


SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17(a)-1(b)(3) THEREUNDER

1. **May 4, 2022**
Date of Report (Date of earliest event reported)
2. **94419**
SEC Identification Number
3. **000-409-747-000**
BIR Tax Identification Number
4. **INTEGRATED MICRO-ELECTRONICS, INC.**
Exact Name of registrant as specified in its charter
5. **PHILIPPINES**
Province, country or other jurisdiction of incorporation
6.  (SEC Use Only)
Industry Classification Code
7. **North Science Avenue, Laguna Technopark-Special Processing Zone, Biñan, Laguna**
Address of principal office
- 4024**
Postal code
8. **(632) 7756-6840**
Registrant's telephone number, including area code
9. **Not Applicable**
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the SRC

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON (net of Treasury Shares)	2,217,293,215

Indicate the item numbers reported herein : **Please refer to attached letter**


Re: **Press Release: IMI Q1 Revenues Grew as Global Supply Chain Pressure Persists**

Pursuant to the requirements of the Securities Regulations Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

INTEGRATED MICRO-ELECTRONICS, INC.

Registrant

Date : **May 4, 2022**


LAURICE S. DELA CRUZ
Chief Finance Officer (OIC)
and Compliance Officer
Signature and Title*

* Print name and title of the signing officer under the signature.



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

May 4, 2022

Securities and Exchange Commission
Philippine International Convention Center
Vicente Sotto St., Pasay City 1700

Attention: Atty. Rachel Esther J. Gumpang-Remalante
Corporate Governance & Finance Department

Philippine Stock Exchange
Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department

Subject: IMI Q1 Revenues Grew as Global Supply Chain Pressure Persists

May 4, 2022, Laguna, Philippines — Integrated Micro-Electronics, Inc. (IMI) revenues grew to US\$334 million in the first quarter of 2022, a 2% year-on-year growth despite continued increase in business backlog. Supply chain delays have hindered profitability but cost saving measures and continued collaboration with customers and suppliers mitigated the increased costs. Net loss for Q1 2022 narrowed to US\$ 2.0 million compared to the previous quarter.

Please refer to the attached press release. Thank you!

Very truly yours,


LAURICE S. DELA CRUZ
Chief Finance Officer (OIC)
and Compliance Officer



IMI Q1 Revenues Grew as Global Supply Chain Pressure Persists

May 4, 2022, Laguna, Philippines — Integrated Micro-Electronics, Inc. (IMI) revenues grew to US\$334 million in the first quarter of 2022, a 2% year-on-year growth despite continued increase in business backlog. Supply chain delays have hindered profitability but cost saving measures and continued collaboration with customers and suppliers mitigated the increased costs. Net loss for Q1 2022 narrowed to US\$ 2.0 million compared to the previous quarter.

“As the entire industry has been dealing with the global component shortage for more than a year, IMI teams across the globe continue to embody the resilience and determination that has enabled us to rebound from similar macro-economic obstacles in the past,” said IMI CEO Arthur Tan. “Customer demand remains strong and new product development is still in high gear as evidenced by our revenue growth and strong pipeline performance despite the global supply chain issues in the past several quarters. The focus now is on driving profitability by collaborating with customers and improving supply chain efficiency as the component situation normalizes.”

Wholly-owned businesses ended the first quarter with US\$258 million of revenues, 1% better than the same period last year. These operating sites have significantly improved quarter-on-quarter profitability with a net income of US\$3.3 million in Q1 compared to a US\$ 0.7 million loss the previous quarter. Meanwhile, subsidiaries VIA Optronics and STI started the year with US\$ 76 million of revenues, a 4% improvement versus last year. However, with these business units having more specialized products in the automotive, aerospace and defense markets, extended supply lead times and limited opportunities to use alternative components have significantly affected margins. Covid-related shutdowns and transportation disruptions in Suzhou, China have also affected operations in VIA. In total, non-wholly owned subsidiaries ended the first quarter with a net loss of US\$ 5.3 million.

“The recent lockdowns in China and intense geopolitical tension in Europe have created a new set of uncertainties in the global market. Along with the extended recovery of the electronics supply chain, IMI is still being challenged by multiple macroeconomic headwinds. However, globally, we have been managing these disruptions while taking advantage of opportunities to improve our operations. As more economies start to open up and the world returns to normalcy, the company remains committed to manufacturing excellence and accelerating our return to better profitability,” said IMI President Jerome Tan.

