



**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](http://www.global-imi.com)

March 23, 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 Posts US\$1.3 Billion of Revenues in 2021 Despite Macroeconomic Headwinds**

**March 23, 2022, Laguna, Philippines** — Integrated Micro-Electronics, Inc. (IMI) posts US\$1.3 billion of revenues in 2021, a 15% growth compared to the previous year. Despite supply chain constraints spanning the entire year, IMI was able to deliver on strong customer demand for electronic products. Focus market segments automotive (+24%), industrial (+16%), and aerospace (+15%) all grew year-on-year. However, due to increased growth and technology-related investments in non wholly-owned subsidiaries, along with high raw material prices and elevated logistics expenses, the company ends the year with a net loss of US\$10.6 million.

Please refer to the attached press release. Thank you!

Very truly yours,

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



## **IMI Posts US\$1.3 Billion of Revenues in 2021 Despite Macroeconomic Headwinds**

**March 23, 2022, Laguna, Philippines** — Integrated Micro-Electronics, Inc. (IMI) posts US\$1.3 billion of revenues in 2021, a 15% growth compared to the previous year. Despite supply chain constraints spanning the entire year, IMI was able to deliver on strong customer demand for electronic products. Focus market segments automotive (+24%), industrial (+16%), and aerospace (+15%) all grew year-on-year. However, due to increased growth and technology-related investments in non wholly-owned subsidiaries, along with high raw material prices and elevated logistics expenses, the company ends the year with a net loss of US\$10.6 million.

“Although component shortages and supply chain disruptions have burdened the entire industry this past year, we continue to see strong demand for electronics driving our growth momentum, particularly in key subsegments of electric vehicles and autonomous driving. Our sales teams were able to book US\$356 million of annual revenue potential in 2021, an increase of 52% from 2020. IMI remains committed to delivering high quality, high reliability technology solutions to meet these requirements,” said CEO Arthur Tan.

Wholly-owned subsidiaries achieved revenues of US\$1 billion for the year, a 16% growth from 2020. Overcoming immense challenges in 2021, these business units remained profitable, earning US\$6.6 million of net income for the year. Meanwhile, VIA optronics (VIAO) and Surface Technology International (STI Ltd.) revenues also increased to US\$296 million, a 10% year-on-year growth.

“As we pursue further growth in 2022, our focus now is to proactively drive manufacturing efficiency and control costs as the supply situation improves,” added 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 21st in the list of top EMS providers in the world by the Manufacturing Market Insider based on 2020 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-imi.com](http://www.global-imi.com).

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

	December 31	
	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$159,787,623	\$244,355,425
Receivables	279,042,371	275,621,791
Contract assets	52,481,010	54,525,401
Inventories	238,588,862	142,316,055
Other current assets	22,425,433	17,355,310
Total Current Assets	752,325,299	734,173,982
<b>Noncurrent Assets</b>		
Property, plant and equipment	161,967,366	177,950,968
Goodwill	145,433,881	147,245,094
Intangible assets	10,926,579	17,145,629
Right-of-use assets	28,457,787	32,660,720
Financial assets at FVOCI	1,364,733	1,124,461
Deferred tax assets - net	2,933,748	3,491,878
Other noncurrent assets	19,765,291	19,882,038
Total Noncurrent Assets	370,849,385	399,500,788
	<b>\$1,123,174,684</b>	<b>\$1,133,674,770</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$289,417,711	\$253,824,928
Contract liabilities	4,741,058	1,515,095
Loans payable	165,772,031	206,490,427
Other financial liabilities	—	1,680,879
Current portion of long-term debt	1,805,008	2,109,394
Current portion of lease liabilities	8,418,492	7,785,039
Income tax payable	2,409,845	3,350,479
Total Current Liabilities	472,564,145	476,756,241
<b>Noncurrent Liabilities</b>		
Noncurrent portion of:		
Long-term debt	149,678,652	32,210,531
Lease liabilities	22,802,307	27,628,221
Net retirement liabilities	10,310,860	9,355,655
Deferred tax liabilities - net	1,058,216	1,598,134
Other noncurrent liabilities	5,047,260	5,263,259
Total Noncurrent Liabilities	188,897,295	76,055,800
Total Liabilities	661,461,440	552,812,041

(Forward)

	December 31	
	2021	2020
<b>EQUITY</b>		
<b>Equity Attributable to Equity Holders of the Parent Company</b>		
Capital stock - common	\$42,705,563	\$42,674,930
Subscribed capital stock	708,788	744,823
Additional paid-in capital	193,830,800	193,869,684
Subscriptions receivable	(2,701,935)	(2,888,800)
Retained earnings	201,560,230	215,793,690
Treasury stock	(1,012,588)	(1,012,588)
Other components of equity	(554,610)	(874,804)
Cumulative translation adjustment	(19,865,348)	9,137,769
Remeasurement losses on defined benefit plans	(10,072,232)	(9,750,213)
	<b>404,598,668</b>	<b>447,694,491</b>
<b>Equity Attributable to Non-controlling Interests in Consolidated Subsidiaries</b>	<b>57,114,576</b>	<b>133,168,238</b>
Total Equity	<b>461,713,244</b>	<b>580,862,729</b>
	<b>\$1,123,174,684</b>	<b>\$1,133,674,770</b>

