



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. November 6, 2023 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, Binan, 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

Table with 2 columns: Title of Each Class, Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding. Row 1: COMMON (net of Treasury Shares), 2,217,293,215

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

Re: Press Release: Slight Dip in Q3 Revenues as IMI Copes with Global Slowdown

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 : November 6, 2023

Signature of LAURICE S. DELA CRUZ, Chief Finance Officer/Compliance Officer

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



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

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November 6, 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: Slight Dip in Q3 Revenues as IMI Copes with Global Slowdown**

**November 6, 2023, Laguna, Philippines** — Integrated Micro-Electronics, Inc. (IMI) posts US\$341 million of revenues in the third quarter of 2023, 3% lower year-on-year. The drop in demand is largely driven by a general slowdown across the electronics industry with companies tightening working capital levels amidst excess inventory in the supply chain. The company's gross margin sits at 8.5%, with a total gross profit of US\$ 28.8 million for the quarter. Q3 net loss is at US\$ 1.6 million which still includes losses from STI Limited as IMI worked on closing the divestment transaction with Rcapital.

Please refer to the attached press release. Thank you!

Very truly yours,

**LAURICE S. DELA CRUZ**  
Chief Finance Officer  
and Compliance Officer



## Slight Dip in Q3 Revenues as IMI Copes with Global Slowdown

**November 6, 2023, Laguna, Philippines** — Integrated Micro-Electronics, Inc. (IMI) posts US\$341 million of revenues in the third quarter of 2023, 3% lower year-on-year. The drop in demand is largely driven by a general slowdown across the electronics industry with companies tightening working capital levels amidst excess inventory in the supply chain. The company's gross margin sits at 8.5%, with a total gross profit of US\$ 28.8 million for the quarter. Q3 net loss is at US\$ 1.6 million which still includes losses from STI Limited as IMI worked on closing the divestment transaction with Rcapital.

IMI wholly-owned subsidiaries ended the quarter with a net income of US\$ 1.9 million versus US\$3.8 million in the same period last year. Major contributors to this drop are a US\$1 million inventory provision in Q3 and a US\$0.9 million increase in interest expense compared to 2022. Management teams will continue to closely monitor inventory levels to mitigate our exposure and accelerate cash conversion. With STI Limited still in the process of transitioning out of the group, non-wholly-owned subsidiaries reported a net loss of US\$3.5 million in the 3rd quarter.

"With the recent closing of the sale of STI Limited to Rcapital at the end of October, our management teams will be able to refocus efforts into improving margins for the core businesses and concentrate on sharpening our customer portfolio. Starting November 1, 2023, the financial results of STI Limited will no longer be consolidated into IMI figures, and the capital dedicated to supporting STI Limited will be redistributed to enable growth in our profitable business segments," Said IMI president Jerome Tan.

"New mobility project wins from the past few years have begun to contribute to the company, with the segment growing 12% compared to 2022. Sales pipeline activity remains robust with US\$ 247 million worth of annual revenue potential across all segments secured in the first nine months of 2023, a 50% improvement against the same period last year of US\$165 million. We are excited to bring in new projects from both existing and new customers which we believe will allow us to further increase profitability in our business. However, we remain prudent as industry-wide uncertainties continue to affect customer forecasts and high levels of inventory in the electronics market have led to increased financing expenses." Tan added.

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

**INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES****INTERIM CONSOLIDATED BALANCE SHEET****AS OF SEPTEMBER 30, 2023****(With Comparative Audited Figures as of December 31, 2022)****(In thousands)**

	Sep 30, 2023 (Unaudited)	Dec 31, 2022 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$100,934	\$115,825
Short-term investments	12,685	8,500
Receivables – net	290,615	291,640
Contract assets	67,345	67,138
Inventories	279,676	268,497
Other current assets	28,160	25,246
Total Current Assets	779,415	776,846
<b>Noncurrent Assets</b>		
Property, plant and equipment - net	138,538	146,109
Goodwill	83,840	136,248
Intangible assets - net	4,298	5,125
Right-of-use assets	20,703	19,266
Deferred tax assets	3,278	2,149
Financial assets at FVOCI	2,254	1,829
Other noncurrent assets	16,739	16,312
Total Noncurrent Assets	269,650	327,038
Total Assets	\$1,049,065	\$1,103,884

**LIABILITIES AND EQUITY****Current Liabilities**

Accounts payable and accrued expenses	\$312,345	\$301,774
Contract liabilities	5,734	7,407
Loans payable	218,767	192,660
Current portion of long-term debt	6,313	3,048
Current portion of lease liabilities	6,922	7,068
Income tax payable	3,395	1,781
Other current liabilities	1,036	1,035
Total Current Liabilities	554,512	514,773

**Noncurrent Liabilities**

Noncurrent portion of:		
Long-term debt	139,200	147,365
Lease liabilities	14,635	12,870
Net retirement liabilities	5,658	7,013
Deferred tax liabilities	1,091	1,106
Other noncurrent liabilities	5,702	5,474
Total Noncurrent Liabilities	166,286	173,828
Total Liabilities	720,798	688,601