About IMI

Integrated Micro-Electronics, Inc. (IMI), the manufacturing arm of AC Industrial Technology Holdings, Inc., a wholly-owned subsidiary of Ayala Corporation, is among the leading global technology and manufacturing solutions expert in the world. IMI ranks 19th in the list of top EMS providers in the world by the Manufacturing Market Insider based on 2021 revenues. In the automotive market, it remains the 6th largest EMS provider in the world per New Venture Research.

IMI specializes in highly reliable and quality electronics for long product life cycle segments such as automotive, industrial electronics and more recently, the aerospace market.

From its 21 manufacturing plants across ten different countries, IMI provides engineering, manufacturing, and support and fulfillment capabilities to diverse industries globally.

For more information, visit www.global-iml.com.

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES**INTERIM CONSOLIDATED BALANCE SHEET****AS OF MARCH 31, 2022****(With Comparative Audited Figures as of December 31, 2021)****(In thousands)**

	Mar 31, 2022 (Unaudited)	Dec 31, 2021 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	\$157,282	\$159,788
Receivables – net	277,827	279,042
Contract assets	49,529	52,481
Inventories	270,741	238,589
Other current assets	20,238	22,425
Total Current Assets	775,617	752,325
Noncurrent Assets		
Property, plant and equipment - net	153,797	161,967
Goodwill	143,079	145,434
Intangible assets - net	9,598	10,927
Right-of-use assets	25,707	28,458
Deferred tax assets	2,708	2,934
Financial assets at FVOCI	1,538	1,365
Other noncurrent assets	19,352	19,765
Total Noncurrent Assets	355,779	370,850
	\$1,131,396	\$1,123,175
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	\$301,438	\$289,418
Contract liabilities	4,259	4,741
Loans payable	178,443	165,772
Current portion of long-term debt	2,719	1,805
Current portion of lease liabilities	6,669	8,418
Income tax payable	2,527	2,410
Total Current Liabilities	496,055	472,564
Noncurrent Liabilities		
Noncurrent portion of:		
Long-term debt	148,011	149,679
Lease liabilities	21,023	22,802
Net retirement liabilities	9,655	10,311
Deferred tax liabilities	1,091	1,058
Other noncurrent liabilities	4,621	5,047
Total Noncurrent Liabilities	184,401	188,897
Total Liabilities	680,456	661,461

(Forward)

	Mar 31, 2022 (Unaudited)	Dec 31, 2021 (Audited)
EQUITY		
Equity Attributable to Equity Holders of the Parent Company		
Capital stock - common	\$42,710	\$42,706
Subscribed capital stock	702	709
Additional paid-in capital	193,795	193,831
Subscriptions receivable	(2,636)	(2,702)
Unappropriated retained earnings	199,591	201,560
Treasury stock	(1,013)	(1,013)
Other components of equity	(362)	(555)
Cumulative translation adjustment	(28,192)	(19,865)
Remeasurement losses on defined benefit plans	(10,072)	(10,072)
	394,523	404,599
Equity Attributable to Non-controlling Interests in Consolidated Subsidiaries		
	56,417	57,114
Total Equity	450,940	461,713
	\$1,131,396	\$1,123,175

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(In thousands, except Earnings per Share)

	Unaudited 2022 Jan to Mar	Unaudited 2021 Jan to Mar
REVENUES FROM CONTRACTS WITH CUSTOMERS	\$333,952	\$327,544
COST OF SALES	312,303	298,638
GROSS PROFIT	21,649	28,906
OPERATING EXPENSES	(24,096)	(25,406)
OTHERS - Net		
Interest and bank charges	(3,268)	(2,324)
Foreign exchange gains (losses)	1,291	1,243
Interest income	110	38
Miscellaneous income (expense) - net	1,350	(297)
INCOME (LOSS) BEFORE INCOME TAX	(2,964)	2,160
PROVISION FOR INCOME TAX	(1,420)	(1,179)
NET INCOME (LOSS)	(\$4,384)	\$981
Net Income (Loss) Attributable to:		
Equity holders of the Parent Company	(\$1,969)	\$2,193
Non-controlling interests	(2,415)	(1,212)
	(\$4,384)	\$981
Earnings (Loss) Per Share:		
Basic and diluted	(\$0.0010)	\$0.0010

