

COVER SHEET

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(Company's Full Name)

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

Laurice S. Dela Cruz

Contact Person

7756-6840

Company Telephone Number

1	2	3	1
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Month Day
Fiscal Year

SEC FORM 17-C

FORM TYPE

0	4	1	5
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Month Day
Annual Meeting

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Secondary License Type, if Applicable

C	F	D
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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. Of Stockholders

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Domestic

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Foreign

Total Amount of Borrowings

To be accomplished by SEC Personnel concerned

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File Number

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Document I.D.

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STAMPS

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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. **August 4, 2023**
Date of Report (Date of earliest event reported)
2. **94419** 3. **000-409-747-000**
SEC Identification Number BIR Tax Identification Number
4. **INTEGRATED MICRO-ELECTRONICS, INC.**
Exact Name of registrant as specified in its charter
5. **PHILIPPINES** 6. (SEC Use Only)
Province, country or other jurisdiction of Industry Classification Code
incorporation
7. **North Science Avenue, Laguna Technopark-Special Processing Zone, Binan, Laguna** **4024**
Address of principal office 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

11. Indicate the item numbers reported herein : Item 9 (Other Events)

Re: **Press Release: IMI Reaches 9.6% Gross Margin for the 2nd Quarter of 2023**

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 : **August 4, 2023**


LAURICE S. DELA CRUZ
Chief Finance Officer/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

August 4, 2023

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 Reaches 9.6% Gross Margin for the 2nd Quarter of 2023

August 4, 2023, Laguna, Philippines — Integrated Micro-Electronics, Inc. (IMI) reported US\$345 million of revenues in the second quarter of 2023, 3% lower than the same period of the previous year but on par when comparing first-half results. Gross margin improved from 8.1% to 9.6%, with the company posting US\$ 33.0 million of gross profit for the quarter. Q2 Net loss is at US\$ 82.9 million which includes US\$ 84 million of one-off losses related to the divestment of STI Enterprises Limited. Net adjusted net income for the 2nd quarter is US\$ 3.5 million.

Please refer to the attached press release. Thank you!

Very truly yours,

LAURICE S. DELA CRUZ
Chief Finance Officer
and Compliance Officer



IMI Reaches 9.6% Gross Margin for the 2nd Quarter of 2023

August 4, 2023, Laguna, Philippines — Integrated Micro-Electronics, Inc. (IMI) reported US\$345 million of revenues in the second quarter of 2023, 3% lower than the same period of the previous year but on par when comparing first-half results. Gross margin improved from 8.1% to 9.6%, with the company posting US\$ 33.0 million of gross profit for the quarter. Q2 Net loss is at US\$ 82.9 million which includes US\$ 84 million of one-off losses related to the divestment of STI Enterprises Limited. Net adjusted net income for the 2nd quarter is US\$ 3.5 million.

Through aggressive cost rationalization efforts, and the gradual easing of the component shortage issues, wholly-owned subsidiaries still lead the company's recovery with US\$ 282 million of revenues, a 2.3% quarter-on-quarter growth, with gross margins improving by 33 basis points year-on-year. VIA Optronics and STI met reduced demand as customers depleted existing inventory and pushed out orders. These subsidiaries ended the quarter with US\$ 62.8 million in revenues and an adjusted net loss of US\$ 1.9 million.

"We have signed an agreement to sell our stake in STI Enterprises Limited to a private investment firm based in London. Geopolitical and industry-wide issues including Brexit, COVID-19 and the component shortage significantly hindered the company's progress the past few years and we believe that the buyers, Rcapital, are well-equipped to support STI's turnaround by providing additional funding and synergy opportunities within its portfolio of companies. This divestment will enable IMI to focus resource allocation and management efforts to drive our core businesses in the mobility, industrial, and smart energy markets," said IMI President Jerome Tan.

"Meanwhile, we continue to push for increased manufacturing efficiency and revenue growth with the right customers. We recently inaugurated the Laguna manufacturing facilities for one of our new partners, Zero Motorcycles, a world-leading EV motorcycle company. We look forward to forging more new partnerships and continue to grow a more profitable IMI," added IMI CEO, Arthur 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. Based on 2022 revenues, IMI ranks among the top 25 EMS service providers in the world per Manufacturing Market Insider, and is among the top ten automotive EMS companies 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 20 manufacturing plants across ten countries, IMI provides engineering, manufacturing, and support and fulfillment capabilities to diverse industries globally.

