Publicly-Listed Companies after taking into consideration his independent judgement and commitment in fulfilling his mandate as well as his deep insights and contribution to Board discussions.

The Company undertakes to abide by SRC Rule 38 on the required number of independent directors subject to any revision that may be prescribed by the Securities and Exchange Commission ("SEC").

[17] Mr. Uy was nominated to the Board in April 2024 but stepped down as director in June 2024.

Only nominees whose names appear on the final list of candidates are eligible for election as directors. No nominations will be entertained or allowed on the floor during the annual stockholders' meeting.

The nominees are expected to attend the annual stockholders' meeting.

A summary of the qualifications of the incumbent directors, who are also nominees for re-election at the stockholders' meeting, of the new nominee, and of the incumbent officers is set forth in Annex B. The certifications on the qualifications of the nominees for independent directors are attached herewith as Annex B-1.

The officers of the Company are elected annually by the Board during its organizational meeting.

ii. **Significant employees**

The Company considers all its employees to be significant partners and contributors to the business.

iii. **Family relationships**

Mr. Jose Ignacio A. Carlos and Mr. Rafael C. Romualdez, both incumbent directors, are first cousins.

iv. **Involvement in certain legal proceedings**

There are no material legal proceedings, bankruptcy petition, conviction by final judgment, order, judgment or decree or any violation of a securities or commodities law for the past five years to which the Company or any of its subsidiaries or affiliates or its directors or executive officers is a party or of which any of its material properties is subject, in any court or administrative agency.

v. **Trainings and Continuing Education Programs for the Directors and Key Officers**

The company recognizes the value of providing relevant trainings to its directors and has set aside an annual budget to allow them to attend continuing professional development programs, applicable courses, conferences, and seminars. In 2024, the directors and key officers of the Company participated in at least four (4) hours of Corporate Governance training, as follows:

Topics	Directors and Officers
2024 Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit *November 5, 2024 (1:00 to 6:00 PM) At Fairmont Makati, Makati City*	Jerome S. Tan
	Alberto M. de Larrazabal
	Jaime Z. Urquijo
	Roland Joseph L. Duchâtelet
	Sherisa P. Nuesa
	Hiroshima Nishimura
	Rafael C. Romualdez
	Jose Ignacio A. Carlos
	Jesse O. Ang
	Robert William Heese
	Mary Ann S. Natividad
	Rosalyn O. Tesoro
	Maria Margarita V. del Rosario
	Laurice S. Dela Cruz
	Anthony Raymond P. Rodriguez
	Maria Franchette M. Acosta
	Rosario Carmela G. Austria

The seminar was organized in partnership with the Institute of Corporate Directors, an SEC-accredited training provider.

b. **Certain relationships and related transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates. Related parties may be individuals or corporate entities.

All publicly-listed and certain member companies of the Group have Material Related Party Transactions Policies containing the approval requirements and limits on amounts and extent of related party transactions in compliance with the requirements under the Revised SRC Rule 68 and SEC Memorandum Circular 10, series of 2019.

The Company has an approval requirement such that material related party transactions (RPT) shall be reviewed by the Related Party Transactions Committee (the Committee) and endorsed to the BOD for approval. Material RPTs are those transactions that meet the Committee approved threshold value – of \$1.0 million or five (5) percent of the total assets, whichever is lower. The Company's Compliance Officer, acting as the secretariat of the Committee, reviewed the RPTs before these were presented to the Committee for approval.

The Group, in its regular conduct of business, has entered into transactions with associates, joint ventures and other related parties principally consisting of deposits/placements, advances, loans and reimbursement of expenses, purchase and sale of real estate properties, various guarantees, construction contracts, and development, management, underwriting, marketing and administrative service agreements. Sales and purchases of goods and services as well as other income and expense to and from related parties are made at normal commercial prices and terms.

To date, there have been no complaints received by the Company regarding related-party transactions. None of the Company's directors has entered into self-dealing and related party transactions with or involving the Company in 2024.

For further information on the Group's related party transactions, see Note 31 to IMI's 2024 Audited Consolidated Financial Statements included in this Report. Except for those discussed in the said 2024 Audited Consolidated Financial Statements, no other transaction, other than as appropriately disclosed by the Parent Company, was undertaken by the Group involving any director or executive officer, any nominee for election as director, any beneficial owner of more than 5% of the Parent Company's outstanding shares (direct or indirect) or any member of his immediate family. The Parent Company's employees are required to promptly disclose any business and family-related transactions with the Parent Company to ensure that potential conflicts of interest are reviewed and disclosed as appropriate.

c. **Ownership structure and parent company**

The Company's parent is AC Industrial Technology Holdings, Inc., which owns 52.0330% of the total outstanding capital stock of the Company as of February 28, 2025. Resins, Inc. owns 13.1595% of the total outstanding capital stock of the Company.

d. **Resignation of directors**

No director has resigned from, or has declined to stand for re-election to the Board since the date of the annual meeting of stockholders in 2024 due to any disagreement with the Company relative to its operations, policies and practices.

Item 6. Compensation of directors and executive

a. **Executive compensation**

Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation
Louis Sylvester Hughes (Chief Executive Officer)				
Arthur R. Tan (Former Vice Chairman/CEO)*				
Jerome S. Tan (President)				
Robert William Heese (Chief Finance Officer)				
Eric De Candido (Chief Operations Officer)				
Laurice S. dela Cruz (Vice President Finance and Corporate Controller, Deputy Compliance Officer, Acting Chief Risk Officer and Acting Chief Sustainability Officer)				
CEO and most highly compensated Executive Officers	Actual 2023 Actual 2024 Projected 2025	₱95.06M ₱128.17M ₱134.58M		₱29.53M ₱ 35.57M ₱ 37.35M
All other officers** as a group unnamed	Actual 2023 Actual 2024 Projected 2025	₱365.33M ₱448.63M ₱471.06M		₱50.23M ₱ 59.64M ₱ 62.62M

**Until April 25, 2024*
*** All key management personnel, including all above-named officers*

The total annual compensation consists of basic pay and other taxable income (guaranteed bonus and performance-based bonus).

The Company has no other arrangement with regard to the remuneration of its existing officers, aside from the compensation received as herein stated.

b. **Compensation of Directors**

Section 9 of Article IV of the By-laws provides:

> Section 9 – Each director shall be entitled to receive from the Corporation, pursuant to a resolution of the Board of Directors, fees and other compensation for his services as director. In no case shall the total yearly compensation of directors exceed five percent (5%) of the net income before income tax of the Corporation during the preceding year.
>
> x x x
>
> The Chairman of the Board shall receive such remuneration as may be fixed by the Board of Directors each year, in addition to the per diem and compensation that each Director may be entitled to receive.

i. **Standard arrangement**

During the 2008 annual stockholders' meeting, the stockholders approved a resolution fixing the remuneration of non-executive directors as follows:

Board Meeting Fee per meeting attended	₱ 100,000.00
Committee Meeting Fee per meeting attended	₱ 20,000.00

The executives who are members of the Board of the Company do not receive any amount as per diem. Their compensation as executives of the Company is included in the compensation table indicated above.

The Company's Personnel and Compensation Committee is chaired by Ms. Sherisa P. Nuesa, with Messrs. Jaime Z. Urquijo and Jose Ignacio A. Carlos as members. Ms. Sherisa P. Nuesa is an independent director.

In 2024, the non-executive directors and independent directors of the Company received remuneration, as follows:

	Board Meetings	**Committee Meetings**	**Total**
Alberto M. de Larrazabal	1,100,000	320,000	1,420,000
Jaime Z. Urquijo	1,100,000	340,000	1,440,000
Jose Ignacio A. Carlos	1,100,000	180,000	1,280,000
Rafael C. Romualdez	1,100,000	340,000	1,440,000
Roland Joseph L. Duchâtelet**	-	-	-
Edgar O. Chua***	400,000	100,000	500,000
Jesse O. Ang****	800,000	200,000	1,000,000
Sherisa P. Nuesa	1,100,000	260,000	1,360,000
Hiroshi Nishimura	1,100,000	260,000	1,360,000
Gilles Bernard*	500,000	-	500,000
Mark Robert H. Uy*****	300,000	-	300,000
Ginaflor C. Oris*****	300,000	-	300,000
Total	**8,900,000**	**2,000,000**	**10,900,000**

**Effective June 20, 2024*
***Mr. Duchâtelet waived his director's fees for meetings attended*
****Until April 25, 2024*
*****Effective April 25, 2024*
****** Served from April 25, 2024 until June 20, 2024.*

ii. **Other arrangements**

Aside from the compensation received as herein stated, the Company has no other arrangement with regard to the remuneration of its existing non-executive and independent directors for services provided as a director.

c. **Employment contracts and termination of employment and change-in-control arrangements**

The above-named executive officers are covered by letters of appointment stating their respective job functions, among others.

d. **Warrants and options outstanding**

There are no outstanding warrants or options in connection with the shares of the Company held by any of the directors or executive officers.

The details of the 2025 Employee Stock Option Program are discussed in Item 8.

Item 7. Independent public accountants

a. The external auditor of the Company is the accounting firm of SyCip Gorres Velayo & Company (SGV & Co.). The Board, upon the recommendation of the Company's Audit and Risk Committee (with Mr. Jesse O. Ang as Chairman and Messrs. Rafael C. Romualdez and Hiroshi Nishimura as members), approved the election of SGV & Co. as the Company's external auditor for 2025 based on its performance and qualifications, and fixed its remuneration amounting to ₱4,887,543, exclusive of value-added tax and out-of-pocket expenses.

The election of SGV & Co., and the fixing of its remuneration will be presented to the stockholders for their approval at the Annual Stockholders' Meeting.

b. Representatives of SGV & Co. are expected to be present at the Annual Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to questions related to the completed fiscal year review.

Pursuant to the General Requirements of Revised SRC Rule 68, Par. 3 (Qualifications and Reports of Independent Auditors), the Company has engaged SGV & Co. as external auditor, with Ms. Cyril Jasmin B. Valencia is the audit partner for the years 2024, 2023, 2022, 2021, 2020 and 2019, while Mr. Carlo Paolo V. Manalang served as such for the audit years 2018 and 2017.

c. **Changes in and disagreements with accountants on accounting and financial disclosure**

The Company has engaged the services of SGV & Co. during the two most recent fiscal years. There were no disagreements with SGV & Co. on any matter of accounting principles or practices, financial statement disclosures, or auditing scope or procedure.

d. **Audit and Audit-Related Fees**

The Company paid or accrued the following fees, including VAT, to its external auditor in the past two years:

	Audit Fees & Audit-related Fees	Tax Fees	Non-Audit Fees
2024	₱4.75M	-	₱0.06M
2023	₱6.97M	-	₱0.87M

Audit and audit-related fees include the audit of annual financial statements and services that are normally provided by the independent auditor in connection with statutory and regulatory filings or engagements for those calendar years, including the review of the audit work of the other independent auditors and any additional scope identified during the course of the audit. The fees are exclusive of value-added tax and out-of-pocket expenses incidental to the independent auditors' work.

e. **Tax fees**

In 2024, no tax services were rendered by SGV & Co.

f. **All other fees (Non-Audit Fees)**

Total non-audit fees billed by SGV & Co. in 2024 and 2023 are ₱0.06 and ₱0.87 million, respectively. The non-audit fees include services rendered by the external auditor in relation to the Company's Annual Stockholders' Meeting and other one-time, non-recurring special projects/consulting services.

The Audit and Risk Committee reviewed the nature of non-audit services rendered by SGV & Co. and the corresponding fees and concluded that these are not in conflict with the audit functions of the external auditors.

The Audit and Risk Committee has an existing policy to review and to approve the audit and non-audit services rendered by the Company's external auditor. It does not allow the Company to engage the external auditor for certain non-audit services expressly prohibited by regulations of the SEC to be performed by an external auditor for its audit clients. This is to ensure that the external auditor maintains the highest level of independence from the Company, both in fact and appearance.

Item 8. Compensation Plans

On March 10, 2025, the Board of Directors, upon endorsement by its Personnel and Compensation Committee, approved the 2025 Employee Stock Option Program which may be in the form of a Stock Appreciation Rights Plan that grants cash settled and/or equity settled options, at the option of the Corporation, to its key talents. Please see below summary of key terms of the Plan:

Key Features	Details
Qualified Recipients	Managers, executives and key talents occupying strategic functions selected in accordance with the Plan. Independent directors are not qualified to receive stock appreciation rights.
Volume	Up to 5% of the authorized capital stock of IMI
Strike Price	Based on the 12-month VWAP prior to plan approval
Vesting	To be vested and exercised upon a Liquidity Event, defined as any transaction that results in a change of control of IMI or raises common equity that, post-

	transaction, accounts for at least one-third of IMI's total paid-up common equity or at the end of 3 years from the adoption date of the Plan, whichever is earlier.
Expiry Date	Three (3) years from date of approval of the Plan by the Securities and Exchange Commission (extendible upon approval by the Personnel and Compensation Committee and the Board of Directors)
Settlement	At the option of the Company, settlement may either be through cash payment or share issuance upon exercise of the Award.

The adoption of the 2025 Employee Stock Option Program will be presented to our stockholders for approval at their annual meeting on April 22, 2025.

The Plan will be submitted to the SEC for their approval after the stockholders' approval is secured.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or issuance of securities other than for exchange

No matters or actions concerning authorization or issuance of securities will be taken up during the meeting.

Item 10. Modification or Exchange of Securities

The Company will not be presenting any matter or act involving the modification of any class of the Company's securities or the issuance or authorization for issuance of one class of the Company's securities in exchange for outstanding securities of another class during the meeting.

Item 11. Financial and other information

The audited financial statements as of December 31, 2024, Management's Discussion and Analysis, market price of shares and dividends and other data related to the Company's financial information are attached hereto as Annex "C". The schedules required under Part IV(C) of Revised SRC Rule 68 will be included in the Annual Report (Form 17-A).

Item 12. Mergers, consolidations, acquisitions and similar matters

There is no proposed merger, consolidation, sale or liquidation of the Company that will be presented during the meeting.

Item 13. Acquisition or disposition of property

There are no matters or actions to be taken up in the meeting with respect to acquisition or disposition of any property by the Company requiring stockholders' approval under the Revised Corporation Code.

Item 14. Restatement of accounts

As used herein and in other sections of this Information Statement, unless the context otherwise requires, IMI Group or the Group refers to the Company and its subsidiaries where the Company has control as defined in the Philippine Financial Reporting Standards (PFRSs). PFRSs include Philippine Financial Reporting Standards, Philippine Accounting Standards and Interpretations issued by the Philippine Interpretations Committee.

The 2024 Audited Consolidated Financial Statements of the Group have been prepared in accordance with PFRS.

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those of the previous financial years except for the new PFRS, amended PFRS and improvements to PFRS which were adopted beginning January 1, 2024. The Group has not adopted early any other standard, interpretation or amendment that has been issued but is not yet effective.

The details and the impact of the adoption of the above financial reporting reliefs are discussed in Note 3 of the attached Group's 2024 Audited Consolidated Financial Statements.

There were no restatements of accounts in the 2024 financial statements.

D. OTHER MATTERS

Item 15. Action with respect to reports

a. Approval of the minutes of the 2024 annual stockholders' meeting held on April 25, 2024, covering the following matters presented for resolution of the stockholders, which were all duly approved by a majority of the stockholders present and represented in the meeting:

(i) Approval of the minutes of the 2023 annual stockholders' meeting;
(ii) Ratification of the acts of the Board of Directors and Management during the preceding year;
(iii) Election of Directors, including the independent directors;
(iv) Election of the SGV & Co. as the external auditor of the Corporation for the year 2024 and fixing of its remuneration; and
(v) Approval of the Audited Financial Statements for the calendar year December 31, 2023, including noting of Annual Report

The minutes of the 2024 Annual Stockholders Meeting had been uploaded to the Company's website within five (5) days from the date of the meeting and may be viewed through the link, https://www.global-imi.com/investors/prospectuscompany-disclosures.

In addition, the minutes contain the following information:

1. A description of the voting and vote tabulation procedures used in the previous meeting;
2. A description of the opportunity given to stockholders or members to ask questions and a record of the questions asked and answers given;
3. The matters discussed and resolutions reached;
4. A record of the voting results for each agenda item; and
5. A list of the directors, officers and the percentage of outstanding and voting shares of stockholders who attended and participated in the meeting.
6. Information on the stockholders who participated in the meeting and their voting rights.
7. A description of the Company's performance including business strategy and other affairs as presented in the Annual Report of Officers.
8. All other matters taken up related to good governance and the protection of minority stockholders.

b. Approval of the audited financial statements, including noting of annual report of management for the year ending December 31, 2024. The report will cover the performance of the Company in 2024 as set forth in Annex **C**, Management Report.

Item 16. Matters Not Required to be Submitted

There are no other matters or actions to be taken up in the meeting that will not require the vote of the stockholders as of the record date.

Item 17. Amendment of Charter, By-laws or Other Documents

On March 7, 2025, the Board approved the amendment to the Second Article of our Articles of Incorporation to include in our primary purpose activities such as warehousing/logistics support services, particularly importation/procurement, storage, deposit, inventory management of goods for subsequent sales, transfers or dispositions to clients, interested establishments, agencies and/or export enterprises.

As proposed to be amended, the Second Article of our Articles of Incorporation will read as follows:

> SECOND: The purpose for which this Corporation is formed are:
>
> PRIMARY PURPOSE
>
> To undertake the production, assembly or manufacture of any and all types of electronic and non-electronic products (including among others, automobiles, motorcycles, solar panels) or parts, components or materials of non-electronic products, as well as to perform and provide information technology services such as but not limited to data labeling/encoding or image annotation services, and in providing services related thereto and to the extent permitted by law, may either directly or indirectly, through its subsidiaries, affiliate organizations or through

correspondent enterprises, engage and/or undertake the following and other activities related thereto: *(As amended on April 7, 2017; further amended on April 8, 2019)*

XXX

j) To provide warehousing/logistics support services, particularly importation/procurement, storage, deposit, inventory management of goods for subsequent sales, transfers or dispositions to clients, interested establishments, agencies and/or export enterprises. *(As amended on April 22, 2025)*

This amendment will be presented to our stockholders for approval at their annual meeting on April 22, 2025.

As discussed in Item 8 above, the Board approved on March 10, 2025, the 2025 Employee Stock Option Program which may be in the form of a Stock Appreciation Rights Plan that grants cash settled and/or equity settled options, at the option of the Corporation, to our key talents. The Plan will be submitted to the SEC for their approval after stockholders' approval is secured.

Item 18. Other proposed actions

a. Election of the members of the Board of Directors, including the independent directors, for the ensuing year.

b. Ratification of all acts of the Board of Directors and Management beginning April 25, 2024 until April 22, 2025.

The matters acted upon or approved by the Board of Directors, its Committees, and Management include–

(i) Constitution of Board Committees and appointment of Chairmen and members;
(ii) Election of lead independent director and officers;
(iii) Updating of the lists of attorneys-in-fact for general transactions, for litigation proceedings or litigation matters, and for non-disclosure agreement, for government agencies and local government units, and list of bank signatories;
(iv) Ratification of all the actions of the board committees including the approval of the hedging plans, strategic plans, tax exemption of foreign sourced dividends, internal dividend plan, and treasury-related transactions;
(v) Renewal of credit facilities from various banks and other fund-raising initiatives and exercises;
(vi) Delegation of authority to Deputy Compliance Officer and VP Finance and Corporate Controller to sign reports and submissions;
(vii) Approval of redundancy programs;
(viii) Approval of Integrated Annual Corporate Governance Report for 2023;
(ix) Approval of 2025 budget and 2025 annual merit increase budget;
(x) Approval of revised sales incentive program;
(xi) Details of 2025 Annual Stockholders' Meeting; and
(xii) Implementation of strategic business initiatives, including divestment plans, sale of assets and cessation of manufacturing activities and downsizing or closing of offices, through the execution of relevant agreements

c. Election of external auditor and fixing of its remuneration.

Item 19. Voting procedures

a. **Vote required**

The affirmative vote of stockholders representing at least 2/3 of the issued and outstanding capital stock is required for the approval of the proposed amendment to the Second Article of our Articles of Incorporation. The affirmative vote of at least a majority of the issued and outstanding capital stock entitled to vote and represented at the annual stockholders' meeting is required for the approval of the other matters presented to the stockholders for resolution, including the 2025 Stock Option Plan. The election of directors is by plurality of votes.

b. **Method of Voting**

In all items for approval, each voting share of stock entitles its registered owner as of the Record Date to one vote. As explained in Item 20 below, stockholders will only be allowed to vote *in absentia*, electronically or by proxy.

In the case of election of directors, each stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate the aforesaid shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many nominees as he shall see fit; provided that, the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the total number of directors to be elected.

Proxies shall be in writing, signed and filed, by the stockholders, in the form provided in this Information Statement, and shall be received by the Corporate Secretary at 37/F, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City 1226 or by email at corporatesecretary@global-imi.com on or before April 8, 2025.

A stockholder may vote electronically *in absentia* using the online web address, https://conveneagm.com/ph/IMI2025ASM, subject to validation procedures. A stockholder voting electronically *in absentia* shall be deemed present for purposes of quorum.

All votes will be counted and tabulated by the Proxy Validation Committee of the Company and the results will be validated by an independent third party.

Item 20. Participation of Shareholders by Remote Communication

Pursuant to the Company's By-Laws, the Chairman, acting on the authority delegated by the Board of Directors during its meeting on November 21, 2024 approved the holding of the meeting in a fully virtual format. Stockholders may only attend the meeting by remote communication, as set forth below, and by voting *in absentia*, electronically or by proxy as provided in Item 4(c) and Item 19 above.

The live webcast of the meeting shall be accessible through the following online web address: https://conveneagm.com/ph/IMI2025ASM to shareholders who registered in the Convene AGM (the "Voting System"). Access to the Meeting livestream will be available on the Stockholder's dashboard in the Voting System on the date set for the Meeting as indicated in the Company's Notice of Meeting. To enable the Company to identify the shareholders participating by remote communication and record their presence for purposes of quorum, the shareholders shall inform the Company by email to corporatesecretary@global-imi.com on or before April 8, 2025, of their participation in the meeting by remote communication.

Stockholders may email questions or comments prior to or during the meeting to the following email address: corporatesecretary@global-imi.com. The detailed instructions for participation through remote communication are set forth in Annex A (II).

Item 21. Acceptance of Stockholder Proposals on Agenda Item

Stockholders of record as of March 7, 2025 owning at least 5% of the total outstanding capital stock of the Company may submit proposals on items for inclusion in the agenda on or before April 15, 2025.[18]

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on March 24, 2025.

INTEGRATED MICRO-ELECTRONICS, INC.

by: **MARIA FRANCHETTE M. ACOSTA**
Corporate Secretary

[18] *The inclusion of the proposed agenda item shall be in accordance with SEC Memorandum Circular No. 14, Series of 2020, and the Company's internal guidelines.*

ANNEX "A"

2025 ANNUAL STOCKHOLDERS' MEETING
OF
INTEGRATED MICRO-ELECTRONICS, INC.
(THE "MEETING")

REQUIREMENTS AND PROCEDURE FOR
ELECTRONIC VOTING IN ABSENTIA
AND
PARTICIPATION BY REMOTE COMMUNICATION

Electronic voting *in absentia* and participation by remote communication shall be allowed only through complete registration and successful validation in ConveneAGM (the "Voting System").

I. ELECTRONIC VOTING IN ABSENTIA

1. Stockholders as of March 7, 2025 ("Stockholders") have the option of electronic voting *in absentia* on the matters in the Agenda after complete registration and successful validation in the Voting System. Only votes cast by duly validated stockholders would be included in the preliminary and final tally of votes.

2. Stockholders with e-mail addresses on record shall be sent an e-mail with a link to the Voting System. To register in the Voting System, Stockholders shall simply follow the instructions sent in the e-mail.

3. Otherwise, Stockholders may access the link https://conveneagm.com/ph/IMI2025ASM to create an account and register in the Voting System. Stockholders should complete the online registration form and submit for validation together with the requirements provided in Item 5 below. Once the online registration form has been completed and validated, the digital ballot will be available for the Stockholders to cast their votes.

4. All registered accounts shall be subject to validation requirements set forth in Item 5 below. The deadline for registration to vote *in absentia* is April 11, 2025. Registered stockholders may vote until the end of the meeting. The Voting System will be open for registration on **March 28, 2025**.

5. The following are needed for registration:

5.1 For individual Stockholders –

5.1.1 A scanned-copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
5.1.2 A valid and active e-mail address;
5.1.3 A valid and active contact number;

5.2 For Stockholders with joint accounts –

A scanned copy of an authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account (in JPG or PNG or PDF format). The file size should be no larger than 12MB;

5.3 For Stockholders under Broker accounts –

5.3.1 A broker's certification on the Stockholder's number of shareholdings (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
5.3.2 A scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
5.3.3 A valid and active e-mail address;
5.3.4 A valid and active contact number;

5.4 For corporate Stockholders –

5.4.1 A secretary's certificate attesting to the authority of the representative to vote for, and on behalf of the Corporation (in JPG or PNG or PDF format). The file size should be no larger than 12MB;

5.4.2 A scanned copy of the valid government-issued ID of the Stockholder's representative showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file-size should be no larger than 12MB;

5.4.3 A valid and active e-mail address of the Stockholder's representative;

5.4.4 A valid and active contact number of the Stockholder's representative.

Important Note:

• Incomplete or inconsistent information may result in an unsuccessful registration. As a result, Stockholders will not be allowed access to vote electronically *in absentia*, but may still vote by submitting a duly accomplished proxy form on or before April 8, 2025.

6. The validation process in the Voting System will be completed by the Company no later than three (3) business days from the date of the Stockholder's complete registration. The Stockholder's Dashboard in the Voting System will indicate the status of registration.

   Once validated, the Stockholder will receive an e-mail confirmation on their successful registration. Registered Stockholders have until the end of the Meeting to cast their votes *in absentia*.

7. All agenda items indicated in the Notice of the Meeting will be set out in the digital ballot in the Voting System and the registered Stockholder may vote as follows:

   7.1 For items other than the Election of Directors, the registered Stockholder has the option to vote: For, Against, or Abstain. The vote is considered cast for all shares of the registered Stockholder
   .

   7.2 For the Election of Directors, the registered Stockholder may either: (1) vote for all nominees, (2) not vote for any of the nominees, or (3) vote for some nominees only, in such number of shares as preferred by the Stockholder, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of directors to be elected.

   The votes cast electronically *in absentia* will have equal effect as votes cast by proxy.

   Stockholders may still cancel or change their votes until the end of the voting period.

8. The Proxy Validation Committee will tabulate all votes cast electronically *in absentia* together with the votes cast by proxy, and a firm selected for this purpose will validate the results.

II. PARTICIPATION BY REMOTE COMMUNICATION

1. Stockholders as of March 7, 2025 ("Stockholders") intending to participate by remote communication should notify the Company by email on or before April 8, 2025. Together with the notification, Stockholders should provide validation requirements as follows:

   1.1 For individual Stockholders –

      1.1.1 A scanned-copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file size should be no larger than 12MB;

      1.1.2 A valid and active contact number;

   1.2 For Stockholders under Broker accounts –

      1.2.1 A broker's certification on the Stockholder's number of shareholdings (in JPG or PNG or PDF format). The file size should be no larger than 12MB;

      1.2.2 A scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file size should be no larger than 12MB;

      1.2.3 A valid and active contact number;

   1.3 For corporate Stockholders –

      1.3.1 A secretary's certificate attesting to the authority of the representative to vote for, and on behalf of the Corporation (in JPG or PNG or PDF format). The file size should be no larger than 12MB;

      1.3.2 A scanned copy of the valid government-issued ID of the Stockholder's representative showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file-size should be no larger than 12MB;

      1.3.3 A valid and active contact number of the Stockholder's representative.

   1.4 Duly validated proxies appointing the Chairman of the Meeting as proxy shall be counted for quorum and voting purposes. Proxies other than the Chairman of the Meeting must attend remotely through a link to the Meeting livestream to be provided by the Company.

2. After successful validation, the Stockholder will receive an email from ConveneAGM with instructions to sign up for the Meeting livestream. Validated Stockholders who attended the meeting remotely shall be included in the determination of quorum at the Meeting, together with the Stockholders who voted *in absentia* and by proxy. The access to the Meeting livestream will be available on the Stockholder's dashboard in the Voting System on the Meeting date as indicated in the Company's Notice of the Meeting.

3. Stockholders may send their questions and/or remarks prior to or during the Meeting by e-mail to corporatesecretary@global-imi.com.

4. A link to the recorded webcast of the Meeting will be posted on the Company's website after the Meeting. Stockholders shall have two weeks from posting to raise to the Company any issues, clarifications and concerns on the Meeting conducted by e-mail to corporatesecretary@global-imi.com.

For any clarifications, please contact our Office of the Corporate Secretary through corporatesecretary@global-imi.com.

.

ANNEX "B"

DIRECTORS AND KEY OFFICERS

The write-ups below include positions held as of December 31, 2024 and in the past five years and personal data as of December 31, 2024, of directors and executive officers, unless otherwise stated.

The attendance of the Board and key officers to corporate governance training programs and continuing education seminars are properly and timely disclosed through posting of the Certificates of Attendance and completion on the IMI website through the Company's Integrated Annual Corporate Governance Report (i-ACGR)[19]. All training programs and seminars attended by the directors and key officers fulfill compliance with the SEC directive for all key officers and members of the Board of publicly listed companies to attend a program on corporate governance at least annually.

Board of Directors

Alberto M. de Larrazabal	Chairman of the Board, Non-Executive Director
Jerome S. Tan	President, Executive Director
Louis Sylvester Hughes	Chief Executive Officer, Executive Director
Gilles Bernard	Non-Executive Director
Jose Ignacio A. Carlos	Non-Executive Director
Rafael C. Romualdez	Non-Executive Director
Jaime Z. Urquijo	Non-Executive Director
Roland Joseph L. Duchâtelet	Non-Executive Director
Jesse O. Ang	Lead Independent Director
Sherisa P. Nuesa	Independent Director
Hiroshi Nishimura	Independent Director

ALBERTO M. DE LARRAZABAL, Filipino, 69
Chairman, Non-Executive Director since November 24, 2023

Committee memberships:
- Chairman of Executive Committee
- Member of Finance Committee
- Member of Related Party Transactions Committee

Skills and experience:
Mr. de Larrazabal is a Senior Managing Director and Chief Finance Officer of Ayala Corporation since April 23, 2021. He also holds the following positions in other publicly listed companies: Director of ENEX Energy Corp, and Non-Executive Non-Independent Director of Yoma Strategic Holdings Ltd. He is the Vice Chairman, President and CEO of AC Ventures Holdings Corp., Chairman of A&CO Holdings Corporation, AA Infrastructure Projects Corporation, Ayala Aviation Corporation, ACX Holdings Corporation, and LiveIt Investments Limited; Chairman and President of Liontide Holdings, Inc.; Director, President and CEO of AC Infrastructure Holdings Corporation, AC International Finance Ltd., and AYC Finance Limited; Vice Chairman of Lagdigan Land Corporation; Director and President of AC Ventures SubCo, Inc. and Philwater Holdings Company, Inc.; Director, Treasurer and Chief Finance Officer of WeAreAyala Business Club, Inc.; Director and CEO of AG Holdings Limited, AG Region Pte. Ltd., Ayala International Pte. Ltd., Ayala International Holdings Pte Limited, Azalaea International Venture Partners Limited, Bestfull Holdings Limited, BF Jade E-Services Philippines, Inc., Fine State Group Limited, and VIP Infrastructure Holdings Pte. Ltd; Director of AC Energy and Infrastructure Holdings, Inc., AC Industrial Technology Holdings, Inc., AC Logistics Holdings Corporation, ACEN International, Inc., A.C.S.T Business Holdings, Inc., AC Mobility Holdings Incorporated, Anko JV Company, Inc., Air 21 Holdings, Inc., APPPPS Partners, Inc., Asiacom Philippines, Inc., Ayala Healthcare Holdings, Inc., Evro Mobility Solutions, Inc., Healthnow, Inc., Global Telehealth, Inc., Light Rail Manila Holdings, Inc., Michigan Holdings, Inc., Mobility Access Philippines Ventures Inc., Affinity Express Holdings, Ltd., AI North America, Inc., AYC Holdings Limited, Pioneer Adhesives, Inc., Purefoods International Limited ("PFIL NA"), Strong Group Limited, and Total Jade Group Limited. He has over two decades of extensive experience as a senior executive in Finance, Business Development, Treasury Operations, Joint Ventures, Mergers and Acquisitions, as well as Investment Banking and Investor Relations. Prior to joining Ayala Corporation, Albert served as Chief

[19] *Updates to the Integrated Annual Corporate Governance Report are accessible through the company website: https://www.global-imi.com/governance/corporate-governance-report*

Commercial Officer and Chief Finance Officer of Globe Telecom, a business unit of Ayala Corporation. Before he joined Globe Telecom, he held positions such as Vice President and CFO of Marsman Drysdale Corporation, Vice President and Head of the Consumer Sector of JP Morgan, Hong Kong, and Senior Vice President and CFO of San Miguel Corporation. He holds a Bachelor of Science degree in Industrial Management Engineering from De La Salle University.

Directorship in other publicly listed companies:
ENEX Energy Corp. and Yoma Strategic Holdings Ltd. (listed on the Yangon Stock Exchange)

JEROME S. TAN, Singaporean, 63
President since June 28, 2021

Committee membership:
None

Skills and Experience:
Mr. Tan, Singaporean served as Senior Managing Director and the Global Chief Financial Officer and Treasurer of IMI from January 2011 to June 28, 2021, providing leadership, direction and management of all Finance functions including Treasury, Financial Planning & Analysis and Controllership. Concurrently, he is also an Independent Director of PAL Holdings, Inc., Philippine Airlines, Inc., Paramount Life & General Holdings Corporation and Paramount Life & General Insurance Corporation. He brings more than 30 years of broad experience and various achievements in finance, strategic planning, business development and acquisition/integration. He had assumed regional leadership roles in multi-national Banking and Finance companies, and Food and Beverage industry located in different countries in the Asia Pacific Region. Prior to joining IMI, he was with General Electric holding various regional and operating roles in Finance and Business Development including CFO for CNBC / NBC Universal Asia Pacific, CFO of GE Money Singapore and GE Money Bank in the Philippines. Before taking on operating CFO positions, he was the Regional FP&A Leader for GE Money Asia; and a Business Development Director for GE Capital responsible for mergers and acquisition. Prior to joining GE, he was also a key member of the management team of San Miguel Brewing International Ltd., managing Treasury and Financial Planning, and Corporate Planning and Business Development. He graduated with B.A. in Economics under the Honors Program from De La Salle University in 1982 and obtained an MBA in General Management from the Darden Business School at University of Virginia in 1987.

Directorship in other publicly listed companies:
PAL Holdings, Inc.

LOUIS SYLVESTER HUGHES, American, 60
Executive Director since June 20, 2024 and Chief Executive Officer since May 1, 2024

Committee memberships:
None

Skills and experience:
Mr. Hughes has extensive global C-suite experience in sales, engineering, sourcing and operations. His 25 years in the global EMS industry centered on automotive and medical manufacturing, consumer electronics, sales and supply chain management. He was previously a senior manager at General Electric, COO of Universal Electronics, a NASDAQ-listed EMS company, CEO of Beyonics, a contract manufacturer headquartered in Singapore. He graduated with a degree in Mechanical Engineering from Union College and completed a Masters in Business Administration minor in Data Analytics at University of California Irvine.

Directorship in other publicly listed companies:
None

HIROSHI NISHIMURA, Japanese, 72
Independent Director since June 17, 2020

Committee memberships:
- Member of Corporate Governance and Nomination Committee
- Member of Audit and Risk Committee
- Chairman of Related Party Transactions Committee

Skills and experience:
Mr. Nishimura served as an Independent Director of the Company from April 2010 to April 15, 2020 and was re-elected as such on June 17, 2020. He is the Chairman and President of Linkwest International Consultancy Services, Inc. He also serves as the Executive Vice President of All Purpose Appliances & Multi-Products, Inc. He served as President of Panasonic Communications Philippines Corporation (PCP), formerly known as Kyushu Matsushita Electronics Philippines (PKME), from 2000-2007. He is not a director of any publicly listed company in the Philippines other than IMI. He finished a degree in Electronics Engineering Course at Kurame University in 1976.

Directorship in other publicly listed companies:
None

JOSE IGNACIO A. CARLOS, Filipino, 55
Non-Executive Director since December 14, 2006

Committee membership:

- Member of Personnel and Compensation Committee

Skills and experience:
Mr. Carlos is the Chairman of the Board of AVC Chemical Corporation, Vice Chairman of the Board of Mindanao Energy Systems, Inc., and President of Polymer Products Philippines, Inc. and Minergy Power Corporation. He is also a member of the Board of Directors of Resins, Inc., Cagayan Electric Power and Light Co., Riverbanks Development Corporation, and Philippine Iron Construction and Marine Works, Inc. He is not a director of any publicly listed company in the Philippines other than IMI. He earned a BS Management degree from the Ateneo de Manila University in 1991 and finished Masters of Business Administration at the Johnson Graduate School of Management Cornell University in 1999.

Directorship in other publicly listed companies:
None

JESSE O. ANG, Filipino, 65
Independent and Non-Executive Director since April 25, 2024

Committee memberships:

- Member of Corporate Governance and Nomination Committee
- Chairman of Audit and Risk Committee
- Member of Related Party Transactions Committee

Skills and experience:
Mr. Ang is currently an independent director of BPI Capital Corporation, BPI Asset Management and Trust Company, BPI AIA Life Assurance Corporation, BPI/MS Insurance Corporation and BPI International Finance Limited (based in Hong Kong), ACEN CORPORATION and ACEN International, Inc. He was previously an independent director of BPI Securities Corporation (August 2022 - February 2023); part of the Philippine office of the International Finance Corporation (2000-2018) of which he was Head (Resident Representative) from 2007-2015; CFO of the Philippine International Air Terminals Company (1998-2000); Director for Global Structured Finance, New York City branch of Australia New Zealand Bank (1994-1998); Vice President for Trade and Commodity Finance, New York City branch of Generale Bank (1988-1994); Assistant Vice President in the Asia Division, Irving Trust Company in New York City (1985-1988); Budget Analyst for the Philippine National Oil Company (1982-1983); and Lecturer at the Department of Industrial Engineering of the University of the Philippines - Diliman (1981-1982). Mr. Ang received his BS Industrial Engineering degree from the University of the Philippines in 1981 and his Master of Business Administration from the Wharton School, University of Pennsylvania in 1985.