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

	Years Ended December 31		
	2021	2020	2019
<b>REVENUE FROM CONTRACTS WITH CUSTOMERS</b>	<b>\$1,300,590,198</b>	<b>\$1,135,840,593</b>	<b>\$1,250,365,914</b>
<b>COST OF SALES</b>	<b>1,209,771,812</b>	<b>1,039,503,708</b>	<b>1,148,137,698</b>
<b>GROSS PROFIT</b>	<b>90,818,386</b>	<b>96,336,885</b>	<b>102,228,216</b>
<b>OPERATING EXPENSES</b>	<b>(108,481,712)</b>	<b>(92,460,393)</b>	<b>(106,222,063)</b>
<b>OTHERS – Net</b>			
Interest expense and bank charges	(10,553,667)	(10,422,633)	(13,141,935)
Foreign exchange gains (losses) – net	5,398,202	(755,744)	(4,215,058)
Interest income	300,539	330,682	860,775
Miscellaneous income – net	8,196,782	5,522,929	9,285,288
	<b>3,341,856</b>	<b>(5,324,766)</b>	<b>(7,210,930)</b>
<b>LOSS BEFORE INCOME TAX</b>	<b>(14,321,470)</b>	<b>(1,448,274)</b>	<b>(11,204,777)</b>
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b>			
Current	6,399,874	6,496,089	5,279,215
Deferred	(1,015,825)	(1,570,668)	(3,288,780)
	<b>5,384,049</b>	<b>4,925,421</b>	<b>1,990,435</b>
<b>NET LOSS</b>	<b>(\$19,705,519)</b>	<b>(\$6,373,695)</b>	<b>(\$13,195,212)</b>
<b>Net Loss Attributable to:</b>			
Equity holders of the Parent Company	(\$10,564,571)	(\$3,455,073)	(\$7,780,648)
Non-controlling interests	(9,140,948)	(2,918,622)	(5,414,564)
	<b>(\$19,705,519)</b>	<b>(\$6,373,695)</b>	<b>(\$13,195,212)</b>
<b>Loss Per Share</b>			
Basic and diluted	<b>(\$0.005)</b>	<b>(\$0.002)</b>	<b>(\$0.004)</b>

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

	Years Ended December 31		
	2021	2020	2019
<b>NET LOSS</b>	<b>(\$19,705,519)</b>	<b>(\$6,373,695)</b>	<b>(\$13,195,212)</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
<i>Other comprehensive income (loss) to be reclassified into profit or loss in subsequent periods:</i>			
Exchange differences arising from translation of foreign operations	(25,915,831)	29,152,586	(5,475,454)
<i>Other comprehensive income (loss) not to be reclassified into profit or loss in subsequent periods:</i>			
Remeasurement gains (losses) on defined benefit plans	(322,019)	700,550	(4,214,969)
Fair value changes on financial assets at FVOCI - net of tax	320,194	(138,993)	360,553
	(1,825)	561,557	(3,854,416)
	(25,917,656)	29,714,143	(9,329,870)
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>(\$45,623,175)</b>	<b>\$23,340,448</b>	<b>(\$22,525,082)</b>
<b>Total Comprehensive Income (Loss)</b>			
<b>Attributable to:</b>			
Equity holders of the Parent Company	(\$39,569,513)	\$23,927,179	(\$16,161,173)
Non-controlling interests	(6,053,662)	(586,731)	(6,363,909)
	(\$45,623,175)	\$23,340,448	(\$22,525,082)

# INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

	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	\$42,674,930	\$744,823	\$193,869,684	(\$2,888,800)	\$215,793,690	(\$1,012,588)	(\$874,804)	\$9,137,769	(\$9,750,213)	\$447,694,491	\$133,168,238	\$580,862,729
Issued shares during the year	30,633	(30,633)	-	-	-	-	-	-	-	-	-	-
Redemption of preferred shares	-	-	-	-	-	-	-	-	-	-	(70,000,000)	(70,000,000)
Collection from subscriptions	-	-	-	142,579	-	-	-	-	-	142,579	-	142,579
Forfeitures during the year	-	(5,402)	(38,884)	44,286	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(3,668,889)	-	-	-	-	(3,668,889)	-	(3,668,889)
	42,705,563	708,788	193,830,800	(2,701,935)	212,124,801	(1,012,588)	(874,804)	9,137,769	(9,750,213)	444,168,181	63,168,238	507,336,419
Net loss	-	-	-	-	(10,564,571)	-	-	-	-	(10,564,571)	(9,140,948)	(19,705,519)
Other comprehensive income (loss)	-	-	-	-	-	-	320,194	(29,003,117)	(322,019)	(29,004,942)	3,087,286	(25,917,656)
Total comprehensive income (loss)	-	-	-	-	(10,564,571)	-	320,194	(29,003,117)	(322,019)	(39,569,513)	(6,053,662)	(45,623,175)
Balances at December 31, 2021	\$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

