



**Integrated Micro-Electronics, Inc.**  
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April 29, 2021

**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 Grows 28% as It Weathers the Challenges of Ongoing Global Component Shortage**

**April 29, 2021, Laguna, Philippines** — Integrated Micro-Electronics, Inc. (IMI) posts US\$328 million of revenue in the first quarter of 2021 amidst tight supply levels in the electronics component market. Top line sales grew 28% compared to the same period in 2020 which was impacted by the initial stages of the pandemic. Despite additional labor and freight costs spent to cover extended supply lead times, gross profit margin grew to 8.8% compared to 7.6% in the previous year. IMI closes the first quarter with US\$2.2 million of net income.

Please refer to the attached press release. Thank you!

Very truly yours,

A handwritten signature in black ink, appearing to read 'Jerome S. Tan', written over a light blue horizontal line.

**JEROME S. TAN**  
Chief Financial Officer



## **IMI Grows 28% as It Weathers the Challenges of Ongoing Global Component Shortage**

**April 29, 2021, Laguna, Philippines** — Integrated Micro-Electronics, Inc. (IMI) posts US\$328 million of revenue in the first quarter of 2021 amidst tight supply levels in the electronics component market. Top line sales grew 28% compared to the same period in 2020 which was impacted by the initial stages of the pandemic. Despite additional labor and freight costs spent to cover extended supply lead times, gross profit margin grew to 8.8% compared to 7.6% in the previous year. IMI closes the first quarter with US\$2.2 million of net income.

“IMI team members across the globe continue to display the resilience that enables us to hurdle major upheavals throughout IMI’s 40-year history,” said IMI President and CEO Arthur Tan. “As we continue to adapt to the market environment imposed by the pandemic, our entire industry is once again challenged by component shortages that have been impacting electronics companies worldwide. IMI management teams have taken swift decisive actions to leverage our scale and global supply chain network to mitigate the impact of this headwind. I am confident that we will again emerge stronger and wiser from the challenges that 2021 brings.”

With the continued recovery of mobility and industrial end-markets, wholly-owned businesses grew 22% year-on-year to US\$255 million. Financial performance could have been better if not for longer supply lead times on certain critical components. IMI operations teams are in close coordination with customers and suppliers to recover deferred revenue opportunities.

Non-wholly owned subsidiaries started the year with US\$73 million of revenues, a 55% growth versus the first quarter of 2020. VIA optronics continues to transition its business towards high growth automotive and industrial customers. These segments had already accounted for 71% of display solutions revenue by the 4th quarter of 2020 and the company plans to invest in research and development to drive further growth and innovation. On the other hand, STI Ltd. growth was driven mainly by the aerospace and defense segment. With significant project wins in previous years, and a Brexit framework now in place, STI is able to focus on ushering new businesses through the mass production phase in 2021.

### **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.

The financial information included herein for Via optronics and STI Ltd. may change; however, IMI does not expect any such changes to be material, in the aggregate, to IMI.

For more information, visit [www.global-imi.com](http://www.global-imi.com).

**INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES**  
**INTERIM CONSOLIDATED BALANCE SHEET**  
**AS OF MARCH 31, 2021**  
**(With Comparative Audited Figures as of December 31, 2020)**  
**(In thousands)**

	Mar 31, 2021 (Unaudited)	Dec 31, 2020 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$242,268	\$244,356
Receivables - net	277,036	275,622
Contract assets	54,951	54,525
Inventories	164,578	142,316
Other current assets	17,985	17,355
Total Current Assets	756,818	734,174
<b>Noncurrent Assets</b>		
Property, plant and equipment - net	172,489	177,951
Goodwill	146,364	147,245
Intangible assets - net	14,916	17,146
Right-of-use assets	31,794	32,661
Deferred tax assets	2,832	3,492
Financial assets at FVOCI	1,215	1,124
Other noncurrent assets	19,398	19,882
Total Noncurrent Assets	389,008	399,501
	<b>\$1,145,826</b>	<b>\$1,133,675</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$279,139	\$253,825
Contract liabilities	3,139	1,515
Loans payable	207,205	206,490
Other financial liabilities	2,004	1,681
Current portion of long-term debt	2,019	2,109
Current portion of lease liabilities	7,253	7,785
Income tax payable	2,821	3,351
Total Current Liabilities	503,580	476,756
<b>Noncurrent Liabilities</b>		
Noncurrent portion of:		
Long-term debt	31,566	32,211
Lease liabilities	27,701	27,628
Net retirement liabilities	8,902	9,356
Deferred tax liabilities	1,464	1,598
Other noncurrent liabilities	4,341	5,263
Total Noncurrent Liabilities	73,974	76,056
Total Liabilities	<b>577,554</b>	<b>552,812</b>