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

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED BALANCE SHEET

AS OF JUNE 30, 2023

(With Comparative Audited Figures as of December 31, 2022)

(In thousands)

	Jun 30, 2023 (Unaudited)	Dec 31, 2022 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	\$98,823	\$115,825
Short-term investments	11,110	8,500
Receivables – net	326,244	291,640
Contract assets	65,671	67,138
Inventories	276,437	268,497
Other current assets	22,845	25,246
Total Current Assets	801,130	776,846
Noncurrent Assets		
Property, plant and equipment - net	138,846	146,109
Goodwill	84,848	136,248
Intangible assets - net	4,540	5,125
Right-of-use assets	21,652	19,266
Deferred tax assets	2,171	2,149
Financial assets at FVOCI	2,053	1,829
Other noncurrent assets	16,496	16,312
Total Noncurrent Assets	270,606	327,038
	\$1,071,736	\$1,103,884

LIABILITIES AND EQUITY

Current Liabilities

Accounts payable and accrued expenses	\$321,012	\$301,774
Contract liabilities	5,857	7,407
Loans payable	215,508	192,660
Current portion of long-term debt	6,343	3,048
Current portion of lease liabilities	7,519	7,068
Income tax payable	2,444	1,781
Other current liabilities	1,036	1,035
Total Current Liabilities	559,719	514,773

Noncurrent Liabilities

Noncurrent portion of:		
Long-term debt	140,674	147,365
Lease liabilities	14,641	12,870
Net retirement liabilities	6,194	7,013
Deferred tax liabilities	1,044	1,106
Other noncurrent liabilities	5,759	5,474
Total Noncurrent Liabilities	168,312	173,828
Total Liabilities	728,031	688,601

(Forward)

	Jun 30, 2023 (Unaudited)	Dec 31, 2022 (Audited)
EQUITY		
Equity Attributable to Equity Holders of the Parent Company		
Capital stock - common	\$42,720	\$42,719
Subscribed capital stock	690	692
Additional paid-in capital	193,778	193,797
Subscriptions receivable	(2,594)	(2,620)
Unappropriated retained earnings	111,140	194,803
Treasury stock	(1,013)	(1,013)
Other components of equity	236	33
Cumulative translation adjustment	(34,253)	(43,668)
Remeasurement losses on defined benefit plans	(7,434)	(7,434)
	303,270	377,309
Equity Attributable to Non-controlling Interests in Consolidated Subsidiaries		
	40,435	37,974
Total Equity	343,705	415,283
	\$1,071,736	\$1,103,884

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(In thousands, except Earnings per Share)

	2023 (Unaudited)		2022 (Unaudited)	
	Apr to Jun	Jan to Jun	Apr to Jun	Jan to Jun
REVENUES FROM CONTRACTS WITH CUSTOMERS	\$345,066	\$691,893	\$356,905	\$690,856
COST OF SALES	312,030	629,481	329,945	642,248
GROSS PROFIT	33,036	62,412	26,960	48,608
OPERATING EXPENSES	(25,862)	(51,421)	(31,566)	(55,661)
OTHERS - Net				
Interest and bank charges	(4,964)	(9,902)	(3,204)	(6,472)
Foreign exchange gains/(losses)	(1,691)	(1,773)	3,636	4,926
Interest income	135	267	79	189
Miscellaneous income (losses) – net	(83,679)	(82,937)	(209)	1,141
LOSS BEFORE INCOME TAX	(83,025)	(83,354)	(4,304)	(7,269)
PROVISION FOR INCOME TAX	(1,209)	(2,828)	(1,128)	(2,547)
NET LOSS	(84,234)	(\$86,182)	(\$5,432)	(\$9,816)
Net Loss Attributable to:				
Equity holders of the Parent Company	(\$82,914)	(\$83,663)	(\$3,545)	(\$5,514)
Non-controlling interests	(1,320)	(2,519)	(1,887)	(4,302)
	(\$84,234)	(\$86,182)	(\$5,432)	(\$9,816)
Loss Per Share:				
Basic and diluted		(\$0.0379)		(\$0.0025)

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(In thousands)

	2023 (Unaudited)		2022 (Unaudited)	
	Apr to Jun	Apr to Jun	Apr to Jun	Jan to Jun
NET LOSS FOR THE PERIOD	(\$84,234)	(\$86,182)	(\$5,432)	(\$9,816)
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	(186)	14,396	(29,237)	(35,846)
<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	109	203	99	292
	(77)	14,599	(29,138)	(35,554)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(\$84,311)	(\$71,583)	(\$34,570)	(\$45,370)
Total Comprehensive Income (Loss) Attributable to:				
Equity holders of the Parent Company	(\$84,103)	(\$74,044)	(\$22,286)	(\$32,389)
Non-controlling interests	(208)	2,461	(12,284)	(12,981)
	(\$84,311)	(\$71,583)	(\$34,570)	(\$45,370)

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(In thousands)

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
							Other Components of Equity	Cumulative Translation Adjustment	Remeasurement losses on defined benefit plans			
Balances at January 1, 2023	\$42,719	\$692	\$193,797	(\$2,620)	\$194,803	(\$1,013)	\$33	(\$43,668)	(\$7,434)	\$377,309	\$37,974	\$415,283
Issued shares during the year	1	(1)	-	-	-	-	-	-	-	-	-	-
Collection from subscriptions	-	-	-	6	-	-	-	-	-	6	-	6
Forfeitures during the year	-	(1)	(19)	20	-	-	-	-	-	-	-	-
	42,720	690	193,778	(2,594)	194,803	(1,013)	33	(43,668)	(7,434)	377,315	37,974	415,289
Net loss	-	-	-	-	(83,663)	-	-	-	-	(83,663)	(2,519)	(86,182)
Other comprehensive income	-	-	-	-	-	-	203	9,415	-	9,618	4,980	14,598
Total comprehensive income (loss)	-	-	-	-	(83,663)	-	203	9,415	-	(74,045)	2,461	(71,584)
Balances at June 30, 2023	\$42,720	\$690	\$193,778	(\$2,594)	\$111,140	(\$1,013)	\$236	(\$34,253)	(\$7,434)	\$303,270	\$40,435	\$343,705