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(In thousands)

	Unaudited 2022 Jan to Mar	Unaudited 2021 Jan to Mar
NET INCOME (LOSS) FOR THE PERIOD	(\$4,384)	\$981
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences arising from translation of foreign operations	(6,609)	(12,151)
<i>Other comprehensive income (loss) not to be reclassified into profit or loss in subsequent periods:</i>		
Fair value changes on financial assets at FVOCI – net of tax	193	103
	(6,416)	(12,048)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(\$10,800)	(\$11,067)
Total Comprehensive Loss Attributable to:		
Equity holders of the Parent Company	(\$10,103)	(\$10,599)
Non-controlling interests	(697)	(468)
	(\$10,800)	(\$11,067)

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(In thousands)

	Attributable to Equity Holders of the Parent Company											Total
	Capital Stock- Common	Subscribed Capital Stock	Additional Paid-in Capital	Subscriptions Receivable	Retained Earnings	Treasury Stock	Other Comprehensive Income (Loss)			Attributable to Equity Holders of the Parent Company	Attributable to Non-controlling Interests	
							Other Components of Equity	Cumulative Translation Adjustment	Remeasurement losses on defined benefit plans			
Balances at January 1, 2022	\$42,706	\$709	\$193,831	(\$2,702)	\$201,560	(\$1,013)	(\$555)	(\$19,865)	(\$10,072)	\$404,599	\$57,114	\$461,713
Issued shares during the year	4	(4)	—	—	—	—	—	—	—	—	—	—
Collection from subscriptions	—	—	—	27	—	—	—	—	—	27	—	27
Forfeitures during the year	—	(3)	(36)	39	—	—	—	—	—	—	—	—
Cash dividends	—	—	—	—	—	—	—	—	—	—	—	—
	42,710	702	193,795	(2,636)	201,560	(1,013)	(555)	(19,865)	(10,072)	404,626	57,114	461,740
Net loss	—	—	—	—	(1,969)	—	—	—	—	(1,969)	(2,414)	(4,383)
Other comprehensive income (loss)	—	—	—	—	—	—	193	(8,327)	—	(8,134)	1,717	(6,417)
Total comprehensive income (loss)	—	—	—	—	(1,969)	—	193	(8,327)	—	(10,103)	(697)	(10,800)
Balances at March 31, 2022	\$42,710	\$702	\$193,795	(\$2,636)	\$199,591	(\$1,013)	(\$362)	(\$28,192)	(\$10,072)	\$394,523	\$56,417	\$450,940

	Attributable to Equity Holders of the Parent Company											Total
	Capital Stock - Common	Subscribed Capital Stock	Additional Paid-in Capital	Subscriptions Receivable	Retained Earnings	Treasury Stock	Other Comprehensive Income (Loss)			Attributable to Equity Holders of the Parent Company	Attributable to Non-controlling Interests	
							Components of Equity	Cumulative Translation Adjustment (Note 16)	Remeasurement losses on defined benefit plans			
Balances at January 1, 2021	\$42,675	\$745	\$193,870	(\$2,889)	\$215,794	(\$1,013)	(\$875)	\$9,138	(\$9,750)	\$447,695	\$133,168	\$580,863
Issued shares during the year	27	(27)	-	-	-	-	-	-	-	-	-	-
Refund on subscriptions	-	-	-	(4)	-	-	-	-	-	(4)	-	(4)
Forfeitures during the year	-	(4)	(35)	39	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,520)	-	-	-	-	(1,520)	-	(1,520)
	42,702	714	193,835	(2,854)	214,274	(1,013)	(875)	9,138	(9,750)	446,171	133,168	579,339
Net income (loss)	-	-	-	-	2,193	-	-	-	-	2,193	(1,212)	981
Other comprehensive income (loss)	-	-	-	-	-	-	103	(12,895)	-	(12,792)	744	(12,048)
Total comprehensive income (loss)	-	-	-	-	2,193	-	103	(12,895)	-	(10,599)	(468)	(11,067)
Balances at March 31, 2021	\$42,702	\$714	\$193,835	(\$2,854)	\$216,467	(\$1,013)	(\$772)	(\$3,757)	(\$9,750)	\$435,572	\$132,700	\$568,272