(Forward)

	Mar 31, 2021 (Unaudited)	Dec 31, 2020 (Audited)
<b>EQUITY</b>		
<b>Equity Attributable to Equity Holders of the Parent Company</b>		
Capital stock - common	\$42,702	\$42,675
Subscribed capital stock	714	745
Additional paid-in capital	193,835	193,870
Subscriptions receivable	(2,854)	(2,889)
Unappropriated retained earnings	216,467	215,794
Treasury stock	(1,013)	(1,013)
Other components of equity	(772)	(875)
Cumulative translation adjustment	(3,757)	9,138
Remeasurement losses on defined benefit plans	(9,750)	(9,750)
	<b>435,572</b>	<b>447,695</b>
<b>Equity Attributable to Non-controlling Interests in Consolidated Subsidiaries</b>		
	<b>132,700</b>	<b>133,168</b>
Total Equity	<b>568,272</b>	<b>580,863</b>
	<b>\$1,145,826</b>	<b>\$1,133,675</b>

**INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020**  
(In thousands, except Earnings per Share)

	Unaudited 2021 Jan to Mar	Unaudited 2020 Jan to Mar
<b>REVENUES FROM CONTRACTS WITH CUSTOMERS</b>	<b>\$327,544</b>	<b>\$255,815</b>
<b>COST OF SALES</b>	<b>298,638</b>	<b>236,349</b>
<b>GROSS PROFIT</b>	<b>28,906</b>	<b>19,466</b>
<b>OPERATING EXPENSES</b>	<b>(25,406)</b>	<b>(22,048)</b>
<b>OTHERS - Net</b>		
Interest and bank charges	(2,324)	(2,625)
Foreign exchange gains (losses)	1,243	(533)
Interest income	38	105
Miscellaneous income (expense) - net	(297)	596
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	<b>2,160</b>	<b>(5,039)</b>
<b>PROVISION FOR INCOME TAX</b>	<b>(1,179)</b>	<b>(529)</b>
<b>NET INCOME (LOSS)</b>	<b>\$981</b>	<b>(\$5,568)</b>
<b>Net Income (Loss) Attributable to:</b>		
Equity holders of the Parent Company	\$2,193	(\$4,617)
Non-controlling interests	(1,212)	(951)
	<b>\$981</b>	<b>(\$5,568)</b>
<b>Earnings (Loss) Per Share:</b>		
Basic and diluted	<b>(\$0.0010)</b>	<b>(\$0.0021)</b>

**INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020**  
(In thousands)

	Unaudited 2021 Jan to Mar	Unaudited 2020 Jan to Mar
<b>NET INCOME (LOSS) FOR THE PERIOD</b>	<b>\$981</b>	<b>(\$5,568)</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences arising from translation of foreign operations	(12,151)	(12,260)
<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	103	21
	<b>(12,048)</b>	<b>(12,239)</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(\$11,067)</b>	<b>(\$17,807)</b>
<b>Total Comprehensive Loss Attributable to:</b>		
Equity holders of the Parent Company	<b>(\$10,599)</b>	<b>(\$16,856)</b>
Non-controlling interests	<b>(468)</b>	<b>(951)</b>
	<b>(\$11,067)</b>	<b>(\$17,807)</b>

**INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020**  
(In thousands)

	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, 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)									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	Components of Equity	Cumulative Translation Adjustment	Remeasurement losses on defined benefit plans			
Balances at January 1, 2020	\$42,674	\$753	\$146,208	(\$2,955)	\$225,753	(\$1,013)	(\$736)	(\$17,683)	(\$10,451)	\$382,550	\$101,229	\$483,779
Issued shares during the year	-	-	-	-	-	-	-	-	-	-	-	-
Redemption of preferred shares	-	-	-	-	-	-	-	-	-	-	-	-
Refund on subscriptions	-	-	-	-	-	-	-	-	-	-	-	-
Forfeitures during the year	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(3,471)	-	-	-	-	(3,471)	-	(3,471)
	42,675	745	193,870	(2,889)	222,282	(1,013)	(736)	(17,683)	(10,451)	379,079	101,229	480,308
Net loss	-	-	-	-	(4,617)	-	-	-	-	(4,617)	(951)	(5,568)
Other comprehensive income (loss)	-	-	-	-	-	-	21	(12,260)	-	(12,239)	-	(12,239)
Total comprehensive income (loss)	-	-	-	-	(4,617)	-	21	(12,260)	-	(16,856)	(951)	(17,807)
Balances at March 31, 2020	\$42,675	\$745	\$193,870	(\$2,889)	\$217,665	(\$1,013)	(\$715)	(\$29,943)	(\$10,451)	\$362,223	\$100,278	\$462,501