Attributable to Equity Holders of the Parent Company

	Other Comprehensive Income (Loss)									Attributable to Equity Holders of the Parent Company	Attributable to Non-controlling Interests	Total
	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			
Balances at January 1, 2020	\$42,674,027	\$752,560	\$146,208,099	(\$2,955,581)	\$225,752,846	(\$1,012,588)	(\$735,811)	(\$17,682,926)	(\$10,450,763)	\$382,549,863	\$101,228,934	\$483,778,797
Issued shares during the year	903	(903)	—	—	—	—	—	—	—	—	—	—
Redemption of preferred shares	—	—	—	—	—	—	—	—	—	—	(30,000,000)	(30,000,000)
Refund on subscriptions	—	—	—	(5,023)	—	—	—	—	—	(5,023)	—	(5,023)
Forfeitures during the year	—	(6,834)	(64,970)	71,804	—	—	—	—	—	—	—	—
Dilution of ownership interest in a subsidiary	—	—	32,397,610	—	—	—	—	—	—	32,397,610	62,526,035	94,923,645
Derecognition of put option financial liability	—	—	15,328,945	—	—	—	—	—	—	15,328,945	—	15,328,945
Cash dividends	—	—	—	—	(6,504,083)	—	—	—	—	(6,504,083)	—	(6,504,083)
	42,674,930	744,823	193,869,684	(2,888,800)	219,248,763	(1,012,588)	(735,811)	(17,682,926)	(10,450,763)	423,767,312	133,754,969	557,522,281
Net loss	—	—	—	—	(3,455,073)	—	—	—	—	(3,455,073)	(2,918,622)	(6,373,695)
Other comprehensive income (loss)	—	—	—	—	—	—	(138,993)	26,820,695	700,550	27,382,252	2,331,891	29,714,143
Total comprehensive income (loss)	—	—	—	—	(3,455,073)	—	(138,993)	26,820,695	700,550	23,927,179	(586,731)	23,340,448
Balances at December 31, 2020	\$42,674,930	\$744,823	\$193,869,684	(\$2,888,800)	\$215,793,690	(\$1,012,588)	(\$874,804)	\$9,137,769	(\$9,750,213)	\$447,694,491	\$133,168,238	\$580,862,729



Attributable to Equity Holders of the Parent Company

	Other Comprehensive Income (Loss)											Total
	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	
Balances at January 1, 2019	\$42,648,042	\$815,198	\$146,513,264	(\$3,402,940)	\$236,289,815	(\$1,012,588)	(\$1,096,364)	(\$12,894,291)	(\$6,235,794)	\$401,624,342	\$4,811,994	\$406,436,336
Effect of finalization of business combination	—	—	—	—	1,680,386	—	—	(262,526)	—	1,417,860	2,780,849	4,198,709
Balances at January 1, 2019, as restated	42,648,042	815,198	146,513,264	(3,402,940)	237,970,201	(1,012,588)	(1,096,364)	(13,156,817)	(6,235,794)	403,042,202	7,592,843	410,635,045
Issued shares during the year	25,985	(25,985)	—	—	—	—	—	—	—	—	—	—
Issuance of preferred shares	—	—	—	—	—	—	—	—	—	—	100,000,000	100,000,000
Collections on subscriptions	—	—	—	105,541	—	—	—	—	—	105,541	—	105,541
Forfeitures during the year	—	(36,653)	(305,165)	341,818	—	—	—	—	—	—	—	—
Cash dividends	—	—	—	—	(4,436,707)	—	—	—	—	(4,436,707)	—	(4,436,707)
	42,674,027	752,560	146,208,099	(2,955,581)	233,533,494	(1,012,588)	(1,096,364)	(13,156,817)	(6,235,794)	398,711,036	107,592,843	506,303,879
Net loss	—	—	—	—	(7,780,648)	—	—	—	—	(7,780,648)	(5,414,564)	(13,195,212)
Other comprehensive income (loss)	—	—	—	—	—	—	360,553	(4,526,109)	(4,214,969)	(8,380,525)	(949,345)	(9,329,870)
Total comprehensive income (loss)	—	—	—	—	(7,780,648)	—	360,553	(4,526,109)	(4,214,969)	(16,161,173)	(6,363,909)	(22,525,082)
Balances at December 31, 2019	\$42,674,027	\$752,560	\$146,208,099	(\$2,955,581)	\$225,752,846	(\$1,012,588)	(\$735,811)	(\$17,682,926)	(\$10,450,763)	\$382,549,863	\$101,228,934	\$483,778,797