Directorships in another publicly listed company:
ACEN Corporation

SHERISA P. NUESA, Filipino, 70
Independent and Non-Executive Director since April 13, 2018

Committee memberships:
- Chairman of Corporate Governance and Nomination Committee
- Member of Personnel and Compensation Committee

Skills and experience:
Ms. Nuesa is a Director of other publicly listed companies as follows: Independent Director of Manila Water Company, Inc. and AREIT, Inc. and a non-executive Director of Far Eastern University and Metro Retail Stores Group Inc., where she serves as Chairman of the Board. She also sits in the Board of FEU subsidiary FERN Realty Corporation and concurrently a Senior Adviser to the Board of Vicsal Development Corporation. She is a member of the boards of trustees of the Financial Executives Institute (FINEX) Foundation and the NextGen Organization of Women Corporate Directors (NOWCD), where she holds the position of Vice President. She is also a Board Adviser to Justice Reform Initiative Inc. (JRI) where she was the former Chairperson for ten years since its inception. In the recent past, she is a former director of Ayala Land Inc. and ACEN Corporation from 2020 until April 2023. She also held the positions of President and Director of the ALFM Mutual Funds Group, and Trustee and Fellow of the Institute of Corporate Directors (ICD) from 2012 to 2021. In addition to her background as a Chief Finance Officer and currently as a Board Director, she also held previous positions in management operations and is an accredited lecturer of both ICD and the FINEX Academy. She was the Chief Finance Officer and Chief Administration Officer of IMI from January 2009 to July 2010. She was then a Managing Director of Ayala Corporation and had served in various capacities in Ayala Corporation, Ayala Land, Inc., and Manila Water Company, Inc. She co-led the Initial Public Offering (IPO) teams of Ayala Land, Inc., Cebu Holdings, Inc., Manila Water, and IMI. Ms. Nuesa received a Master of Business Administration degree from the Ateneo-Regis Graduate School of Business in Manila. She also attended post-graduate courses in Harvard Business School and in Stanford University. She graduated summa cum laude in 1974, with a degree of Bachelor of Science in Commerce from the Far Eastern University, which named her as one of its Outstanding University Alumni. A Certified Public Accountant, she was awarded as the ING-FINEX CFO of the Year for 2008.

Directorship in another publicly listed company:
Manila Water Company, Inc., AREIT, Inc., Far Eastern University Incorporated and Metro Retail Stores Group Inc.

JAIME Z. URQUIJO, Filipino, 37
Non-Executive Director since October 21, 2022

Committee memberships:
- Chairman of Finance Committee
- Member of Personnel and Compensation Committee

Skills and experience:
Mr. Urquijo is the Chief Sustainability and Risk Officer (CSRO) of Ayala Corporation. In addition to his CSRO role, he is also currently a director of ACEN Corporation, Bank of the Philippine Islands, BPI/MS Insurance, AC Industrial Technology Holdings, Inc., AC Ventures Holdings Corp., and Chairman of Klima 1.5 Corp. He is Vice Chairman of the Board of Trustees and Chairman of the Executive Committee of Ayala Foundation, a member of the Board of Trustees and Chief Executive Officer of WeAreAyala Business Club, Inc., and is also an Independent Advisor to the Board of Directors of Ayala Land Inc. He is also part of the board of WWF Philippines, the European Chamber of Commerce of the Philippines (ECCP), Makati Central Estate Association, Inc. (MACEA), and the Hero Foundation. He was previously Vice President for Business Development at Ayala Corporation's listed energy platform, ACEN. During his tenure at ACEN, Jaime led initiatives to expand the group's portfolio of assets in the Philippines, Vietnam, Myanmar, and Indonesia. Prior to this, Jaime served as the Head of Business Development for AF Payments, Inc., which created the Beep Card payment system, the country's first interoperable public transport payment card. Prior to joining the Ayala Group, Jaime was an associate at JP Morgan in New York. Jaime received his Bachelor of Arts degree in Political Science from the University of Notre Dame in the US and his Master's in Business Administration from INSEAD in France.

Directorship in another publicly listed company:
ACEN Corporation and Bank of the Philippine Islands

RAFAEL C. ROMUALDEZ, Filipino, 61
Non-Executive Director since May 21, 1997

Committee memberships:
- Member of Executive Committee
- Member of Finance Committee
- Member of Audit and Risk Committee
- Member of Related Party Transactions Committee

Skills and experience:
Mr. Romualdez is a Director of Resins Incorporatedand sits in the boards of several of its affiliates, namely, RI Chemical Corporation and its subsidiary, Claveria Tree Nursery Inc., Chemserve Incorporated, Pacific Resins, Incorporated, and MC Shipping Corporation. He is also Chairman of Philippine Iron Construction and Marine Works, Inc., also a subsidiary of RI. He is a Director of Lakpue Drug Incorporated and La Croesus Pharma Incorporated. He earned a Bachelor of Arts degree in Mathematics from Boston College in 1986 and a Masters in Business Administration from George Washington University in 1991.

Directorship in another publicly listed company:
None

ROLAND JOSEPH L. DUCHÂTELET, Belgian, 78
Non-Executive Director since October 21, 2022

Committee membership:
- Member of Executive Committee

Skills and experience:
Mr. Duchâtelet worked for several enterprises in Belgium and Germany. He created several businesses throughout his career, meanwhile organizing approximately 50 acquisitions or sales of businesses. One of them was EPIQ, now part of IMI. Together with his business partners Rudi De Winter and Françoise Chombar, he created Melexis, a company which yielded them the title of "Enterprise the Year" in 2000. In the year 2000, Mr. Duchâtelet became active in the internet business. Between 2007 and 2010 he was a member of the Belgian Senate. Mr. Duchâtelet has degrees in Engineering and Applied Economics from the University of Louvain. He also obtained his Masters in Business Administration from the same university.

Directorship in another publicly listed company:
None

GILLES BERNARD, French, 67
Director since June 20, 2024

Committee membership:
None

Skills and experience:
Mr. Bernard was a former Director and the President of IMI from 2016 to 2019. Prior to this, he was the Chief Operating Officer of the IMI Group from 2014 to 2016 and previously the COO for IMI Europe and Mexico operations and Head of Global Operations support overseeing Global Materials Management, Quality, Sales and Key Strategic Accounts Management between 2011 to 2014. Before IMI, he was the General Manager of EPIQ NV (now Fremach International) from 1995 up to 2001, before he assumed the CEO post in 2001. He held this position until EPIQ NV's acquisition in 2011. He started his career as a development engineer and later on became D&D Manager of passive components division of Thomson. He then moved to the SMEE subsidiary of Mitsubishi Corporation as Quality Manager. He finished a degree in Engineering Major in Materials from Lycee RomainRoland in 1976 and obtained a Master's Degree in Physics and Chemistry of Polymer from Paris 13th University in 1976.

Directorship in another publicly listed company:
None

Nominees to the Board of Directors for election at the stockholders' meeting

All the incumbent directors of the Company are being nominated to the Board of Directors except for Mr. Jerome S. Tan. Mr. Mark Robert H. Uy is being nominated to the Board of Directors.

MARK ROBERT H. UY, Filipino, 38, is currently Ayala Corporation's Corporate Strategy and Business Development Group Head, as well as a member of its Management Committee. His other significant positions include: Chairman of Anko JV Company, Inc.; Director, President and Chief Executive Officer of A&CO Holdings Corporation; Director & President of ACX Holdings Corporation; Director of AC Industrial Technology Holdings, Inc., AC Logistics Holdings Corporation, AC Ventures Holding Corp., and AC Ventures Subco, Inc. Mark has over a decade of investment banking experience, more recently as Credit Suisse's Country Manager and Head of Investment Banking and Capital Markets in the Philippines. Prior to joining Credit Suisse, he spent 12 years at J.P. Morgan in Manila, Chicago and Singapore offices. His industry experience includes transactions in the energy, agriculture, packaged food and restaurant industries, among others. He graduated from Ateneo de Manila University with a bachelor's degree, cum laude, in Management Engineering with minor in Finance. He is a CFA charter holder.

Senior Leadership Team/Key Officers

Jerome S. Tan*/**	President
Louis Sylvester Hughes*/**	Chief Executive Officer
Robert William Heese	Chief Finance Officer and Compliance Officer
Eric De Candido**	Chief Operations Officer
Laurice S. Dela Cruz	Vice President, Finance and Corporate Comptroller, Deputy Compliance Officer, Acting Chief Risk Officer and Chief Sustainability Officer
Maria Margarita V. Del Rosario	Chief Human Resources Officer
Mary Ann S. Natividad***	Advisor to CEO and Chairman
Anthony Raymond P. Rodriguez	Treasurer
Rosalyn O. Tesoro***	Chief Information Officer and Data Protection Officer
John Voltaire C. Madriaga****	Data Protection Officer and ERM and Sustainability Manager
Maria Franchette M. Acosta	Corporate Secretary
Rosario Carmela G. Austria	Assistant Corporate Secretary

** Member of the Board of Directors.*
*** Members of the Management Committee*
****Retired effective January 1, 2025*
*****Appointed on March 7, 2025*

ROBERT WILLIAM HEESE, Canadian, 63, has been the Chief Finance Officer and Compliance Officer since April 27, 2024. Robert has over 20 years of senior level Finance experience in diversified industries including manufacturing, technology, financial services, and resources supporting a variety of companies such as Beyonics, Avation PLC, MMI Holdings and Mando Corporation among others. He played key roles as Chief Financial Officer of publicly traded and equity backed companies, and as a member of senior leadership teams, boards and audit committees overseeing entire accounting, finance, audit, tax, treasury, FP&A, banking, M&A, risk management, HR, and IT functions. Prior to joining IMI, Robert was an independent consultant providing strategic advice to companies and investors. He holds a degree in Accounting from Thompson Rivers University, Canada.

ERIC DE CANDIDO, French, 50, has been IMI's Chief Operations Officer since January 1, 2020. He was IMI's Regional Head for Europe Operations covering Bulgaria, Czech Republic and Serbia since January 2018. He has more than 11 years of experience as a General Manager handling Bulgarian operations of Fremach International (formerly EPIQ NV) and IMI since 2008. His professional experience includes working for 11 years in different Valeo production plants in Poland, France, Iran and Morocco. He has graduated with Production Engineering in ESIEE/Electronics & Electrotechnic Engineering School in Amiens, France.

LAURICE S. DELA CRUZ, Filipino, 40, has served as VP Finance and Corporate Controller/Deputy Compliance Officer since April 25, 2024. She is also the Acting Chief Risk Officer and Chief Sustainability Officer from April 2022 to present. Prior to this, she has held roles of increasing responsibilities since she joined IMI in 2011, including her long-term role as Global Head for Financial Planning and Analysis. She also served as the Chief Finance Officer and Compliance Officer from June 2021 to April 2024. Over the years, she has demonstrated her strong proficiency in technical accounting as well as a broad knowledge in finance in general. She has over 15 years of professional experience in the field of audit, accounting and controllership. Prior to joining IMI, she held the position of Business Unit Controller for the Agro-Industrial Division at Universal Robina Corporation for over two years. She was also a Senior Associate Auditor at Sycip Gorres Velayo (SGV) & Co. for four years. She graduated with a degree of BS in Accountancy from the University of Santo Tomas in 2004 and is a Certified Public Accountant.

MARIA MARGARITA V. DEL ROSARIO, Filipino, 51, has served as Chief HR Officer since May 1, 2024. Marge was the Global Head of Organization Development and Talent Management when she joined IMI in 2018. She has been a Human Resources professional with 30 years of experience in the areas of talent acquisition and development, total rewards management, employee engagement and labor relations, organizational management and HR information systems and data management gained from local and multinational companies. She earned a degree in Psychology from the University of the Philippines, Diliman.

MARY ANN S. NATIVIDAD, Filipino, 57, was the Advisor to CEO and Chairman from June 19, 2024 until December 31, 2024. Prior to his, she served as the Chief Commercial Officer of IMI from January 1, 2020 to June 19, 2024. She was the Global Head of Sales and Marketing of IMI since 2016. Prior to this assignment, she managed Key Accounts and Management, and Strategic Planning. She is also the former Business Unit Head for Singapore Turnkey Operations. Her track record spans over 30 years in the electronics industry, covering its various aspects. She is a licensed Electronics and Communications Engineer. She has an Electronics and Communications Engineering degree from the Mapua Institute of Technology.

ANTHONY RAYMOND P. RODRIGUEZ, Filipino, 57, has been the Treasurer of the Company since June 1, 2021. He has been the Head of Treasury and Credit and Investor Relations Officer since February 2009. Prior to IMI, he has gained nineteen years of extensive professional experience from Metropolitan Bank & Trust Co. as Head, FX Trading – USD/Thirds, BDO – Equitable PCI Bank as Senior Dealer and Head –FX and Derivatives Desk and from Far East Bank & Trust Co. as Institutional Sales Desk Head for Treasury Marketing. He finished a degree in Industrial Engineering at University of Sto. Tomas in 1990 and obtained an MBA from De La Salle University in 1997.

ROSALYN O. TESORO, Filipino, 53, served as the Chief Information Officer and Data Protection Officer of IMI until December 31, 2025. She joined IMI in 2005, initially as IT Infrastructure manager, before being designated as IT head in 2010. Prior to joining IMI, she held various roles in semiconductor manufacturing and IT companies. She has been an IT practitioner for more 30 years. She holds a BS Computer Engineering degree from Mapua Institute of Technology.

JOHN VOLTAIRE C. MADRIAGA, Filipino, 52, has been appointed as the data privacy officer of the Company on March 7, 2025. He joined IMI on May 6, 2019 and has since held the position of ERM and Sustainability Manager. He is a proactive Enterprise Risk Management professional with a deep understanding of sustainability principles, combined with expertise in risk management, ESG reporting, and GHG accounting, which he has gained from other companies such as 24/7.ai and Convergys. He completed a degree in Computer Engineering at Don Bosco College Mandaluyong in March 1998 and a Masters in Technology Management from the University of the Philippines in March 2007.

MARIA FRANCHETTE M. ACOSTA, Filipino, 52, Integrated Micro-electronics, Inc.'s Corporate Secretary since March 6, 2024. She is the Corporate Secretary, Corporate Governance Group Head and Chief Legal Officer of Ayala Corporation. She is also the Corporate Secretary of Ayala Land, Inc., AREIT, Inc., ACEN CORPORATION and Globe Telecom, Inc. She has been a practicing lawyer for 24 years, with 18 years in Villaraza & Angangco Law Firm where she was a Senior Partner, Co-Managing Partner and Head of its Corporate and Commercial Department. Ms. Acosta was also an Assistant Secretary at the Office of the Chief Presidential Legal Counsel of the Republic of the Philippines where she worked from 2001 to 2003 and recognized as an expert counsel in leading legal journals and publications such as Chambers Global, Chambers Asia Pacific and Legal 500. She is a consistent Asia Business Law Journal's top 100 lawyers of the Philippines. Atty. Acosta graduated from New York University with a Master of Laws in 2003, and ranked 3rd in the Philippine Bar Examination. She earned her Bachelor of Laws from the University of the Philippines College of Law in 1998 where she graduated Class Valedictorian and Cum Laude. She holds a Bachelor of Science in Business Economics from the University of the Philippines School of Economics in 1994 where she graduated Magna Cum Laude.

ROSARIO CARMELA G. AUSTRIA, Filipino, 42, was elected as Assistant Corporate Secretary of Integrated Micro-Electronics in April 2021. She is also the Assistant Corporate Secretary of Ayala Corporation, Ayala Foundation, Inc., AC Industrial Technology Holdings, Inc., and Corporate Secretary or Assistant Corporate Secretary of other companies within the Ayala Group. She is Head of the Corporate Secretarial Services Division, Corporate Governance Group of Ayala Corporation. Previously, she was Corporate Governance Manager in Ayala Group Legal from May 2019 to May 2020 and in Ayala Corporation from May 2020 to March 2021. Prior to joining Ayala Group, she worked in the Securities and Exchange Commission from September 2009 to April 2019 where her last post was Assistant Director of the Corporate Governance Division, Corporate Governance and Finance Department. She graduated with a Bachelor of Science degree in Legal Management, minor in International Business, from the Ateneo de Manila University in 2004 and completed her Juris Doctor degree from the same university in 2008. She was admitted to the Philippine Bar in 2009. She obtained a Master of Public Policy in 2013 from the National Graduate Institute of Policy Studies (GRIPS) in Tokyo, Japan as a recipient of the Japan-IMF Scholarship Program for Asia.

Annex B-1

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JESSE O. ANG**, Filipino, of legal age and a resident of 6751 Ayala Avenue, Makati Tuscany Apartments Apt 22A, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **INTEGRATED MICRO-ELECTRONICS, INC.**, (the "Corporation") for its Annual Stockholders' Meeting on April 22, 2025 and have been its Independent Director since April 25, 2024.

2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
BPI Capital Corporation	Independent Director	July 2018 to present
BPI Wealth Corporation	Independent Director	July 2018 to present
BPI AI Life Assurance Corporation	Independent Director	April 2019 to present
BPI/MS Insurance Corporation	Independent Director	June 2019 to present
BPI Wealth Hongkong	Independent Director	January 2020 to present
ACEN Corporation	Independent Director	April 2023 to present
ACEN International, Inc.	Independent Director	August 2023 to present

I am not affiliated with any of Government-Owned and Controlled Corporation.

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided in Section 38 of the Securities Regulations Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following director/officer/substantial shareholder of the Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
N.A.		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this MAR 05 2025 at MAKATI CITY.

JESSE O. ANG
Affiant

SUBSCRIBED AND SWORN to before me this MAR 05 2025 at MAKATI CITY, affiant personally appeared before me and exhibited to me his Passport No. issued on at

ATTY. ROBERTO T. ONGSIAKO
NOTARY PUBLIC
ROLL NO.
MAKATI CITY, PHILIPPINES

ROBERTO T. ONGSIAKO
Notary Public.– Makati City

Doc No. 3014;
Page No. 80;
Book No. LX;
Series of 2025.

Notarial DST pursuant to Sec. 61 of the TRAIN ACT (amending Sec. 188 of the NIRC) affixed on original submitted to the court.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **SHERISA P. NUESA**, Filipino, of legal age and a resident of 306 Lian Street, Ayala Alabang Village, Muntinlupa City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **INTEGRATED MICRO-ELECTRONICS, INC.**, (the "Corporation") for its Annual Stockholders' Meeting on April 22, 2025 and have been its Independent Director since April 13, 2018.

2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Manila Water Company, Inc.	Independent Director	April 2013 to date
AREIT, INC.	Independent Director	April 2023 to date
Far Eastern University, Inc.	Director	August 2010 to date
FERN Realty Corporation	Director	August 2012 to date
Metro Retail Stores Group, Inc.	Chairman of the Board	May 2024 to date
	Director	October 2023 to date
Vicsal Development Corporation	Senior Board Adviser	March 2012 to date
Justice Reform Initiative (JRI)	Board Adviser	May 2017 to date
Financial Executives Institute (FINEX) Foundation	Board Trustee	
NextGen Organization of Women Corporate Directors (NOWCD)	Vice President, Board Trustee	September 2021 to date

I am not affiliated with any of Government-Owned and Controlled Corporation.

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided in Section 38 of the Securities Regulations Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following director/officer/substantial shareholder of the Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
N.A.		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this MAR 04 2025 at MAKATI CITY.

SHERISA P. NUESA
Affiant

SUBSCRIBED AND SWORN to before me this MAR 04 2025 at MAKATI CITY, affiant personally appeared before me and exhibited to me her Passport No. issued on at .

RIZZA ANNE O. SY
Notary Public – Makati City

Doc No. 120;
Page No. 25;
Book No. XXIV;
Series of 2025.

ATTY. RIZZA ANNE O. SY
NOTARY PUBLIC
ROLL NO
MAKATI CITY, PHILIPPINES

Notarial DST pursuant to Sec. 61 of the TRAIN ACT (amending Sec. 188 of the NIRC) affixed on original submitted to the court.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **HIROSHI NISHIMURA**, of legal age and a resident of 1503A Cypress Point Ridge, Fort Bonifacio, Taguig City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **INTEGRATED MICRO-ELECTRONICS, INC.**, (the "Corporation") for its Annual Stockholders' Meeting on April 22, 2025 and have been its Independent Director since June 17, 2020.

2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	**POSITION/RELATION SHIP**	**PERIOD OF SERVICE**
Linkwest International Consultancy Services, Inc.	Chairman and President	April 12, 2008 to present
All Purpose Appliances & Multi-Products, Inc.	Executive Vice President	November 23, 2009 to present
Panasonic Communications Philippines Corporation	President	2000-2007

I am not affiliated with any of Government-Owned and Controlled Corporation.

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided in Section 38 of the Securities Regulations Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following director/officer/substantial shareholder of the Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

Name of Director/Officer/ Substantial Shareholder	**Company**	**Nature of Relationship**
N.A.		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this MAR 19 2025 at MAKATI CITY.

HIROSHI NISHIMURA
Affiant

SUBSCRIBED AND SWORN to before me this MAR 19 2025 at MAKATI CITY, affiant personally appeared before me and exhibited to me his Passport No. issued on at .

JOANNE M. LIM
NOTARY PUBLIC
ROLL NO.
MAKATI CITY, PHILIPPINES

JOANNE M. LIM
Notary Public – Makati City

Doc No. 398;
Page No. 81;
Book No. I;
Series of 2025.

Notarial DST pursuant to Sec. 61 of the TRAIN ACT (amending Sec. 188 of the NIRC) affixed on original submitted to the court.

ANNEX "C"

MANAGEMENT REPORT

I. MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Results of Operations

Revenues, gross profit, net income, and the related computed EBITDA and basic earnings per share, for the years ended 2024, 2023 and2022are shown on the following table:

	For the years ended December 31		
	2024	**2023**	**2022**
		(in US$ thousands, except Basic EPS)	
Revenues from contracts with customers	1,098,693	1,325,660	1,409,017
Cost of goods sold and service	(1,012,179)	(1,205,153)	(1,298,609)
Gross profit	86,514	120,507	110,408
Net loss attributable to equity holders of the Parent Company	(49,789)	(109,195)	(6,757)
EBITDA[20]	36,944	47,337	47,099
Basic Earnings per Share (EPS)	(0.022)	(0.049)	(0.003)

<u>2024 vs 2023</u>

Revenues from Sales and Services

IMI revenues totaled US$1.1 billion in 2024 with US$981 million generated from core businesses. Wholly owned subsidiaries continued to be affected by prolonged recovery challenges in the automotive and industrial markets resulting in a 12% decline in sales year-on-year. While VIA Optronics ends the year with US$118 million of revenues, despite facing continued challenges in the display market, the company made significant strides in innovation and partnerships.

The automotive segment, which includes mobility and camera, remained our largest segment with US$750.0 million of revenues representing 68% of total revenues. On the other hand, the industrial segment ended the year with US$274.0 million in revenues, or a 25% share to total IMI. While IMI has long been recognized as a global leader in automotive electronics, one of our goals now is to extend this expertise and absolute commitment to quality into new markets including industrial and medical sectors. We believe that this direction will allow us to unlock more opportunities for sustainable and profitable growth for IMI.

Gross Profit and Gross Profit Margin

The full year gross profit of $86.5 million decreased 28% versus 2023 related to the decline in revenue. GP% also declined from 9.0% last year to 7.9% this year mainly driven by change in sales mix due new programs with high material costs but also higher value that contributed to fixed overhead utilization. Our management teams implemented programs that significantly reduced labor and overhead costs in our operating sites while further driving manufacturing efficiency.

[20] EBITDA = EBITDA represents net operating income after adding depreciation and amortization (including amortization of right-of-use assets in accordance with PFRS 16, *Leases)*, interest income and foreign exchange gains/losses. EBITDA and EBITDA Margin are not measures of performance under PFRS and investors should not consider EBITDA, EBITDA Margin or EBIT in isolation or as alternatives to net income as an indicator of our operating performance or to cash flows, or any other measure of performance under PFRS. Because there are various EBITDA calculation methods, our presentation of these measures may not be comparable to similarly titled measures used by other companies.

Operating loss

To align with shifting market dynamics and to position the company for sustainable profitability, IMI undertook a comprehensive restructuring initiative by streamlining its management structure, flattening the organizational hierarchy, and optimizing its global footprint by closing and rationalizing facilities in California, Malaysia, Singapore, Japan and Chengdu. These activities resulted to one time expenses along with additional provisioning to clean up the balance sheet.

As a result, the Group reported operating loss of ($23.7) million which includes one off items totaling $27.6M mainly provision for inventories from end of life business amounting to $9.78 million and tooling provision amounting to $2.76 million, restructuring costs of $7.4 million, VIA's elevated costs related to the expenses incurred of still being a listed company until July 2024 amounting to $7.3 million, and one-off expenses related to closure of offices amounting to $0.4 million. Excluding one-off expenses, operating income should have been at $4.0 million, still lower than last year's $7.6 million mainly driven by lower revenues.

Net Loss

The Company posted a net loss of $49.8 million with one-time losses of US$44.4 million related to the restructuring costs, inventory provision, elevated costs of VIA, closing of facilities to optimize footprint, impairment of goodwill and certain assets.

EBITDA

EBITDA net of one-off expenses amounted to $36.9 million, with decline of 30% from last year mainly affected by the decrease in revenues.

Financial Condition

In 2024, IMI spent $9.86 million on capital expenditures as IMI continue to invest on critical capital expenditure for the new programs that we have won and to upgrade existing machines.

On cash flows and liquidity, the slowdown of global demand causing push out of orders prompted the Company to improve its loading and execution to best position the business for changing market conditions. The Company currently focuses on improving operating cash flows which resulted to a positive cash flow from operating activities of $72.0 million for the year compared to last year's net cash generated in operating activities of $6.8 million. This enabled us to pay some loans amounting to $63.5 million for the year reducing interest expenses.

IMI's balance sheet remains robust with a current ratio of 1.39:1 and debt-to-equity ratio of 1.30:1.

Plan of Operation

IMI embarked on a transformative journey in 2024 under a new leadership team aimed at improving efficiency, fostering growth, and adapting to changing market dynamics. In 2024, IMI already undertook a comprehensive restructuring initiatives to position the company for sustainable profitable. While the restructuring efforts resulted in one-time expenses, they were essential to creating a leaner, more agile organization, and we are looking forward to seeing the full effect of these actions in the years to come. The company will continuously assess its cost structure to adapt effectively to market conditions and remain financially stable.

IMI has long been recognized as a global leader in automotive electronics. One of our goals now is to extend this expertise and absolute commitment to quality into new markets including the industrial and medical sectors, to bring better balance to the portfolio concentration within our business. We believe that this direction will allow us to unlock more opportunities for sustainable and profitable growth for IMI. The company is also rationalizing its global footprint to balance price competitiveness with capability to offer consistent high-quality products across key regions.

The company has also been working on strengthening its balance sheet by reducing external loans and maintaining adequate liquidity through effective cash flow management, optimizing working capital, and establishing credit lines.

IMI remains disciplined in capital investments by making strategic, well-evaluated decisions on how to allocate its financial resources. For 2025, we estimate to spend on critical capital expenditures amounting to approximately $16 million for the new programs that we have won and to upgrade existing machines.

As we move into 2025, our highly motivated team is energized by the opportunities ahead and we remain dedicated to delivering value to our customers, employees, and shareholders.

Capital Expenditures

In 2024, IMI spent $9.9 million on capital expenditures related to new programs and maintenance, lower than last year's $27.6 million. The Company does not have any material commitment for capital expenditure but expects to spend ~$15 million in 2025 to be funded by internal cash and bank loans.

Key Performance Indicators of the Company

The table below sets forth the comparative performance indicators of the Company:

	As of end Dec 31, 2024	Dec 31, 2023
Performance indicators		
Liquidity:		
Current ratio[a]	1.39x	1.44x
Solvency:		
Debt-to-equity ratio[b]	1.30x	1.15x

	For the years ended 31 Dec 2024	2023
Operating efficiency:		
Revenue growth[c]	(17%)	(6%)
Profitability:		
Gross profit margin[d]	7.9%	9.0%
Net income margin[e]	(4.5%)	(8.0%)
Return on equity[f]	(20.0%)	(32.2%)
Return on common equity[g]	(20.0%)	(32.2%)
Return on assets[h]	(6.3%)	(10.6%)
[21]EBITDA margin	3.4%	4.0%

[a] *Current assets/current liabilities*
[b] *Bank debts/Total Equity*
[c] *(Current year less previous year revenue)/Previous year revenue*
[d] *Gross profit/Revenues*
[e] *Net income attributable to equity holders of the Parent Company/Revenues*
[f] *Net income attributable to equity holders of the Parent Company/Average equity attributable to Parent*
[g] *Net income attributable to equity holders of the Parent Company/Average common equity attributable to Parent*
[h] *Net income attributable to equity holders of the Parent Company/Total Assets*

In the above:

The risk of recurrence of geopolitical and macro-economic factors after the reporting period may cause uncertainties that may impact the Company's liquidity. The Company is continuously monitoring its liquidity and solvency position.

There are no known trends, events or uncertainties that will result in the Company's liquidity increasing or decreasing in a material way.

[21] *EBITDA Margin = EBITDA divided by revenues from sales and services where EBITDA represents net operating income after adding depreciation and amortization (including amortization of right-of-use assets in accordance with PFRS 16, Leases), other non-cash and one-off items, interest income and foreign exchange gains/losses. EBITDA and EBITDA Margin are not measures of performance under PFRS and investors should not consider EBITDA, EBITDA Margin or EBIT in isolation or as alternatives to net income as an indicator of our operating performance or to cash flows, or any other measure of performance under PFRS. Because there are various EBITDA calculation methods, our presentation of these measures may not be comparable to similarly titled measures used by other companies.*

There were no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

Likewise, there were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

The effects of geopolitical and macro-economic factors after the reporting period may pose risks and unfavorable impact to the Company but will not materially affect the Company's ability to continue as going concern.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on the Company's revenues from continuing operations.

There were no significant elements of income or loss that did not arise from continuing operations.

There are no seasonal aspects that may have a material effect on the financial condition of the Company.

Causes for any material changes
(Increase or decrease of 5% or more in the financial statements)

Income Statement Items
(Years ended 31 December 2024 versus 31 December 2023)

17% decrease in Revenues ($1.33B to $1.10B)
Partly due to the divestment of STI which was still contributing revenues to the company last year, and automotive market's continued uncertainty, coupled with customer rightsizing of industrial inventory levels has led to reduced ordering patterns and pushouts of new product ramp-ups.

16% decrease in Cost of goods sold ($1,207.2M to $1,012.2M)
Direct costs decreased relevant to the revenues, and net effect of higher direct material cost offset by operational efficiencies.

10% decrease in Operating expenses ($121.9M to $110.2M)
Decrease related to rightsizing initiatives of the Company. The Company recognized restructuring costs amounting to $7.4 million for the year.

57% decrease in Non-operating expenses (-$110.8M to -$47.4M)
Decrease was due to loss on disposal of STI and other one-off adjustments in 2023 ($96.70M) as compared to asset and goodwill impairments in 2024 ($27.00M) and impact of foreign exchange losses in 2024 vs 2023 (-$7.5M) driven by depreciation of USD against EUR on USD net liability position for EUR functional currency entities.

116% increase in Noncontrolling interest (-$12.6M to -$27.3M)
Higher share of minority in the net losses of non-wholly owned subsidiaries and impairment of goodwill.

Balance Sheet items
(31 December 2024 versus 31 December 2023)

95% decrease in Short-term Investment ($283.7M to $227.4M)
Decrease mainly due to maturity of short-term investments.

20% decrease in Receivables ($11.4M to $0.6M)
Decrease mainly due to collection of trade receivables and decrease in revenue.

25% decrease in Inventories ($269.3M to $202.5M)
Mainly due to inventory depletion from recoveries of backlogs, buyback claims from customers, decline in revenues and provision for certain inventories due to end of life of business.

19% decrease in Contract assets ($52.9M to $42.6M)
Decrease in the level of finished goods and work in process inventories as they are being converted to revenues.

17% decrease in Other current assets ($30.4M to $25.1M)
Decrease mainly due to usage of tax credits and amortization of prepayments and deferred charges.

18% decrease in Property, plant and equipment ($138.7M to $113.2M)
Decrease from yearly depreciation (-$23.6M) and sale land ($1.1M), offset by additional capex for the year (+$9.5M).

42% decrease in Goodwill ($70.1M to $40.5M)
Decrease was due to impairment loss related to the goodwill from the acquisition of Via of $25.9 million, IMI CZ of $0.5 million, and IMI USA of $0.7 million.

16% decrease in Intangible assets ($3.5M to $2.9M)
Yearly amortization (-$1.1M) and offset by additional acquisitions during the year.

54% increase in Right-of-use assets ($19.5M to $30.0M)
Increase was mainly due to renewal of leased assets during the period.

8% increase in Financial assets through OCI ($2.4M to $2.5M)
Increase in fair value of quoted club shares.

14% decrease in Deferred tax assets ($3.6M to $3.1M)
Decrease was due to tax adjustment during the period.

37% decrease in Other noncurrent assets ($17.4M to $11.1M)
Decrease was mainly due to amortization and write off of deferred charges.

19% decrease in Accounts payable and accrued expenses ($283.5M to $228.6M)
Payment of trade payables.

15% increase in Contract liabilities ($2.7M to $3.4M)
Mainly due to increase in advance payments received from new and existing customers during the period.

27% decrease in Loans and trust receipts payable ($210.0M to $152.6M)
Payment of short-term loans.

13% decrease in Income tax payable ($2.0M to $1.8M)
Provision for taxable income.

58% decrease in Current portion of Lease liabilities ($8.3M to $3.4M)
Payment of lease liabilities in 2024 and some reclassifications from non-current portion.

374% increase in Current portion of Long-term debt ($6.5M to $30.8M)
Increase due to reclassification from non-current to current portion.

33% decrease in Other current liabilities ($1.5 to $1.0M)
Reversal of provision for onerous contracts.

22% decrease in Noncurrent portion of Long-term debt ($140.2M to $107.1M)
Reclassification of noncurrent portion to current portion of the long-term debt and payment loans.

85% increase in Noncurrent portion of Lease liabilities ($13.7M to $25.4M)
Additional lease liabilities in 2024.

16% decrease in Net retirement liabilities ($8.8M to $7.4M)
Decrease due to payment of retirement expenses related to the company's rightsizing initiatives.

11% decrease in Other noncurrent liabilities ($5.7M to $5.1M)
Decrease mainly on long-term employee benefits.

27% increase in Cumulative translation adjustments (-$34.8M to -$44.2M)
Arising from translation of management accounts in Europe denominated in their respective local currencies to the Parent Company's functional currency. The significant movement is due to depreciation of EUR against USD from 1.106 to 1.042, and RMB against USD from 7.08 to 7.19.

85% decrease in Equity attributable to NCI ($32.1M to $4.7M)
Decrease due to the minority share in the loss of non-wholly owned subsidiaries and related to the goodwill impairment.

2023 vs 2022

Revenues from Sales and Services

The Company posted consolidated full year 2023 revenues of US$1.3 billion, 6 percent lower than the previous year, driven by factors attributable to its non-wholly owned subsidiary group including the shorter fiscal year of STI Limited which was divested in October 31, 2023. The core business maintained the same level of revenues from last year at $1.11 billion.

Gross Profit and Gross Profit Margin

The full year gross profit of $120.5 million increased 9% versus 2022. GP% also improved from 7.8% last year to 9.1% this year as component shortage situation eased and overhead restructuring that enabled better utilization of fixed costs.

Operating income

Operating income is at $7.8 million from $2.7 million in 2022 mainly driven by improved GP margins brought about by lower direct material cost, operational efficiency and facilities utilization.

Net Loss

The Company posted a net loss of $109.2 with one-time losses of US$106.1 million related to the sale of STI and impairment of goodwill and certain assets.

On the other hand, wholly-owned subsidiaries maintained the momentum from 2022, with revenues on par with the previous year, and better profitability margins netting an income of US$13.0 million versus last year's $11.5 million.

EBITDA

EBITDA of $47.3 million, marginally improved by 0.5% from last year and an improvement of 23 bps in terms of % to revenues.

Financial Condition

In 2023, IMI spent $27.8 million on capital expenditures related to new programs, higher than last year's $21.2 million. The Company does not have any material commitment for capital expenditure but expects to spend ~$30 million in 2024 to be funded by internal cash and bank loans.

IMI's balance sheet remains robust with a current ratio of 1.43:1 and debt-to-equity ratio of 1.15:1.

Key Performance Indicators of the Company

The table below sets forth the comparative performance indicators of the Company:

	As of end	
	Dec 31, 2023	**Dec 31, 2022**
Performance indicators		
Liquidity:		
Current ratio[a]	1.43x	1.51x
Solvency:		
Debt-to-equity ratio[b]	1.15x	0.83x

	For the years ended 31 Dec	
	2023	**2022**
Operating efficiency:		
Revenue growth[c]	(6%)	8%
Profitability:		
Gross profit margin[d]	9.1%	7.8%
Net income margin[e]	(8.2%)	(0.5%)
Return on equity[f]	(33.3%)	(1.7%)
Return on common equity[g]	(33.3%)	(1.7%)
Return on assets[h]	(11.0%)	(0.6%)
[22]EBITDA margin	3.6%	3.3%

[a] *Current assets/current liabilities*
[b] *Bank debts/Total Equity*
[c] *(Current year less previous year revenue)/Previous year revenue*
[d] *Gross profit/Revenues*
[e] *Net income attributable to equity holders of the Parent Company/Revenues*
[f] *Net income attributable to equity holders of the Parent Company/Average equity attributable to Parent*
[g] *Net income attributable to equity holders of the Parent Company/Average common equity attributable to Parent*
[h] *Net income attributable to equity holders of the Parent Company/Total Assets*

In the above:

The risk of recurrence of geopolitical and macro-economic factors after the reporting period may cause uncertainties that may impact the Company's liquidity. The Company is continuously monitoring its liquidity and solvency position.