**Attributable to Equity Holders of the Parent Company**

	Attributable to Equity Holders of the Parent Company											
	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	Total
Components of Equity							Cumulative Translation Adjustment	Remeasurement losses on defined benefit plans				
Balances at January 1, 2020	\$42,674	\$753	\$146,208	(\$2,955)	\$225,753	(\$1,013)	(\$736)	(\$17,683)	(\$10,451)	\$382,550	\$101,229	\$483,779
Issued shares during the year	1	(1)	-	-	-	-	-	-	-	-	-	-
Redemption of preferred shares	-	-	-	-	-	-	-	-	-	-	(30,000)	(30,000)
Refund on subscriptions	-	-	-	(5)	-	-	-	-	-	(5)	-	(5)
Forfeitures during the year	-	(7)	(65)	72	-	-	-	-	-	-	-	-
Dilution of ownership interest in a subsidiary	-	-	32,398	-	-	-	-	-	-	32,398	62,526	94,924
Derecognition of put option financial liability	-	-	15,329	-	-	-	-	-	-	15,329	-	15,329
Cash dividends	-	-	-	-	(6,504)	-	-	-	-	(6,504)	-	(6,504)
	42,675	745	193,870	(2,889)	219,249	(1,013)	(736)	(17,683)	(10,451)	423,767	133,755	557,523
Net loss	-	-	-	-	(3,455)	-	-	-	-	(3,455)	(2,918)	(6,373)
Other comprehensive income (loss)	-	-	-	-	-	-	(139)	26,821	701	27,383	2,331	29,714
Total comprehensive income (loss)	-	-	-	-	(3,455)	-	(139)	26,821	701	23,928	(587)	23,341
Balances at December 31, 2020	\$42,675	\$745	\$193,870	(\$2,889)	\$215,794	(\$1,013)	(\$875)	\$9,138	(\$9,750)	\$447,695	\$133,168	\$580,863



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

	Three months ended March 31	
	2021 (Unaudited)	2020 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income (loss) before income tax	\$2,160	(\$5,039)
Adjustments for:		
Depreciation of property, plant and equipment	9,983	10,243
Interest expense	2,185	2,642
Amortization of right-of-use assets	2,701	2,307
Amortization of intangible assets	1,846	1,908
Interest income	(38)	(378)
Unrealized foreign exchange losses (gains)	(1,749)	151
Gains on sale of property, plant and equipment	(81)	(105)
Mark-to-market losses on put options	385	52
Mark-to-market gain on derivatives	(125)	—
Operating income before working capital changes	17,267	11,781
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Loans and receivables	(3,783)	57,263
Contract asset	(426)	1,493
Inventories	(23,358)	(8,612)
Other current assets	(630)	(2,056)
Increase (decrease) in:		
Accounts payable and accrued expenses	20,356	(31,516)
Contract liabilities	1,623	(2,333)
Retirement liabilities	(454)	(567)
Net cash provided by operations	10,595	25,453
Income tax paid	(1,852)	(508)
Interest paid	(2,174)	(3,729)
Interest received	38	104
Net cash provided by operating activities	6,607	21,320
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of:		
Property, plant and equipment	(8,975)	(4,458)
Intangible assets	(25)	(49)
Proceeds from sale of property, plant and equipment	1,300	741
Increase (decrease) in deposits from a third party	—	—
Capitalized development costs, excluding depreciation	—	—
Decrease (increase) in other noncurrent assets	484	1,200
Net cash used in investing activities	(7,216)	(2,566)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of loans	(4,239)	(86,532)
Availment of loans	5,316	71,510
Payments of lease liabilities	(3,082)	(3,049)
Settlement of derivatives	—	14
Dividends paid to preference shareholders of a subsidiary	(1,520)	—
Refund on subscriptions	(3)	—
Decrease in other noncurrent liabilities	(923)	(553)
Net cash used in financing activities	(4,451)	(18,610)
<b>NET FOREIGN EXCHANGE DIFFERENCE IN CASH AND CASH EQUIVALENTS</b>	2,972	(185)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(2,088)	(41)
<b>CASH AND CASH EQUIVALENTS AT JANUARY 1</b>	244,356	152,660
<b>CASH AND CASH EQUIVALENTS AT MARCH 31</b>	\$242,268	\$152,619