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
							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	-	-	-	29	-	-	-	-	-	29	-	29
Forfeitures during the year	-	(3)	(36)	39	-	-	-	-	-	-	-	-
	42,710	702	193,795	(2,634)	201,560	(1,013)	(555)	(19,865)	(10,072)	404,628	57,114	461,742
Net loss	-	-	-	-	(5,514)	-	-	-	-	(5,514)	(4,302)	(9,816)
Other comprehensive income (loss)	-	-	-	-	-	-	292	(27,168)	-	(26,876)	(8,678)	(35,554)
Total comprehensive income (loss)	-	-	-	-	(5,514)	-	292	(27,168)	-	(32,390)	(12,980)	(45,370)
Balances at June 30, 2022	\$42,710	\$702	\$193,795	(\$2,634)	\$196,046	(\$1,013)	(\$263)	(\$47,033)	(\$10,072)	\$372,238	\$44,134	\$416,372

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
							Other Components of Equity	Cumulative Translation Adjustment	Remeasurement losses on defined benefit plans			
Balances at January 1, 2022	\$42,705	\$709	\$193,831	(\$2,702)	\$201,560	(\$1,013)	(\$555)	(\$19,865)	(\$10,072)	\$404,598	\$57,114	\$461,712
Issued shares during the year	14	(14)	-	-	-	-	-	-	-	-	-	-
Collection from subscriptions	-	-	-	45	-	-	-	-	-	45	-	45
Forfeitures during the year	-	(3)	(34)	37	-	-	-	-	-	-	-	-
	42,719	\$692	193,797	(2,620)	201,560	(1,013)	(555)	(19,865)	(10,072)	404,643	57,114	461,757
Net loss	-	-	-	-	(6,757)	-	-	-	-	(6,757)	(8,605)	(15,362)
Other comprehensive income (loss)	-	-	-	-	-	-	588	(23,803)	2,638	(20,577)	(10,535)	(31,112)
Total comprehensive income (loss)	-	-	-	-	(6,757)	-	588	(23,803)	2,638	(27,334)	(19,140)	(46,474)
Balances at December 31, 2022	\$42,719	\$692	\$193,797	(\$2,620)	\$194,803	(\$1,013)	\$33	(\$43,668)	(\$7,434)	\$377,309	\$37,974	\$415,283

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

	Six months ended June 30	
	2023 (Unaudited)	2022 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	(\$83,354)	(\$7,269)
Adjustments for:		
Impairment loss on:		
Goodwill	54,791	-
Inventories	14,211	-
Accounts Receivable	8,765	-
Property, plant and equipment	5,521	-
Depreciation of property, plant and equipment	12,619	18,769
Interest expense	9,701	6,119
Amortization of right-of-use assets	4,162	4,689
Unrealized foreign exchange losses (gains)	2,763	(8,084)
Amortization of intangible assets	1,357	2,443
(Gains)/loss on sale of property, plant and equipment	31	(194)
Loss on lease modifications	14	-
Interest income	(267)	(189)
Gain on insurance claims	(11)	(408)
Mark-to-market gain on derivatives	-	43
Operating income before working capital changes	30,303	15,919
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Loans and receivables	(39,577)	(15,150)
Inventories	(20,448)	(33,178)
Other current assets	3,007	(2,552)
Contract asset	2,278	(15,525)
Increase (decrease) in:		
Accounts payable and accrued expenses	22,517	15,811
Contract liabilities	(1,725)	(408)
Retirement liabilities	(857)	(1,847)
Net cash provided by (used in) operations	(4,502)	(36,930)
Income tax paid	(2,424)	(3,069)
Interest paid	(9,036)	(5,392)
Interest received	267	189
Net cash used in operating activities	(15,695)	(45,202)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of:		
Property, plant and equipment	(10,938)	(10,348)
Intangible assets ((192)	(442)
Proceeds from sale of property, plant and equipment	737	446
Decrease in other noncurrent assets	(111)	(565)
Net cash used in investing activities	(10,504)	(10,909)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of loans	(3,544)	(1,341)
Availment of loans	22,334	21,306
Payments of lease liabilities	(5,093)	(5,735)
Refund on subscriptions	6	29
Increase (decrease) in other noncurrent liabilities	(160)	2,210
Net cash provided by financing activities	13,543	16,469
NET FOREIGN EXCHANGE DIFFERENCE IN CASH AND CASH EQUIVALENTS	(1,735)	6,399
NET DECREASE IN CASH AND CASH EQUIVALENTS	(14,391)	(33,243)
CASH AND CASH EQUIVALENTS AT JANUARY 1	124,324	159,788
CASH AND CASH EQUIVALENTS AT JUNE 30	\$109,933	\$126,545