There are no known trends, events or uncertainties that will result in the Company's liquidity increasing or decreasing in a material way.

There were no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

Likewise, there were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

The effects of geopolitical and macro-economic factors after the reporting period may pose risks and unfavorable impact to the Company but will not materially affect the Company's ability to continue as going concern.

[22] *EBITDA Margin = EBITDA divided by revenues from sales and services where EBITDA represents net operating income after adding depreciation and amortization (including amortization of right-of-use assets in accordance with PFRS 16, Leases), interest income and foreign exchange gains/losses. EBITDA and EBITDA Margin are not measures of performance under PFRS and investors should not consider EBITDA, EBITDA Margin or EBIT in isolation or as alternatives to net income as an indicator of our operating performance or to cash flows, or any other measure of performance under PFRS. Because there are various EBITDA calculation methods, our presentation of these measures may not be comparable to similarly titled measures used by other companies.*

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on the Company's revenues from continuing operations.

There were no significant elements of income or loss that did not arise from continuing operations.

There are no seasonal aspects that may have a material effect on the financial condition of the Company.

Causes for any material changes
(Increase or decrease of 5% or more in the financial statements)

Income Statement Items
(Years ended 31 December 2023 versus 31 December 2022)

6% decrease in Revenues ($1.41B to $1.33B)
Driven by factors attributable to its non-wholly owned subsidiary group including the shorter fiscal year of STI Enterprises Limited which was divested on October 31, 2023.

7% decrease in Cost of goods sold ($1,298.6M to $1,205.2M)
Direct costs decreased relevant to the revenues, lower direct material cost and operational efficiencies.

5% increase in Operating expenses ($107.8M to $112.7M)
Mainly due to increase in people costs, professional fees other financial provisions.

1000% increase in Non-operating expenses (-$11.6M to -$128.0M)
Increase due to asset impairments, loss on disposal of STI and other one-off adjustments during the year ($106.1M). Interest expense also significantly increased from increase in loans and higher interest rates.

83% increase in Noncontrolling interest (-$8.6M to -$15.8M)
Higher share of minority in the net losses of non-wholly owned subsidiaries.

Balance Sheet items
(31 December 2023 versus 31 December 2022)

21% decrease in Cash and cash equivalents ($115.8M to $91.6M)
Cash used in investing -$33.8M mainly from capital expenditure to support new programs; cash provided in financing +$4.6M mainly from net availment of loans (+$13.9M) offset by payment of lease liabilities (-$9.8M). The company however generated positive cash flows from operating activities (+$6.8M).

34% increase in Short-term Investment ($8.5M to $11.4M)
Increase was due to increase in money market placements made for varying periods of more than three months but less than one year.

21% decrease in Contract assets ($67.1M to $53.1M)
Recovery of backlogs reduced work-in process and finished goods inventories.

15% increase in Other current assets ($25.3M to $29.0M)
Increase in input and tax credits.

5% decrease in Property, plant and equipment ($146.1M to $138.8M)
Decrease from yearly depreciation (-$26.4M), offset by additional capex for the year (+$27.0M) and impairment of machineries.

49% decrease in Goodwill ($136.2M to $70,1M)
Decrease was due to recognized loss of $54.79 million related to the sale of STI (See Note 2) and partial impairment loss related to the goodwill from the acquisition of Via of $15.70 million.

32% decrease in Intangible assets ($5.1M to $3.5M)
Yearly amortization (-$1.9M) and offset by additional acquisitions during the year.

16% decrease in Right-of-use of assets ($19.3M to $16.1M)
Amortization (-$8.9M), offset by additional contracts during the year.

29% increase in Financial assets through OCI ($1.8M to $2.4M)
Increase in fair value of quoted club shares.

106% increase in Deferred tax assets ($2.1M to $4.4M)
Provision of DTA on lease liabilities.

63% decrease in Contract liabilities ($7.4M to $2.7M)
Decrease in advance payments received to render manufacturing services.

9% increase in Loans and trust receipts payable ($192.7M to $209.7M)
Availment of loans.

13% increase in Income tax payable ($1.8M to $2.0M)
Provision for taxable income.

47% increase in Other current liabilities ($1.0 to $1.5M)
Increase in provision for onerous contracts.

113% increase in Current portion of long-term debt ($3.0M to $6.5M)
Availment of loans.

26% increase in Net retirement liabilities ($7.0M to $8.8M)
Increase in provision for retirement liability.

18% decrease in Non-current lease liabilities ($12.9M to $10.6M)
Payments of leases.

27% decrease in Cumulative translation adjustments (-$43.7M to -$31.9M)
Arising from translation of management accounts in Europe denominated in their respective local currencies to the Parent Company's functional currency. The significant movement is due to appreciation of EUR against USD from 1.06 to 1.11, and RMB against USD from 6.96 to 7.08.

16% decrease in Equity attributable to NCI ($38.0M to $31.9M)
Decrease due to the minority share in the loss of non-wholly owned subsidiaries.

2022 vs 2021

Revenues from Sales and Services

The Company posted consolidated full year 2022 revenues of US$1.4 billion, 8 percent growth compared to the previous year. Despite the on-going component shortage and impact of weakened Euro, IMI was able to deliver strong revenue growth on focus market segments automotive (15%) and industrial (+15%) driven by successful ramp up of new projects.

Wholly-owned subsidiaries achieved revenues of US$1.1 billion for the year, an 11% growth from 2021. Meanwhile, VIA optronics (VIAO) and Surface Technology International (STI Ltd.) continued to face stiffer headwinds in their operating environments. Component allocation challenges, particularly for aerospace/defense and consumer, continue to be slower compared to other markets. Combined revenues for these non wholly owned subsidiaries was flat vs last year with 1% year-on-year increase.

Gross Profit and Gross Profit Margin

The full year gross profit of $110.4 million increased 22% versus 2021 (GP% of 7.8% vs 7.0% last year). This was a result of proactive steps taken to streamline the supply chain, rationalize global headcount, restructure product pricing, and an upside gain was booked to align the company's accounting for the estimated useful life of manufacturing equipment with the rest of the industry from an average of 7 to 10 years.

Operating income

Operating income is at $2.7 million from a negative ($17.7M) in 2021 mainly driven by improved GP margins reduced general and administrative expenses driven by cost reduction initiatives.

Net Loss

The Company posted a net loss of $6.8 million, better than last year's net loss of $10.6 million or an improvement of +$3.8M mainly from improved operating income by +$20.3 million, offset by higher interest expense, provision for onerous contracts and some financial provisions and forex losses on the core business. 2021 also has one off gains such as mark-to-market on put options and reversal of impairment losses.

EBITDA

EBITDA of $47.1 million, slightly higher by 2% than last year due to better operating income.

Financial Condition

In 2022, IMI spent $21.2 million on capital expenditures related to new programs, lower than last year's $31 million. The Company does not have any material commitment for capital expenditure but expects to spend ~$30-40 million in 2023 to be funded by internal cash and bank loans.

IMI's balance sheet remains robust with a current ratio of 1.51:1 and debt-to-equity ratio of 0.83:1.

Key Performance Indicators of the Company

The table below sets forth the comparative performance indicators of the Company:

	As of end	
	Dec 31, 2022	**Dec 31, 2021**
Performance indicators		
Liquidity:		
Current ratio[a]	1.51x	1.59x
Solvency:		
Debt-to-equity ratio[b]	0.83x	0.69x

	For the years ended 31 Dec	
	2022	**2021**
Operating efficiency:		
Revenue growth[c]	8%	15%
Profitability:		
Gross profit margin[d]	7.8%	7.0%
Net income margin[e]	(0.5%)	(0.8%)
Return on equity[f]	(1.7%)	(2.5%)
Return on common equity[g]	(1.7%)	(2.5%)
Return on assets[h]	(0.6%)	(0.9%)
[23]EBITDA margin	3.3%	3.6%

[a] *Current assets/current liabilities*
[b] *Bank debts/Total Equity*
[c] *(Current year less previous year revenue)/Previous year revenue*
[d] *Gross profit/Revenues*
[e] *Net income attributable to equity holders of the Parent Company/Revenues*
[f] *Net income attributable to equity holders of the Parent Company/Average equity attributable to Parent*
[g] *Net income attributable to equity holders of the Parent Company/Average common equity attributable to Parent*
[h] *Net income attributable to equity holders of the Parent Company/Total Assets*

[23] *EBITDA Margin = EBITDA divided by revenues from sales and services where EBITDA represents net operating income after adding depreciation and amortization (including amortization of right-of-use assets in accordance with PFRS 16, Leases), interest income and foreign exchange gains/losses. EBITDA and EBITDA Margin are not measures of performance under PFRS and investors should not consider EBITDA, EBITDA Margin or EBIT in isolation or as alternatives to net income as an indicator of our operating performance or to cash flows, or any other measure of performance under PFRS. Because there are various EBITDA calculation methods, our presentation of these measures may not be comparable to similarly titled measures used by other companies.*

In the above:

The risk of recurrence of further pandemic related shutdowns and other macro-economic factors after the reporting period may cause uncertainties that may impact the Company's liquidity. The Company is continuously monitoring its liquidity and solvency position.

There are no known trends, events or uncertainties that will result in the Company's liquidity increasing or decreasing in a material way.

There were no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

Likewise, there were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

The effects of potential recurrence of pandemic related shutdowns and other macro-economic factors after the reporting period may pose risks and unfavorable impact to the Company but will not materially affect the Company's ability to continue as going concern.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on the Company's revenues from continuing operations.

There were no significant elements of income or loss that did not arise from continuing operations.

There are no seasonal aspects that may have a material effect on the financial condition of the Company.

Causes for any material changes
(Increase or decrease of 5% or more in the financial statements)

Income Statement Items
(Years ended 31 December 2022 versus 31 December 2021)

8% increase in Revenues ($1.30B to $1.41B)
The increase was driven mainly by focus market segments automotive (+15%) and industrial (+15%) year-on-year.

22% increase in Cost of goods sold ($1,209.8M to $1,298.6M)
Direct costs increased relevant to the revenues. Higher than revenue increase due to higher material prices affected by component shortage and elevated freight costs.

1% decrease in Operating expenses ($108.5M to $107.8M)
Mainly due to decrease in people costs (-$3.2M), depreciation and amortization (-$4.3M) offset by increase in travel and transportation (+$2.8M), and other financial provisions.

448% decrease in Non-operating income/(expenses) ($3.3M to -$11.6M)
Decrease due to asset impairments in 2022 (-$4.3M), foreign exchange valuation (-$3.5M) related to appreciation of USD versus Euro, GBP and RMB and increase in interest expense (-$4.1M) due to increase in interest rates and additional loans during the year.

6% decrease in Noncontrolling interest (-$9.1M to -$8.6M)
Higher share of minority in the net losses of VIA (49.68%) and STI (20%).

Balance Sheet items
(31 December 2022 versus 31 December 2021)

28% decrease in Cash and cash equivalents ($159.8M to $115.8M)
Cash used in operating activities -$40.1M mainly driven by higher inventory levels due to the component shortage issue and increase in receivables; cash used in investing -$19.3M mainly from capital expenditure to support new programs; cash provided in financing +$18.9M mainly from net availment of loans (+$29.1M) offset by payment of lease liabilities (-$11.6M).

100% increase in Short-term Investment (nil to $8.5M)
Increase was due to reclassification from Cash and cash equivalent for money market placements made for varying periods of more than three months but less than one year.

13% increase in Inventories ($238.6M to $268.5M)
Inventory build up due to customer backlogs and component shortage.

13% increase in Other current assets ($22.4M to $25.3M)
Increase in tax credits.

10% decrease in Property, plant and equipment ($162.0M to $146.1M)
Decrease from yearly depreciation (-$27.9M), offset by additional capex for the year (+$20.7M) and impact of forex depreciation on translation.

53% decrease in Intangible assets ($10.9M to $5.1M)
Yearly amortization (-$4.8M) and due to booking of provision for impairment.

32% decrease in Right-of-use of assets ($28.5M to $19.3M)
Amortization (-$9.1M), offset by additional contracts during the year.

34% increase in Financial assets through OCI ($1.4M to $1.8M)
Increase in fair value of quoted club shares.

27% decrease in Deferred tax assets ($2.9M to $2.1M)
Reversal of DTA on lease liabilities.

56% increase in Contract liabilities ($4.7M to $7.4M)
Increase in advance payments received to render manufacturing services.

16% increase in Loans and trust receipts payable ($165.8M to $192.7M)
Availment of loans.

26% decrease in Income tax payable ($2.4M to $1.8M)
Lower taxable income.

100% increase in Other current liabilities (nit to $1.0M)
Recognition of provision for onerous contracts.
69% increase in Current portion of long-term debt ($1.8M to $3.0M)
Availment of loans.

32% decrease in Net retirement liabilities ($10.3M to $7.0M)
Decrease in provision for retirement liability.

44% decrease in Lease liabilities ($22.8M to $12.9M)
Payments of leases.

120% decrease in Cumulative translation adjustments (-$19.9M to -$43.7M)
Arising from translation of management accounts in Europe denominated in their respective local currencies to the Parent Company's functional currency. The significant movement is due to depreciation of EUR against USD from 1.13 to 1.06, GBP against USD from 1.35 to 1.20 and RMB against USD from 6.38 to 6.96.

34% decrease in Equity attributable to NCI ($57.1M to $38.0M)
Decrease due to the minority share in the loss of VIA and STI.

NATURE AND SCOPE OF BUSINESS

Integrated Micro-Electronics, Inc. (IMI or the Parent Company), a stock corporation organized and registered under the laws of the Republic of the Philippines on August 8, 1980, has four wholly-owned subsidiaries, namely: IMI International (Singapore) Pte. Ltd. (IMI Singapore), IMI USA, Inc. (IMI USA), IMI Japan, Inc. (IMI Japan) and Psi Technologies, Inc. (Psi) (collectively referred to as the Group). The Parent Company is 52.03% owned by AC Industrial Technology Holdings, Inc. (AC Industrials), a wholly-owned subsidiary of Ayala Corporation (AC), a corporation incorporated in the Republic of the Philippines and listed in the Philippine Stock Exchange (PSE). AC is 47.57% owned by Mermac, Inc. (Ultimate Parent Company) and the rest by the public.

The registered office address of the Parent Company is at North Science Avenue, Laguna Technopark- Special Economic Zone (LT-SEZ), Bo. Biñan, Biñan, Laguna.

The Parent Company was listed by way of introduction in the PSE on January 21, 2010. It has completed its follow-on offering and listing of 215,000,000 common shares on December 5, 2014.

On March 2, 2018, the Parent Company completed the stock rights offer and listing of 350,000,000 common shares to all eligible stockholders.

The Parent Company is registered with the Philippine Economic Zone Authority (PEZA) as an exporter of printed circuit board assemblies (PCBA), flip chip assemblies, electronic sub-assemblies, box build products and enclosure systems. It also provides the following solutions: product design and development, test and systems development, automation, advanced manufacturing engineering, and power module assembly, among others. It serves diversified markets that include those in the automotive, industrial, medical, storage device, and consumer electronics industries, and non-electronic products (including among others, automobiles, motorcycles, solar panels) or parts, components or materials of non-electronic products, as well as to perform and provide information technology services such as but not limited to data labeling/encoding or image annotation services.

IMI Singapore is a strategic management, investment and holding entity that owns operating subsidiaries of the Group and was incorporated and domiciled in Singapore. Its wholly-owned subsidiary, Speedy-Tech Electronics Ltd. (STEL), was incorporated and domiciled also in Singapore. STEL, on its own, has subsidiaries located in Hong Kong and China. STEL and its subsidiaries (collectively referred to as the STEL Group) are principally engaged in the provision of electronic manufacturing services (EMS) and power electronics solutions to original equipment manufacturers (OEMs) in the automotive, consumer electronics, telecommunications, industrial equipment, and medical device sectors, among others. As part of the Group’s ongoing efforts to streamline operations and reduce costs, the Group planned the closure of its Chengdu operations in 2024.

In 2011, the Parent Company, through its indirect subsidiary, Cooperatief IMI Europe U.A. (Cooperatief) acquired Integrated Micro-Electronics Bulgaria EOOD (formerly EPIQ Electronic Assembly EOOD) (IMI BG), Integrated Micro-Electronics Czech Republic s.r.o. (formerly EPIQ CZ s.r.o.) (IMI CZ) and Integrated Micro-Electronics Mexico, S.A.P.I. de C.V. (formerly EPIQ MX, S.A.P.I. de C.V.) (IMI MX) (collectively referred to as the IMI EU/MX Subsidiaries). IMI EU/MX Subsidiaries design and produce PCBA, engage in plastic injection, embedded toolshop, supply assembled and tested systems and sub-systems which include drive and control elements for automotive equipment, household appliances, and industrial equipment, among others. IMI EU/MX Subsidiaries also provide engineering, test and system development and logistics management services.

In 2016, Cooperatief acquired a 76.01% ownership interest in VIA Optronics GmbH (VIA), a Germany-based company with operations in Germany and China and sales offices in the USA and Taiwan. VIA is a leading provider of enhanced display solutions for multiple end markets in which superior functionality or durability is a critical differentiating factor. The acquisition allows the Group to strengthen its partnerships with customers by offering complementary automotive camera and display monitor solutions for advanced driver assistance systems. The Group together with VIA enables the scale to introduce patented technology into automotive camera monitor systems for increased safety.

In 2018, VIA acquired 65% ownership interest in VTS-Touchsensor Co., Ltd. (VTS), a Japanese entity that develops and manufactures metal mesh touch sensor technologies and electrode base film.

In 2019, VIA formed VIA Optronics AG (VIA AG) by way of a contribution in kind against issuance of new shares making VIA AG the sole shareholder of VIA Optronics GmbH. The contribution in kind and resulting re-organization was recognized as a business combination under common control. As a result of this contribution, VIA AG became the holding company for the VIA Group. In the same year, VIA Optronics (Taiwan) Ltd was also founded as a new subsidiary with the purpose of conducting sales activities.

In 2020, VIA AG raised some proceeds through an initial public offering (IPO) and was listed on the New York Stock Exchange under the ticker symbol “VIAO”. As a result of the IPO, IMI’s ownership interest in VIA was diluted from 76.01% to 50.32% (see Note 19 and Note 35). On April 9, 2024, VIA announced its intention to voluntarily delist its American Depository Shares (“ADSs”) from the New York Stock Exchange (“NYSE”) and terminate its registration with the U.S. Securities and Exchange Commission (“US SEC”). On July 29, 2024, the delisting from the NYSE and deregistration of its ADS by the SEC was completed.

In 2021, VIA Optronics GmbH (“VIA”) announced the acquisition of Germaneers GmbH (“Germaneers), a high-tech engineering company focusing on automotive system integration and user interfaces (see Note 2). VIA also formed a strategic partnership with SigmaSense, a global leader in touch sensing performance. As part of the strategic partnership, VIA has made a financial investment into SigmaSense and expanded their collaboration to develop new touch solutions for automotive applications, industrial displays and consumer electronics. In December 2021, VIA incorporated a new entity in the Philippines, VIA Optronics (Philippines), Inc. (“VIA Philippines”), to provide customized and platform camera solutions, from design and development to process testing and quality control. VIA Philippines was incorporated to facilitate the integration of a camera design and development team that was previously a part of IMI.

In 2018, the Group opened a manufacturing site in Niš, Republic of Serbia in line with the IMI’s strategy to strengthen its global footprint and support the growing market for automotive components in the European region.

IMI France serves as a support entity which provides manufacturing support services, market research and analysis, sales promotional activity support, strategic planning advisory, and general corporate marketing support.

In 2017, IMI, through its indirect subsidiary Integrated Micro-Electronics UK Limited (IMI UK), acquired an 80% stake in Surface Technology International Enterprises Limited (STI), an EMS company based in the United Kingdom (UK). STI has factories in the UK and Cebu, Philippines. STI provides electronics design and manufacturing solutions in both PCBA and full box-build manufacturing for high-reliability industries. The acquisition of STI strengthens the Group’s industrial and automotive manufacturing competencies, broadens its customer base, and also provides access to the UK market. Further, the partnership allows the Group’s entry into the aerospace, security and defense sectors. As discussed in Note 2, STI was sold to a third party in 2023.

IMI USA acts as direct support to the Group’s customers by providing program management, customer service, engineering development and prototype manufacturing services to customers, especially for processes using direct die attach to various electronics substrates. It specializes in prototyping low to medium PCBA and sub-assembly and is at the forefront of technology with regard to precision assembly capabilities including, but not limited to, surface mount technology (SMT), chip on flex, chip on board and flip chip on flex. IMI USA is also engaged in advanced manufacturing process development, engineering development, prototype manufacturing and small precision assemblies. In October 2024, IMI entered into a Strategic Alliance/Referral Agreement with XLR8 EMS, LLC and Concisys, LLC., which are California-based firms engaged in prototyping and low volume EMS service. Under the agreement, IMI will channel or refer prototyping and low volume EMS services needs of selected customers to XLR8 and Concisys, while XLR8 and Concisys will refer IMI to their customers for volume production services. Consequently, IMI USA ceased its prototyping and manufacturing operations in December 2024, with production functions to be transitioned to IMI facilities across North America, Europe, and Asia.

IMI Japan was registered and is domiciled in Japan to serve as IMI’s front-end design and product development and sales support center. IMI Japan was established to attract more Japanese OEMs to outsource their product development to IMI. In 2024, with a move to better align support costs with current business needs, IMI closed its sales office in Japan and currently in the process of dissolution of the entity. IMI’s extensive sales team, strategically positioned across various regions, will continue to address opportunities in Japan, eliminating the need for a physical office and reducing overhead costs.

PSi is a power semiconductor assembly and test services company serving niche markets in the global power semiconductor market. PSi provides comprehensive package design, assembly and test services for power semiconductors used in various electronic devices. In 2021, the principal office of PSi was changed to North Science Avenue, Laguna Technopark – Special Economic Zone (LTSEZ), Bo. Biñan, Biñan, Laguna following the transfer of its manufacturing operations inside the IMI premises. PSi remains to be a separate legal entity.

II. MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY

A) Principal market where the registrant's common equity is traded.

The following table shows the high and low prices (in PHP) of Ayala Corporation's shares in the Philippine Stock Exchange for the year 2024 and 2023:

	2024		2023	
	High	Low	High	Low
1st qtr	3.19	2.13	₱5.84	₱4.63
2nd qtr	2.36	1.60	₱5.60	₱4.90
3rd qtr	2.00	1.66	₱4.92	₱3.75
4th qtr	1.87	1.45	₱3.88	₱3.03

The market capitalization of the Company's common shares as of end-2024, based on the closing price of ₱1.49/share, was approximately ₱3.3billion.

The price information of common shares, shares as of the close of the latest practicable trading date, March 24, 2025 is ₱1.49 per share.

B) Holders

The following are the top 20 registered holders of the Company's securities based on the records of our stock transfer agents:

Common Shares

There are 282 registered holders of common shares as of February 28, 2025.

	Stockholder Name	No. of Common Shares	Percentage of Common Shares
1.	AC Industrial Technology Holdings, Inc.	1,153,725,046	52.0330%
2.	PCD Nominee Corporation (Non-Filipino)	442,404,503	19.9525%
3.	Resins Incorporated	291,785,034	13.1595%
4.	PCD Nominee Corporation (Filipino)	274,060,520	12.3601%
5.	2014 ESOWN Subscription	19,764,242	0.8914%
6.	ESOWN Trust Account	9,337,397	0.4211%
7.	SIIX Corp.	7,815,267	0.3525%
8.	2007 ESOWN Subscription	5,542,289	0.2500%
9.	2015 ESOWN Subscription	3,469,100	0.1585%
10.	2009 ESOWN Subscription	2,391,268	0.1078%
11.	PCD Nominee Corporation (Filipino)*	1,345,738	0.0607%
12.	Meneleo J. Carlos, Jr.	805,288	0.0363%
13.	Transtechnology Pte. Ltd.	304,836	0.0137%
14.	Alfredo Gramata, Jr.	258,842	0.0117%
15.	Emmanuel V. Barcelon	240,000	0.0108%
16.	Philippe Marquet	225,519	0.0102%
17.	Ayala Corporation	180,289	0.0081%
18.	Conrad J. Eisenman	160,163	0.0072%
19.	Joselito Senadoza Bantatua	150,000	0.0068%
20.	Sylke Ludewig	137,601	0.0062%

*Subject for listing

A list of the company's top 100 shareholders as of December 31, 2024 can be found through the link, https://www.global-imi.com/sites/default/files/IMI%20Top%20100%20Stockholders%20Report%20as%20of%20December%2031%2C%202024.pdf.

C) *Dividends*

Stock Dividends on Common Shares

Year	Payment Date	Rate (Php)	Record Date
2010	September 24, 2010	15%	August 31, 2010

Cash Dividends on Common Shares

Year	Payment Date	Rate (Php)	Record Date
2017	May 4, 2017	USD 0.004529/₱0.22739	April 20, 2017
2018	March 21, 2018	USD0.00458/₱0.235	March 7, 2018
2019	May 7, 2019	USD0.00201/-₱0.10542	April 25, 2019

There was no cash dividend declaration since 2020.

Cash Dividends on Preferred Shares (Redeemed in 2015)

Year	Payment Date	Rate (Php)	Record Date
2014	February 21, 2014 May 21, 2014 August 22, 2014 November 21, 2014	2.90% p.a. 2.90% p.a. 2.90% p.a. 2.90% p.a.	February 7, 2014 May 7, 2014 August 7, 2014 November 7, 2014
2015	February 20, 2015 May 22, 2015 August 24, 2015	2.90% p.a. 2.90% p.a. 2.90% p.a.	February 6, 2015 May 8, 2015 August 7, 2015

Dividend policy

Dividends declared by the Company on its shares of stocks are payable in cash or in additional shares of stock. The payment of dividends in the future will depend upon the earnings, cash flow and financial condition of the Company and other factors. There are no other restrictions that limit the payment of dividends on common shares.

Cash dividends are subject to approval by the Company's Board of Directors but no stockholder approval is required. Property dividends which may come in the form of additional shares of stock are subject to approval by both the Board of Directors and the stockholders of the Company. In addition, the payment of stock dividends is likewise subject to the approval of the SEC and PSE.

The Subsidiaries have not adopted any formal dividend policies. Dividend policies for the Subsidiaries shall be determined by their respective Boards of Directors.

D) *Recent sale of securities*

There were 9,773,144 shares subscribed by the Company's executives as a result of their subscription to the stock ownership (ESOWN) plan in 2015. No share was subscribed under the ESOWN Plan since 2016. On July 20, 2004, the SEC approved the issuance of 150,000,000 ESOWN shares as exempt transactions pursuant to Section 10.2 of the Securities Regulation Code.

E) *Compliance Program*

Corporate Governance

The Board of Directors, officers and employees of the Company commit themselves to the principles and best practices embodied in its Corporate Governance Manual (the "Manual"). The Company believes that good corporate governance is a necessary component of what constitutes sound strategic business management and will therefore exert every effort to ensure adherence thereto within the organization.

Compliance Officer

The Board designates a Compliance Officer who reports to the Chairman of the Board. As required of publicly-listed companies, the appointment of Compliance Officer is properly disclosed to the SEC. The Board also ensures the presence and adequacy of internal control mechanisms for good governance. The Compliance Officer's duties include ensuring proper on boarding of new directors (i.e., orientation on the Company's business, charter, articles of incorporation and by-laws, among others), monitor, review, evaluate and ensure compliance by the Company, its officers and directors with the relevant laws, with the Code of Corporate Governance ("Code"), rules and regulations and all governance issuances of regulatory agencies, appear before the SEC upon summon on matters in relation to compliance with the Code, ensure the integrity and accuracy of all documentary submissions to regulators, determine violation/s of the Code and recommend to the Board the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent a repetition of the violation, identify possible areas of compliance issues and work towards the resolution of the same, develop and establish, subject to approval of the Board, a monitoring and evaluation system to determine compliance with the Manual, which system shall provide for a procedure that fulfils the requirements of due process, ensure the attendance of board members and key officers to relevant trainings and perform such other duties and responsibilities as may be provided by the SEC.

Integrated Annual Corporate Governance Report (I-ACGR)

SEC MC No. 15, Series of 2017, released in December 2017, mandates all publicly-listed companies to submit an Integrated Annual Corporate Governance Report ("I-ACGR") on or before May 30 of the following year for every year that the company remains listed in the PSE, covering all relevant information for the preceding year. The I-ACGR supersedes the ACGR last submitted for the year 2017 to the SEC and the Compliance Report on Corporate Governance last submitted for the year 2017 to the PSE. The Company submitted its I-ACGR for the years 2021 and 2022 on 25 May 2022 and 18 May 2023, respectively. For the fiscal year 2023, the Company submitted its I-ACGR on 30 May 2024. As of 31 December 2024, the Company has substantially complied with the principles and best practices contained in the Manual. There were no sanctions imposed on any director, officer or employee for noncompliance of the Manual. The Company is taking further steps to enhance adherence to principles and practices of good corporate governance.

Integrated Report

The Company adheres to the International Integrated Reporting Framework set by the International Integrated Reporting Council as a means to present its business model, risk and opportunities, strategy, performance, and outlook. A copy of the Company's 2023 Integrated Report may be accessed *via* https://www.global-imi.com/investors/annual-reports.

A copy of the Company's Integrated Report for the year 2024 will be provided to stockholders of record *via* https://www.global-imi.com/investors/annual-reports

Upon the written request of the stockholders, the Company undertakes to furnish said stockholder with a copy of SEC Form 17-A free of charge. Any written request for a copy of SEC Form 17-A shall be addressed to the following:

Integrated Micro-Electronics, Inc.
North Science Avenue, Special Export Processing Zone
Laguna Technopark, Bo. Biñan, Biñan, Laguna

Attention: Mr. Robert William Heese
Chief Finance Officer

Integrated Micro-Electronics, Inc.
North Science Avenue
Special Export Processing Zone
Laguna Technopark
Biñan Laguna 4024 Philippines

Tel (63 2) 756 6840
Fax (63 49) 544 0322
www.global-imi.com

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Integrated Micro-electronics, Inc. (the Company) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein for the years ended December 31, 2024, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's and its subsidiaries ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's and its subsidiaries' financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Company and its subsidiaries in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

ALBERTO M. DE LARRAZABAL
Chairman, Board of Directors

ROBERT WILLIAM HEESE
Chief Finance Office and Compliance Officer

LAURICE S. DELA CRUZ
Vice President, Finance and Corporate Controller, and Deputy Compliance Officer

SUBSCRIBED AND SWORN to before me this MAR 07 2025 at Makati City, affiants exhibiting to me their respective Passports, to wit:

Name	Passport No.	Date & Place of Issue
Alberto M. de Larrazabal		
Robert William Heese		
Laurice S. Dela Cruz		

Doc. No. 431 ;
Page No. 88 ;
Book No. LX ;
Series of 2025.

ATTY. ROBERTO T. ONGSIAKO
NOTARY PUBLIC
ROLL NO
MAKATI CITY, PHILIPPINES

ROBERTO T. ONGSIAKO
Notary Public – Makati City

Notarial DST pursuant to Sec. 61 of the TRAIN ACT (amending Sec. 188 of the NIRC) affixed on original submitted to the court.

Integrated Micro-Electronics, Inc.
North Science Avenue
Special Export Processing Zone
Laguna Technopark
Biñan Laguna 4024 Philippines

Tel (63 2) 756 6840
Fax (63 49) 544 0322
www.global-imi.com

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) SS.

SECRETARY'S CERTIFICATE

I, **ROSARIO CARMELA G. AUSTRIA**, of legal age, being the duly elected, qualified and incumbent Assistant Corporate Secretary of **INTEGRATED MICRO-ELECTRONICS, INC.** (the "Corporation"), a corporation duly organized and existing under the laws of the Republic of the Philippines, after having been duly sworn in accordance with law, do hereby certify that at the regular meeting of the Board of Directors (the "Board") held on 7 March 2025, at which meeting a quorum existed and acted throughout, the Board approved the following resolutions:

Resolution No. B-14-2025

RESOLVED, to approve the delegation to the Chief Finance Officer / Compliance Officer, Mr. Robert W. Heese, of the authority to sign the Corporation's SEC Form 17-A (Annual Report), Statement of Management Responsibility and the Integrated Annual Corporate Governance Report in lieu of the Chief Executive Officer, Mr. Louis Sylvester Hughes.

Resolution No. B-15-2025

RESOLVED, to approve the delegation to the VP Finance and Corporate Controller/Deputy Compliance Officer, Ms. Laurice S. Dela Cruz, of the authority to sign the Corporation's SEC Form 17-A (Annual Report), Statement of Management Responsibility and the Integrated Annual Corporate Governance Report in lieu of the Chief Finance Officer/Compliance Officer, Mr. Robert W. Heese.

IN WITNESS WHEREOF, I have signed this Certificate this MAR 12 2025 at Makati City.

ROSARIO CARMELA G. AUSTRIA
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAR 12 2025 at Makati City, the affiant exhibited to me, as competent evidence of identity, her Passport No. issued on at .

Doc. No. 389;
Page No. 79;
Book No. 1;
Series of 2025.

JOANNE M. LIM
NOTARY PUBLIC
ROLL NO.
MAKATI CITY, PHILIPPINES

JOANNE M. LIM
Notary Public – Makati City

Notarial DST pursuant to Sec. 61 of the TRAIN Act (amending Sec. 188 of the NIRC) affixed on original submitted to the court.

C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

						9	4	4	1 9

C O M P A N Y   N A M E

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES

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

NORTH SCIENCE AVENUE, LAGUNA TECHNOPARK-SPECIAL ECONOMIC ZONE (LT-SEZ), BO. BIÑAN, BIÑAN, LAGUNA

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	SEC	N/A

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
ir@global-imi.com	(02) 7756-6840	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
282	APRIL 15	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Laurice S. Dela Cruz	Laurice.delacruz@global-imi.com	(02) 7756-6840	N/A

CONTACT PERSON's ADDRESS

North Science Avenue, Laguna Technopark, Biñan, Laguna

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*

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and the Stockholders
Integrated Micro-Electronics, Inc.
North Science Avenue - Special Economic Zone (LT - SEZ)
Laguna Technopark, Bo. Biñan
Biñan, Laguna

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Integrated Micro-Electronics, Inc. and its subsidiaries (the Group), which comprise the consolidated balance sheets as at December 31, 2024 and 2023, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2024 and 2023, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRSs) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Recoverability of Goodwill

Under PFRS Accounting Standards, the Group is required to annually test the amount of goodwill for impairment. As of December 31, 2024, the Group's goodwill attributable to the following cash-generating units (CGUs): Integrated Micro-Electronics, Inc., Speedy-Tech Electronics, Ltd., IMI Czech Republic s.r.o., and VIA Optronics GmbH (VIA), amounted to $40.46 million, which is considered significant to the consolidated financial statements, were tested for impairment. Impairment loss amounting to $27.01 million was recorded in 2024. In addition, management's assessment process requires significant judgment and is based on assumptions which are subject to higher level of estimation uncertainty due to the current economic conditions, specifically revenue growth rate, gross margin, cost ratios and discount rates.

The Group's disclosures about goodwill are included in Note 4 and 11 to the consolidated financial statements.

Audit Response

We obtained an understanding of the Group's impairment assessment process and the related controls. We involved our internal specialist in evaluating the reasonableness of the discount rate. We tested the parameters used in the determination of the discount rate against market data. We compared the key assumptions used such as revenue growth rate, gross margins and cost ratios against actual historical performance of the CGU and industry outlook. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is more sensitive, specifically those that have the most significant effect on the determination of the recoverable amount of goodwill.

Recoverability of Property, Plant and Equipment

Under PFRS Accounting Standards, the Group is required to test the recoverability of nonfinancial assets when indicators of impairment exist. In 2024, the continuing gross loss for the production line for certain customers in Philippines, Mexico and Germany has been assessed as an impairment indicator requiring an impairment assessment. Accordingly, the related items of property, plant, and equipment with an aggregate depreciated cost of $57.63 million as of December 31, 2024, which is significant to the consolidated financial statements, were tested for impairment. The Group recorded impairment loss amounting to $4.93 million in 2024. The management's impairment assessment process requires significant judgment and is based on assumptions which are subject to higher level of estimation uncertainty, specifically revenue growth rate, gross margin, cost ratios and discount rates.

The Group's disclosures about the property, plant and equipment are included in Notes 4 and 10 to the consolidated financial statements.

Audit Response

We obtained an understanding of the Group's impairment assessment process. We involved our internal specialist in evaluating the reasonableness of the discount rate. We tested the parameters used in the determination of the discount rate against market data. We compared the key assumptions used such as revenue growth rate, gross margins and cost ratios against actual historical performance attributable to the property, plant, and equipment and industry outlook. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is more sensitive, specifically those that have the most significant effect on the determination of the recoverable amount of the property, plant and equipment.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Cyril Jasmin B. Valencia.

SYCIP GORRES VELAYO & CO.