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

	Years Ended December 31		
	2021	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before income tax	(\$14,321,470)	(\$1,448,274)	(\$11,204,777)
Adjustments for:			
Depreciation of property, plant and equipment	40,047,883	38,158,147	35,308,020
Amortization of right-of-use asset	10,875,975	9,395,254	6,955,732
Interest expense on loans	8,433,898	8,411,717	10,262,423
Amortization of intangible assets	7,399,018	7,879,168	6,464,921
Provision (reversal) of Impairment loss on product development cost	(636,456)	4,693,985	—
Unrealized foreign exchange losses (gain) - net	(5,107,955)	3,723,227	1,106,924
Provision (reversal) of Impairment loss on property, plant and equipment	(1,612,065)	2,620,779	—
Interest expense on lease liabilities	1,349,772	1,644,189	1,368,494
Loss (gain) on derivative transactions	(139,984)	92,122	(15,373)
Gain on sale of property, plant and equipment	(438,498)	(657,101)	(99,404)
Interest income	(300,539)	(330,682)	(860,775)
Mark-to-market gain on put options	(1,627,806)	(6,068,906)	(3,445,288)
Reversal of contingent consideration	—	—	(3,728,985)
Gain on insurance claims	(458,016)	—	—
Loss on lease modifications	159,630	—	—
Operating income before working capital changes	43,623,387	68,113,625	42,111,912
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Receivables	(8,642,453)	21,328,413	13,411,173
Inventories	(99,550,741)	13,873,495	38,984,113
Contract assets	1,297,542	4,382,722	4,576,071
Other current assets	(5,569,760)	(5,446,059)	1,719,633
Increase (decrease) in:			
Accounts payable and accrued expenses	33,353,941	(7,405,255)	(16,870,412)
Contract liabilities	3,225,963	(3,227,075)	2,911,110
Retirement liabilities	(18,741)	487,307	717,179
Net cash generated from (used for) operations	(32,280,862)	92,107,173	87,560,779
Interest paid	(7,724,832)	(9,954,398)	(9,915,877)
Income tax paid	(7,507,162)	(4,587,114)	(7,368,934)
Interest received	300,539	330,682	860,775
Net cash provided by (used in) operating activities	(47,212,317)	77,896,343	71,136,743

(Forward)

	Years Ended December 31		
	2021	2020	2019
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisitions of:			
Property, plant and equipment	(\$30,374,533)	(\$18,121,100)	(\$37,398,057)
Intangible assets	(618,132)	(595,188)	(1,388,481)
Proceeds from sale and retirement of property, plant and equipment	2,729,968	1,529,412	862,996
Decrease (increase) in other noncurrent assets	(1,269,552)	4,130,406	(6,227,538)
Capitalized product development costs, excluding depreciation	—	—	(2,520,866)
Acquisition through business combination, net of cash acquired	(3,018,336)	—	—
Decrease in deposits from a third party	—	—	(11,540,911)
Net cash used in investing activities	(32,550,585)	(13,056,470)	(58,212,857)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from:			
Availments of loans payable and long-term debt	140,575,118	82,665,635	12,002,758
Net proceeds from subsidiary's public offering	—	106,787,500	—
Payments of:			
Loans payable	(59,700,000)	(4,974,751)	(20,540,547)
Lease liabilities	(11,900,875)	(10,799,326)	(7,603,732)
Dividends paid to preference shareholders of a subsidiary	(3,668,889)	(6,504,083)	—
Long-term debt	(2,042,863)	(108,497,471)	(46,510,457)
Dividends paid to common equity holders of the Parent Company	—	—	(4,436,707)
Issuance (redemption) of preferred shares of a subsidiary to non-controlling interest	(70,000,000)	(30,000,000)	100,000,000
Increase (decrease) in noncurrent liabilities	(215,999)	1,640,002	(1,626,646)
Collections (refund) of subscriptions receivable	142,579	(5,023)	105,541
Settlement of derivatives	(88,361)	(5,321)	13,555
Net cash provided by (used in) financing activities	(6,899,290)	30,307,162	31,403,765
<b>EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS</b>	<b>2,094,390</b>	<b>(3,451,726)</b>	<b>(201,876)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(84,567,802)</b>	<b>91,695,309</b>	<b>44,125,775</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>244,355,425</b>	<b>152,660,116</b>	<b>108,534,341</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$159,787,623</b>	<b>\$244,355,425</b>	<b>\$152,660,116</b>