Attributable to Equity Holders of the Parent Company

	Other Comprehensive Income (Loss)											
	Capital Stock-Common	Subscribed Capital Stock	Additional Paid-in Capital	Subscriptions Receivable	Retained Earnings	Treasury Stock	Other Components of Equity	Cumulative Translation Adjustment	Remeasurement losses on defined benefit plans	Attributable to Equity Holders of the Parent Company	Attributable to Non-controlling Interests	Total
Balances at January 1, 2021	\$42,675	\$745	\$193,870	(\$2,889)	\$215,794	(\$1,013)	(\$875)	\$9,138	(\$9,750)	\$447,695	\$133,168	\$580,863
Issued shares during the year	31	(31)	—	—	—	—	—	—	—	—	—	—
Redemption of preferred shares	—	—	—	—	—	—	—	—	—	—	(70,000)	(70,000)
Collection from subscriptions	—	—	—	143	—	—	—	—	—	143	—	143
Forfeitures during the year	—	(5)	(39)	44	—	—	—	—	—	—	—	—
Cash dividends	—	—	—	—	(3,669)	—	—	—	—	(3,669)	—	(3,669)
	42,706	709	193,831	(2,702)	212,125	(1,013)	(875)	9,138	(9,750)	444,169	63,168	507,337
Net loss	—	—	—	—	(10,565)	—	—	—	—	(10,565)	(9,141)	(19,706)
Other comprehensive income (loss)	—	—	—	—	—	—	320	(29,003)	(322)	(29,005)	3,087	(25,918)
Total comprehensive income (loss)	—	—	—	—	(10,565)	—	320	(29,003)	(322)	(39,570)	(6,054)	(45,624)
Balances at December 31, 2021	\$42,706	\$709	\$193,831	(\$2,702)	\$201,560	(\$1,013)	(\$555)	(\$19,865)	(\$10,072)	\$404,599	\$57,114	\$461,713

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Three months ended March 31	
	2022	2021
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	(\$2,964)	\$2,160
Adjustments for:		
Depreciation of property, plant and equipment	10,210	9,983
Interest expense	3,161	2,185
Amortization of right-of-use assets	2,500	2,701
Amortization of intangible assets	1,402	1,846
Mark-to-market losses on put options	—	385
Mark-to-market gain on derivatives	46	(125)
Unrealized foreign exchange losses (gains)	(1,502)	(1,749)
Gains on sale of property, plant and equipment	(94)	(81)
Gain on insurance claims	(407)	—
Interest income	(110)	(38)
Operating income before working capital changes	12,242	17,267
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Loans and receivables	(197)	(3,783)
Contract asset	2,480	(426)
Inventories	(33,079)	(23,358)
Other current assets	2,226	(630)
Increase (decrease) in:		
Accounts payable and accrued expenses	12,039	20,356
Contract liabilities	(409)	1,623
Retirement liabilities	(709)	(454)
Net cash provided by operations	(5,407)	10,595
Income tax paid	(1,495)	(1,852)
Interest paid	(3,155)	(2,174)
Interest received	110	38
Net cash provided by operating activities	(9,947)	6,607
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of:		
Property, plant and equipment	(3,239)	(8,975)
Intangible assets	(132)	(25)
Proceeds from sale of property, plant and equipment	115	1,300
Decrease (increase) in other noncurrent assets	162	484
Net cash used in investing activities	(3,094)	(7,216)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of loans	(1,301)	(4,239)
Availment of loans	14,084	5,316
Payments of lease liabilities	(3,505)	(3,082)
Dividends paid to preference shareholders of a subsidiary	—	(1,520)
Refund on subscriptions	27	(3)
Decrease in other noncurrent liabilities	33	(923)
Net cash used in financing activities	9,338	(4,451)
NET FOREIGN EXCHANGE DIFFERENCE IN CASH AND CASH EQUIVALENTS	1,197	2,972
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,506)	(2,088)
CASH AND CASH EQUIVALENTS AT JANUARY 1	159,788	244,356
CASH AND CASH EQUIVALENTS AT MARCH 31	\$157,282	\$242,268