Cyril Jasmin B. Valencia

Cyril Jasmin B. Valencia
Partner
CPA Certificate No.
Tax Identification No.
BOA/PRC , , valid until
BIR Accreditation No. , , valid until
PTR No. , ,

March 7, 2025

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash on hand and in banks (Notes 5, 32 and 33)	**$91,343,576**	$91,588,016
Cash equivalents and short-term investments (Notes 5, 32 and 33)	**600,000**	11,420,000
Receivables (Notes 6, 31, 32 and 33)	**227,393,238**	283,708,635
Contract assets (Notes 7 and 33)	**42,642,460**	52,900,849
Inventories (Note 8)	**202,464,672**	269,313,547
Other current assets (Note 9)	**25,149,211**	30,395,688
Total Current Assets	**589,593,157**	739,326,735
Noncurrent Assets		
Property, plant and equipment (Note 10)	**113,219,489**	138,725,260
Goodwill (Note 11)	**40,458,873**	70,180,686
Intangible assets (Note 12)	**2,914,261**	3,468,347
Right-of-use assets (Note 30)	**30,018,442**	19,472,578
Financial assets at FVOCI (Notes 13, 32 and 33)	**2,543,003**	2,364,096
Deferred tax assets - net (Note 25)	**3,129,013**	3,648,771
Other noncurrent assets (Notes 14 and 33)	**11,047,998**	17,441,055
Total Noncurrent Assets	**203,331,079**	255,300,793
	$792,924,236	$994,627,528
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses (Notes 15, 32 and 33)	**$228,560,590**	$283,457,350
Contract liabilities (Notes 7 and 33)	**3,442,269**	2,748,320
Loans payable (Notes 16, 32 and 33)	**152,594,209**	210,027,008
Current portion of long-term debt (Notes 17, 32 and 33)	**30,763,284**	6,484,519
Current portion of lease liabilities (Notes 30, 32 and 33)	**5,444,362**	8,265,812
Income tax payable	**1,758,610**	2,012,190
Other current liabilities (Notes 18, 32 and 33)	**1,015,702**	1,524,827
Total Current Liabilities	**423,579,026**	514,520,026
Noncurrent Liabilities		
Noncurrent portion of:		
Long-term debt (Notes 17, 32 and 33)	**107,102,708**	140,213,655
Lease liabilities (Notes 30, 32 and 33)	**25,435,300**	13,722,823
Net retirement liabilities (Note 27)	**7,375,986**	8,826,860
Deferred tax liabilities - net (Note 25)	**973,582**	1,014,040
Other noncurrent liabilities (Note 24)	**5,136,939**	5,744,874
Total Noncurrent Liabilities	**146,024,515**	169,522,252
Total Liabilities	**569,603,541**	684,042,278

(Forward)

	December 31	
	2024	2023
EQUITY		
Equity Attributable to Equity Holders of the Parent Company		
Capital stock - common (Note 19)	**$42,721,024**	$42,720,682
Subscribed capital stock (Note 19)	**687,789**	689,311
Additional paid-in capital (Note 19)	**193,764,271**	193,777,837
Subscriptions receivable (Notes 19 and 28)	**(2,560,791)**	(2,576,077)
Retained earnings (Note 19)	**39,484,572**	89,177,160
Treasury stock (Note 19)	**(1,012,588)**	(1,012,588)
Other components of equity (Note 13)	**830,092**	547,961
Cumulative translation adjustment (Note 19)	**(44,153,479)**	(34,798,528)
Remeasurement losses on defined benefit plans (Note 27)	**(11,186,543)**	(10,050,551)
	218,574,347	278,475,207
Equity Attributable to Non-controlling Interests in Consolidated Subsidiaries (Note 19)	**4,746,348**	32,110,043
Total Equity	**223,320,695**	310,585,250
	$792,924,236	$994,627,528

See accompanying Notes to Consolidated Financial Statements.

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31		
	2024	2023	2022
REVENUE FROM CONTRACTS WITH CUSTOMERS (Note 29)	**$1,098,692,652**	$1,327,212,932	$1,409,016,512
COST OF SALES (Notes 20, 22 and 27)	**1,012,178,684**	1,207,207,523	1,298,608,896
GROSS PROFIT	**86,513,968**	120,005,409	110,407,616
OPERATING EXPENSES (Notes 21, 22 and 27)	**(110,211,979)**	(121,898,301)	(107,750,306)
OTHERS - net			
Interest expense and bank charges (Note 23)	**(21,202,505)**	(21,100,048)	(14,655,729)
Foreign exchange gains (losses) - net	**(1,658,665)**	5,792,592	1,916,986
Interest income (Note 5)	**1,601,582**	2,245,090	667,901
Other income (expense) - net (Note 24)	**(26,138,779)**	(97,696,586)	439,103
	(47,398,367)	(110,758,952)	(11,631,739)
LOSS BEFORE INCOME TAX	**(71,096,378)**	(112,651,844)	(8,974,429)
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 25)			
Current	**5,289,746**	7,313,015	5,929,924
Deferred	**666,308**	(1,694,148)	457,999
	5,956,054	5,618,867	6,387,923
NET LOSS	**($77,052,432)**	($118,270,711)	($15,362,352)
Net Loss Attributable to:			
Equity holders of the Parent Company (Note 29)	**($49,788,560)**	($105,626,141)	($6,756,929)
Non-controlling interests	**(27,263,872)**	(12,644,570)	(8,605,423)
	($77,052,432)	($118,270,711)	($15,362,352)
Loss Per Share (Note 26)			
Basic and diluted	**($0.023)**	($0.048)	($0.003)

See accompanying Notes to Consolidated Financial Statements.

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2024	2023	2022
NET LOSS	**($77,052,432)**	($118,270,711)	($15,362,352)
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) to be reclassified into profit or loss in subsequent periods:			
Exchange differences arising from translation of foreign operations (Note 19)	**(9,454,774)**	14,121,164	(34,337,927)
Other comprehensive income (loss) not to be reclassified into profit or loss in subsequent periods:			
Remeasurement gains (losses) on defined benefit plans (Note 27)	**(1,135,992)**	(2,616,320)	2,638,001
Fair value changes on financial assets at FVOCI - net of tax (Note 13)	**282,131**	515,167	587,404
Differences arising from sale of subsidiary	**–**	1,529,043	–
	(853,861)	(572,110)	3,225,405
	(10,308,635)	13,549,054	(31,112,522)
TOTAL COMPREHENSIVE LOSS	**($87,361,067)**	($104,721,657)	($46,474,874)
Total Comprehensive Loss Attributable to:			
Equity holders of the Parent Company	**($59,997,372)**	($98,857,339)	($27,334,659)
Non-controlling interests	**(27,363,695)**	(5,864,318)	(19,140,215)
	($87,361,067)	($104,721,657)	($46,474,874)

See accompanying Notes to Consolidated Financial Statements.

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	Attributable to Equity Holders of the Parent Company											
							Other Comprehensive Income (Loss)					
	Capital Stock-Common (Note 19)	Subscribed Capital Stock (Note 19)	Additional Paid-in Capital (Note 19)	Subscriptions Receivable (Notes 19 and 28)	Retained Earnings (Notes 13 and 19)	Treasury Stock (Note 19)	Other Components of Equity (Note 13)	Cumulative Translation Adjustment (Note 19)	Remeasurement losses on defined benefit plans (Note 27)	Attributable to Equity Holders of the Parent Company (Note 19)	Attributable to Non-controlling Interests (Note 19)	Total
Balances at January 1, 2024	**$42,720,682**	**$689,311**	**$193,777,837**	**($2,576,077)**	**$89,177,160**	**($1,012,588)**	**$547,961**	**($34,798,528)**	**($10,050,551)**	**$278,475,207**	**$32,110,043**	**$310,585,250**
Issued shares during the year	**342**	**(342)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Collection from subscriptions	**–**	**–**	**–**	**540**	**–**	**–**	**–**	**–**	**–**	**540**	**–**	**540**
Forfeitures during the year	**–**	**(1,180)**	**(13,566)**	**14,746**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Sale of other financial assets	**–**	**–**	**–**	**–**	**95,972**	**–**	**–**	**–**	**–**	**95,972**	**–**	**95,972**
	42,721,024	**687,789**	**193,764,271**	**(2,560,791)**	**89,273,132**	**(1,012,588)**	**547,961**	**(34,798,528)**	**(10,050,551)**	**278,571,719**	**32,110,043**	**310,681,762**
Net loss	**–**	**–**	**–**	**–**	**(49,788,560)**	**–**	**–**	**–**	**–**	**(49,788,560)**	**(27,263,872)**	**(77,052,432)**
Other comprehensive income (loss)	**–**	**–**	**–**	**–**	**–**	**–**	**282,131**	**(9,354,951)**	**(1,135,992)**	**(10,208,812)**	**(99,823)**	**(10,308,635)**
Total comprehensive income (loss)	**–**	**–**	**–**	**–**	**(49,788,560)**	**–**	**282,131**	**(9,354,951)**	**(1,135,992)**	**(59,997,372)**	**(27,363,695)**	**(87,361,067)**
Balances at December 31, 2024	**$42,721,024**	**$687,789**	**$193,764,271**	**($2,560,791)**	**$39,484,572**	**($1,012,588)**	**$830,092**	**($44,153,479)**	**($11,186,543)**	**$218,574,347**	**$4,746,348**	**$223,320,695**

See accompanying Notes to Consolidated Financial Statements.

	Attributable to Equity Holders of the Parent Company											
							Other Comprehensive Income (Loss)					
	Capital Stock-Common (Note 19)	Subscribed Capital Stock (Note 19)	Additional Paid-in Capital (Note 19)	Subscriptions Receivable (Notes 19 and 28)	Retained Earnings (Note 19)	Treasury Stock (Note 19)	Other Components of Equity (Note 13)	Cumulative Translation Adjustment (Note 19)	Remeasurement losses on defined benefit plans (Note 27)	Attributable to Equity Holders of the Parent Company (Note 19)	Attributable to Non-controlling Interests (Note 19)	Total
Balances at January 1, 2023	$42,719,224	$692,454	$193,797,219	(2,620,195)	$194,803,301	($1,012,588)	$32,794	($43,668,483)	($7,434,231)	$377,309,495	$37,974,361	$415,283,856
Issued shares during the year	1,458	(1,458)	–	–	–	–	–	–	–	–	–	–
Collection from subscriptions	–	–	–	23,051	–	–	–	–	–	23,051	–	23,051
Forfeitures during the year	–	(1,685)	(19,382)	21,067	–	–	–	–	–	–	–	–
	42,720,682	689,311	193,777,837	(2,576,077)	194,803,301	(1,012,588)	32,794	(43,668,483)	(7,434,231)	377,332,546	37,974,361	415,306,907
Net loss	–	–	–	–	(105,626,141)	–	–	–	–	(105,626,141)	(12,644,570)	(118,270,711)
Other comprehensive income (loss)	–	–	–	–	–	–	515,167	8,869,955	(2,616,320)	6,768,802	6,780,252	13,549,054
Total comprehensive income (loss)	–	–	–	–	(105,626,141)	–	515,167	8,869,955	(2,616,320)	(98,857,339)	(5,864,318)	(104,721,657)
Balances at December 31, 2023	$42,720,682	$689,311	$193,777,837	($2,576,077)	$89,177,160	($1,012,588)	$547,961	($34,798,528)	($10,050,551)	$278,475,207	$32,110,043	$310,585,250

See accompanying Notes to Consolidated Financial Statements.

	Attributable to Equity Holders of the Parent Company											
							Other Comprehensive Income (Loss)					
	Capital Stock-Common (Note 19)	Subscribed Capital Stock (Note 19)	Additional Paid-in Capital (Note 19)	Subscriptions Receivable (Notes 19 and 28)	Retained Earnings (Note 19)	Treasury Stock (Note 19)	Other Components of Equity (Note 13)	Cumulative Translation Adjustment (Note 19)	Remeasurement losses on defined benefit plans (Note 27)	Attributable to Equity Holders of the Parent Company (Note 19)	Attributable to Non-controlling Interests (Note 19)	Total
Balances at January 1, 2022	$42,705,563	$708,788	$193,830,800	($2,701,935)	$201,560,230	($1,012,588)	($554,610)	($19,865,348)	($10,072,232)	$404,598,668	$57,114,576	$461,713,244
Issued shares during the year	13,661	(13,661)	–	–	–	–	–	–	–	–	–	–
Collection from subscriptions	–	–	–	45,486	–	–	–	–	–	45,486	–	45,486
Forfeitures during the year	–	(2,673)	(33,581)	36,254	–	–	–	–	–	-	–	–
	42,719,224	692,454	193,797,219	(2,620,195)	201,560,230	(1,012,588)	(554,610)	(19,865,348)	(10,072,232)	404,644,154	57,114,576	461,758,730
Net loss	–	–	–	–	(6,756,929)	–	–	–	–	(6,756,929)	(8,605,423)	(15,362,352)
Other comprehensive income (loss)	–	–	–	–	–	–	587,404	(23,803,135)	2,638,001	(20,577,730)	(10,534,792)	(31,112,522)
Total comprehensive income (loss)	–	–	-–	–	(6,756,929)	–	587,404	(23,803,135)	2,638,001	(27,334,659)	(19,140,215)	(46,474,874)
Balances at December 31, 2022	$42,719,224	$692,454	$193,797,219	($2,620,195)	$194,803,301	($1,012,588)	$32,794	($43,668,483)	($7,434,231)	$377,309,495	$37,974,361	$415,283,856

See accompanying Notes to Consolidated Financial Statements.

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax	**($71,096,378)**	($112,651,844)	($8,974,429)
Adjustments for:			
Impairment loss on goodwill (Note 11)	**27,009,305**	15,590,835	–
Depreciation of property, plant and equipment (Notes 10, 20, and 21)	**23,570,106**	26,437,358	27,909,940
Interest expense on loans (Notes 16, 17 and 23)	**19,151,247**	19,013,077	13,076,061
Amortization of right-of-use assets (Notes 20, 21 and 30)	**8,337,126**	8,889,808	9,134,302
Provision of impairment loss on property, plant and equipment, product development cost and other assets (Notes 12 and 24)	**5,054,410**	5,045,014	1,966,027
Interest expense on lease liabilities (Note 23)	**1,482,675**	1,395,174	932,077
Amortization of intangible assets (Notes 12, 20, and 21)	**1,131,455**	1,855,301	4,812,157
Unrealized foreign exchange loss (gain) - net	**1,129,490**	(5,056,450)	(8,153,359)
Gain on insurance claims (Note 24)	**(11,505)**	(11,968)	(415,795)
Gain on lease modifications (Note 30)	**(1,107,398)**	–	–
Interest income (Note 5)	**(1,601,582)**	(2,245,090)	(667,901)
Loss (gain) on sale and retirement of property, plant and equipment - net (Notes 10 and 24)	**(1,751,810)**	(60,061)	2,355,745
Loss on sale of subsidiary - net of cash (Note 2)	**–**	79,349,037	–
Loss on derivative transactions	**–**	–	42,640
Operating income before working capital changes	**11,297,141**	37,550,191	42,017,465
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Short-term investments	**10,820,000**	(2,920,390)	(8,499,610)
Receivables (Note 6)	**53,756,284**	4,970,437	(20,352,968)
Inventories (Note 8)	**65,904,755**	(22,647,057)	(35,844,294)
Contract assets	**8,965,404**	3,671,225	(17,280,645)
Other current assets	**4,510,463**	(6,590,315)	(3,416,787)
Increase (decrease) in:			
Accounts payable and accrued expenses	**(58,248,522)**	21,030,914	10,876,000
Contract liabilities	**693,949**	(4,749,754)	2,713,065
Other current liabilities (Note 18)	**(502,649)**	487,971	1,034,209
Retirement liabilities	**(2,744,188)**	(250,904)	(1,036,186)
Net cash generated from (used for) operations	**94,452,637**	30,552,318	(29,789,751)
Interest paid	**(18,537,218)**	(18,928,257)	(12,960,528)
Income tax paid	**(5,543,326)**	(7,081,598)	(6,558,996)
Interest received	**1,604,779**	2,245,090	667,901
Net cash provided by (used in) operating activities	**71,976,872**	6,787,553	(48,641,374)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property, plant and equipment (Note 10)	**(9,451,371)**	(27,293,633)	(20,683,406)
Intangible assets (Note 12)	**(413,020)**	(271,720)	(505,349)
Proceeds from sale and retirement of property, plant and equipment (Note 10)	**4,110,314**	725,765	782,678
Decrease (increase) in other noncurrent assets	**5,004,038**	(402,653)	1,155,440
Receivable resulting from sale of subsidiary (Notes 2 and 6)	**–**	(5,487,367)	–
Transaction costs related to sale of subsidiary (Note 2)	**–**	(1,325,982)	–
Net cash used in investing activities	**(750,039)**	(34,055,590)	(19,250,637)

(Forward)

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Availments of loans and long-term debt (Note 36)	**$2,438,015**	$24,791,587	$56,695,080
Payments of: (Note 36)			
Loans payable	**(54,997,506)**	(3,946,145)	(23,499,829)
Lease liabilities (Note 30)	**(8,814,252)**	(9,822,200)	(11,571,267)
Long-term debt	**(10,903,138)**	(6,608,470)	(4,088,335)
Increase in noncurrent liabilities	**838,632**	449,792	1,318,426
Collections of subscriptions receivable (Note 19)	**540**	23,051	45,486
Net cash provided by (used in) financing activities	**(71,437,709)**	4,887,615	18,899,561
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	**(33,564)**	(1,856,117)	5,029,382
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(244,440)**	(24,236,539)	(43,963,068)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**91,588,016**	115,824,555	159,787,623
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	**$91,343,576**	$91,588,016	$115,824,555

See accompanying Notes to Consolidated Financial Statements.

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. **Corporate Information**

Integrated Micro-Electronics, Inc. (IMI or the Parent Company), a stock corporation organized and registered under the laws of the Republic of the Philippines on August 8, 1980, has four wholly-owned subsidiaries, namely: IMI International (Singapore) Pte. Ltd. (IMI Singapore), IMI USA, Inc. (IMI USA), IMI Japan, Inc. (IMI Japan) and Psi Technologies, Inc. (Psi) (collectively referred to as the Group). The Parent Company is 52.03% owned by AC Industrial Technology Holdings, Inc. (AC Industrials), a wholly-owned subsidiary of Ayala Corporation (AC), a corporation incorporated in the Republic of the Philippines and listed in the Philippine Stock Exchange (PSE). AC is 47.57% owned by Mermac, Inc. (Ultimate Parent Company) and the rest by the public.

The registered office address of the Parent Company is at North Science Avenue, Laguna Technopark- Special Economic Zone (LT-SEZ), Bo. Biñan, Biñan, Laguna.

The Parent Company was listed by way of introduction in the PSE on January 21, 2010. It has completed its follow-on offering and listing of 215,000,000 common shares on December 5, 2014.

On March 2, 2018, the Parent Company completed the stock rights offer and listing of 350,000,000 common shares to all eligible stockholders.

The Parent Company is registered with the Philippine Economic Zone Authority (PEZA) as an exporter of printed circuit board assemblies (PCBA), flip chip assemblies, electronic sub-assemblies, box build products and enclosure systems. It also provides the following solutions: product design and development, test and systems development, automation, advanced manufacturing engineering, and power module assembly, among others. It serves diversified markets that include those in the automotive, industrial, medical, storage device, and consumer electronics industries, and non-electronic products (including among others, automobiles, motorcycles, solar panels) or parts, components or materials of non-electronic products, as well as to perform and provide information technology services such as but not limited to data labeling/encoding or image annotation services.

IMI Singapore is a strategic management, investment and holding entity that owns operating subsidiaries of the Group and was incorporated and domiciled in Singapore. Its wholly-owned subsidiary, Speedy-Tech Electronics Ltd. (STEL), was incorporated and domiciled also in Singapore. STEL, on its own, has subsidiaries located in Hong Kong and China. STEL and its subsidiaries (collectively referred to as the STEL Group) are principally engaged in the provision of electronic manufacturing services (EMS) and power electronics solutions to original equipment manufacturers (OEMs) in the automotive, consumer electronics, telecommunications, industrial equipment, and medical device sectors, among others. As part of the Group's ongoing efforts to streamline operations and reduce costs, the Group planned the closure of its Chengdu operations in 2024 (see Note 35).

In 2011, the Parent Company, through its indirect subsidiary, Cooperatief IMI Europe U.A. (Cooperatief) acquired Integrated Micro-Electronics Bulgaria EOOD (formerly EPIQ Electronic Assembly EOOD) (IMI BG), Integrated Micro-Electronics Czech Republic s.r.o. (formerly EPIQ CZ s.r.o.) (IMI CZ) and Integrated Micro-Electronics Mexico, S.A.P.I. de C.V. (formerly EPIQ MX, S.A.P.I. de C.V.) (IMI MX) (collectively referred to as the IMI EU/MX Subsidiaries). IMI EU/MX Subsidiaries design and produce PCBA, engage in plastic injection, embedded toolshop, supply assembled and tested systems and sub-systems which include drive and control elements for automotive equipment, household appliances, and industrial equipment, among others. IMI EU/MX Subsidiaries also provide engineering, test and system development and logistics management services.

In 2016, Cooperatief acquired a 76.01% ownership interest in VIA Optronics GmbH (VIA), a Germany-based company with operations in Germany and China and sales offices in the USA and Taiwan. VIA is a leading provider of enhanced display solutions for multiple end markets in which superior functionality or durability is a critical differentiating factor. The acquisition allows the Group to strengthen its partnerships with customers by offering complementary automotive camera and display monitor solutions for advanced driver assistance systems. The Group together with VIA enables the scale to introduce patented technology into automotive camera monitor systems for increased safety.

In 2018, VIA acquired 65% ownership interest in VTS-Touchsensor Co., Ltd. (VTS), a Japanese entity that develops and manufactures metal mesh touch sensor technologies and electrode base film.

In 2019, VIA formed VIA Optronics AG (VIA AG) by way of a contribution in kind against issuance of new shares making VIA AG the sole shareholder of VIA Optronics GmbH. The contribution in kind and resulting re-organization was recognized as a business combination under common control. As a result of this contribution, VIA AG became the holding company for the VIA Group. In the same year, VIA Optronics (Taiwan) Ltd was also founded as a new subsidiary with the purpose of conducting sales activities.

In 2020, VIA AG raised some proceeds through an initial public offering (IPO) and was listed on the New York Stock Exchange under the ticker symbol “VIAO”. As a result of the IPO, IMI’s ownership interest in VIA was diluted from 76.01% to 50.32%. On April 9, 2024, VIA announced its intention to voluntarily delist its American Depository Shares (“ADSs”) from the New York Stock Exchange (“NYSE”) and terminate its registration with the U.S. Securities and Exchange Commission (“US SEC”). On July 29, 2024, the delisting from the NYSE and deregistration of its ADS by the SEC was completed.

In 2021, VIA Optronics GmbH (“VIA”) announced the acquisition of Germaneers GmbH (“Germaneers), a high-tech engineering company focusing on automotive system integration and user interfaces (see Note 2). VIA also formed a strategic partnership with SigmaSense, a global leader in touch sensing performance. As part of the strategic partnership, VIA has made a financial investment into SigmaSense and expanded their collaboration to develop new touch solutions for automotive applications, industrial displays and consumer electronics. In December 2021, VIA incorporated a new entity in the Philippines, VIA Optronics (Philippines), Inc. (“VIA Philippines”), to provide customized and platform camera solutions, from design and development to process testing and quality control. VIA Philippines was incorporated to facilitate the integration of a camera design and development team that was previously a part of IMI.

In 2018, the Group opened a manufacturing site in Niš, Republic of Serbia in line with the IMI’s strategy to strengthen its global footprint and support the growing market for automotive components in the European region.

IMI France serves as a support entity which provides manufacturing support services, market research and analysis, sales promotional activity support, strategic planning advisory, and general corporate marketing support.

In 2017, IMI, through its indirect subsidiary Integrated Micro-Electronics UK Limited (IMI UK), acquired an 80% stake in Surface Technology International Enterprises Limited (STI), an EMS company based in the United Kingdom (UK). STI has factories in the UK and Cebu, Philippines. STI provides electronics design and manufacturing solutions in both PCBA and full box-build manufacturing for high-reliability industries. The acquisition of STI strengthens the Group’s industrial and automotive manufacturing competencies, broadens its customer base, and also provides access to the UK market. Further, the partnership allows the Group’s entry into the aerospace, security and defense sectors. As discussed in Note 2, STI was sold to a third party in 2023.

IMI USA acts as direct support to the Group's customers by providing program management, customer service, engineering development and prototype manufacturing services to customers, especially for processes using direct die attach to various electronics substrates. It specializes in prototyping low to medium PCBA and sub-assembly and is at the forefront of technology with regard to precision assembly capabilities including, but not limited to, surface mount technology (SMT), chip on flex, chip on board and flip chip on flex. IMI USA is also engaged in advanced manufacturing process development, engineering development, prototype manufacturing and small precision assemblies. In October 2024, IMI entered into a Strategic Alliance/Referral Agreement with XLR8 EMS, LLC and Concisys, LLC., which are California-based firms engaged in prototyping and low volume EMS service. Under the agreement, IMI will channel or refer prototyping and low volume EMS services needs of selected customers to XLR8 and Concisys, while XLR8 and Concisys will refer IMI to their customers for volume production services. Consequently, IMI USA ceased its prototyping and manufacturing operations in December 2024, with production functions transitioned to IMI facilities across North America, Europe, and Asia.

IMI Japan was registered and is domiciled in Japan to serve as IMI's front-end design and product development and sales support center. IMI Japan was established to attract more Japanese OEMs to outsource their product development to IMI. In 2024, with a move to better align support costs with current business needs, IMI closed its sales office in Japan and currently in the process of dissolution of the entity. IMI's extensive sales team, strategically positioned across various regions, will continue to address opportunities in Japan, eliminating the need for a physical office and reducing overhead costs.

PSi is a power semiconductor assembly and test services company serving niche markets in the global power semiconductor market. PSi provides comprehensive package design, assembly and test services for power semiconductors used in various electronic devices. In 2021, the principal office of PSi was changed to North Science Avenue, Laguna Technopark – Special Economic Zone (LTSEZ), Bo. Biñan, Biñan, Laguna following the transfer of its manufacturing operations inside the IMI premises. PSi remains to be a separate legal entity.

The consolidated financial statements as of December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 were endorsed for approval by the Audit Committee and authorized for issuance by the Parent Company's Board of Directors (BOD) on March 7, 2025.

2. Group Information

Information about Subsidiaries

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries:

Subsidiary	Percentage of Ownership 2024	2023	Country of Incorporation	Functional Currency
IMI International (Singapore) Pte. Ltd.	**100.00%**	100.00%	Singapore	United States Dollar (USD)
IMI International ROHQ [a]	**–**	100.00%	Philippines	USD
Speedy-Tech Electronics Ltd. (STEL) Group	**100.00%**	100.00%	Singapore	USD
IMI (Chengdu) Ltd. (IMICD) [b]	**100.00%**	100.00%	China	Renminbi (RMB)
IMI Technology (Shenzhen) Co. Ltd. (IMI SZ)	**100.00%**	100.00%	China	USD
IMI Smart Technology (Shenzhen) Co. Ltd.	**100.00%**	100.00%	China	RMB
IMI Innovative Technology (Shenzhen) Co., Ltd.	**100.00%**	100.00%	China	RMB
Speedy-Tech Electronics (HK) Limited (STHK)	**100.00%**	100.00%	Hong Kong	USD
Speedy-Tech Electronics (Jiaxing) Co., Ltd. (STJX)	**100.00%**	100.00%	China	RMB
Speedy-Tech (Philippines), Inc. (STPH) [d]	**100.00%**	100.00%	Philippines	USD
Cooperatief IMI Europe U.A.	**100.00%**	100.00%	Netherlands	Euro (EUR)
Integrated Micro-Electronics Bulgaria EOOD	**100.00%**	100.00%	Bulgaria	EUR
Microenergia EOOD (Microenergia)	**100.00%**	100.00%	Bulgaria	Bulgarian Lev (BGN)
Integrated Micro-Electronics d.o.o. Niš (IMI Serbia)	**100.00%**	100.00%	Serbia	Serbian Dinar (RSD)
Integrated Micro-Electronics Czech Republic s.r.o.	**100.00%**	100.00%	Czech Republic	EUR
Integrated Micro-Electronics Mexico, S.A.P.I. de C.V.	**100.00%**	100.00%	Mexico	USD
IMI France SAS (IMI France)	**100.00%**	100.00%	France	EUR
VIA Optronics AG (VIA)	**50.32%**	50.32%	Germany	EUR
Germaneers GmbH	**100.00%**	100.00%	Germany	EUR
VIA Optronics (Philippines), Inc.	**100.00%**	100.00%	Philippines	PHP
VIA Optronics GmbH (VIA GmbH)	**100.00%**	100.00%	Germany	USD

Subsidiary	Percentage of Ownership 2024	2023	Country of Incorporation	Functional Currency
VIA Optronics Suzhou Co. Ltd. (VIA Suzhou)	**100.00%**	100.00%	China	USD
VIA Optronics LLC (VIA LLC)	**100.00%**	100.00%	USA	USD
VIA Optronics (Taiwan) Ltd	**100.00%**	100.00%	Taiwan	Taiwan Dollar
VTS-Touchsensor Co., Ltd. (VTS)	**65.00%**	65.00%	Japan	Japanese Yen (JPY)
Integrated Micro-Electronics UK Limited (IMI UK)	**100.00%**	100.00%	United Kingdom	British Pounds (GBP)
IMI USA [b]	**100.00%**	100.00%	USA	USD
IMI Japan [c]	**100.00%**	100.00%	Japan	JPY
PSi	**100.00%**	100.00%	Philippines	USD
PSiTech Realty, Inc. (PSiTech Realty) [c]	**40.00%**	40.00%	Philippines	USD
Pacsem Realty, Inc. (Pacsem Realty) [c]	**64.00%**	64.00%	Philippines	USD

[a] *IMI ROHQ has withdrawn its License in the Philippines as a Regional Operating Headquarters which was approved by the Philippine Securities and Exchange Commission on May 16, 2024.*
[b] *Production ceased in December 2024*
[c] *In the process of liquidation / dormant*

Business Combinations

Sale of STI Enterprise Limited
On August 3, 2023, Integrated Micro-Electronics UK Limited (IMI UK) and the minority shareholders of STI Enterprises Limited (STI) have entered into an agreement to sell their respective 80% and 20% shares in STI to Rcapital, a private investment firm based in London with a portfolio of UK-based companies including precision engineering solution providers in the aerospace and defense sectors, for an agreed consideration of £2.5 million GBP ($3.2 million).

As part of the pre-completion covenant, £2.5 million of funding (£2.24 million or $2.76 million being the share of IMI UK) was provided by the existing shareholders to STI by way of unsecured loan (“Interim Funding”) in order that STI shall be in a position to continue to be able to pay its trade creditors. At completion date, the consideration payable to IMI UK amounted to £2.24 million ($2.76 million). Both the interim funding and the consideration are payable on the earlier of the date falling: (i) two years after the Completion date; and (ii) five business days after the occurrence of a trigger event (the Repayment Date). In each case, interest shall accrue daily (but shall not compound) at 5% per annum, repayable on the Repayment Date.

With the condition precedent having been met, particularly, the UK government’s clearance under the National Security and Investment Act 2021, and closing deliverables having been exchanged by the parties, the transaction was completed on October 31, 2023. The balance sheet accounts as of October 31, 2023 were deconsolidated and subsequently, the financial results of STI were no longer consolidated into the Group’s financial statements.

The conclusion of this divestment initiative allows IMI management to sharpen its portfolio and focus on driving growth and profitability in its core segments. The mobility and industrial markets remain at the forefront for IMI, with interconnectivity and the electrification of vehicles driving technology megatrends of the near future.

At the date of disposal, the carrying amounts of STI’s net liabilities were as follows:

	October 31, 2023
Cash and cash equivalents	$1,759,283
Receivables	15,098,908
Contract assets	11,416,661
Inventories	21,488,832
Other current assets	2,211,370
Property, plant and equipment	4,803,583
Right-of-use assets	2,842,737
Deferred tax assets	1,095
Total Assets	59,622,469

(Forward)

	October 31, 2023
Accounts payable and accrued expenses	$94,570,633
Loans payable	2,306,057
Lease liabilities	3,344,661
Other noncurrent liabilities	1,102,874
Total Liabilities	101,324,225
Total Net Liabilities	($41,701,756)

The profit and loss until the date of disposal is summarized as follows:

	For the period ended October 31, 2023
Revenue	$70,845,741
Cost of sales	69,372,533
Gross profit	1,473,208
Operating expenses	(7,166,214)
Non-operating expenses	(3,768,368)
Loss before income tax	(9,461,374)
Provision for tax	45,001
Net Loss	($9,506,375)

Cash flows generated by STI for the reporting period until its disposal as of October 31, 2023 are as follows:

	For the period ended October 31, 2023
Net cash from operating activities	$2,358,239
Net cash used in investing activities	(462,160)
Net cash used in financing activities	(1,905,663)
Net cash outflow	($9,584)

The table below shows the loss recognized related to sale of STI:

Net liabilities	($41,701,756)
Related goodwill	54,791,019
Non-controlling interests	8,378,206
Total investment carrying value	21,467,469
Shareholder loans	62,368,811
Interim funding (payable after two years)	2,759,407
Total carrying value	86,595,687
Recoverable amount (Interim funding and cash consideration)	5,487,367
Loss on disposal (Note 24)	($81,108,320)

Transaction costs related to the sale recognized in outsourced activities included under operating expenses amounted to $1.33 million.

Information of subsidiaries that have material non-controlling economic interests as at December 31, 2024 and 2023 are provided below:

	Proportion of Equity Interests		Accumulated Balances of Non-controlling Interest	
Subsidiary	**2024**	2023	**2024**	2023
VIA	**49.68%**	49.68%	**$4,746,348**	$32,110,043

The summarized financial information of these subsidiaries are provided below which are based on amounts before inter-company eliminations:

	VIA		STI	
	2024	2023	**2024**	2023
Statements of financial position as at December 31				
Current assets	**$71,117,315**	$93,166,778	**$–**	$–
Noncurrent assets	**17,770,489**	22,777,080	**–**	–
Current liabilities	**72,398,964**	77,969,439	**–**	–
Noncurrent liabilities	**6,935,000**	7,960,763	**–**	–
Statement of comprehensive income for the Year Ended December 31				
Revenue	**117,608,998**	144,045,273	**–**	70,845,741
Loss attributable to:				
Equity holders of parent company	**(13,323,582)**	(11,314,209)	**–**	(7,605,100)
Noncontrolling interest	**(13,251,056)**	(10,743,295)	**–**	(1,901,275)
Statement of cash flows for the Year Ended December 31				
Operating activities	**(19,609,209)**	(2,498,049)	**–**	2,358,239
Investing activities	**(383,043)**	(5,906,217)	**–**	(462,160)
Financing activities	**(5,149,150)**	134,129	**–**	(1,905,663)

The Group recognized impairment of the goodwill arising from the acquisition of VIA amounting to $25.88 million and $15.59 million in 2024 and 2023, respectively (see Note 11).

3. Summary of Significant Accounting and Financial Reporting Policies

Basis of Preparation

The accompanying consolidated financial statements of the Group have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI). The consolidated financial statements are presented in United States Dollar (USD) and all values are rounded to the nearest dollar, unless otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with PFRS Accounting Standards.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as of December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

a. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
b. Exposure, or rights, to variable returns from its involvement with the investee, and
c. The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a. The contractual arrangement with the other vote holders of the investee
b. Rights arising from other contractual arrangements
c. The Group's voting rights and potential voting rights

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

Non-controlling interests pertain to the equity in a subsidiary not attributable, directly or indirectly to the Parent Company. Any equity instruments issued by a subsidiary that are not owned by the Parent Company are non-controlling interests including preferred shares and options under share-based transactions. The portion of profit or loss and net assets in subsidiaries not wholly-owned are presented separately in the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of financial position, separately from the Parent Company's equity. Non-controlling interests are net of any outstanding subscription receivable.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Parent Company. The difference is included as part of additional paid-in capital.

If the Group losses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while the resulting gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

<u>Changes in Accounting Policies and Disclosures</u>
The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those of the previous financial years except for the new PFRS Accounting Standards, amended PFRS Accounting Standards and improvements to PFRS Accounting Standards which were adopted beginning January 1, 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have significant impact on the consolidated financial statements of the Group.

- Amendments to PAS 1*, Classification of Liabilities as Current or Non-current*

  The amendments clarify:
  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PFRS 16*, Lease Liability in a Sale and Leaseback*

  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

- Amendments to PAS 7 and PFRS 7*, Disclosures: Supplier Finance Arrangements*

  The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

<u>Standards Issued but not yet Effective</u>
Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Group's consolidated financial statements, unless otherwise indicated.

Effective beginning on or after January 1, 2025
- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21*, Lack of exchangeability*

Effective beginning on or after January 1, 2026
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
  - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities* and *Transaction Price*
  - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
  - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred effectivity
- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

<u>Current versus Noncurrent Classification</u>
The Group presents assets and liabilities in the consolidated balance sheet based on current or noncurrent classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the balance sheet date; or
- Cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the balance sheet date; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the balance sheet date.

All other liabilities are classified as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Cash and Cash Equivalents
Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

Short-term Investments
Short-term investments are short-term placements with maturities of more than three months but less than one year from the date of acquisition. These earn interest at the respective short-term investment rates.

Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

Initial recognition and measurement
Financial assets are classified at fair value, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI), and Fair value through profit and loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVPL

The financial assets of the Group as of December 31, 2024 and 2023 consist of financial assets at amortized cost (debt instruments) and financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).

Financial assets at amortized cost (debt instruments)
This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes cash and cash equivalents, short-term investments, receivables and miscellaneous deposits included under "Other noncurrent assets" account.

Financial assets designated at FVOCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation,* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group elected to classify irrevocably its investments in club shares and non-listed common equity shares under this category.

Financial assets at FVPL
Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the consolidated balance sheet at fair value with net changes in fair value recognized in the consolidated statement of income.

This category includes derivative instruments which the Group had not irrevocably elected to classify at FVOCI.

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

An embedded derivative within a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as either at amortized cost or at fair value depending on whether the cash flows of the hybrid contract are solely payments of principal and interest and the assessment of the business model within which the financial asset is held. On the other hand, an embedded derivative with a financial liability or a non-financial host is separated from the host and accounted for as a separate derivative if: its economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss.

Separated embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modified the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group’s consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of Financial Assets
The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognized for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

b) Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVPL
Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the consolidated statements of income.

Financial liabilities designated upon initial recognition at FVPL are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied.

This category applies to the Group's derivative liabilities and financial liabilities on put options over the non-controlling interests.

Other financial liabilities
This category pertains to financial liabilities that are not held for trading or not designated as at FVPL upon the inception of the liability. These include liabilities arising from operations and borrowings.

After initial measurement, other financial liabilities are measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on the acquisition and fees or costs that are an integral part of the EIR. Gains and losses are recognized in profit or loss when other financial liabilities are derecognized, as well as through the EIR amortization process.

This category applies to the Group's accounts payable and accrued expenses (excluding advances from customers, advances from third party, statutory payables and taxes payables), loans payable and long-term debt.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheets if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Fair Value Measurement
The Group measures its derivatives, financial assets at FVOCI and financial liabilities at FVPL at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortized cost are disclosed in Note 32.

The fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure the fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which the fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets and liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at balance sheet date.

For purposes of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Inventories
Inventories are valued at the lower of cost and net realizable value (NRV). Cost is determined using the moving average method for raw materials and supplies. For finished goods and work-in-process, cost includes direct materials, direct labor, and a proportion of manufacturing overhead costs based on normal operating capacity determined using the moving average method. NRV is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale. In the event that NRV is lower than cost, the decline shall be recognized as an expense in profit or loss.

Deferred Charges
Deferred charges are recognized when the Group incurred expenses but the benefits are not expected to be realized on a short-term basis. These are normally chargeable to the customers as part of the selling price of the manufactured items.

Property, Plant and Equipment
Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses. The initial cost of property, plant and equipment consists of its purchase price and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to profit or loss in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property, plant and equipment.

Construction in progress is stated at cost, less impairment loss, if any. This includes costs of construction and installation of equipment and machinery items, and any other costs directly attributable to bringing the asset to its intended use. Construction in progress is not depreciated until such time as the relevant assets are completed and put into operational use.

Depreciation of property, plant and equipment commences once the property, plant and equipment are available for use and is calculated on a straight-line basis over the estimated useful lives (EUL) of the assets as follows:

	Years
Buildings	20 – 30
Building improvements	5
Machineries and facilities equipment (Notes 4 and 10)	3 – 13
Furniture, fixtures and office equipment	3 – 5
Transportation equipment	3 – 5
Tools and instruments	2 – 5

The EUL and methods of depreciation of property, plant and equipment are reviewed annually and adjusted prospectively, if appropriate. The EUL of property, plant and equipment are based on expected asset utilization as anchored on business plans and strategies that also consider expected future technological developments and market behavior to ensure that the period of depreciation is consistent with the expected pattern of economic benefits from items of property, plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in profit or loss when the asset is derecognized.

Fully depreciated property, plant and equipment are retained in the accounts until these are no longer used and no further depreciation is charged to profit or loss.

Borrowing Costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Business Combinations and Goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects to measure the non-controlling interest in the acquiree at the proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are expensed as incurred and included in the consolidated statements of income under “Operating expenses” account.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability, that is a financial instrument and within the scope of PFRS 9 is measured at fair value with changes in fair value recognized in profit or loss. Other contingent consideration that is not within the scope of PFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost, less accumulated impairment losses. For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating unit (CGU), or group of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is allocated should:

- Represent the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- Not be larger than an operating segment determined in accordance with PFRS 8, *Operating Segments*.

When goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill allocated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation.

If the initial accounting for a business combination can be determined only provisionally by the end of the period in which the combination is effected because either the fair values to be assigned to the acquiree's identifiable assets, liabilities or contingent liabilities or the cost of the combination can be determined only provisionally, the acquirer shall account for the combination using those provisional values. The acquirer shall recognize any adjustment to those provisional values as a result of completing the initial accounting within 12 months of the acquisition date as follows: (i) the carrying amount of the identifiable asset, liability or contingent liability that is recognized or adjusted as a result of completing the initial accounting shall be calculated as if its fair value at the acquisition date had been recognized from that date; (ii) goodwill or any gain recognized shall be adjusted by an amount equal to the adjustment to the fair value at the acquisition date of the identifiable asset, liability or contingent liability being recognized or adjusted; and (iii) comparative information presented for the periods before the initial accounting for the combination is complete shall be presented as if the initial accounting has been completed from the acquisition date.

<u>Intangible Assets</u>
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as of the date of acquisition.

Research and development costs
Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

(a) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
(b) Its intention to complete and ability to use or sell the intangible asset;
(c) How the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
(d) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
(e) Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

After initial recognition, intangible assets are carried at cost, less accumulated amortization and any accumulated impairment losses. Amortization begins when development is complete, and the asset is available for use. It is amortized over the period of expected benefit.

The EUL of intangible assets is assessed as either finite or indefinite. Intangible assets with finite useful lives are amortized over their EUL and assessed for impairment whenever there is an indication that the intangible asset is impaired. The amortization period and method for intangible assets with finite useful lives are reviewed at least at the end of each balance sheet date. Changes in the EUL or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite useful lives is recognized in profit or loss.

The EUL of intangible assets of finite useful life are as follows:

	Years
Customer relationships	5
Unpatented technology	5
Licenses	2-5
Intellectual properties	5
Product development costs	5

Intangible assets with indefinite useful lives and those not yet available for use are not amortized, but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite useful life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

Non-current assets held for sale and discontinued operations
The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of income.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as Lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use Assets
The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease

incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

Lease Liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term Leases (STL) and Leases of Low-value Assets

The Group applies the STL recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Group applies the low-value assets recognition exemption to leases of underlying assets with a value, when new, of US$5,000 and below. Lease payments on short-term leases and low-value assets are recognized as expense on a straight-line basis over the lease term.

Extension Options

Some property leases contain extension options exercisable by the Group up to one year before the end of the noncancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group re-assesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Impairment of Nonfinancial Assets

The Group assesses at each balance sheet date, whether there is an indication that a nonfinancial asset (e.g., deferred charges, property, plant and equipment, right-of-use assets and intangible assets) is impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value-in-use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations generally covered a period of five years.

For nonfinancial assets, excluding goodwill, an assessment is made at each balance sheet date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years.

Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization expense is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining EUL.

All goodwill of the Group are tested for impairment annually as of December 31 and also tested for impairment when circumstances indicate that the carrying amount is impaired. Provisional goodwill allocated to a CGU is also tested for impairment even if the fair value exercise is not complete during the year.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

<u>Provisions and Onerous Contracts</u>
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

Provision for Restructuring
Restructuring provisions are recognized only when the Group has a constructive obligation, which is when: (i) there is a detailed formal plan that identifies the business or part of the business concerned, the location and number of employees affected, the detailed estimate of the associated costs, and the timeline; and (ii) the employees affected have been notified of the plan's main features.

Onerous Contracts
Many contracts (for example, some routine purchase orders) can be cancelled without paying compensation to the other party, and therefore there is no obligation. Other contracts establish both rights and obligations for each of the contracting parties. Where events make such a contract onerous, the contract falls within the scope of PAS 37, *Provisions, Contingent liabilities and contingent assets,* and a liability exists which is recognized. Executory contracts that are not onerous fall outside the scope of PAS 37.

PAS 37 defines an onerous contract as a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

The cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both:

(a) the incremental costs of fulfilling that contract – for example, direct labour and materials; and
(b) an allocation of other costs that relate directly to fulfilling contracts – for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract among others.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

<u>Equity</u>
Capital stock
Capital stock is measured at par value for all shares issued and outstanding. When the Parent Company issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

Preferred shares may be issued with various rights. In determining whether a preference share is financial liability or equity instrument, the issuer is required to assess the particular rights attaching to the share to determine whether it exhibits the fundamental characteristic of a financial liability. A preference share redeemable only at the holder's option is an equity instrument because the issuer does not have a present or future obligation to transfer financial assets to the shareholder.

Additional paid-in capital
Additional paid-in capital pertains to the difference of the par value and selling price of issued and outstanding shares of stock. Direct costs incurred related to equity issuance, such as underwriting, accounting and legal fees, printing costs and taxes are charged to "Additional paid-in capital" account. If additional paid-in capital is not sufficient, the excess is charged against "Retained earnings" account.

An increase or decrease in a parent's ownership interest that does not result in a loss of control of a subsidiary is accounted for as an equity transaction, i.e. a transaction with owners in their capacity as owners. A parent's ownership interest may change without a loss of control, e.g. when a parent buys shares from or sells shares to a non-controlling interest, a subsidiary redeems shares held by a non-controlling interest, or when a subsidiary issues new shares to a non-controlling interest.

The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. PFRS 10 states that 'the entity shall recognize directly in equity any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, and attribute it to the owners of the parent. The Group recognize this difference under "Additional paid-in capital" account.

Subscriptions receivable
Subscriptions receivable pertains to the uncollected portion of the subscribed shares.

Retained earnings and dividends on capital stock of the Parent Company
Retained earnings represent net accumulated earnings of the Group, less dividends declared. Dividends on capital stock are recognized as a liability and deducted from equity when they are approved by Parent Company's BOD.

Treasury stock
Treasury stock is recorded at cost and is presented as a deduction from equity. When the shares are retired, the “Capital stock” account is reduced by its par value and the excess of cost over par value upon retirement is debited to “Additional paid-in capital” account to the extent of the specific or average additional paid-in capital when the shares were issued and to “Retained earnings” account for the remaining balance.

Revenue Recognition

a) Revenue from contracts with customers
The Group is in the business of providing electronic manufacturing and other related services to various customers. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in its revenue arrangements because it controls the goods or services before transferring them to the customer.

Manufacturing of goods
The Group provides manufacturing services in accordance with the customer’s specifications. The Group promises to provide a combined performance obligation comprised of non-distinct goods or services, which include issuance of materials to production, assembly, testing and packaging.

Contracts with customers are generally classified as turnkey or consignment. In a turnkey contract, the Group procures the materials and provides the assembly services to the customer. In a consignment contract, the Group only provides assembly services to the customer.

For turnkey contracts, revenue is recognized over time since the products created have no alternative use to the Group and the Group has right to payment for performance completed to date including the related profit margin, in case of termination for reasons other than the Group’s failure to perform as promised.

For goods manufactured not covered by customer purchase orders or firm delivery schedule, revenues are recognized at a point in time, when control of the asset is transferred to the customer, generally when goods are shipped or goods are received by the customer, depending on the corresponding agreement with the customer.

For consignment contracts, revenue is recognized over time as services are rendered since the customer simultaneously receives and consumes the benefits as the Group performs.

For R&D engineering services, revenue is recognized over time as the customer simultaneously receives and consumes the benefits provided by the Group’s performance completed to date.

Revenue from optical bonding technology and metal mesh touch sensors (VIA and VTS)
For optical bonding services performed under the consignment model, revenue is recognized at a point in time based on the fact that the assets created have alternative use to the Group entities. This is when the enhancement process is finalized, the customer removes the enhanced products from the consignment stock and is invoiced, according to contract.

For the sale of products under the full service model, revenue is recognized at a point in time when control of the products are transferred to the customers, generally on delivery of the products.

Non-recurring engineering services
Non-recurring engineering charges, tooling and other pre-production revenue stream (NREs) are recognized at a point in time since the criteria for over time recognition is not met. This is based on the assessment that while, in general, the Group has no alternative use for these NREs, either due to customization or restrictions by the customer, there is no assurance or relevant experience that IMI has enforceable right to payment or can recover the cost, plus reasonable margin, in case of contract termination. Point in time revenue recognition for NREs would mean revenue is recognized upon customer acceptance of the NREs (transfer of control).

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., customer options that provide material rights to customers, warranties). In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration and consideration payable to the customer, if any.

Variable consideration
If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Significant financing component
The Group's contracts with its customers are short-term in nature. Using the practical expedient in PFRS 15, the Group does not adjust the promised amount of consideration of the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Group does not have significant separate performance obligations wherein the transaction price needs to be allocated as of December 31, 2024 and 2023.

b) Contract balances

Contract asset
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract liability
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). A contract liability is recognized as revenue when the Group performs under the contract.

c) Cost to obtain a contract

The Group pays sales commission to its employees for each contract that they obtain. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions (included under operating expenses) because the amortization period of the asset that the Group otherwise would have used is one year or less.

<u>Other Income</u>
Interest income
Interest income is recognized as it accrues using the EIR method.

Dividends
Dividend income is recognized when the right to receive the payment is established.

Miscellaneous income
Miscellaneous income is recognized as the Group earns the right over it.

<u>Expenses</u>
Cost of sales
This account includes cost of goods sold and cost of services. These expenses pertain to the direct expenses incurred by the Group in relation to the products and services offered. Cost of sales is recognized when the related goods are sold and when services are rendered.

Operating expenses
This account pertains to the general and administrative expenses. Operating expenses are recognized when incurred, except for short term and low value rental expense, which is computed on a straight line-basis over the lease term.

Government Grants
Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is initially recognized as a liability in the consolidated balance sheet and recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to the acquisition or construction of a fixed asset, it is initially recognized as a liability in the consolidated balance sheet and recognized as income in equal amounts over the period of depreciation of the related asset.

<u>Foreign Currency Transactions</u>
Functional currency is determined for each entity within the Group and items included in the financial statements of each entity are measured and recorded using that functional currency. For consolidation purposes, the foreign subsidiaries' balances are translated to USD, which is the Parent Company's functional and presentation currency.

Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transaction. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

The functional currencies of the Group's foreign subsidiaries are summarized in Note 2 to the consolidated financial statements. As at the balance sheet date, the assets and liabilities of these subsidiaries are translated into the presentation currency of the Parent Company at the rate of exchange ruling at the balance sheet date and their profit and loss accounts are translated monthly using the monthly weighted average exchange rates. The exchange differences arising on the translation are recognized in the consolidated statement of comprehensive income and reported as a separate component of equity (cumulative translation adjustment).

Exchange differences arising from elimination of intragroup balances and intragroup transactions are recognized in profit or loss. As an exception, if the exchange differences arise from intragroup balances that, in substance, forms part of an entity's net investment in a foreign operation, the exchange differences are not to be recognized in profit or loss, but are recognized in OCI and accumulated in a separate component of equity until the disposal of the foreign operation.

On disposal of a foreign entity, the deferred cumulative amount recognized in the consolidated statement of comprehensive income relating to that particular foreign operation shall be recognized in profit or loss.

Income Taxes

Current tax

Current tax assets and current tax liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as of the balance sheet date in the countries where the Group operates and generates taxable profit.

Current tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, when appropriate.

Deferred tax

Deferred tax is provided using the liability method on all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as of the balance sheet date.

Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of unused tax losses, to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences and carryforward benefits of unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and sufficient future taxable profits will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as of the balance sheet date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

For periods where an Income Tax Holiday (ITH) is in effect, no deferred taxes are recognized in the consolidated financial statements as the ITH status of the Group neither results in a deductible temporary difference or taxable temporary difference. However, for temporary differences that are expected to reverse beyond the ITH, deferred taxes are recognized.

Earnings per Share (EPS) Attributable to Equity Holders of the Parent Company
Basic EPS is computed by dividing net income attributable to common equity holders by the weighted average number of common shares outstanding and adjusted to give retroactive effect to any stock dividends declared during the period. Diluted EPS is computed by dividing net income attributable to common equity holders by the weighted average number of common shares outstanding, plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares. The calculation of diluted EPS does not assume conversion, exercise or other issue of potential common shares that would have an antidilutive effect on EPS.

Retirement and Other Employee Benefits
Defined benefit plans
The Parent Company, PSi, IMI BG and IMI Serbia maintain separate defined benefit plans covering substantially all of their employees. The plans of the Parent Company and PSi are funded and noncontributory retirement plans administered by their respective Boards of Trustees, while that of IMI BG and IMI Serbia is unfunded and noncontributory.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. Actuarial valuations are conducted with sufficient regularity, with the option to accelerate when significant changes to underlying assumptions occur.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on net retirement liabilities is the change during the period in net retirement liabilities that arises from the passage of time which is determined by applying the discount rate based on government bonds to net retirement liabilities. Net interest on retirement liabilities is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on net retirement liabilities) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net retirement liabilities are the aggregate of the present value of the defined benefit obligation at the end of the balance sheet date reduced by the fair value of plan assets, adjusted for any effect of limiting a net retirement asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. The fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

Defined contribution plans
The Parent Company's subsidiaries in Singapore, China, Czech Republic, Mexico, Germany, Japan, and UK participate in the respective national retirement schemes defined by the laws of the countries in which it has operations. These retirement schemes are considered as defined contribution plans. A defined contribution plan is a plan under which the subsidiary pays fixed contributions. Each subsidiary has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The required contributions to the national retirement schemes are recognized as retirement expense as accrued.

Singapore
The subsidiaries incorporated in Singapore make contributions to the Central Provident Fund (CPF) scheme in Singapore, a defined contribution scheme. Contributions to the CPF scheme are recognized as an expense in the period in which the related service is performed.

China
The subsidiaries incorporated and operating in China are required to provide certain staff retirement benefits to their employees under existing China regulations, a defined contribution scheme. Retirement contributions are provided at rates stipulated by China regulations and are contributed to a retirement fund managed by government agencies, which are responsible for administering these amounts for the subsidiaries' employees. Contributions to this defined contribution scheme are recognized as expense in the period in which the related service is performed.

IMI CZ
IMI CZ, under its collective agreement, is committed to pay contributions to life and retirement insurance of its loyal employees. This is done on a monthly basis as part of payroll expenses and only over the employment period. IMI CZ is not obliged to any other payments if employment terminates.

IMI MX
In accordance with the Mexican Labor Law, IMI MX provides seniority premium benefits to its employees under certain circumstances. These benefits consist of a one-time payment equivalent to twelve days of wage for each year of service (at the employee's most recent salary, but not to exceed twice the legal minimum wage), payable to all employees with fifteen or more years of service, as well as to certain employees terminated involuntarily prior to the vesting of their seniority premium benefit.

IMI MX also provides statutorily mandated severance benefits to its employees terminated under certain circumstances. Such benefits consist of a one-time payment of three months wages plus twenty days wages for each year of service payable upon involuntary termination without just cause. These are recognized when such an event occurs.

VIA
Pensions and similar obligations relate to VIA's statutory pension obligations for defined contribution plans. Obligations for contributions to defined contribution plans are recognized as an expense when incurred. VIA Group has no defined benefit plans.

Employee leave entitlement
Employee entitlements to annual leave are recognized as a liability when they accrue to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the balance sheet date is recognized for services rendered by employees up to the end of the balance sheet date.

Share-based Payment Transactions
Certain employees (including directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions").

The Group has an employee stock ownership plan (ESOWN) which allows the grantees to purchase the Parent Company's shares at a discounted price. The Group recognizes employee benefit expense over the holding period. The Group treats its ESOWN plan as option payable within a given period. These are accounted for similar to the methods outlined in PFRS 2. Dividends paid on the awards that have vested are deducted from equity while those paid on awards that are unvested are charged to profit or loss.

Operating Segments
The Group is organized and managed separately according to geographical locations of businesses. The geographical segments are segregated as follows: Philippines, China, Europe, Mexico, Germany (Germany/UK in 2023), and USA/Japan/Singapore/IMI UK. These geographical businesses are the basis upon which the Group reports its operating segment information presented in Note 29.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the consolidated financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the consolidated financial statements when an inflow of economic benefits is probable.

Events after the Balance Sheet Date
Post period events that provide additional information about the Group's financial position at the balance sheet date (adjusting events) are reflected in the consolidated financial statements. Post period events that are non-adjusting events are disclosed in the consolidated financial statements when material.

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with PFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Uncertainty about these judgments, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets and liabilities affected in future periods.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Determining the lease term of contracts with renewal and termination options - Group as lessee
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., a change in business strategy, construction of significant leasehold improvements or significant customization to the leased asset).

The Group's leases consist mainly of land, production facilities and warehouses and office buildings (land and buildings). The Group included the renewal period as part of the lease term for leases of land and buildings due to the significance of these assets to its operations. These leases have a lease term of more than one year and there will be a significant negative effect on the business if a replacement is not readily available.

Revenue from contracts with customers

- Identifying contracts with customers
  Generally, a valid and approved manufacturing service agreement (MSA), scheduling agreement (SA), customer accepted quote, customer forecast, and/or customer purchase order or firm delivery schedule will be in place before the Group provides services or manufacture goods for the customers. The Group is not obligated to transfer any goods or provide services until the customer submits a purchase order or firm delivery schedule under the MSA or SA, respectively. The purchase order or firm delivery schedule creates the enforceable rights and obligations and is therefore evaluated together with the MSA or SA for revenue recognition in accordance with PFRS 15.

- Determining the timing of revenue recognition
  The Group assessed that revenue from manufacturing of goods shall be recognized over time or point in time. For turnkey contracts wherein the products created have no alternative use to the Group and the Group has right to payment for performance completed to date including the related profit margin, in case of termination for reasons other than the Group's failure to perform as promised, revenue is recognized over time. For goods manufactured not covered by customer purchase orders or firm delivery schedule, revenues are recognized at a point in time. For consignment contracts, revenue is recognized over time as services are rendered since the customer simultaneously receives and consumes the benefits as the Group performs.

- Determining the method of measure of progress for revenue recognized over time
  The Group measures progress towards complete satisfaction of the performance obligation using an input method (i.e., costs incurred). Management believes that this method provides a faithful depiction of the transfer of goods or services to the customer because the Group provides integration service to produce a combined output and each item in the combined output may not transfer an equal amount of value to the customer.

Product development costs
Expenditures for the development of new products or production systems are recognized as intangible assets if such expenditures, with a high degree of certainty, will result in future economic benefits for the Group. The rules require stringent criteria to be met for these development expenditures to be recognized as assets such as determining technical feasibility of completing the intangible asset. Management assessed that it is able to meet the identifiability and separability criteria provided in PAS 38, *Intangible Assets,* on the premise that the projects involved are in separate locations from other existing lines and that each project arises from a contractual right between the Group and each customer. Moreover, management is able to demonstrate that the projects are in the advanced stage of development.

Functional currency
PAS 21, *Effects of Changes in Foreign Exchange Rates*, requires management to use its judgment to determine each entity's functional currency such that it most faithfully represents the economic effects of the underlying transactions, events and conditions that are relevant to the Group. In making this judgment, each entity within the Group considers the currency in which the sales prices for its goods and services are denominated and settled.

Onerous contracts - costs of fulfilling a contract
When the Group assessed that it has contracts that are onerous, the present obligation under the contract shall be recognized and measured as a provision. The Group defines an onerous contract as a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

The Group applies judgment in assessing loss-making projects and determining commitment period or non-cancellable period of the contract.

Further details are disclosed in Notes 18 and 22.

Contingencies
The Group is currently involved in various legal proceedings. The estimates of the probable costs of the resolutions and assessments of these claims have been developed in consultation with outside counsels handling the defense in these matters and are based upon analyses of potential results. The Group currently does not believe that these proceedings and tax assessments will have a material effect on the Group's financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings.

Further details are disclosed in Note 34.

Estimates and Assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet dates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its estimates and assumptions on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Estimated Useful Lives (EUL) of Property, Plant, and Equipment (PPE)
The Group estimates the useful lives of its PPE based on expected usage, wear and tear, and technological or commercial obsolescence. The Group reviews the EUL of PPE annually. If the result of the review indicates that the PPE will continue to be used for a period longer or shorter than the existing policy and practice, the EUL is revised. The change in EUL is accounted for prospectively (no restatement of prior periods) and applied to existing assets at the time of change and to future assets to be acquired in future periods. An increase in the EUL of PPE will result in lower depreciation since the carrying values of the PPE will be depreciated over the extended remaining lives.

Lease commitments - Group as lessee
Leases - Estimating the incremental borrowing rate
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency).

The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Provision for expected credit losses of trade receivables and contract assets
The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., customer type and rating, and coverage by letters of credit and other forms of credit insurance, etc.).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., industry compounded annual growth rate) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The Group has considered the macroeconomic variables and loss rates in the computation of ECL. The changes in the gross carrying amount of receivables from the sales of the Group during the year did not materially affect the allowance for ECLs.

Further details on the expected credit loss are disclosed in Note 6.

Estimating NRV of inventories
Inventories are valued at the lower of cost and NRV. This requires the Group to make an estimate of the inventories' estimated selling price in the ordinary course of business, costs of completion and costs necessary to make a sale to determine the NRV. In the event that NRV is lower than cost, the decline is recognized as an expense. Further details on inventories are disclosed in Note 8.

Depreciation and amortization
The Group computes depreciation and amortization of property, plant and equipment, right-of-use assets and intangible assets with finite useful life on a straight-line basis over the assets' EUL. The EUL and depreciation and amortization method are reviewed annually to ensure that these are consistent with the expected pattern of the economic benefits from the assets. This requires the Group to make an estimate of the expected asset utilization from business plans and strategies, future technical developments and market behavior to determine the expected pattern of economic benefits from the assets. Changes in the EUL or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the depreciation and amortization period or method, as appropriate, and are treated as changes in accounting estimates. The depreciation and amortization expense on property, plant and equipment and intangible assets with finite useful lives are recognized in profit or loss, in the expense category, consistent with the function of the property, plant and equipment and intangible assets.

Further details on property, plant and equipment, intangible assets, and right-of-use assets are disclosed in Notes 10, 12 and 30, respectively.

Evaluation of impairment of nonfinancial assets
The Group reviews property, plant and equipment, right-of-use assets, goodwill, intangible assets and deferred charges, for impairment of value. Except for the impairment for goodwill which is assessed at least annually, the impairment evaluation for the other nonfinancial assets includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends.

The Group estimates the recoverable amount as the higher of the fair value less costs to sell and value-in-use. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that may affect property, plant and equipment, right-of-use assets, intangible assets and deferred charges. For goodwill and other non-financial assets, this requires an estimation of the recoverable amount which is the fair value less costs to sell or value-in-use of the CGU to which the goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows for the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of cash flows. Further details on property, plant and equipment, goodwill, intangible assets, deferred charges, and right-of-use assets are disclosed in Notes 10, 11, 12, 14 and 30, respectively.

Details of the impairment loss recognized are disclosed in Notes 10, 11, 12 and 24.

Taxes
Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable profits. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience on previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences in interpretation may arise for a wide variety of issues depending on the conditions prevailing in the respective domicile of the entities within the Group.

Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of unused tax losses, to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences and carryforward benefits of unused tax losses can be utilized. Significant judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Further details on taxes are disclosed in Note 25.

Retirement and other employee benefits
The cost of defined benefit plans and other long-term employee benefits as well as the present value of defined benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rates, turnover rates, mortality rates, salary increase rates, and future retirement increases. Due to the complexity of the actuarial valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each balance sheet date.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The turnover rate represents the proportion of the current plan members who will resign from service prior to their retirement date and hence, be entitled to resignation benefits instead of retirement benefits. The mortality rate is based on publicly available mortality tables and is modified accordingly with estimates of mortality improvements. Salary increase rates and future retirement increases are based on expected future inflation rates.

The Group also estimates other short-term employee benefit obligations and expenses, including the cost of paid leaves based on historical leave availments of employees, subject to the Group’s policies. These estimates may vary depending on the future changes in salaries, turn-over rates, mortality rates and actual experiences during the period.

Further details on retirement and other employee benefits are disclosed in Note 27.

Onerous contracts - costs of fulfilling a contract
The Group estimates the provision on onerous contract by determining the revenues less unavoidable costs during the commitment period based on financial budgets approved by management. In determining unavoidable costs, the Group excludes other non-directly related costs such as costs of wasted materials, labor inefficiencies and other costs of resources that were not reflected in the pricing of the contract.

Where the effect of the time value of money is material, the amount of a provision shall be the present value of the expenditures expected to be required to settle the obligation. Because of the time value of money, provisions relating to cash outflows that arise soon after the reporting period are more onerous than those where cash outflows of the same amount arise later. Provisions are therefore discounted, where the effect is material.

The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall not reflect risks for which future cash flow estimates have been adjusted. The Group assessed that the time value of money is not applicable in the determination of the current provision as the committed periods are normally not exceeding one year.

Further details on onerous contracts are disclosed in Notes 18 and 22.

5. Cash on Hand and in Banks, Cash Equivalents and Short-term Investments

Cash on hand and in banks

	2024	2023
Cash on hand	**$138,404**	$72,843
Cash in banks	**91,205,172**	91,515,173
	$91,343,576	$91,588,016

Cash in banks earn interest at the respective bank deposit rates.

Cash equivalents
Cash equivalents have maturities of varying periods of up to three months and earn interest at the respective cash equivalents rates. As of December 31, 2024, cash equivalents amounting to $0.60 million earned interest ranging from 3.65% to 3.70% per annum in 2024.

Interest income earned from cash in banks and cash equivalents amounted to $0.37 million in 2024, $0.27 million in 2023 and $0.25 million in 2022.

Short-term Investments
Short-term investments pertain to money market placements made for varying periods of more than three months but less than one year. As of December 31, 2023, short-term investment amounting to $11.42 million and earned interest ranging 5.3% to 5.5% per annum in 2023.

Interest income earned from these investments amounted to $1.23 million and $1.76 million in 2024 and 2023, respectively.

6. **Receivables**

This account consists of:

	2024	2023
Trade	**$218,453,220**	$260,623,416
Nontrade	**3,006,468**	16,590,926
Due from related parties (Note 31)	**1,533,381**	1,197,239
Receivable from employees	**98,984**	223,780
Others	**5,872,771**	6,058,958
	228,964,824	284,694,319
Less allowance for ECLs	**1,571,586**	985,684
	$227,393,238	$283,708,635

Trade
Trade receivables arise from manufacturing and other related services for electronic products and components and have credit terms averaging 70 days from invoice date.

Nontrade
Nontrade receivables represent billings to customers for production and test equipment and all other charges agreed with the customers in carrying out business operations. These receivables have credit terms averaging 45 days from invoice date.

Receivable from Employees
Receivable from employees mostly pertain to non-interest bearing short-term loans granted to the Group's employees which are collectible through salary deduction.

Others
IMI UK provided GBP2,237,500 ($2,802,234 and $2,850,575 as of December 31, 2024 and 2023, respectively) of funding by way of unsecured loan to STI in order that each Group Company shall be in a position to continue to be able to pay its trade creditors (the Interim Funding). IMI UK also recognized receivable from RCapital equivalent to the cash consideration on the sale amounting to GBP2,237,500 ($2,802,234 and $2,850,575 as of December 31, 2024 and 2023, respectively). For both the interim funding and the consideration, interest shall accrue daily (but shall not compound) at 5% per annum, repayable on the earlier of the date falling: (i) two years after the Completion Date; and (ii) five Business Days after the occurrence of a Trigger Event (the Interim Funding Repayment Date). The accrued interest in relation to the above balances amounted to $0.36 million as of December 31, 2024.

Allowance for ECLs
Trade receivables and nontrade receivables with aggregate nominal value of $1.57 million and $0.99 million as of December 31, 2024 and 2023, respectively, were individually assessed to be impaired and fully provided with allowance for doubtful accounts.

Movements in the allowance for ECLs are as follows:

	December 31, 2024		
	Trade	**Nontrade**	**Total**
At beginning of year	**$973,524**	**$12,160**	**$985,684**
Provisions (Note 22)	**810,821**	**88,339**	**899,160**
Written-off	**(214,471)**	**(8,930)**	**(223,401)**
Foreign currency exchange difference	**(89,857)**	**–**	**(89,857)**
At end of year	**$1,480,017**	**$91,569**	**$1,571,586**

	December 31, 2023		
	Trade	Nontrade	Total
At beginning of year	$3,303,461	$43,668	$3,347,129
Provisions (reversals) (Note 22)	596,318	(21,823)	574,495
Written-off	(2,857,855)	(9,685)	(2,867,540)
Disposal of subsidiary	(281,197)	–	(281,197)
Foreign currency exchange difference	212,797	–	212,797
At end of year	$973,524	$12,160	$985,684

Provisions form part of “Operating expenses” account and are included under “Facilities costs and others” (see Note 22).

7. Contract Balances

This account consists of:

	2024	2023
Contract assets	**$42,642,460**	$52,900,849
Contract liabilities	**3,442,269**	2,748,320

Contract assets are initially recognized for revenue earned from manufacturing of goods as receipt of consideration is conditional on successful completion of the services. When goods are shipped or goods are received by the customer, depending on the corresponding agreement with the customers, the amounts recognized as contract assets are reclassified to trade receivables. Payments are received from customers depending on the credit terms.

For the years ended December 31, 2024 and 2023, the Group did not recognize a provision for expected credit losses on contract assets.

Contract liabilities include short-term advances received to render manufacturing services. The increase in contract liabilities was mainly due to higher advance payments received from new and existing customers.

The Group applied the practical expedient in PFRS 15 on the disclosure of information about the transaction price allocated to remaining performance obligations given that customer contracts have original expected duration of one year or less.

8. Inventories

This account consists of:

	2024	2023
Raw materials and supplies	**$207,376,344**	$264,733,491
Work-in-process	**8,478,650**	6,934,237
Finished goods	**5,806,534**	7,991,763
	221,661,528	279,659,491
Less allowance for:		
Inventory obsolescence	**19,023,390**	10,062,010
Decline in value of inventories	**173,466**	283,934
	19,196,856	10,345,944
	$202,464,672	$269,313,547

The cost of the raw materials inventories carried at NRV amounted to $14.77 million and $28.36 million as of December 31, 2024 and 2023, respectively. The amount of inventories recognized as an expense under “Cost of sales” account amounted to $803.27 million in 2024, $957.02 million in 2023, and $1,043.62 million in 2022 (see Note 20).

Movements in the allowance for inventory obsolescence follow:

	2024	2023
At beginning of year	**$10,062,010**	$12,601,131
Provisions (Note 22)	**9,292,334**	3,937,085
Write-offs	**(127,497)**	(626,684)
Disposal of subsidiary	**–**	(4,968,364)
Foreign currency exchange difference	**(203,457)**	(881,158)
At end of year	**$19,023,390**	$10,062,010

Movements in the allowance for decline in value of inventories follow:

	2024	2023
At beginning of year	**$283,934**	$294,710
Reversal (Note 22)	**(110,468)**	(10,776)
At end of year	**$173,466**	$283,934

In 2024, certain inventories were provided with one-time allowance amounting to $7.77 million due to end of life of the business and customer impending liquidity issues. The Group is working on the recovery of these inventories through disposal and legal claims.

The Group recognized gains from sale of materials and scrap amounting to $0.04 million in 2024, $0.06 million in 2023, and $0.03 million in 2022 included under “Other income (expenses) - net” (see Note 24) and loss on write-offs of inventories included under “Operating expenses” account in the consolidated statements of income (see Note 22).

9. Other Current Assets

This account consists of:

	2024	2023
Input taxes	**$13,638,609**	$11,468,501
Prepayments and deferred charges	**4,315,239**	5,841,008
Advances to suppliers	**3,481,830**	4,185,344
Tax credits	**3,316,616**	7,912,428
Others	**396,917**	988,407
	$25,149,211	$30,395,688

Input Taxes
This account includes input tax expected to be applied against output tax within 12 months from the balance sheet date. Input tax is recognized when an entity in the Group purchases goods or services from a supplier or vendor.

Prepayments and Deferred Charges
Prepayments include prepayments for rent, insurance for life, fire and product liability & recall, and directors & officers (D&O) liability insurance.

Advances to Suppliers
This account represents advance payments made to suppliers for purchase of direct materials.

Tax Credits
Tax credits represent recoverable taxes of IMI MX and BG such as VAT refundable and business tax and amounts withheld from income tax payments of the Parent Company and PSi.

10. **Property, Plant and Equipment**

Movements in this account follows:

	2024						
	Land, Buildings and Improvements	**Machineries and Facilities Equipment**	**Furniture, Fixtures and Office Equipment**	**Transportation Equipment**	**Tools and Instruments**	**Construction in Progress**	**Total**
Cost							
At beginning of year	**$100,791,059**	**$174,110,892**	**$22,927,623**	**$2,657,103**	**$8,177,673**	**$4,697,719**	**$313,362,069**
Additions	**325,849**	**1,733,704**	**879,939**	**743,313**	**101,418**	**5,667,149**	**9,451,372**
Disposals/retirement	**(1,727,245)**	**(15,572,890)**	**(2,107,275)**	**(592,430)**	**(936,880)**	**(20,972)**	**(20,957,692)**
Reclassifications	**(793,983)**	**(2,413,935)**	**(360,681)**	**(18,441)**	**–**	**–**	**(3,587,040)**
Transfers	**94,784**	**6,616,729**	**61,153**	**67,090**	**5,350**	**(6,845,106)**	**–**
Foreign currency exchange difference	**(2,185,880)**	**(6,262,945)**	**(597,412)**	**(102,920)**	**(275,107)**	**(158,528)**	**(9,582,792)**
At end of year	**96,504,584**	**158,211,555**	**20,803,347**	**2,753,715**	**7,072,454**	**3,340,262**	**288,685,917**
Accumulated depreciation							
At beginning of year	**54,589,417**	**90,423,725**	**16,976,295**	**1,754,289**	**2,959,003**	**–**	**166,702,729**
Depreciation	**3,819,845**	**17,119,534**	**1,981,970**	**477,830**	**170,927**	**–**	**23,570,106**
Disposals/retirement	**(645,866)**	**(14,370,887)**	**(2,084,258)**	**(567,489)**	**(930,688)**	**–**	**(18,599,188)**
Reclassifications	**(793,983)**	**(2,270,516)**	**(355,175)**	**(17,180)**	**–**	**–**	**(3,436,854)**
Foreign currency exchange difference	**(774,402)**	**(4,234,501)**	**(93,922)**	**(68,279)**	**(145,763)**	**–**	**(5,316,867)**
At end of year	**56,195,011**	**86,667,355**	**16,424,910**	**1,579,171**	**2,053,479**	–	**162,919,926**
Accumulated impairment losses							
At beginning and end of year	**–**	**7,934,080**	**–**	**–**	**–**	**–**	**7,934,080**
Net impairment loss (Notes 4 and 24)	**106,580**	**4,615,779**	**99,977**	**2,972**	**106,903**	**–**	**4,932,211**
Foreign currency exchange difference	**–**	**(319,789)**	**–**	**–**	**–**	**–**	**(319,789)**
At end of year	**106,580**	**12,230,070**	**99,977**	**2,972**	**106,903**	**–**	**12,546,502**
Net book value	**$40,202,993**	**$59,314,130**	**$4,278,460**	**$1,171,572**	**$4,912,072**	**$3,340,262**	**$113,219,489**

	2023						
	Land, Buildings and Improvements	Machineries and Facilities Equipment	Furniture, Fixtures and Office Equipment	Transportation Equipment	Tools and Instruments	Construction in Progress	Total
Cost							
At beginning of year	$101,117,036	$196,843,203	$26,305,898	$2,184,570	$9,287,712	$6,065,577	$341,803,996
Additions	1,139,714	10,160,950	1,357,768	465,506	201,783	13,967,913	27,293,634
Disposals/retirement	(4,169)	(34,985,026)	(5,032,020)	(211,361)	(1,225,806)	–	(41,458,382)
Disposals through subsidiary sold	(3,437,083)	(10,683,386)	(345,678)	–	–	–	(14,466,147)
Transfers	449,760	15,011,502	368,020	53,731	(548,985)	(15,334,028)	–
Foreign currency exchange difference	1,525,801	(2,236,351)	273,635	164,657	462,969	(1,743)	188,968
At end of year	100,791,059	174,110,892	22,927,623	2,657,103	8,177,673	4,697,719	313,362,069
Accumulated depreciation							
At beginning of year	51,549,544	115,744,321	20,055,321	1,405,458	4,121,448	–	192,876,092
Depreciation	4,692,601	19,005,888	2,147,323	439,891	151,655	–	26,437,358
Disposals/retirement	(1,772)	(34,363,493)	(5,027,168)	(193,443)	(1,206,803)	–	(40,792,679)
Disposals through subsidiary sold	(2,060,039)	(7,296,678)	(305,846)	–	–	–	(9,662,563)
Foreign currency exchange difference	409,083	(2,666,313)	106,665	102,383	(107,297)	–	(2,155,479)
At end of year	54,589,417	90,423,725	16,976,295	1,754,289	2,959,003	–	166,702,729
Accumulated impairment losses							
At beginning and end of year	–	2,819,267	–	–	–	–	2,819,267
Net impairment loss (Notes 4 and 24)	–	5,045,014	–	–	–	–	5,045,014
Foreign currency exchange difference	–	69,799	–	–	–	–	69,799
At end of year	–	7,934,080	–	–	–	–	7,934,080
Net book value	$46,201,642	$75,753,087	$5,951,328	$902,814	$5,218,670	$4,697,719	$138,725,260

In 2024, in relation to the strategic closure of the Chengdu facility, the Group reclassified the property, plant and equipment with carrying value of $0.15 million to “Other current assets” and were written down to their fair values resulting to impairment loss of $1.31 million (see Note 24). These are expected to be sold in 2025.

In 2024 and 2023, the Group recognized provision for impairment of certain assets amounting to $4.48 million and $5.05 million, respectively, due to end of contract with the customers.

In relation to the cessation of manufacturing operation in IMI USA, certain property, plant and equipment were recognized for impairment in 2024 amounting to $0.45 million. This move is part of IMI’s ongoing efforts to streamline operations and reduce costs, aligning with the company’s strategy to consolidate its footprint into strategically located facilities.

Construction in progress pertains to the construction and development of manufacturing production lines of the Group. Construction in progress transferred to property, plant and equipment amounted to $6.84 million and $15.33 million as of December 31, 2024, and 2023, respectively.

The Group recognized gain from disposal and retirement of certain items of property, plant and equipment amounting to $1.75 million in 2024 (including gain on sale of a parcel of land in Mexico amounting to $1.55 million) and $0.06 million in 2023, and loss from disposal and retirement amounting to $2.36 million in 2022 (see Note 24).

As of December 31, 2024 and 2023, the cost of fully depreciated property, plant and equipment still being used by the Group amounted to $156.42 million and $152.49 million, respectively.

Depreciation expense included in "Cost of sales" and "Operating expenses" accounts follows:

	2024	2023	2022
Cost of sales (Note 20)	**$20,881,521**	$23,258,667	$25,611,371
Operating expenses (Note 21)	**2,688,585**	3,178,691	2,298,569
	$23,570,106	$26,437,358	$27,909,940

As of December 31, 2024, certain property, plant and equipment with carrying value of $1.24 million is pledged as security to loans of IMI CZ with outstanding balance of $1.99 million. Other than this arrangement, the Group has no other restrictions on its property, plant and equipment or have been pledged as security for its obligations.

There are no borrowing costs recognized as part of the cost of the property, plant and equipment.

11. Goodwill

Goodwill acquired through business combinations had been allocated to the following CGUs:

	2024	2023
STEL	**$38,225,186**	$38,225,186
VIA	**1,792,521**	30,355,149
Parent Company	**441,166**	1,097,776
IMI CZ	**–**	502,575
	$40,458,873	$70,180,686

Movement in goodwill follows:

	2024	2023
Cost		
At beginning of year	**$92,674,359**	$143,150,678
Disposal of subsidiary (Notes 2 and 24)	**–**	(54,791,019)
Foreign currency exchange difference	**(2,712,508)**	4,314,700
At end of year	**89,961,851**	92,674,359
Accumulated impairment loss		
At beginning of year	**22,493,673**	6,902,838
Impairment loss (Note 24)	**27,009,305**	15,590,835
At end of year	**49,502,978**	22,493,673
	$40,458,873	$70,180,686

VIA, STEL and IMI CZ

The recoverable amounts of these CGUs have been based on value-in-use calculations using cash flow projections from financial budgets prepared by the management and approved by the BOD covering a five (5)-year period. The pre-tax discount rates applied to cash flow projections follows:

	2024	2023
VIA	**14.32%**	12.01%
STEL	**15.17%**	13.37%
IMI CZ	**10.28%**	12.87%

Cash flows beyond the 5-year period are extrapolated using a growth rate of 0%-1% which does not exceed the compound annual growth rate (CAGR) for the area-specific electronics manufacturing services (EMS) industry, specifically on automotive, industrial equipment, consumer electronics and telecommunications segments.

Key assumptions used in the value-in-use calculations
The calculations of value-in-use for the CGUs are most sensitive to the following assumptions:

- Revenue - Revenue forecasts are management's best estimates considering factors such as industry CAGR, existing customer contracts, purchase orders and quotations, status of prototyping, current negotiations and historical experiences and other economic factors.
- Forecasted gross margins - Gross margins are based on the mix of business model arrangements with the customers. Significant assumptions include freight cost, labor costs and material costs.
- Overhead and administrative expenses - estimates are based on applicable inflation rates in the respective countries of the cash generating units considering expected future cost efficiencies and production facilities rationalization.
- Pre-tax discount rates - Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. This is also the benchmark used by management to assess operating performance. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital.

In 2024, the Group recognized impairment loss on the goodwill of VIA and IMI CZ amounting to $25.88 million and $0.47 million respectively (see Note 24).

In 2023, the Group recognized loss of $54.79 million related to the sale of STI (see Note 2) and partial impairment loss related to the goodwill on the acquisition of VIA of $15.59 million (see Note 24).

No impairment loss was assessed for STEL and IMI CZ in 2023.

Sensitivity to changes in assumptions
Value in use calculation is sensitive to pre-tax discount rates, revenue growth rate and direct cost ratio. With regard to the assessment of value-in-use of STEL, an increase in the pre-tax discount rate by more than 0.73% would result to impairment of goodwill. In addition, a decrease in revenue growth rate of STEL by more than 0.77% would result to an additional impairment. Lastly, an increase direct cost ratio of STEL by 0.49% would also result to impairment.

Parent Company
The goodwill of the Parent Company pertains to its acquisition of M. Hansson Consulting, Inc. (MHCI) in 2006 and IMI USA in 2005. MHCI was subsequently merged to the Parent Company as testing and development department. IMI USA acts as direct support to the Group's customers by providing program management, customer service, engineering development and prototyping manufacturing services. IMI USA's expertise in product design and development particularly on the flip chip technology is being used across the Group in providing competitive solutions to customers. In 2024, 2023 and 2022, the Group assessed the impairment based on value-in-use calculations using cash flow projections of the Parent Company from financial budgets approved by BOD covering a 5-year period.

In 2024, the Group recognized impairment loss on the goodwill of IMI USA amounting to $0.66 million (see Note 24) due to the cessation of prototyping and manufacturing operations at the end of 2024.

12. **Intangible Assets**

Movements in this account are as follows:

	December 31, 2024					
	Customer Relationships	**Unpatented Technology**	**Licenses**	**Intellectual Properties**	**Product Development Costs**	**Total**
Cost						
At beginning of year	**$21,859,379**	**$100,000**	**$16,073,122**	**$14,046,882**	**$20,599,131**	**$72,678,514**
Additions	**–**	**–**	**413,020**	**–**	**–**	**413,020**
Foreign currency exchange difference	**–**	**–**	**(372,473)**	**(166,384)**	**–**	**(538,857)**
At end of year	**21,859,379**	**100,000**	**16,113,669**	**13,880,498**	**20,599,131**	**72,552,677**
Accumulated amortization						
At beginning of year	**21,859,379**	**100,000**	**13,114,441**	**13,537,216**	**14,412,055**	**63,023,091**
Amortization	**–**	**–**	**723,629**	**407,826**	**–**	**1,131,455**
Foreign currency exchange difference	**–**	**–**	**(325,800)**	**(377,406)**	**–**	**(703,206)**
At end of year	**21,859,379**	**100,000**	**13,512,270**	**13,567,636**	**14,412,055**	**63,451,340**
Accumulated impairment loss						
At beginning and of year	**–**	**–**	**–**	**–**	**6,187,076**	**6,187,076**
Net book value	**$–**	**$–**	**$2,601,399**	**$312,862**	**$–**	**$2,914,261**

	December 31, 2023					
	Customer Relationships	Unpatented Technology	Licenses	Intellectual Properties	Product Development Costs	Total
Cost						
At beginning of year	$21,808,600	$100,000	$15,923,088	$13,846,153	$20,599,131	$72,276,972
Additions	–	–	271,720	–	–	271,720
Foreign currency exchange difference	50,779	–	(121,686)	200,729	–	129,822
At end of year	21,859,379	100,000	16,073,122	14,046,882	20,599,131	72,678,514
Accumulated amortization						
At beginning of year	21,808,600	100,000	12,455,527	12,522,039	14,078,307	60,964,473
Amortization	–	–	831,500	690,053	333,748	1,855,301
Foreign currency exchange difference	50,779	–	(172,586)	325,124	–	203,317
At end of year	21,859,379	100,000	13,114,441	13,537,216	14,412,055	63,023,091
Accumulated impairment loss						
At beginning and end of year	–	–	–	–	6,187,076	6,187,076
Net book value	$–	$–	$2,958,681	$509,666	$–	$3,468,347

Customer Relationships
Customer relationships pertain to STEL Group, IMI BG and VTS' contractual agreements with certain customers, which lay out the principal terms upon which the parties agree to undertake business. This was fully amortized in 2023.

Licenses
This includes acquisitions of computer software, applications and modules.

Intellectual Properties
The Group's intellectual properties (IPs) relate to the acquisition of VIA and VTS. VIA's intellectual properties pertain to display system optically bonded to a display region and enhanced liquid crystal display system and methods while VTS's IP relates to the transfer of the seller of the technology relevant to run the business.

Product Development Costs
This includes capitalized costs arising from the development phase of certain projects which are still undergoing qualification.

Capitalized development costs amounting to $1.60 million were impaired in 2022 due to end of life of business.

Research expenditure recognized as expense amounted to $3.85 million, $5.27 million, and $5.68 million in 2024, 2023 and 2022, respectively (see Note 21).

Amortization expense included in “Cost of sales” and “Operating expenses” accounts follows:

	2024	2023	2022
Cost of sales (Note 20)	**$113,932**	$541,829	$2,505,209
Operating expenses (Note 21)	**1,017,523**	1,313,472	2,306,948
	$1,131,455	$1,855,301	$4,812,157

13. **Financial assets at Fair Value through Other Comprehensive Income (FVOCI)**

The table below shows reconciliation of fair value measurements:

	2024	2023
Balance at beginning of year	**$2,364,096**	$1,829,432
Sale of financial assets	**(97,795)**	–
Change in fair value of quoted securities	**276,702**	534,664
Balance at end of year	**$2,543,003**	$2,364,096

The Group elected to classify irrevocably its investments in club shares under FVOCI, as such, the gain on the sale of the financial assets in 2024 amounting to $0.10 million was recognized in the “Retained Earnings” account.

The table below shows the movement of the other components of equity related to FVOCI:

	2024	2023
Balance at beginning of year	**$547,961**	$32,794
Change in fair value of quoted securities	**178,907**	534,664
Foreign currency exchange difference	**103,224**	(19,497)
Balance at end of year	**$830,092**	$547,961

14. **Other Noncurrent Assets**

This account consists of:

	2024	2023
Deferred charges	**$7,745,248**	$13,566,747
Miscellaneous deposits	**2,921,909**	3,213,241
Pension asset - net (Note 27)	**196,229**	219,459
Others	**184,612**	441,608
	$11,047,998	$17,441,055

Deferred charges represent tooling items customized based on the specifications of the customers and to be repaid as part of the price of the manufactured items.

Miscellaneous deposits comprise of utilities and rent deposits.

15. Accounts Payable and Accrued Expenses

This account consists of:

	2024	2023
Trade payables	**$157,665,969**	$197,238,858
Accrued expenses	**26,307,506**	29,038,925
Employee-related accruals and contributions	**21,899,828**	22,098,824
Nontrade payables	**10,681,286**	19,000,151
Advances from customers	**4,998,742**	8,362,124
Taxes and government-related payables	**2,773,269**	3,332,951
Accrued interest payable	**2,345,381**	1,731,352
Customer deposits	**1,506,787**	1,972,337
Due to related parties (Note 31)	**381,822**	681,828
	$228,560,590	$283,457,350

Trade Payables
Trade payables are noninterest-bearing and are normally settled on 30 to 90-day average terms.

Accrued Expenses
Accrued expenses consist mainly of accruals for taxes, supplies, professional fees, utilities, insurance, and freight and brokerage.

Employee-Related Accruals
This account consists mainly accrued compensation and benefits including accrued salaries, leave credits and other employee benefits.

Nontrade Payables
This account consists of obligations related to outsourced manpower, logistics and freight forwarders, professional and service fees and other nontrade related payables. These payables are normally settled on 30 to 60-day terms.

Advances from Customers
Advances from customers include financial liabilities pertaining to commercial agreements with certain customers. These advances are generally applied against related billings to customers.

Taxes and Government-related Payables
Taxes payable pertain to taxes due other than corporate income tax and remittances related to government agencies such as social security and insurance, housing fund and health insurance.

Customer Deposits
Customer deposits pertain to advance payment from customers as manufacturing bond.

16. Loans Payable

This account consists of borrowings of the following entities:

	2024	2023
Parent Company	**$123,100,000**	$157,000,000
VIA	**29,189,980**	36,523,097
IMI CZ	**165,116**	634,080
STEL	**139,113**	15,869,831
	$152,594,209	$210,027,008

Parent Company
As of December 31, 2024 and 2023, the Parent Company has unsecured short-term loans aggregating to $123.10 million and $157.00 million, respectively, with maturities ranging from 30 to 120 days, and fixed annual interest rates ranging from in 5.37% to 6.63% in 2024, 6.25% to 7.71% in 2023, and 4.37% to 5.36% in 2022. From the total short-term loans of the Parent Company, $63.00 million and $70.00 million was payable to Bank of Philippine Islands (BPI) as of December 31, 2024 and 2023, respectively (see Note 31).

The Parent Company incurred interest expense on its short-term loans amounting to $9.58 million in 2024, $9.82 million in 2023, and $4.75 million in 2022 (see Note 23).

VIA
The loans of VIA were obtained from China and Germany-based banks with terms ranging from 125 to 365 days and interest rates ranging from 2.90% to 3.40% in 2024, 3.40% to 3.90% in 2023 and 1.82% to 4.00% in 2022.

VIA incurred interest expense on the short-term loan amounting to $1.21 million, $1.86 million and $2.22 million in 2024, 2023 and 2022, respectively (see Note 23).

IMI CZ
The loans of IMI CZ are from existing revolving credit facilities with Czech-based bank which bear annual interest based on 1-month EURIBOR or PRIBOR plus 1.20%.

IMI CZ incurred interest expense on the short-term loan amounting to $0.06 million, $0.08 million and $0.18 million in 2024, 2023 and 2022, respectively (see Note 23).

STEL
As of December 31, 2024 and 2023, STEL has short-term loans aggregating to $0.14 million and $15.87 million, respectively, which are from existing revolving credit facilities with Singapore and China -based banks and bear annual interest rates ranging from 3.50% in 2024, 4.10% to 8.36% in 2023, and 3.96% to 7.56% in 2022, and have maturities of 31 to 364 days from the date of issue.

STEL incurred interest expense on short-term loans amounting to $0.33 million in 2024, $1.05 million in 2023, and $0.86 million in 2022 (see Note 23).

17. Long-Term Debt

This account consists of borrowings of the following entities:

	2024	2023
Parent Company	**$132,466,091**	$141,336,024
IMI CZ	**2,886,481**	4,306,756
VTS	**2,513,420**	1,055,394
	137,865,992	146,698,174
Less current portion:		
Parent Company	**29,578,880**	5,100,000
VTS	**643,126**	691,933
IMI CZ	**541,278**	692,586
	30,763,284	6,484,519
Noncurrent portion	**$107,102,708**	$140,213,655

Parent Company
The long-term debts of the Parent Company were obtained from Philippine banks. The long-term debts have terms of three to five years, with principal payments payable annually, and remaining balance payable in full at maturity. These are subject to annual interest rate of 4.22% to 8.65% in 2024 and 2023. From the total long-term debts of the Parent Company, $103.69 million and $112.31 million was payable to BPI as of December 31, 2024 and 2023, respectively (see Note 31).

Loan covenants related to the Parent Company's loans are as follows:

- The ratio of net debt to equity shall not exceed 1.75:1 with reference to the borrower's consolidated financial statements;
- Maintenance of debt service coverage ratio of at least 1.25:1 on the consolidated financial statements;
- Maintenance at all times of a current ratio of at least 1:1 on the consolidated financial statements;

As of December 31, 2024 and 2023, the Parent Company has no indication that it will have difficulty complying with these covenants.

The Parent Company incurred interest expense on its long-term loans amounting to $7.79 million in 2024, $5.97 million in 2023, and $4.93 million in 2022 (see Note 23).

IMI CZ
IMI CZ have secured long-term loans with Czech-based banks that are payable in regular monthly installments with terms of five years. IMI CZ loan has interest rates ranging from 1.05% to 2.31% per annum. The outstanding balance as of December 31, 2024 have maturities of less than one year. (see Note 10).

IMI CZ incurred interest expense on its long-term debt amounting to $0.16 million, $0.21 million and $0.11 million in 2024, 2023 and 2022, respectively (see Note 23).

VTS
VTS have unsecured long-term loans with Japanese banks that are payable in regular monthly installments with terms of five years. The VTS has interest rates ranging from 0.78% to 0.98% per annum.

VTS incurred interest expense on its long-term debt amounting to $0.02 million, $0.02 million and $0.03 million in 2024, 2023 and 2022, respectively (see Note 23).

18. Other Current Liabilities

This account consists of provision for onerous contracts amounting to $1.02 million in 2024 and $1.52 million in 2023 (see Notes 3, 4 and 22) which arises by obtaining the excess of the unavoidable costs of meeting the obligations under the contract over the economic benefits expected to be received under it. In determining the provision, the Group considers the entire remaining commitment period under the contract, including the remaining revenue to be recognized for unsatisfied, or partially unsatisfied, performance obligations and the remaining costs to fulfil those performance obligations.

19. **Equity**

Capital Stock
This account consists of:

	2024		2023		2022	
	Shares	**Amount**	Shares	Amount	Shares	Amount
Authorized - ₱1 par value						
Common	**2,250,000,000**		2,250,000,000		2,250,000,000	
Preferred	**200,000,000**		200,000,000		200,000,000	
Issued – Common						
At beginning of year	**2,193,493,147**	**$42,720,682**	2,193,425,374	$42,719,224	2,192,778,323	$42,705,563
Issuances from ESOWN	**15,738**	**342**	67,773	1,458	647,051	13,661
At end of year*	**2,193,508,885**	**$42,721,024**	2,193,493,147	$42,720,682	2,193,425,374	$42,719,224

* *Out of the total issued shares, 15,892,224 shares or $1.01 million as of December 31, 2023, 2022 and 2021 pertain to treasury shares.*

As of December 31, 2024, 2023 and 2022, there were 282, 285 and 284 registered common stockholders, respectively.

Subscribed Capital Stock
Subscribed capital pertains to subscriptions relating to the ESOWN of the Group.

Details of this account follow:

	2024		2023		2022	
	Shares	**Amount**	Shares	Amount	Shares	Amount
At beginning of year	**30,323,270**	**$689,311**	30,468,570	$692,454	31,238,565	$708,788
Issuances during the year - ESOWN	**(15,738)**	**(342)**	(67,773)	(1,458)	(647,051)	(13,661)
Forfeitures during the year - ESOWN	**(54,262)**	**(1,180)**	(77,527)	(1,685)	(122,944)	(2,673)
At end of year	**30,253,270**	**$687,789**	30,323,270	$689,311	30,468,570	$692,454

Subscriptions Receivable
Details of this account follow:

	2024	2023	2022
At beginning of year	**$2,576,077**	$2,620,195	$2,701,935
Forfeitures during the year	**(14,746)**	(21,067)	(36,254)
Collections during the year	**(540)**	(23,051)	(45,486)
At end of year (Note 28)	**$2,560,791**	$2,576,077	$2,620,195

Dividends
No dividend payment was declared to common shareholders in 2024, 2023 and 2022.

Retained Earnings
Accumulated net earnings of the subsidiaries amounting to $25.91 million and $64.19 million as of December 31, 2024 and 2023, respectively, are not available for dividend declaration. This accumulated net earnings of subsidiaries becomes available for dividend upon receipt of dividends from the investees.

The retained earnings are restricted to dividend declaration to the extent of the cost of treasury shares amounting to $1.01 million.

In accordance with the Revised Securities Regulation Code Rule 68, Annex 68-D, the Parent Company's retained earnings available for dividend declaration as of December 31, 2024 amounted to $0.48 million.

Treasury Shares
In July 1999, the Company repurchased a total of 8,867,318 Class B common shares issued to a minority stockholder for a price ₱75.00 million.

Additional paid-in capital
Additional paid-in capital (APIC) pertains to the difference of the par value and selling price of issued and outstanding shares of stock. Direct costs incurred related to equity issuance, such as underwriting, accounting and legal fees, printing costs and taxes are charged against this account.

This account also includes dilution impact without loss of control as a result of the IPO of VIA in 2020 whereby IMI's ownership interest in VIA was diluted from 76.01% to 50.32%. IMI recognized directly in the APIC account the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration received, and attributed it to the owners of the Parent Company.

Cumulative Translation Adjustments
This account pertains to cumulative translation adjustments of subsidiaries with functional currency other than the Group's presentation currency (see Note 2). Exchange differences arising from translation of foreign operations for the period ended December 31, 2024, 2023 and 2022 follows:

	2024	2023	2022
EU	**($10,319,574)**	$6,439,844	($8,405,817)
VIA and STI/IMI UK	**2,854,352**	(1,901,418)	(9,738,945)
STEL	**(895,863)**	(859,667)	(5,196,802)
Consolidation and eliminations	**(1,093,689)**	10,442,405	(10,996,363)
	($9,454,774)	$14,121,164	($34,337,927)
Attributable to:			
Equity holders of the Parent	**($9,354,951)**	$15,719,118	($23,803,135)
Non-controlling interest	**(99,823)**	(1,597,954)	(10,534,792)
	($9,454,774)	$14,121,164	($34,337,927)

As a result of divestment of STI, CTA in the amount of $6.87 million was derecognized in 2023.

Non-controlling Interest
Sale of subsidiary
In 2023, the Group sold its share in STI resulting to the derecognition of non-controlling interest related to STI amounting to $8.38 million (see Note 2).

Capital Management
The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

No changes were made in the objectives, policies and processes for the years ended December 31, 2024 and 2023.

The Group monitors capital using a gearing ratio of debt-to-equity and net debt-to-equity. The Group considers bank borrowings in the determination of debt, which consist of loans payable and long-term bank debt. Net debt is equivalent to the total bank borrowings, less cash and cash equivalents.

	2024	2023
Loans payable (Note 16)	**$152,594,209**	$210,027,008
Long-term bank borrowings (Note 17)	**137,865,992**	146,698,174
Total bank debt	**290,460,201**	356,725,182
Less cash and cash equivalents (Note 5)	**91,943,576**	91,588,016
Net bank debt	**$198,516,625**	$265,137,166
Total Equity	**$223,320,695**	$310,585,250
Debt-to-equity ratio	**1.30:1**	1.15:1
Net debt-to-equity ratio	**0.89:1**	0.85:1

The Group is not subject to externally-imposed capital requirements.

20. **Cost of Sales**

This account consists of:

	2024	2023	2022
Direct, indirect and other material-related costs (Note 8)	**$803,269,824**	$957,021,559	$1,043,619,962
Direct labor, salaries, wages and employee benefits (Note 27)	**149,791,634**	178,327,058	175,021,942
Depreciation and amortization (Notes 10, 12 and 30)	**26,197,182**	29,376,951	34,250,332
Facilities costs and others (Note 22)	**32,920,044**	42,481,955	45,716,660
	$1,012,178,684	$1,207,207,523	$1,298,608,896

21. **Operating Expenses**

This account consists of:

	2024	2023	2022
Salaries, wages and employee benefits (Note 27)	**$55,340,658**	$57,060,171	$58,804,816
Depreciation and amortization (Notes 10, 12 and 30)	**6,841,505**	7,805,516	7,606,067
Facilities costs and others (Note 22)	**48,029,816**	57,032,614	41,339,423
	$110,211,979	$121,898,301	$107,750,306

22. Facilities Costs and Others - Net

This account consists of:

	Cost of Sales			Operating Expenses		
	2024	2023	2022	**2024**	2023	2022
Utilities	**$16,342,907**	$20,707,291	$23,465,974	**$1,282,998**	$1,899,257	$2,145,489
Outsourced activities	**7,607,764**	9,331,680	10,509,065	**17,150,456**	19,233,479	14,694,883
Repairs and maintenance	**4,353,260**	5,824,423	6,171,663	**606,244**	2,226,766	908,797
Technology-related	**1,231,751**	1,381,448	1,654,064	**4,247,893**	5,070,206	4,843,938
Insurance	**831,154**	2,191,557	1,427,143	**6,952,545**	4,872,304	4,883,416
Travel and transportation	**663,497**	1,237,676	808,041	**2,582,075**	3,657,491	2,914,180
Government-related	**500,819**	984,551	1,156,872	**3,065,642**	3,675,523	3,011,828
Postal and communication	**109,386**	202,862	245,808	**239,429**	520,604	546,688
Promotional materials, representation and entertainment	**103,059**	244,369	156,194	**890,576**	1,292,086	1,121,341
Staff house	**63,300**	58,130	74,309	**87,106**	90,421	83,799
Membership fees	**7,487**	10,295	19,752	**141,167**	151,318	229,669
Provision for inventory obsolescence and write down in value (Note 8)	**–**	–	–	**9,181,866**	3,926,309	2,367,099
Provision for ECLs (Note 6)	**–**	–	–	**899,160**	574,495	585,488
Provision (reversal of provision) for onerous contracts (Notes 4 and 18)	**–**	–	–	**(502,370)**	487,971	1,034,073
Loss on write off of inventories (Notes 8 and 29)	**–**	–	–	**–**	9,508,020	–
Others - net	**1,105,660**	307,673	27,775	**1,205,029**	(153,636)	1,968,735
	$32,920,044	$42,481,955	$45,716,660	**$48,029,816**	$57,032,614	$41,339,423

Others include sales commission, donations, small tools and instruments, spare parts, materials, office supplies, and copying expenses.

23. Interest Expense and Bank Charges

This account consists of:

	2024	2023	2022
Interest expense on loans (Notes 16 and 17)	**$19,151,247**	$19,013,077	$13,076,061
Interest on leases (Note 30)	**1,482,675**	1,395,174	932,077
Bank charges	**378,424**	514,236	578,565
Others	**190,159**	177,561	69,026
	$21,202,505	$21,100,048	$14,655,729

Others include interest on employee housing and car loans in 2024, 2023, and 2022.

24. Other Income (Expenses) - Net

Other income (expenses) - net consists of:

	2024	2023	2022
Impairment loss on goodwill (Note 11)	**($27,009,305)**	($15,590,835)	$–
Provision for impairment on property, plant and equipment (Notes 4 and 10)	**(4,932,211)**	(5,045,014)	(361,185)
Financial subsidies	**2,043,211**	1,976,113	2,599,524

(Forward)

	2024	2023	2022
Gain (loss) on sale and retirement of property, plant and equipment – net (Note 10)	**$1,751,810**	$60,061	($2,355,745)
Gain on lease termination	**1,107,398**	–	–
Other income from customers	**714,238**	1,045,366	1,260,832
Sale of materials and scrap (Note 8)	**40,328**	63,114	26,916
Gain on insurance claims	**11,505**	11,968	415,795
Reversal (provision) of impairment loss on product development cost (Notes 4 and 12)	**–**	–	(1,604,842)
Loss on disposal of subsidiary (Notes 2 and 11)	**–**	(81,108,320)	–
Other income (expense) – net	**134,247**	890,961	457,808
	($26,138,779)	($97,696,586)	$439,103

Financial subsidies are comprised of special subsidy funds such as industrial, economic and technological development fund subsidies provided by the China government, and amortization of the grant incentives received from the government of Serbia related to its manufacturing operations. The balance of the Serbia grant incentive included under “Other noncurrent liabilities” account amounted to $3.52 million and $3.56 million in 2024 and 2023, respectively.

Loss on disposal of subsidiary is related to the sale of STI in 2023.

25. Income Tax

<u>Current Tax</u>

Parent Company

The Parent Company is registered with PEZA and is entitled to certain incentives, which include ITH. As of December 31, 2024, there are four remaining project activities with ITH which will expire in 2027, 2028 and 2029. Under its PEZA registrations, the Parent Company’s projects and activities are subject to certain requirements and are entitled to certain incentives, which include, but are not limited to, ITH and tax and duty free importation of inventories and capital equipment.

The Parent Company can continue to avail the incentives provided in the implementing Rules and Regulations of RA No. 12066 otherwise known as the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy or CREATE MORE Act. Pre-CREATE RBEs are currently enjoying the sunset provisions under the CREATE Act (RA No. 11534) which provides that those currently enjoying 5% Special Corporate Income Tax (SCIT) are given until April 2031 to continue enjoying the said tax regime. However, with the effectivity of the CREATE MORE Act, these pre-CREATE RBEs are given an extension until December 31, 2034 to continue enjoying the 5% SCIT including all corresponding exemptions from national and local taxes, fees, and charges.

After the passage of CREATE Law, IMI is entitled to ITH of 5 years and SCIT for 10 years after the expiration of ITH, Duty Exemption, VAT Exemption and Zero-rating .

IMICD, IMISZ and STJX

In accordance with the “Income Tax Law of the People's Republic of China (PRC) for Enterprises with Foreign Investment and Foreign Enterprises”, the subsidiaries in the PRC are entitled to full exemption from Enterprise Income Tax (“EIT”) for the first two years and a 50% reduction in EIT for the next three years, commencing from the first profitable year after offsetting all tax losses carried forward from the previous five years.

STJX and IMISZ have been granted tax preference by the State Taxation Administration of the People's Republic of China for a period of 3 years (from 2023 to 2025) as the entities are operating in the high-technology industry. STJX and IMISZ are subjected to taxation at the statutory tax rate of 15% (2022: 15%) on its taxable income as reported in its financial statements, prepared in accordance with the accounting regulations in the PRC.

IMICD is subjected to taxation at the statutory tax rate of 15% (2023: 15%) on its taxable income as reported in the financial statement.

Cooperatief
Taxation is calculated on the reported pre-tax result, at the prevailing tax rate of 20% on the first €200,000 and 25% on the taxable amount exceeding €200,000, taking into account any losses carried forward from previous financial years (if applicable), tax-exempt items and nondeductible expenses, and using tax facilities.

IMI BG
Income taxes are calculated in accordance with Bulgarian legislation, and the effect of the current and deferred taxes is reported. The current tax is calculated based on the taxable income for tax purposes. The nominal tax rate is 10%.

IMI NIS
Taxable income is established on the basis of accounting profit. The applicable tax rate is 15%.

IMI CZ
Income tax due is calculated by multiplying the tax base by the rate as defined by the income tax law of Czech Republic. The tax base comprises the book income from operations, which is increased or decreased by permanently or temporarily tax-decreasing costs and tax-deductible revenues (for example, creation and recording of other provisions and allowances, entertainment expenses, difference between book and tax depreciations). The applicable tax rate is 19%.

IMI MX
The Mexican Income Tax Law (MITL) established a corporate income tax rate of 30% for fiscal years 2024, 2023 and 2022. The MITL established requirements and limits regarding certain deductions, including restrictions on the deductibility of payroll-related expenses that are considered tax-exempt for employees, contributions to create or increase pension fund reserves, and Mexican Social Security Institute dues that are paid by the company but should be paid by the employees. The MITL also establishes that certain payments made to related parties shall not be deductible if they do not meet certain requirements.

IMI France
Income tax is computed based on the income earned by the entity during the calendar year. Losses may be carried forward with no time limit. On certain conditions, losses may be carried back one year. The tax rate applicable is 33% based on net income.

VIA and VTS
VIA AG and GmbH are subject to corporate income tax and trade taxes in Germany. For the years ended December 31, 2024, 2023 and 2022, the statutory German corporate income tax rate applicable to VIA AG is 15.0% plus solidarity surcharge of 5.5% thereon (15.82% in total). The municipal trade tax is 3.5% of the trade income.

For VIA’s subsidiaries, VIA LLC (USA) a tax rate of 23.75% in 2024, 2023 and 2022, for VIA Suzhou (China) a tax rate of 25% for 2024, 2023 and 2022 and for VTS (Japan) a tax rate of 34.1% is applicable.

PSi
PSi is registered with PEZA under the Omnibus Code of 1987 and RA No. 7916 on May 17, 2004, for the manufacture of power semiconductor devices and for export and importation of raw materials, machinery and equipment, and other materials used in manufacturing semiconductor devices located at Laguna Technopark - Special Economic Zone (LT-SEZ) effective on November 23, 2021.

The Company can continue to avail the incentives provided in the implementing Rules and Regulations of RA No. 12066 otherwise known as the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy or CREATE MORE Act. Pre-CREATE RBEs are currently enjoying the sunset provisions under the CREATE Act (RA No. 11534) which provides that those currently enjoying 5% Special Corporate Income Tax (SCIT) are given until April 2031 to continue enjoying the said tax regime. However, with the effectivity of the CREATE MORE Act, these pre-CREATE RBEs are given an extension until December 31, 2034 to continue enjoying the 5% SCIT including all corresponding exemptions from national and local taxes, fees, and charges. Income from other income-producing activities not registered with PEZA is subject to a regular corporate income tax rate of 25% or a minimum corporate income tax rate of 2% whichever is higher.

As of December 31, 2024, there were no PEZA-registered activities with income tax holiday (ITH) entitlement.

Deferred Tax
Recognized deferred taxes of the Group relate to the tax effects of the following:

	2024	2023
Deferred tax assets:		
Lease liabilities	**$2,586,939**	$1,259,966
Net operating loss carry-over	**1,205,777**	–
Allowance for inventory obsolescence	**819,320**	659,526
Difference in tax base and accounting base of property and equipment	**516,669**	315,417
Allowance for doubtful accounts	**284,687**	111,881
Others	**1,745,284**	2,641,092
	$7,158,676	$4,987,882

	2024	2023
Deferred tax liabilities:		
Right-of-use asset	**$2,682,701**	$600,792
Fair value adjustment on property, plant and equipment arising from business combination	**857,370**	857,370
Allowance for doubtful accounts	**673,987**	2,258
Difference in tax base and accounting base of property and equipment	**660,406**	655,895
Contract assets	**60,357**	143,995
Unrealized foreign exchange gain on monetary assets – net	**52,398**	31,360
Allowance for inventory obsolescence	**–**	30,137
Others	**16,026**	31,344
	$5,003,245	$2,353,151

Deferred tax assets and deferred tax liabilities are offset on per entity level and the net amount is reported in consolidated balance sheets as follows:

	December 31, 2024			
	Deferred Tax Assets	**Deferred Tax Liabilities**	**Total Deferred Tax Assets - net**	**Total Deferred Tax Liabilities - net**
Parent Company	**$–**	**($98,231)**	**$–**	**($98,231)**
PSI	**–**	**(3,759)**	**–**	**(3,759)**
IMI BG and VIA	**2,941,774**	**(1,971,564)**	**970,210**	**–**
IMI CZ	**161,481**	**–**	**161,481**	**–**
IMI MX	**1,531,167**	**(1,384,082)**	**147,085**	**–**
STEL	**1,663,036**	**–**	**1,663,036**	**–**
Serbia	**187,201**	**–**	**187,201**	**–**
Consolidation	**–**	**(871,592)**	**–**	**(871,592)**
	$6,484,659	**($4,329,228)**	**$3,129,013**	**($973,582)**

	December 31, 2023			
	Deferred Tax Assets	Deferred Tax Liabilities	Total Deferred Tax Assets - net	Total Deferred Tax Liabilities - net
Parent Company	$–	($121,627)	$–	($121,627)
PSI	421,961	(425,661)	–	(3,700)
IMI BG and VIA	2,270,132	(708,001)	1,562,131	–
IMI CZ	135,282	–	135,282	–
IMI MX	339,942	(181,646)	158,296	–
STEL	1,601,045	(31,343)	1,601,045	(31,343)
Serbia	189,033	–	189,033	–
Consolidation	30,487	(884,873)	2,984	(857,370)
	$4,987,882	(2,353,151)	$3,648,771	($1,014,040)

Others pertain to the deferred tax liabilities resulting from the acquisition of IMI EU/MX Subsidiaries.

The movement in deferred taxes are impacted by the translation of the deferred taxes of the subsidiaries with functional currency other than the presentation currency of the Parent Company. The deferred taxes are translated using the closing rate as at balance sheet date and the exchange differences are recognized as part of the other comprehensive income and reported as separate component of equity.

As of December 31, 2024 and 2023, the temporary differences for which no deferred tax assets have been recognized are as follows:

	2024	2023
Net operating loss carry-over	**$217,419,058**	$188,008,092
Accumulated impairment losses on property, plant and equipment	**2,844,471**	2,819,266
Provisions	**858,152**	581,909
Excess of cost over NRV of inventories	**392,465**	1,081,480
Allowance for doubtful accounts	**253,698**	77,317
	$221,767,844	$192,568,064

Deferred tax assets are recognized only to the extent that sufficient future taxable profits will be available against which the deferred tax assets can be used.

As of December 31, 2024, the entities operating in the Philippines has incurred NOLCO in taxable year 2020 and 2021 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act. However, the NOLCO incurred in taxable year 2022 onwards can be carried over as a deduction from gross income for the next three consecutive years. The extension to five years is no longer applicable, as follows:

Year Incurred	Availment Period	Amount	Applied/Expired	Unapplied
2024	2025 to 2027	$13,956,300	$–	$13,956,300
2023	2024 to 2026	17,690,210	–	17,690,210
2022	2023 to 2025	23,764,143	–	23,764,143
2021	2022 to 2026	14,809,729	–	14,809,729
2020	2021 to 2025	8,581,594	–	8,581,594
		$78,801,976	$–	$78,801,976

For the carry-over losses of certain entities within the Group, this expires between three to ten years from the date incurred depending on the jurisdiction the entity is operating.

Year Incurred	Amount	Applied/Expired	Unapplied
2024	$23,809,666	$–	$23,809,666
2023	40,373,703	–	40,373,703
2022	25,803,623	564,024	25,239,599
2021	9,962,793	265,935	9,696,858
2020	11,579,052	2,935,076	8,643,976
2019	10,655,649	1,377,964	9,277,685
2018 and prior	26,956,356	2,435,208	24,521,148
	$149,140,842	$7,578,207	$141,562,635

The tax on income from foreign subsidiaries was derived by aggregating the effective income tax for each national jurisdiction.

The reconciliation of the statutory income tax rate to the effective income tax rate of the Group follows:

	2024	2023	2022
Statutory income tax	**(25.00%)**	(25.00%)	(25.00%)
Tax effects of:			
Nondeductible expenses and movement in unrecognized deferred taxes	**40.72%**	50.07%	12.39%
Income subject to minimum corporate income tax	**0.08%**	0.04%	0.24%
Income subject to gross income tax	**2.38%**	1.50%	23.63%
Difference in tax jurisdiction	**(26.57%)**	(31.61%)	(82.47%)
Interest income subjected to final tax	**0.01%**	0.01%	0.03%
Provision for income tax	**(8.38%)**	(4.99%)	(71.18%)

Based Erosion and Profit Shifting (BEPS) Pillar Two

The Organisation for Economic Co-operation and Development (OECD) has published the Global Anti-Base Erosion (GloBE) Model Rules ("Pillar Two Rules"), which include a minimum 15% tax rate per jurisdiction on multinational companies with an annual consolidated group revenue of EUR750 million or more for 2 out of the 4 immediately preceding fiscal years.

Pillar Two tax legislation has been implemented in some of the countries in which subsidiaries of the Group operate which became effective for reporting periods beginning on 1 January 2024. Given this, the Group determined that it is in-scope for Pillar Two and has assessed the applicable Pillar Two tax legislation in all the countries in which subsidiaries of the Group operate to determine whether or not a Pillar Two 'top-up' tax liability needs to be recognized

The relevant Pillar Two Rules also provide for a transition period in which the in-scope multinational groups may avoid undergoing the complex effective tax rate calculation required by the new piece of legislation. In particular, the Pillar Two tax legislation provides for a transitional Country-by-Country Reporting ("CbCR") safe harbor ("TCSH") that applies for the first three fiscal years following the entry into force of the relevant Pillar Two tax legislation; the TCSH relies on simplified calculations (mainly based on data extracted from the CbCR under BEPS Action 13) and three kinds of alternative tests. Where at least one of the TCSH tests is met for a jurisdiction in which the Group operates, the top-up tax due for such jurisdiction will be deemed to be zero. A test is met for a jurisdiction where:

- Revenue and profit before tax are below, respectively, €10 million and €1 million (the de minimis test);
- The Effective Tax Rate (ETR) equals or exceeds an agreed rate (the ETR test, 15% for FY 2024); or
- The profit before tax does not exceed an amount calculated as a percentage of tangible assets and payroll expense (the routine profits test).

Based on the tests performed, most of the jurisdictions where the Group operates should benefit from the TCSH. Only three jurisdictions did not pass any of the TCSH tests, namely Bulgaria, Serbia and Singapore.

With respect to these three jurisdictions, the Group has provisionally calculated the potential top-up tax exposure based on the full Pillar Two regime. As of December 31, 2024, although not material at the consolidated financials level, the Group provided for and expects to pay the collectible top – up liability under the Qualified Domestic Minium Top-up Tax ("QDMTT") and Income Inclusion Rule ("IIR").

For 2024, the Group has also applied the amendment to IAS 12 which allows for temporary mandatory relief from accounting for the deferred tax impacts of the top-up tax and allows for recognition of the top-up tax as current tax expense as incurred.

26. Loss per Share

The following table presents information necessary to calculate EPS on net loss attributable to equity holders of the Parent Company:

	2024	2023	2022
Net loss attributable to equity holders of Parent Company	**($49,788,560)**	($105,626,141)	($6,756,929)
Weighted average number of common shares outstanding	**2,207,880,913**	2,207,956,596	2,208,004,253
Basic and diluted EPS	**($0.023)**	($0.048)	($0.003)

As of December 31, 2024, 2023 and 2022, the Group has no dilutive potential common shares.

27. **Personnel Costs**

Details of salaries, wages, and employee benefits follow:

	2024	2023	2022
Salaries, wages and benefits	**$169,617,398**	$201,742,301	$199,313,442
Government related contributions	**11,513,221**	12,599,886	10,654,788
Retirement expense under defined contribution plans	**8,660,606**	8,575,737	8,161,495
Restructuring expense	**7,394,382**	1,163,596	–
Net retirement expense under defined benefit plans	**2,185,788**	1,873,003	2,218,249
Others	**5,760,897**	9,432,706	13,478,784
	$205,132,292	$235,387,229	$233,826,758

The Group embarked on rightsizing and rationalization of its operations to ensure that operations remain aligned with market demands while enhancing its ability to serve customers with agility and cost-effectiveness. This move is part of IMI's ongoing efforts to streamline operations, aligning with the company's strategy to consolidate its footprint into strategically located facilities. The cost of the restructuring in 2024 and 2023 amounted to $7.39 million and $1.16 million, respectively.

Others include expenses such as subcontracting costs, employee social and recreation, employee awards and recognition, trainings and seminars, labor union expenses, and uniforms. Salaries, wages, and employee benefits are allocated as follows:

	2024	2023	2022
Cost of sales (Note 20)	**$149,791,634**	$178,327,058	$175,021,942
Operating expenses (Note 21)	**55,340,658**	57,060,171	58,804,816
	$205,132,292	$235,387,229	$233,826,758

<u>Defined Benefit Plans</u>
The Parent Company, IMI BG, IMI Serbia, and PSi have defined benefit plans covering substantially all of their employees. The latest actuarial valuations were made on December 31, 2024.

The plan is administered by local banks as trustees. The Board of Trustees is responsible for the investment direction of the assets. It defines the investment strategy as often as necessary, at least annually, especially in the case of significant market developments or changes to the structure of the plan participants. When defining the investment strategy, it takes into account the plan's objectives, benefit obligations and risk capacity. The investment strategy is defined in the form of a long-term target structure (investment policy). The Board of Trustees delegates the implementation of the investment policy in accordance with the investment strategy, as well as various principles and objectives to an Investment Committee, which also consists of members of the Board of Trustees, and the Treasurer. The Treasurer oversees the entire investment process.

The defined benefit plans of the Parent Company and PSi meet the minimum retirement benefit specified under R.A. No. 7641, *Retirement Pay Law*, while IMI BG and IMI Serbia are in accordance with the labour legislation and the Collective Labour Contract.

The Group has net retirement liabilities (asset) attributable to the following:

	2024	2023
Parent Company	**$4,829,084**	$6,391,640
IMI BG	**2,464,906**	2,381,158
PSi	**(196,229)**	(219,459)
IMI Serbia	**81,996**	54,062
	$7,179,757	$8,607,401

Parent Company, IMI BG, IMI Serbia, STI and PSi

Changes in net retirement liabilities of the Parent Company, IMI BG, IMI Serbia, STI and PSi's defined benefit plans are as follows:

	2024													
	Net Retirement Expense				Remeasurements									
	January 1	**Current Service Cost**	**Net Interest**	**Subtotal**	**Separation and Benefits Paid**	**Return on Plan Assets (Excluding Amount Included in Net Interest)**	**Actuarial Changes Due to Experience Adjustments**	**Actuarial Changes Due to Demographic Assumptions**	**Actuarial Changes Arising from Changes in Financial Assumptions**	**Subtotal**	**Past Service Cost**	**Disposal of Subsidiary**	**Foreign Currency Exchange Difference**	**December 31**
Present value of defined benefit obligation	**$22,227,555**	**$1,615,165**	**$1,192,180**	**$2,807,345**	**($4,165,957)**	**$–**	**($220,616)**	**$–**	**$1,387,050**	**$1,166,434**	**$182,623**	**$–**	**($991,685)**	**$21,226,315**
Fair value of plan assets	**(13,620,154)**	**–**	**(804,180)**	**(804,180)**	**(186,236)**	**(30,442)**	**–**	**–**	**–**	**(30,442)**	**–**	**–**	**594,454**	**(14,046,558)**
Net retirement liabilities	**$8,607,401**	**$1,615,165**	**$388,000**	**$2,003,165**	**($4,352,193)**	**($30,442)**	**($220,616)**	**$**	**$1,387,049**	**$1,135,992**	**$182,623**	**$–**	**($397,231)**	**$7,179,757**

	2023													
	Net Retirement Expense				Remeasurements									
	January 1	Current Service Cost	Net Interest	Subtotal	Separation and Benefits Paid	Return on Plan Assets (Excluding Amount Included in Net Interest)	Actuarial Changes Due to Experience Adjustments	Actuarial Changes Due to Demographic Assumptions	Actuarial Changes Arising from Changes in Financial Assumptions	Subtotal	Actual Contribution	Disposal of subsidiary	Foreign Currency Exchange Difference	December 31
Present value of defined benefit obligation	$19,916,370	$1,539,599	$1,272,417	$2,812,016	($1,800,582)	$–	$694,907	$–	$1,380,975	$2,075,882	$–	($969,011)	$192,880	$22,227,555
Fair value of plan assets	(13,128,708)	–	(939,013)	(939,013)	–	540,438	–	–	540,438	540,438	–	–	(92,871)	(13,620,154)
Net retirement liabilities	$6,787,662	$1,539,599	$333,404	$1,873,003	($1,800,582)	$540,438	$694,907	$–	$1,921,413	$2,616,320	$–	($969,011)	$100,009	$8,607,401

The maximum economic benefit available is a contribution of expected refunds from the plans and reductions in future contributions.

The net retirement asset and net retirement liabilities as of December 31, 2024 and 2023 follows:

	2024	2023
Net pension liabilities	**$7,375,986**	$8,826,860
Net pension asset (Note 14)	**196,229**	219,459
	$7,179,757	$8,607,401

The distribution of the plan assets as of December 31, 2024 and 2023 follows:

	2024	2023
Government securities	**$7,610,366**	$7,558,908
Equities	**1,391,514**	1,242,897
Corporate bonds	**1,182,927**	1,217,638
Trust funds	**1,197,791**	450,751
Exchange traded funds	**982,270**	1,258,045
Mutual funds	**820,947**	1,043,700
Investment properties	**727,246**	421,923
Cash and cash equivalents	**927**	990
Others	**132,570**	425,302
	$14,046,558	$13,620,154

The plan assets include corporate bonds and deposit instruments of related parties, primarily AC, Ayala Land, Inc. (ALI), AC Energy (ACEN) and Bank of the Philippine Islands (BPI). As of December 31, 2024 and 2023, the fair value of these plan assets amounted to $1.52 million and $0.82 million, respectively.

The plan assets pertain to diverse investments and do not have any concentration risk.

The overall investment policy and strategy of the Group’s defined benefit plans are guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay retirement benefits as they fall due while also mitigating the various risk of the plans.

The Group expects to contribute $2.30 million to the defined benefit plans for 2024.

The actual return of plan assets amounted to ($0.03 million), $0.54 million and $0.93 million in 2024, 2023 and 2022, respectively.

The average duration of net retirement liabilities ranges from 9.85 to 16.60 years as of December 31, 2024, and 9.44 to 18.04 years as of December 31, 2023.

Shown below is the maturity analysis of the undiscounted benefit payments as of December 31, 2024 and 2023:

	2024	2023
Less than one year	**$2,052,300**	$2,797,499
More than one year to five years	**9,401,662**	10,116,471
More than five years to ten years	**12,300,727**	12,766,596
More than ten years to fifteen years	**13,470,414**	13,722,895
More than fifteen years	**45,123,748**	47,135,610
	$82,348,851	$86,539,071

Principal actuarial assumptions
The principal actuarial assumptions used to determine retirement benefits are shown below:

	2024	2023	2022
Discount rate	**3.93% - 6.12%**	4.03% - 6.25%	1.80% - 7.35%
Salary increase rate	**5.00% - 8.50%**	4.00% - 8.50%	4.00% - 7.50%

The sensitivity analysis per entity below has been determined based on reasonably possible changes of each significant assumption on the net retirement liabilities as of the end of the balance sheet date, assuming all other assumptions were held constant:

	Increase/Decrease in	Effect on Net Retirement Liability	
Actuarial Assumption	Actuarial Assumption	**2024**	2023
Discount rate	+1%	**($1,580,747)**	($1,511,077)
	-1%	**1,555,060**	1,591,261
Salary increase rate	+1%	**1,434,659**	1,735,981
	-1%	**(1,708,292)**	(1,661,656)

The mortality rate in 2024 and 2023 is based on the 2017 Philippine Intercompany Mortality Table for the Parent Company and PSi. Meanwhile, IMI BG used the table for mortality and average life continuance population in the period 2017-2019 from National Statistical Institute (of Bulgaria) for 2024 and 2023. IMI Serbia used the 2012 table of mortality published by the Statistical Office of the Republic of Serbia for 2024 and 2023.

The net retirement expense of the Parent Company, IMI BG, Serbia, STIPH and PSi under the defined benefit plans is allocated as follows:

	2024	2023	2022
Cost of sales	**$1,120,927**	$1,149,805	$1,400,104
Operating expenses	**1,064,861**	723,198	818,145
	$2,185,788	$1,873,003	$2,218,249

<u>Defined Contribution Plans</u>
The Parent Company's subsidiaries, excluding PSi, STIPH, IMI BG, and IMI Serbia, participate in their respective national retirement schemes which are considered as defined contribution plans. The retirement expense of these subsidiaries is allocated as follows:

	2024	2023	2022
Cost of sales	**$7,882,004**	$7,686,567	$7,162,887
Operating expenses	**778,602**	889,170	998,608
	$8,660,606	$8,575,737	$8,161,495

28. **Employee Stock Ownership Plan (ESOWN)**

The Group has an ESOWN, which is a privilege extended to the Group's eligible managers and staff whereby the Group allocates up to 10% of its authorized capital stock for subscription by said personnel under certain terms and conditions stipulated in the ESOWN.

The key features of the plan are as follows:

- The subscription price per share shall be based on the average closing price at the PSE for 20 consecutive trading days with a discount to be determined by the Parent Company's Compensation Committee.

- Term of payment is eight years reckoned from the date of subscription:

Initial payment	2.5%
1st Anniversary	5.0%
2nd Anniversary	7.5%
3rd Anniversary	10.0%
Over the remaining years	75.0% balance

- Holding period:

40%	after one (1) year from subscription date
30%	after two (2) years from subscription date
30%	after three (3) years from subscription date

Movements in the number of shares outstanding under ESOWN in 2024, 2023 and 2022 follow:

	2024		2023		2022	
	Number of Shares	**Weighted Average Exercise Price**	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
At beginning of year	**136,926,800**	**₱6.60**	137,004,327	₱6.60	137,127,271	₱6.61
Forfeitures	**(54,262)**	**12.50**	(77,527)	12.50	(122,944)	13.56
At end of year	**136,872,538**	**₱6.93**	136,926,800	₱6.60	137,004,327	₱6.60

The balance of the subscriptions receivable amounted to $2.56 million, $2.58 million and $2.62 million as of December 31, 2024, 2023 and 2022, respectively (see Note 19).

There is no share option expense recognized in 2024, 2023 and 2022.

29. **Segment Information**

Management monitors operating results per geographical area for the purpose of making decisions about resource allocation and performance assessment. It evaluates the segment performance based on gross revenue, interest income and expense and net income before and after tax of its major manufacturing sites. The Parent Company and PSi are combined under Philippine segment, STEL Group is categorized under China segment, IMI BG, IMI CZ and IMI Serbia are combined under Europe based on the industry segment and customers served, IMI Mexico is presented under Mexico segment, VIA under Germany segment in 2024, and STI was combined with VIA under Germany/UK segment representing non-wholly owned subsidiaries in 2023, IMI USA, IMI Japan, IMI UK and IMI Singapore/ROHQ are combined being the holding and support facilities for strategic management, research and development, engineering development and sales and marketing.

Prior period information is consistent with the current year basis of segmentation.

The Parent Company and its subsidiaries generally account for inter-segment revenue and transfers as if the revenue and transfers were to third parties at current market prices. These transactions are accounted for in accordance with PFRS Accounting Standards.

Intersegment revenues, cost of sales, and operating expenses are eliminated on consolidation.

The amount of segment assets and liabilities are based on measurement principles that are similar with those used in measuring assets and liabilities in the consolidated statement of financial position which is in accordance with PFRS Accounting Standards.

The following tables present revenue and profit information regarding the Group's geographical segments per legal entity's location for the years ended December 31, 2024, 2023 and 2022:

December 31, 2024	Philippines		China	Europe	Mexico	Germany	USA/ Japan /Singapore / IMI UK	Consolidation and Eliminations	Total
	Parent Company	PSi							
Revenue from contracts with customers:									
Third party	$218,061,719	$6,114,468	$192,220,669	$408,588,309	$136,149,330	$117,608,998	$19,949,159	$–	$1,098,692,652
Intersegment	12,099,481	–	20,062,368	17,174,657	2,839,447	–	3,749,238	(55,925,191)	–
Total revenue from contracts with customers	$230,161,200	$6,114,468	$212,283,037	$425,762,966	$138,988,777	$117,608,998	$23,698,397	($55,925,191)	$1,098,692,652
Segment interest income	$4,864,350	$15,892	$3,342,145	$1,283,537	$–	$934,382	$2,454,374	($11,293,098)	$1,601,582
Segment interest expense	$18,023,775	$742,489	$2,570,198	$2,592,584	$4,701,628	$1,539,728	$2,747,588	($11,715,485)	$21,202,505
Segment profit (loss) before income tax	($9,796,187)	$283,808	($1,322,804)	$15,470,257	($19,111,821)	($24,698,998)	$4,495,680	($36,416,313)	($71,096,378)
Segment provision for income tax	(1,708,252)	(59,501)	87,072	(1,780,110)	(11,211)	(1,875,642)	(574,715)	(33,695)	(5,956,054)
Segment profit (loss) after income tax	($11,504,439)	$224,307	($1,235,732)	$13,690,147	($19,123,032)	($26,574,640)	$3,920,965	($36,450,008)	($77,052,432)
Net income (loss) attributable to the equity holders of the Parent Company	($11,504,439)	$224,307	($1,235,732)	$13,690,147	($19,123,032)	($13,323,584)	$3,920,965	($22,437,192)	($49,788,560)

December 31, 2023	Philippines		China	Europe	Mexico	Germany/UK	USA/ Japan /Singapore / IMI UK	Consolidation and Eliminations	Total
	Parent Company	PSi							
Revenue from contracts with customers:									
Third party	$257,678,074	$4,515,281	$249,689,473	$424,345,896	$153,446,320	$214,891,014	$22,646,874	$–	$1,327,212,932
Intersegment	17,219,876	–	20,806,936	16,671,948	3,001,409	–	4,012,124	(61,712,293)	–
Total revenue from contracts with customers	$274,897,950	$4,515,281	$270,496,409	$441,017,844	$156,447,729	$214,891,014	$26,658,998.00	($61,712,293)	$1,327,212,932
Segment interest income	$3,909,415	$5,538	$3,399,448	$1,090,987	$–	$1,757,102	$7,326,495	($15,243,895)	$2,245,090
Segment interest expense	$16,501,172	$741,574	$3,322,109	$2,516,098	$4,337,471	$5,345,023	$1,759,279	($13,422,678)	$21,100,048
Segment profit (loss) before income tax	$8,779,880	($1,182,742)	$12,302,712	$27,426,638	($15,097,742)	($128,245,054)	$4,892,434	($21,527,970)	($112,651,844)
Segment provision for income tax	(1,732,584)	(8,163)	(326,733)	(2,204,965)	18,190	(1,343,962)	724	(21,374)	(5,618,867)
Segment profit (loss) after income tax	$7,047,296	($1,190,905)	$11,975,979	$25,221,673	($15,079,552)	($129,589,016)	$4,893,158	($21,549,344)	($118,270,711)
Net income (loss) attributable to the equity holders of the Parent Company	$7,047,296	($1,190,905)	$11,975,979	$25,221,673	($15,079,552)	($116,944,446)	$4,893,158	($21,549,344)	($105,626,141)

December 31, 2022	Philippines		China	Europe	Mexico	Germany/UK	USA/ Japan /Singapore / IMI UK	Consolidation and Eliminations	Total
	Parent Company	PSi							
Revenue from contracts with customers:									
Third party	$269,655,708	$6,557,402	$283,932,415	$352,300,670	$150,534,635	$297,588,382	$48,447,300	$−	$1,409,016,512
Intersegment	50,125,736	−	23,772,053	4,542,223	459,663	−	5,483,354	(84,383,029)	−
Total revenue from contracts with customers	$319,781,444	$6,557,402	$307,704,468	$356,842,893	$$150,994,298	$$297,588,382	$53,930,654	($84,383,029)	$1,409,016,512
Segment interest income	$1,591,268	$1,212	$1,465,437	$547,284	$−	$434,907	$4,654,960	($8,027,167)	$667,901
Segment interest expense	$9,841,723	$747,502	$1,930,219	$1,318,245	$1,847,183	$4,730,946	$1,125,913	($6,886,002)	$14,655,729
Segment profit (loss) before income tax	$5,580,360	$92,994	$8,990,932	$10,476,172	($5,177,489)	($23,061,688)	($111,857)	($5,763,853)	($8,974,429)
Segment provision for income tax	(2,227,731)	(91,326)	(859,601)	(1,106,508)	(36,854)	(2,057,119)	38,277	(47,061)	(6,387,923)
Segment profit (loss) after income tax	$3,352,629	$1,668	$8,131,331	$9,369,664	($5,214,343)	($25,118,807)	($73,580)	($5,810,914)	($15,362,352)
Net income (loss) attributable to the equity holders of the Parent Company	$3,352,629	$1,668	$8,131,331	$9,369,664	($5,214,343)	($25,118,807)	($73,580)	($5,810,914)	($6,756,929)

In 2023, VIA recognized impairment, write-down of assets and other expenses incurred in relation to the early termination of a customer project and liquidity issues of another customer. Details of the losses included in under “Other income (expense)” in the consolidated statements of income are as follows:

	Amount of loss
Write-down of inventories to NRV (Notes 8 and 22)	$9,508,020
Impairment of property, plant and equipment (Notes 10 and 21)	5,406,199
Write-down of ROU assets (Note 30)	1,310,071
Total asset impairment/writedown	16,224,290
Others	2,595,397
Total losses	$18,819,687

Others include supplier claims, transportation costs and other costs of disposal/scrapping.

Inventories written down are with recoverable value of $3.26 million. Net realizable value (NRV) was based from an offer received from the customer to cover some of the costs for material as well as charges for one customer and internal management valuation for the other customer. The recoverable value of $0.32 million of the property, plant and equipment were determined by an external valuation expert and determined the amount based on liquidation/scrap value after deducting cost for scrapping process since the associated production line and the production facility are customer-specific and no longer usable for the cash-generating unit.

The following table presents segment assets of the Group’s geographical segments as of December 31, 2024 and 2023:

	Philippines		**China**	**Europe**	**Mexico**	**Germany**	**USA/ Japan/ Singapore/ UK**	**Consolidation and Eliminations**	**Total**
	Parent Company	**PSi**							
2024	**$551,868,311**	**$3,709,175**	**$177,114,923**	**$269,460,848**	**$107,407,986**	**$88,887,804**	**$290,680,362**	**($696,205,173)**	**$792,924,236**
2023	$613,005,264	$3,350,414	$208,516,055	$327,871,869	$129,413,417	$115,943,858	$308,448,439	($711,921,788)	$994,627,528

Investments in subsidiaries and intersegment receivables amounting to $448.15 million and $308.82 million as of December 31, 2024, respectively, and $448.15 million and $326.58 million as of December 31, 2023, respectively are eliminated in consolidation.

Goodwill arising from the acquisitions as disclosed in Note 11, are recognized at consolidated level for both years ended December 31, 2024 and 2023.

<u>Revenue from Contracts with Customers</u>
Revenues from contracts with customers are further disaggregated by type, customer’s nationality, market segment and timing of revenue recognition, as management believes it best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

The following table presents revenue by type:

	2024	2023	2022
Manufacturing of goods	**$1,096,202,211**	$1,323,481,365	$1,405,402,031
Non-recurring engineering services	**2,490,441**	3,731,567	3,614,481
Revenue from contracts with customers	**$1,098,692,652**	$1,327,212,932	$1,409,016,512

The following table presents revenue from contracts with customers per timing of revenue recognition for each reportable segment:

	2024		
	Revenue recognized over time	**Revenue recognized at point in time**	**Total**
Philippines			
Parent Company	**$218,061,719**	**$–**	**$218,061,719**
Psi	**6,114,468**	**–**	**6,114,468**
China	**192,220,669**	**–**	**192,220,669**
Europe	**407,118,169**	**1,470,140**	**408,588,309**
Mexico	**135,129,029**	**1,020,301**	**136,149,330**
Germany	**117,608,998**	**–**	**117,608,998**
USA/Japan/Singapore	**17,941,111**	**2,008,048**	**19,949,159**
Revenue from contracts with customers	**$1,094,194,163**	**$4,498,489**	**$1,098,692,652**

	2023		
	Revenue recognized over time	Revenue recognized at point in time	Total
Philippines			
Parent Company	$257,678,074	$–	$257,678,074
Psi	4,515,281	–	4,515,281
China	249,689,473	–	249,689,473
Europe	422,861,189	1,484,707	424,345,896
Mexico	151,438,240	2,008,080	153,446,320
Germany/UK	214,891,014	–	214,891,014
USA/Japan/Singapore	19,524,182	3,122,692	22,646,874
Revenue from contracts with customers	$1,320,597,453	$6,615,479	$1,327,212,932

	2022		
	Revenue recognized over time	Revenue recognized at point in time	Total
Philippines			
Parent Company	$269,655,708	$–	$269,655,708
Psi	6,557,402	–	6,557,402
China	283,932,415	–	283,932,415
Europe	350,367,766	1,932,904	352,300,670
Mexico	149,067,584	1,467,051	150,534,635
Germany/UK	297,588,382	–	297,588,382
USA/Japan/Singapore	46,966,878	1,480,422	48,447,300
Revenue from contracts with customers	$1,404,136,135	$4,880,377	$1,409,016,512

The following table presents revenues from external customers based on customer's nationality:

	2024	2023	2022
Europe	**$802,970,863**	$921,631,187	$940,205,928
America	**114,236,905**	182,120,031	175,174,834
Japan	**62,158,240**	57,307,924	70,436,636
Rest of Asia/Others	**119,326,644**	166,153,790	223,199,114
	$1,098,692,652	$1,327,212,932	$1,409,016,512

Revenues are attributed to countries on the basis of the customer's location. The current top customer which is under the automotive segment accounts for 14.76% ($163.05 million), 12.33% ($163.64 million) and 10.68% ($150.48 million) of the Group's total revenue in 2024, 2023 and 2022, respectively.

The following table presents revenues per market segment:

	2024	2023	2022
Automotive	**$750,049,973**	$800,268,154	$748,133,702
Industrial	**273,984,151**	390,166,599	476,146,759
Consumer	**32,474,716**	33,872,523	71,740,418
Medical	**22,237,892**	23,204,347	23,005,325
Telecommunication	**7,670,651**	30,321,101	37,895,276
Aerospace/defense	**–**	36,165,083	39,953,992
Multiple market/others	**12,275,269**	13,215,125	12,141,040
	$1,098,692,652	$1,327,212,932	$1,409,016,512

The following table presents noncurrent assets based on their physical location:

	2024	2023
Europe*	**$75,833,299**	$114,227,864
America**	**28,559,301**	31,387,166
Rest of Asia/Others	**82,218,465**	86,231,841
	$186,611,065	$231,846,871

**Pertains to Europe, Germany and UK*
***Pertains to Mexico and USA*

Noncurrent assets include property, plant and equipment, goodwill, intangible assets and right of use assets.

The following table presents the depreciation and amortization expense based on their physical location:

	2024	2023	2022
Europe*	**$11,569,422**	$15,757,118	$15,815,549
America**	**6,101,614**	5,862,792	6,871,681
Rest of Asia/Others	**15,367,651**	15,562,557	19,169,169
	$33,038,687	$37,182,467	$41,856,399

**Pertains to Europe, Germany and UK*
***Pertains to Mexico and USA*

30. Lease Commitments

Set out below are the carrying amounts of the Group's right-of-use assets presented under non-current assets, and the movements during the period:

	2024	2023
As at January 1	**$19,472,578**	$19,266,348
Additions/modifications	**19,639,887**	12,594,844
Termination	**(403,875)**	(1,313,898)
Amortization expense	**(8,337,126)**	(8,889,808)
Loss on lease modifications	**–**	(41,049)
Disposal through subsidiary sold	**–**	(2,854,555)
Cumulative translation adjustment	**(353,022)**	710,696
As at December 31	**$30,018,442**	$19,472,578

Set out below are the carrying amounts of the Group's lease liabilities and the movements during the period:

	2024	2023
As at January 1	**$21,988,635**	$19,937,666
Additions/modifications	**19,639,887**	12,594,844
Interest expense on lease liabilities	**1,482,675**	1,395,174
Rental payments	**(8,814,252)**	(9,822,200)
Termination	**(550,524)**	–
Gain on lease termination	**(1,107,398)**	–
Waived rentals	**–**	(41,049)
Disposal through subsidiary sold	**–**	(3,344,661)
Cumulative translation adjustment	**(1,759,361)**	1,268,861
As at December 31	**$30,879,662**	$21,988,635
Current	**$5,444,362**	$8,265,812
Noncurrent	**$25,435,300**	$13,722,823

The following are the amounts recognized in consolidated statements of income:

	2024	2023	2022
Amortization expense of right-of-use assets (Notes 20 and 21)	**$8,337,126**	$8,889,808	$9,134,302
Interest expense on lease liabilities (Note 23)	**1,482,675**	1,395,174	932,077
Expense related to short-term leases and low-value assets	**1,863,049**	1,357,090	619,764
	$11,682,850	$11,642,072	10,686,143

The Group's lease agreements have terms of fixed payments and there are no variable payment provisions.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with Group's business needs. Management exercises significant judgment in determining whether these extension and termination options are reasonably certain to be exercised (see Note 4).

Shown below is the maturity analysis of the undiscounted lease payments as of December 31, 2024 and 2023 follow:

	2024	2023
Within one year	**$6,944,834**	$8,482,824
After one year but not more than two years	**5,719,860**	5,133,061
After two years but not more than three years	**5,797,178**	2,986,827
After three years but not more than four years	**3,611,980**	2,936,224
After four years but not more than five years	**2,972,037**	558,242
More than five years	**7,188,795**	–
	$32,234,684	$20,097,178

Lease Commitments

Parent Company

In 2023, the Parent Company entered into a lease agreement for the use of a warehouse building located in Laguna. The non-cancellable lease is for a period of five years and four months from September 1, 2023 to August 31, 2028.

The Parent Company entered into an amended lease contract with AREIT INC., formerly owned by Technopark Land, Inc. (TLI), an affiliate, for the lease of parcels of land situated at the Special Export Processing Zone, Laguna Technopark, Biñan, Laguna. The lease contract which expired on December 31, 2022 was extended by another five years up to 2027 subject to new lease rates beginning 2023 based on market with annual escalation of five percent beginning January 1, 2024 until the end of the lease term.

The Parent Company (Lessee) has existing agreement involving the lease of residential house and lots located in Sta. Rosa, Laguna covering a period of five years from January 1, 2021 to December 31, 2025.

IMI Singapore and STEL Group
STEL Group have various operating lease agreements on office premises, plant and equipment, leasehold building and improvement, and motor vehicles. These non-cancellable lease contracts have lease terms of between two to eight years. There are no lease commitments for IMI Singapore.

In 2024, IMI SZ entered into a lease agreement on its manufacturing facility covering a period of eight years from Aug 2024 to July 2032. The lease premise is a five-floor building with 29,340 square meters located in an industrial park in Pingshan district of Shenzhen. During the year, IMI SZ executed a renewal of lease agreement for its 23,211 square meters plant in Kuichong with coverage period from April 2024 to December 2033. IMI SZ entered a two-year lease agreement effective July 1, 2024 to June 30, 2026, for a dormitory located in Pingshan.

In 2017, STJX extended its existing lease agreement up to 2027 with Jiaxing Economic Development Zone Investment and Development Group Co., Ltd to use as its manufacturing facility located in He Ping Street, Jiaxing.

On November 2020, IMI CD entered a five-year lease agreement effective January 2021 to January 2026, for its electronic production, office and staff accommodation. The lease premises is a three-floor building and a dormitory located at Xindu district, Chengdu City. In September 2022, IMI CD entered a three-year non-cancellable lease, effective October 1, 2022 to September 30, 2025, located at Xindu district, Chengdu City to serve as their external warehouse. In relation to the cessation of the IMI CD operations, the facility is scheduled to be formally handed back to the landlord by 2025 and the balance of the ROU amounting to $0.12 million was written off.

IMI BG
IMI BG have lease agreements related to office and warehouse building rent with lease terms of five years. These leases have renewal options.

I*MI CZ*
IMI CZ have various operating lease agreements in respect of its company cars with lease terms of four to five years.

I*MI MX*
IMI MX have various lease agreements related to building and automobiles used in operation with lease terms of three to five years. In 2024, IMI MX entered into a lease agreement for the use of a building located in Mexico. The non-cancellable lease is for a period of five years from October 1, 2024 to September 30, 2029.

VIA Group
VIA Group has lease contracts for various items of office, plant and vehicles used in its operations. Leases of office and plant have lease terms between 1 and 6 years, while motor vehicles generally have lease terms of 3-4 years. VIA's obligations under its leases are secured by the lessor's title to the leased assets. For certain leases, VIA is restricted from entering into any sub-lease agreements. There are several lease contracts that include extension and termination options. VIA Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with

low value. VIA Group applies the ‘short-term lease’ and ‘lease of low-value assets’ recognition exemptions for these leases.

IMI USA
On June 5, 2020, IMI USA entered into a fourth amendment to a standard industrial commercial single tenant lease contract for an extended term of five years commencing from November 1, 2020 to October 31, 2025 for the lease of office premises. The lease contract contains provisions including, but not limited to, an escalation rate of 3% per year and early termination penalties and an option to extend the lease up to two years. In relation to the cessation of prototyping and manufacturing operations of IMI USA, the right to terminate the lease has been exercised and the lease shall now expire on March 31, 2025.

31. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates. Related parties may be individuals or corporate entities.

The Group, in its regular conduct of business, has entered into transactions with subsidiaries, affiliate, and other related parties principally consisting of advances, loans and reimbursement of expenses. Sales and purchases of goods and services as well as other income and expenses to and from related parties are made at normal commercial prices and terms.

<u>Terms and Conditions of Transactions with Related Parties</u>
The Group has a Related Party Transactions (RPT) Committee that evaluates and governs related party transactions. Prior to finalization of any related party agreement, the management shall report for review and approval to the RPT Committee all new and proposed significant related party transaction above the threshold set by the RPT Committee.

Outstanding balances at year-end are unsecured and settlement occurs in cash unless otherwise stated. For the years ended December 31, 2024, 2023 and 2022, the Group has not recorded any impairment on receivables relating to amounts owed by related parties. Impairment assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

In the ordinary course of business, the Group transacts with its related parties. The transactions and balances of accounts with related parties follow:

- Transactions with BPI, a related party

  As of December 31, 2024 and 2023, the Group maintains current and savings accounts with BPI amounting to \$0.69 million and \$0.97 million, respectively.

  Total interest income earned from investments with BPI amounted to \$0.002 million, \$0.003 million and \$0.003 million for the years ended December 31, 2024, 2023 and 2022, respectively.

  The Group has an outstanding short term and long-term loans from BPI amounting to \$166.69 million and \$182.31 million as of December 31, 2024 and 2023, respectively.

  Total interest accrued for the loan payable to BPI amounted to \$11.27 million, \$9.06 million and \$5.78 million for the years ended December 31, 2024, 2023 and 2022, respectively.

- Outstanding balances of the Group's related party transactions with its affiliates follow:

	Receivables		Payables	
	2024	2023	**2024**	2023
Immediate Parent:				
AC Industrials Technology Inc. (AC Industrials)	**$–**	$–	**$–**	$46,904
Intermediate Parent:				
Ayala Corporation (AC)	**443,146**	–	**–**	596,737
Entities Under Common Control:				
KTM Asia Motor Manufacturing Inc. (KAMMI)	**842,178**	988,479	**–**	–
Merlin Solar Technologies (Phils.) Inc. (MSTPI)	**240,852**	208,760	**–**	–
Ayala International Holdings Ltd (AIHL)	**7,205**	–	**–**	–
AREIT, Inc.	**–**	–	**122,620**	–
HMC, Inc. (HMCI)	**–**	–	**15,818**	17,658
BPI	**–**	–	**224,964**	7,698
Innove Communication, Inc. (ICI)	**–**	–	**12,983**	12,831
Globe Telecom, Inc. (GTI)	**–**	–	**5,437**	–
	$1,533,381	$1,197,239	**$381,822**	$681,828

i. Transaction with AC, AC Industrials and AIHL pertains to management fee on corporate and support services.
ii. Transaction with KAMMI and MSTPI pertains to trade related receivables.
iii. Payable to BPI pertain to employee-related transactions.
iv. Payables to ICI pertain to building rental, leased lines, internet connections and ATM connections.
v. Payable to HMCI pertain to provision of health services.
vi. Payables to GTI pertain to billings for software and WiFi connections. These are due and demandable.
vii. Payables to AREIT pertain to leased land

- Revenue/income and expenses from the Group's affiliates follow:

	Revenue/Income			Expenses		
	2024	2023	2022	**2024**	2023	2022
Immediate Parent:						
AC Industrials	**$–**	$–	$–	**$–**	$46,807	$–
Intermediate Parent:						
AC	**–**	–	–	**437,175**	670,643	536,818
Entities Under Common Control:						
KAMMI	**1,601,459**	2,437,678	5,012,496	**–**	–	–
MSTPI	**120,711**	122,961	135,821	**–**	–	–
BPI	**16,691**	2,567	2,999	**–**	41,352	38,914
AREIT	**–**	–	–	**1,504,171**	1,473,220	1,444,719
Laguna Water (LAWC)	**–**	–	–	**425,296**	1,189,047	1,071,846
AG Legal	**–**	–	–	**62,237**	23,250	57,730
ICI	**–**	–	–	**163,994**	217,156	310,287
HMCI	**–**	–	–	**199,379**	194,305	–
GTI	**–**	–	–	**103,613**	98,915	117,306
Ayala Greenfield Development Corporation (AGDC)	**–**	–	–	**1,444**	–	–
	$1,738,861	$2,563,206	5,151,316	**$2,897,309**	$3,954,695	3,577,620

Revenue/income from its affiliates pertains to the following transactions:

i. Revenues from KAMMI and MSTPI pertain to subcontracting services related to registered activities.
ii. Interest income earned from investments with BPI.

Expenses incurred from related party transactions include:

i. Administrative services charged by AC Industrials and AC related to certain transactions.
ii. Rental expense from the lease contract between the Parent Company and AREIT (Formerly with TLI).
iii. Water allocation charged by LAWC.
iv. Building rental, leased lines, internet connections and ATM connections with ICI.
v. Health services from HMCI.
vi. Consultations on legal matters and assistance on regulatory and legal requirements from AG Legal.
vii. Billings for cellphone charges and WiFi connections with GTI.
viii. Staff house rent expenses paid with BPI.
ix. Dues and fees paid with AGDC.

- Revenue, income and expenses eliminated at the Group level follow:

i. Intercompany revenues and income mainly pertain to billings of IMI USA and IMI Japan to IMI Singapore, trade related transactions from certain customers and interest income of the Parent Company, IMI Singapore and STSN for loans granted to PSi, IMI MX, STI and IMI CZ.
ii. Expenses incurred from related party transactions include interest expense of PSi, IMI MX, STI and IMI CZ from loans granted by the Parent Company, IMI Singapore and STSN and trade related transactions from certain customers.
iii. Dividend income of the Parent Company was declared by IMI Singapore amounting to nil and $24.60 million in 2024 and 2023, respectively.

Compensation of Key Management Personnel of the Group

Compensation of key management personnel by benefit type follows:

	2024	2023
Short-term employee benefits	**$8,003,546**	$6,621,722
Post-employment benefits	**884,955**	853,693
	$8,888,501	$7,475,415

32. Fair Values of Financial Instruments

Fair Values of Financial Assets and Financial Liabilities where the Carrying Amounts Approximate Fair Values

Financial assets and financial liabilities that are liquid or are short-term in nature which consist of cash and cash equivalents and short-term investments, receivables, accounts payables and accrued expenses, current portion of long-term debt and other current liabilities are assumed to have carrying amounts approximating their fair values.

Below are the fair values of financial assets and financial liabilities that are either carried at fair value or where the carrying amounts do not approximate fair values as of December 31, 2024 and 2023:

	Carrying Amounts		Fair Values	
	2024	2023	**2024**	2023
Financial assets:				
Financial assets at FVOCI	**$2,543,003**	$2,364,096	**$2,543,003**	$2,364,096

	Carrying Amounts		Fair Values	
	2024	2023	**2024**	2023
Financial liabilities:				
Noncurrent portion of long-term debt	**$107,102,708**	$140,213,655	**$112,180,367**	$144,909,080

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

Financial assets at FVOCI pertain to investments in club shares. Fair value is based on the most recent selling price of the club shares.

Noncurrent portion of long-term debt - The fair value of long-term debt is estimated by using the discounted cash flow method using the current incremental borrowing rates for similar borrowings, with maturities consistent with those remaining for the liability being valued. The discount rates used for 2024 and 2023 ranged from 1.05% to 8.65% and from 1.05% to 4.99%, respectively.

Fair Value Hierarchy
The following tables provide the fair value hierarchy of the Group's assets and liabilities:

	December 31, 2024			
	Fair Value Measurement Using			
	Quoted Prices in Active Markets (Level 1)	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Assets measured at fair value:				
Financial assets at FVOCI	**$–**	**$2,543,003**	**$–**	**$2,543,003**
Liabilities for which fair values are disclosed:				
Long-term debt	**$–**	**$–**	**$112,180,367**	**$112,180,367**

	December 31, 2023			
	Fair Value Measurement Using			
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets measured at fair value:				
Financial assets at FVOCI	$–	$2,364,096	$–	$2,364,096
Liabilities for which fair values are disclosed:				
Long-term debt	$–	$–	$144,909,080	$144,909,080
	$–	$–	$144,909,080	$144,909,080

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

33. Financial Risk Management Objectives and Policies

The Group's principal financial instruments, composed of loans payable, long-term debt and other financial liabilities, were issued primarily to raise financing for the Group's operations. The Group has various financial instruments such as cash and cash equivalents and short-term investments, receivables and accounts payable and accrued expenses which arise directly from its operations.

The main purpose of the Group's financial instruments is to fund its operational and capital expenditures. The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, credit risk and foreign currency risk. The Group also enters into currency forwards to manage the currency risk arising from its operations and financial instruments.

The Group's risk management policies are summarized below:

Interest Rate Risk
The Group's exposure to market risk for changes in interest rates relates to its short-term and long-term debt obligations with floating interest rates. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debt.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's income before income tax (through the impact on floating rate borrowings) for the years ended December 31, 2024 and 2023. There is no other impact on the Group's equity other than those already affecting income.

	Effect on Net Loss before Tax	
Increase/Decrease in Basis Points	**2024**	2023
+100	**($2,912,583)**	($2,178,962)
-100	**2,912,583**	2,178,962

The following table shows the information about the Group's debt as of December 31, 2024 and 2023 that are exposed to interest rate risk presented by maturity profile:

	2024	2023
Within one year	**$185,203,792**	$70,634,080
One to five years	**106,054,534**	147,262,150
	$291,258,326	$217,896,230

Liquidity Risk
Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Group's exposure to liquidity risk relates primarily to its short-term and long-term obligations. The Group seeks to manage its liquidity profile to be able to finance its capital expenditures and operations. The Group maintains a level of cash and cash equivalents deemed sufficient to finance its operations. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. To cover financing requirements, the Group intends to use internally-generated funds and loan facilities with local and foreign banks. Surplus funds are placed with reputable banks.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	2024				
	On Demand	**Less than 3 Months**	**3 to 12 Months**	**1 to 5 Years**	**Total**
Accounts payable and accrued expenses:					
Trade payables	**$–**	**$157,665,969**	**$–**	**$–**	**$157,665,969**
Employee-related accruals and contributions	**–**	**21,899,828**	**–**	**–**	**21,899,828**
Accrued expenses*	**–**	**21,813,931**	**–**	**–**	**21,813,931**
Nontrade payables	**–**	**10,681,286**	**–**	**–**	**10,681,286**
Accrued interest payable	**–**	**2,345,381**	**–**	**–**	**2,345,381**
Due to related parties	**–**	**381,822**	**–**	**–**	**381,822**
Contract liabilities	**–**	**3,442,269**	**–**	**–**	**3,442,269**
Other current liabilities	**–**	**972**	**1,014,730**	**–**	**1,015,702**
Loans payable**	**–**	**135,837,492**	**17,775,044**	**–**	**153,612,536**
Current portion of lease liabilities	**–**	**–**	**6,944,834**	**–**	**6,944,834**
Current portion of long-term debt**	**–**	**33,002,181**	**11,671,140**	**–**	**44,673,321**
Noncurrent portion of lease liabilities	**–**	**–**	**–**	**25,289,850**	**25,289,850**
Noncurrent portion of long-term debt**	**–**	**–**	**–**	**110,226,549**	**110,226,549**
	$–	**$387,071,131**	**$37,405,748**	**$135,516,399**	**$559,993,278**

**** Excluding statutory payables.***
***** Including future interest payments.***

	2023				
	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	Total
Accounts payable and accrued expenses:					
Trade payables	$–	$197,238,858	$–	$–	$197,238,858
Employee-related accruals and contributions	–	22,098,824	–	–	22,098,824
Accrued expenses*	–	29,038,925	–	–	29,038,925
Nontrade payables	–	19,000,151	–	–	19,000,151
Accrued interest payable	–	1,731,352	–	–	1,731,352
Due to related parties	–	681,828	–	–	681,828
Contract liabilities	–	2,748,320	–	–	2,748,320
Other current liabilities	–	1,032	1,523,795	–	1,524,827
Loans payable	–	182,615,096	28,956,207	–	211,571,303
Current portion of lease liabilities			8,482,824		8,482,824
Current portion of long-term debt	–	3,197,375	8,714,478	–	11,911,853
Noncurrent portion of lease liabilities	–	–	–	11,614,353	11,614,353
Noncurrent portion of long-term debt**	–	–	–	148,349,969	148,349,969
	$–	$458,351,761	$47,677,304	$159,964,322	$665,993,387

** Excluding statutory payables.*
*** Including future interest payments.*

The financial liabilities in the above tables are gross undiscounted cash flows and these amounts are to be settled through cash and cash equivalents. Furthermore, liquid assets such as cash and cash equivalents and trade receivables, and available credit lines are used by the Group to manage liquidity.

Credit lines
The Group has credit lines with different financing institutions as of December 31, 2024 and 2023, as follows:

	2024		2023	
Financial Institution / Currency	**Credit Limit**	**Available Credit Line**	Credit Limit	Available Credit Line
Local:				
USD	**132,000,000**	**37,400,000**	132,000,000	9,000,000
PHP	**800,000,000**	**423,000,000**	800,000,000	403,835,000
Foreign:				
USD	**59,000,000**	**37,000,000**	104,500,000	42,359,387
JPY	**1,100,000,000**	**706,530,000**	800,000,000	650,850,000
Singapore Dollar (SGD)	**16,000,000**	**16,000,000**	16,000,000	1,535,000
EUR	**12,107,435**	**9,164,704**	15,800,000	14,226,789
RMB	**390,000,000**	**175,900,000**	-	-

Credit Risk
Credit risk is the risk that the Group’s counterparties to its financial assets will fail to discharge their contractual obligations. The Group’s major credit risk exposure relates primarily to its holdings of cash and cash equivalents and receivables from customers and other third parties. Credit risk management involves dealing with institutions for which credit limits have been established. The treasury policy sets credit limits for each counterparty. The Group trades only with recognized, creditworthy third parties. The Group has a well-defined credit policy and established credit procedures. The Group extends credit to its customers consistent with sound credit practices and industry standards. The Group deals only with reputable, competent and reliable customers who pass the Group’s credit standards. The credit evaluation reflects the customer’s overall credit strength based on key financial and credit characteristics such as financial stability, operations, focus market and trade references. All customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group’s exposure to bad debts is not significant.

The Group defines a financial asset as in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. Such internal or external information includes discontinuance of orders, financial difficulty or insolvency, probable bankruptcy or other financial reorganization. Actual historical experience shows low defaulted accounts which were also substantially recovered subsequently resulting to insignificant write-offs.

The Group's maximum exposure to credit risk as of December 31, 2024 and 2023 is the carrying amounts of the financial assets. The Group's maximum exposure for cash and cash equivalents excludes the carrying amount of cash on hand.

The Group has 27% and 24% of trade receivables relating to three major customers as of December 31, 2024 and 2023, respectively.

As of December 31, 2024 and 2023, the aging analysis of receivables, contract assets and miscellaneous deposits follows:

	2024						
			Days Past Due				
	Total	Current	<30 Days	30-60 Days	60-90 Days	90-120 Days	>120 Days
Receivables:							
Trade	$218,453,220	$170,858,445	$28,143,991	$6,252,584	$4,049,302	$2,047,233	$7,101,665
Nontrade	3,006,468	334,579	399,503	14,986	1,645,618	6,555	605,227
Receivable from employees	98,984	81,671	17,313	–	–	–	–
Due from related parties	1,533,381	221,929	76,034	166,988	82,578	65,887	919,965
Others	5,872,771	5,872,771	–	–	–	–	–
Contract assets	42,642,460	42,642,460	–	–	–	–	–
Miscellaneous deposits	2,921,909	2,921,909	–	–	–	–	–
	$274,529,193	$222,933,764	$28,636,841	$6,434,558	$5,777,498	$2,119,675	$8,626,857
Expected credit loss		$–	$–	$–	$–	$–	$1,571,586
Expected credit loss rate		0%	0%	0%	0%	0%	18%

	2023						
			Days Past Due				
	Total	Current	<30 Days	30-60 Days	60-90 Days	90-120 Days	>120 Days
Receivables:							
Trade	$260,623,416	$206,109,745	$29,531,821	$8,138,296	$4,955,965	$1,143,199	$10,744,390
Nontrade	16,590,926	15,437,369	725,781	79,284	156,299	129,190	63,003
Receivable from employees	223,780	208,595	15,185	–	–	–	–
Due from related parties	1,197,239	68,424	177,691	86,794	226,900	129,674	507,756
Others	6,058,958	6,058,958	–	–	–	–	–
Contract assets	52,900,849	52,900,849	–	–	–	–	–
Miscellaneous deposits	3,213,241	3,213,241	–	–	–	–	–
	$340,808,409	$283,997,181	$30,450,478	$8,304,374	$5,339,164	$1,402,063	$11,315,149
Expected credit loss		$–	$–	$–	$–	$–	$985,684
Expected credit loss rate		0%	0%	0%	0%	0%	9%

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customers with similar loss patterns. Given the loss patterns of customers and the Group's credit policy, the expected credit loss recognized for the period ended December 31, 2024 and 2023 represents specifically identified impaired financial assets.

The following table summarizes the credit quality of the Group's financial assets as of December 31, 2024 and 2023:

	December 31, 2024					
	Neither Past Due nor Impaired				Past Due or Individually Impaired	
	Minimal Risk	Average Risk	Fairly High Risk	High Risk		Total
Cash and cash equivalents and short-term investments	$91,943,576	$–	$–	$–	$–	$91,943,576
Receivables:						
Trade	64,227,036	90,109,135	5,634,062	10,888,212	47,594,775	218,453,220
Nontrade	–	334,578	–	–	2,671,890	3,006,468
Receivable from employees	–	98,984	–	–	–	98,984
Due from related parties	–	209,533	1,507	10,889	1,311,452	1,533,381
Others	–	5,872,771	–	–	–	5,872,771
Financial assets at FVOCI	2,543,003	–	–	–	–	2,543,003
Miscellaneous deposits	2,921,909	–	–	–	–	2,921,909
	$161,635,524	$96,625,001	$5,635,569	$10,899,101	$51,578,117	$326,373,312

	December 31, 2023					
	Neither Past Due nor Impaired				Past Due or Individually Impaired	
	Minimal Risk	Average Risk	Fairly High Risk	High Risk		Total
Cash and cash equivalents and short-term investments	$103,008,016	$–	$–	$–	$–	$103,008,016
Receivables:						
Trade	84,225,866	89,921,945	11,753,994	20,207,940	54,513,671	260,623,416
Nontrade	2,988,940	12,308,549	15,442	124,438	1,153,557	16,590,926
Receivable from employees	–	223,780	–	–	–	223,780
Due from related parties	–	58,624	–	9,800	1,128,815	1,197,239
Others	–	6,058,958	–	–	–	6,058,958
Financial assets at FVOCI	2,364,096	–	–	–	–	2,364,096
Miscellaneous deposits	3,213,241	–	–	–	–	3,213,241
	$195,800,159	$108,571,856	$11,769,436	$20,342,178	$56,796,043	$393,279,672

The Group classifies credit quality as follows:

Minimal Risk - Credit can proceed with favorable credit terms; can offer term of 15 to maximum of 45 days.

Average Risk - Credit can proceed normally; can extend term of 15 to maximum of 30 days.

Fairly High Risk - Credit could be extended under a confirmed and irrevocable LC and subject to semi-annual review for possible upgrade.

High Risk - Transaction should be under advance payment or confirmed and irrevocable Stand-By LC; subject to quarterly review for possible upgrade after one year.

Foreign Currency Risk

The Group's foreign exchange risk results primarily from movements of the functional currency of each legal entity against other currencies. As a result of significant transactions denominated in RMB, PHP and EUR the consolidated statements of income can be affected significantly by movements in the USD versus these currencies. In 2024 and 2023, the Group entered into currency forward contracts to hedge its risks associated with foreign currency fluctuations.

The Group also has transactional currency exposures. Such exposure arises from sales or purchases denominated in other than the Group's functional currency. Approximately 52% and 51% of the Group's sales for the years ended December 31, 2024 and 2023, respectively, and 58**%** and 53% of costs for the years ended December 31, 2024 and 2023, respectively, are denominated in currencies other than USD.

The Group manages its foreign exchange exposure risk by matching, as far as possible, receipts and payments in each individual currency. Foreign currency is converted into the relevant domestic currency as and when the management deems necessary. The unhedged exposure is reviewed and monitored closely on an ongoing basis and management will consider hedging any material exposure where appropriate.

Information on the Group's foreign currency-denominated monetary assets and liabilities and their USD equivalent follows:

Renminbi (RMB)

	2024		2023	
	In USD	**In RMB**	In USD	In RMB
Cash and cash equivalents	**$1,144,170**	**RMB8,132,588**	$1,947,777	RMB13,795,521
Receivables	**6,324,476**	**44,953,428**	9,389,369	66,502,083
Accounts payable and accrued expenses	**(10,754,839)**	**(76,443,784)**	(10,898,081)	(77,187,838)
Net foreign currency-denominated assets (liabilities)	**($3,286,193)**	**(RMB23,357,768)**	$439,065	RMB3,109,766

Philippine Peso (₱)

	2024		2023	
	In USD	**In PHP**	In USD	In PHP
Cash and cash equivalents	**$722,099**	**₱41,769,817**	$1,004,584	₱55,623,830
Receivables	**2,721,114**	**157,402,832**	1,345,465	74,498,404
Miscellaneous deposits	**631,449**	**36,526,149**	655,805	36,311,942
Accounts payable and accrued expenses	**(9,170,504)**	**(530,467,815)**	(10,403,845)	(576,060,904)
Net retirement liabilities	**(8,797,715)**	**(508,903,798)**	(11,814,529)	(654,170,479)
Net foreign currency-denominated liabilities	**($13,893,557)**	**(₱803,672,815)**	($19,212,520)	(₱1,063,797,207)

Euro (€)

	2024		2023	
	In USD	**In EUR**	In USD	In EUR
Cash and cash equivalents	**$16,723,937**	**€15,402,883**	$1,922,215	€1,737,674
Receivables	**21,583,430**	**19,878,516**	24,355,149	22,016,949
Accounts payable and accrued expenses	**(35,929,185)**	**(33,091,074)**	(33,141,647)	(29,959,905)
Net foreign currency-denominated assets (liabilities)	**$2,378,182**	**€2,190,325**	($6,864,283)	(€6,205,282)

Information on the Group's USD-denominated monetary assets and liabilities of the Parent Company's subsidiaries with functional currencies other than USD and which is also affected by movements of USD compared with their respective functional currencies as at December 31, 2024 and 2023 follows:

	2024			
	In USD	**In EUR**	**In RMB**	**In GBP**
Cash and cash equivalents	**$15,341,592**	**€13,028,332**	**RMB5,186,465**	**£–**
Receivables	**21,793,744**	**10,972,222**	**73,673,418**	**–**
Accounts payable and accrued expenses	**(30,089,578)**	**(14,977,752)**	**(81,305,648)**	**2,380,749**
Net foreign currency-denominated assets (liabilities)	**$7,045,758**	**€10,022,802**	**(RMB2,445,765)**	**£2,380,749**

**The USD-denominated monetary assets and liabilities are translated using EUR0.9210 for $1, RMB7.1079 for $1 and GBP0.7806 for $1.*

	2023			
	In USD	In EUR	In RMB	In GBP
Cash and cash equivalents	$41,539,707	€35,077,560	RMB19,384,715	£–
Receivables	11,770,652	3,012,624	59,764,440	–
Accounts payable and accrued expenses	(43,236,874)	(21,149,375)	(119,701,444)	(2,308,396)
Net foreign currency-denominated assets (liabilities)	10,073,485	€16,940,809	(RMB40,552,289)	(£2,308,396)

**The USD-denominated monetary assets and liabilities are translated using EUR0.9407 for $1, RMB6.9646 for $1 and GBP0.8303 for $1.*

<u>Sensitivity Analysis</u>
The following tables demonstrate sensitivity to a reasonably possible change in the USD exchange rate, with all other variables held constant, of the Group's income before income tax (due to changes in the fair value of monetary assets and liabilities) as of December 31, 2024 and 2023. The reasonably possible change was computed based on one year average historical movement of exchange rates between the USD and other currencies.

There is no other impact on the Group's equity other than those already affecting income. The increase in USD rate as against other currencies demonstrates weaker functional currency while the decrease represents stronger USD value.

Currency	Increase/Decrease in USD Rate	Effect on Net Income before Tax **2024**	2023
RMB	+1%	**$29,653**	($5,351)
	-1%	**(29,653)**	5,351
PHP	+1%	**200,191**	123,838
	-1%	**(200,191)**	(123,838)
EUR	+1%	**(17,693)**	99,421
	-1%	**17,693**	(99,421)
USD*	+1%	**73,224**	184,350
	-1%	**(74,323)**	(190,285)

**The USD-denominated monetary assets and liabilities are translated using EUR0.9210 for $1 and RMB7.1079 for $1.*

34. Contingencies

As of December 31, 2024, the Group is a party to legal proceedings arising in the ordinary course of its operations but which it believes would not materially and adversely affect its business. Certain employees have filed illegal dismissal cases before the National Labor Relations Commission against IMI when the latter terminated their services due to violation of company rules and regulations such as acts of dishonesty, and excessive unauthorized absences. These cases are at various stages including appeal. There are also pending cases involving other members of the IMI Group in other jurisdictions, some of which are being resolved amicably.

Subsequent Events
As of date of issuance of the consolidated financial statements, IMI is a party to legal proceedings arising in the ordinary course of its operations (including but not limited to filing creditor's claims in bankruptcy and liquidation proceedings).

35. Events After the Balance Sheet Date

Strategic Closure of Chengdu Facility to Optimize Operations
On January 24, 2025, IMI announced the strategic closure of its Chengdu, China facility. This move is part of the Group's ongoing efforts to streamline operations and reduce costs, aligning with the Group's strategy to consolidate its footprint into strategically located facilities.

Production at IMI Chengdu concluded in December 2024, with all customer commitments successfully met. The remaining customer projects have been seamlessly transferred to other IMI sites.

IMI is working diligently to comply with local government regulations and initiated a six-month winding up period. On February 10, 2025, IMI Chengdu made a liquidation notice and registered a liquidation team with the Chengdu government.

Amendment to the Second Article of the Articles of Incorporation
On March 7, 2025, the Board of Directors of the Parent Company approved the inclusion in the primary purpose of the Corporation the activities related to provision of warehousing/logistics support services, particularly importation/procurement, storage, deposit, inventory management of goods for subsequent sales, transfers or dispositions to clients, interested establishments, agencies and/or export enterprises. The purpose of the inclusion of the activities is to facilitate internal logistics activities within the Group and to enhance value proposition to customers.

2025 Stock Appreciation Rights Program
On March 7, 2025, the Board of Directors of the Parent Company approved the 2025 Employee Stock Option Program which may be in the form of a Stock Appreciation Rights Plan that grants cash settled and/or equity settled options (at the option of the Corporation) to its key talents.

The above two items approved on March 7, 2025 will be presented to the Parent Company's stockholders for approval at the annual meeting on April 22, 2025.

36. Notes to Consolidated Statements of Cash Flows

The following table shows the reconciliation of liabilities arising from financing activities:

		Cash Flows		Non-cash Changes							
	2023	Availment/ Collection	Settlement/ Payment	Reclass	Addition	Forfeitures	Accretion of interest expense	Deductions	Gain on lease modifications	Foreign currency translation	2024
Loans payable (Note 16)	**$210,027,008**	**$–**	**($54,997,506)**	**$–**	**$–**	**$–**	**$–**	**$–**	**$–**	**($2,435,293)**	**$152,594,209**
Current portion of long-term debt (Note 17)	**6,484,519**	**–**	**(6,033,206)**	**30,349,363**	**–**	**–**	**–**	**–**	**–**	**(37,392)**	**30,763,284**
Long-term debt (Note 17)	**140,213,655**	**2,438,015**	**(4,869,932)**	**(30,349,363)**	**–**	**–**	**–**	**–**	**–**	**(329,667)**	**107,102,708**
Lease liabilities (Note 30)	**21,988,635**	**–**	**(8,814,252)**	**–**	**19,639,887**	**–**	**1,482,675**	**(550,524)**	**(1,107,398)**	**(1,759,361)**	**30,879,662**
Other noncurrent liabilities	**5,744,874**	**838,632**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,446,567)**	**5,136,939**
Subscriptions receivable	**(2,576,077)**	**540**	**–**	**–**	**–**	**14,746**	**–**	**–**	**–**	**–**	**(2,560,791)**
	$381,882,614	**$3,277,187**	**($74,714,896)**	**$–**	**$19,639,887**	**$14,746**	**$1,482,675**	**($550,524)**	**($1,107,398)**	**($6,008,280)**	**($74,714,896)**

		Cash Flows		Non-cash Changes							
	2022	Availment/ Collection	Settlement/ Payment	Reclass	Addition	Forfeitures	Accretion of interest expense	Lease modification	Waived rentals	Foreign currency translation	2023
Loans payable (Note 16)	$192,659,599	$22,207,237	($3,946,145)	$–	$–	$–	$–	($2,306,057)	$–	$1,412,374	$210,027,008
Current portion of long-term debt (Note 17)	3,048,254	–	(1,762,003)	5,053,317	–	–	–	–	–	144,951	6,484,519
Long-term debt (Note 17)	147,365,278	2,584,350	(4,846,467)	(5,053,317)	–	–	–	–	–	163,811	140,213,655
Lease liabilities (Note 30)	19,937,666	–	(9,822,200)	–	12,594,844	–	1,395,174	(3,344,661)	(41,049)	1,268,861	21,988,635
Other noncurrent liabilities	5,473,950	449,792	–	–	–	–	–	(1,102,874)	–	924,006	5,744,874
Subscriptions receivable	(2,620,195)	23,051	–	–	–	21,067	–	–	–	–	(2,576,077)
	$365,864,552	$25,264,430	($20,376,815)	$–	$12,594,844	$21,067	$1,395,174	$($6,753,592)	($41,049)	$3,914,003	$381,882,614

Most of the loans are from existing revolving credit lines.

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Integrated Micro-Electronics, Inc.
North Science Avenue - Special Economic Zone (LT - SEZ)
Laguna Technopark, Bo. Biñan
Biñan, Laguna

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements Integrated Micro-Electronics, Inc. and its subsidiaries (the Group) as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024 and have issued our report thereon dated March 7, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Cyril Jasmin B. Valencia

Cyril Jasmin B. Valencia
Partner
CPA Certificate No.
Tax Identification No.
BOA/PRC Reg. No. , , valid until
BIR Accreditation No. , , valid until
PTR No. , ,

March 7, 2025

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Integrated Micro-Electronics, Inc.
North Science Avenue - Special Economic Zone (LT - SEZ)
Laguna Technopark, Bo. Biñan
Biñan, Laguna

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Integrated Micro-Electronics, Inc. and its subsidiaries (the Group) as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated March 7, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Cyril Jasmin B. Valencia

Cyril Jasmin B. Valencia
Partner
CPA Certificate No.
Tax Identification No.
BOA/PRC Reg. No. , , valid until
BIR Accreditation No. , , valid until
PTR No. , ,

March 7, 2025

INTEGRATED MICRO-ELECTRONICS INC. AND SUBSIDIARIES
FINANCIAL RATIOS
December 31, 2024

Ratios	Formula	Dec 31, 2024	Dec 31, 2023
(i) Current ratio	Current assets / Current Liabilities	**1.39**	1.44
(ii) Quick / Acid ratio	Current assets less inventories, contract assets and other current assets/Current liabilities	**0.75**	0.75
(iii) Solvency ratio	Total Assets / Total Liabilities	**1.39**	1.45
(iv) Debt ratio	Total Debt / Total Assets	**0.37**	0.36
(v) Debt-to-Equity ratio	Bank debts (loans and trust receipts payable and long-term debt) / Total Equity	**1.30**	1.15
(vi) Assets-to-Equity ratio	Total Assets / Total Equity	**3.55**	3.20
(vii) Interest rate coverage ratio	Earnings before interest and taxes / Interest Expense	**-2.43**	(4.45)
(viii) Profitability ratios			
GP margin	Gross Profit / Revenues	**7.9%**	9.0%
Net profit margin	Net Income after Tax / Revenues	**-4.5%**	-8.0%
EBITDA margin	EBITDA / Revenues	**3.4%**	4.0%
Return on assets	Net Income after Tax / Total Asset	**-6.3%**	-10.6%
Return on equity	Net Income after Tax / Average equity attributable to parent	**-20.0%**	-32.2%

	(in US$'000) Dec 31, 2024	Dec 31, 2023
Current Assets	589,593	739,327
Current Liabilities	423,579	514,520
Total Assets	792,924	994,628
Bank Debts	290,460	356,725
Total Liabilities	569,604	684,042
Total Equity	223,321	310,585
Average equity Attributable to parent	248,525	327,892
Revenues	1,098,693	1,327,213
Gross Profit	86,514	120,005
Net income attributable to equity holders of the parent	(49,789)	(105,626)
Earnings before interest and taxes	(51,495)	(93,797)
Interest expense	21,203	21,100
EBITDA	36,944	52,835

<u>Reconciliation of Retained Earnings Available for Dividend Declaration</u>

For the reporting period ended December 31, 2024

Integrated Micro-electronics, Inc.

North Science Avenue, Laguna Technopark- Special Economic Zone (LT-SEZ)
Bo. Biñan, Biñan, Laguna

Unappropriated Retained Earnings, beginning of reporting period			**$12,236,876**
Add:	**Category A: Items that are directly credited to Unappropriated Retained Earnings**		
	Reversal of Retained Earnings Appropriation/s	-	
	Effect of restatements or prior-period adjustments	-	
	Others	95,973	95,973
Less:	**Category B: Items that are directly debited to Unappropriated Retained Earnings**		
	Dividend declaration during the reporting period	-	
	Retained Earnings Appropriated during the reporting period	-	
	Effect of restatement or prior-period adjustments	-	
	Others	-	-
Unappropriated Retained Earnings, as adjusted			**12,332,849**
Add/Less: Net Income (loss) for the current year			**(11,504,439)**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)			
	Equity in net income of associate/joint venture, net of dividends declared	-	
	Unrealized foreign exchange gain (loss), except those attributable to cash and cash equivalents	256,030	
	Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
	Unrealized fair value gain of Investment Property	-	
	Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
	Sub-total		**256,030**
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)			
	Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
	Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
	Realized fair value gain of Investment Property	-	

Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
Sub-total		-
Add: <u>Category C.3</u>: Unrealized income recognized in the profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of Investment Property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
Sub-total		-
Adjusted Net Income/Loss		**(11,760,469)**
Add: <u>Category D</u>: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)		
Sub-total		-
Add/Less: <u>Category E</u>: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others	-	
Sub-total		-
Add/Less: <u>Category F</u>: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement of deferred tax asset and deferred tax liabilities related to same transactions, e.g., set up of right of use asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP – gain (loss)	-	
Others	-	
Sub-total		-
Total Retained Earnings, end of the reporting period available for dividend		**$572,380**

Integrated Microelectronics, Inc. and Subsidiaries
Schedule C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
December 31, 2024
(in U.S. Dollars)

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Balance at end of period
Accounts receivable -trade						
IMI Cooperatief Subsidiaries	260,667	292,507	68,906	-	484,268	484,268
STI	-	-	-	-	-	-
IMI International (Singapore) Pte Ltd.	6,842,383	5,753,192	7,146,652	-	5,448,923	5,448,923
STEL Group	486,662	44,931	15,900	-	515,693	515,693
PSi Technologies Inc.	803,098	3,471	343,484	-	463,085	463,085
IMI USA	7,092	18,300	-	-	25,392	25,392
IMI Japan	29,957	-	29,957	-	-	-
Accounts receivable -nontrade	-				-	-
IMI Cooperatief Subsidiaries	6,057,684	1,294,782	1,743,534	-	5,608,932	5,608,932
STEL Group	3,499,479	1,296,712	2,636,842	-	2,159,350	2,159,350
PSi Technologies Inc.	3,213,137	1,030,610	898,498	-	3,345,249	3,345,249
IMI UK	1,932	-	1,932	-	-	-
IMI International (Singapore) Pte Ltd.	21,680,918	19,485,225	40,882,283	-	283,860	283,860
IMI International ROHQ	-	-	-	-	-	-
IMI USA	187,406	81,827	-	-	269,233	269,233
IMI Japan	985,563	-	985,563	-	-	-
Due From						
IMI Cooperatief Subsidiaries	4,745,911	8,602,371	10,140,759	-	3,207,523	3,207,523
IMI International (Singapore) Pte Ltd.	119,681,292	-	806,080	-	118,875,212	118,875,212
STEL Group	27,636,094	3,161,700	4,897,794	-	25,900,000	25,900,000
IMI USA	250,000	-	-	-	250,000	250,000
IMI Japan	823	-	823	-	-	-
IMI UK	2,850,612	-	48,330	-	2,802,282	2,802,282
Total	**199,220,711**	**41,065,626**	**70,647,337**	**-**	**169,639,001**	**169,639,001**

Integrated Micro-Electronics, Inc. and Subsidiaries
Schedule E. Indebtedness to Related Parties
December 31, 2024
(in U.S. Dollars)

Indebtedness to Related Parties (Long-term Loans from Related Companies)

Name of Related Party	Balance at Beginning of Period	Balance at End of Period
NOT APPLICABLE		

Related party payables eliminated during consolidation:

Name of Related Party	Balance at Beginning of Period	Balance at End of Period
Accounts Payable - Trade		
Speedy-Tech Electronics Ltd.	3,882,872	6,078,762
IMI International (Singapore) Pte Ltd.	-	74,394
PSi Technologies Inc.	-	2,582
IMI USA	3,590	1,290
IMI Cooperatief Subsidiaries	32,274	6,231
Accounts Payable - Nontrade		
Speedy-Tech Electronics Ltd.	778,741	68,183
PSi Technologies Inc.	-	828
IMI USA	2,892	1,015
IMI Cooperatief Subsidiaries	14,551	2,232
Due To		
Speedy-Tech Electronics Ltd.	2,839,272	3,083,109
IMI International (Singapore) Pte Ltd.	49,412	87,426
PSi Technologies Inc.	93	221
IMI Japan	450,106	-
IMI USA	133,588	170,767
IMI Cooperatief Subsidiaries	77,356	41,963
Total	**8,264,748**	**9,619,003**

Note 1. These related party liabilities are payable on demand.

Integrated Micro-Electronics, Inc. and Subsidiaries
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
December 31, 2024 and 2023
(in U.S. Dollars)

	2024	**2023**
Total Audit Fees *(Section 2.1a)*	**616,553**	**758,914**
Non-audit services fees:		
Other assurance services	-	14,165
Tax Services	-	-
All other services	1,032	1,032
Total Non-audit Fees *(Section 2.1b)*	**1,032**	**15,197**
Total Audit and Non-audit Fees	**617,585**	**774,111**

Audit and Non-audit fees of other related entities *(Section 2.1c)*

	2024	**2023**
Audit Fees	**-**	**-**
Non-audit services fees:		
Other assurance services	-	-
Tax Services	-	-
All other services	-	-
Total Audit and Non-audit fees of other related entities	**-**	**-**

Section 2.1a: *Agreed fees (excluding out of pocket expenses and VAT) with the external auditor/audit firm and its network firms for the audit of the company's stand-alone and consolidated financial statements and the covered company's consolidated subsidiaries' fees for special purpose audit or review of financial statements.*

Section 2.1b: *Charged or billed fees (excluding out of pocket expenses and VAT) with the external auditor/audit firm and its network firms for non-audit services to the company and its related entities over which the company has direct or indirect contrc that are consolidated in the financial statements on which the external auditor/audit firm expresses an opinion. These include other assurance services such as special purpose audit or review of financial statements.*

Section 2.1c: *Fees for services (excluding out of pocket expenses and VAT) charged to any related entities of the company over which the company has direct or indirect control, which are not yet disclosed in (a) and (b), such as fees for services to any unconsolidated subsidiaries that meet the consolidation exemption criteria of Philippine Financial Reporting Standard (PFRS) 10 applicable to investment entities, if the external auditor/audit firm's independence, as communicted by the external auditor/audit firm with the company's Those charged with Governance or equivalent (e.g. Audit Committee).*