*(Forward)*

	Sep 30, 2023 (Unaudited)	Dec 31, 2022 (Audited)
<b>EQUITY</b>		
<b>Equity Attributable to Equity Holders of the Parent Company</b>		
Capital stock - common	\$42,720	\$42,719
Subscribed capital stock	690	692
Additional paid-in capital	193,778	193,797
Subscriptions receivable	(2,578)	(2,620)
Unappropriated retained earnings	109,539	194,803
Treasury stock	(1,013)	(1,013)
Other components of equity	487	33
Cumulative translation adjustment	(43,125)	(43,668)
Remeasurement losses on defined benefit plans	(7,434)	(7,434)
	<b>293,064</b>	<b>377,309</b>
<b>Equity Attributable to Non-controlling Interests in Consolidated Subsidiaries</b>		
	<b>35,203</b>	<b>37,974</b>
Total Equity	<b>328,267</b>	<b>415,283</b>
	<b>\$1,049,065</b>	<b>\$1,103,884</b>

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

	2023 (Unaudited)		2022 (Unaudited)	
	Jul to Sep	Jan to Sep	Jul to Sep	Jan to Sep
<b>REVENUES FROM CONTRACTS WITH CUSTOMERS</b>	<b>\$340,751</b>	<b>\$1,032,644</b>	\$351,243	\$1,042,100
<b>COST OF SALES</b>	<b>311,948</b>	<b>941,429</b>	322,772	965,021
<b>GROSS PROFIT</b>	<b>28,803</b>	<b>91,215</b>	28,471	77,079
<b>OPERATING EXPENSES</b>	<b>(29,739)</b>	<b>(81,160)</b>	(25,718)	(81,380)
<b>OTHERS - Net</b>				
Interest and bank charges	(5,479)	(15,381)	(4,352)	(10,824)
Foreign exchange gains/(losses)	1,920	147	1,768	6,695
Interest income	1,148	1,415	105	294
Miscellaneous income (losses) – net	524	(82,413)	873	2,015
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	<b>(2,823)</b>	<b>(86,177)</b>	1,147	(6,121)
<b>PROVISION FOR INCOME TAX</b>	<b>147</b>	<b>(2,681)</b>	(1,300)	(3,847)
<b>NET LOSS</b>	<b>(\$2,676)</b>	<b>(\$88,858)</b>	(\$153)	(\$9,968)
<b>Net Loss Attributable to:</b>				
Equity holders of the Parent Company	(\$1,602)	(\$85,264)	\$806	(\$4,708)
Non-controlling interests	(1,074)	(3,594)	(959)	(5,260)
	<b>(\$2,676)</b>	<b>(\$88,858)</b>	(\$153)	(\$9,968)
<b>Loss Per Share:</b>				
Basic and diluted		<b>(\$0.0386)</b>		(\$0.0021)

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

	2023 (Unaudited)		2022 (Unaudited)	
	Jul to Sep	Jan to Sep	Jul to Sep	Jan to Sep
<b>NET LOSS FOR THE PERIOD</b>	<b>(\$2,676)</b>	<b>(\$88,858)</b>	<b>(\$153)</b>	<b>(\$9,968)</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	(13,031)	1,366	(24,473)	(60,319)
<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	251	454	173	465
	<b>(12,780)</b>	<b>1,820</b>	<b>(24,300)</b>	<b>(59,854)</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(\$15,456)</b>	<b>(\$87,038)</b>	<b>(\$24,453)</b>	<b>(\$69,822)</b>
<b>Total Comprehensive Loss Attributable to:</b>				
Equity holders of the Parent Company	<b>(\$10,224)</b>	<b>(\$84,267)</b>	<b>(\$19,250)</b>	<b>(\$51,639)</b>
Non-controlling interests	<b>(5,232)</b>	<b>(2,771)</b>	<b>(5,203)</b>	<b>(18,183)</b>
	<b>(\$15,456)</b>	<b>(\$87,038)</b>	<b>(\$24,453)</b>	<b>(\$69,822)</b>



**INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 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	-	-	-	22	-	-	-	-	-	22	-	22
Forfeitures during the year	-	(1)	(19)	21	-	-	-	-	-	-	-	-
	42,720	690	193,778	(2,577)	194,803	(1,013)	33	(43,668)	(7,434)	377,331	37,974	\$415,305
Net loss	-	-	-	-	(85,264)	-	-	-	-	(85,264)	(3,594)	(88,858)
Other comprehensive income	-	-	-	-	-	-	454	543	-	997	823	1,820
Total comprehensive income (loss)	-	-	-	-	(85,264)	-	454	543	-	(84,267)	(2,771)	(87,038)
Balances at September 30, 2023	\$42,720	\$690	\$193,778	(\$2,577)	\$109,539	(\$1,013)	\$487	(\$43,125)	(\$7,434)	\$293,064	\$35,203	\$328,267

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	13	(13)	-	-	-	-	-	-	-	-	-	-
Collection from subscriptions	-	-	-	45	-	-	-	-	-	45	-	45
Forfeitures during the year	-	(3)	(34)	36	-	-	-	-	-	-	-	-
	42,719	693	193,797	(2,621)	201,560	(1,013)	(555)	(19,865)	(10,072)	404,644	57,114	461,758
Net loss	-	-	-	-	(4,708)	-	-	-	-	(4,708)	(5,260)	(9,968)
Other comprehensive income (loss)	-	-	-	-	-	-	465	(47,396)	-	(46,931)	(12,923)	(59,854)
Total comprehensive income (loss)	-	-	-	-	(4,708)	-	466	(47,396)	-	(51,639)	(18,183)	(69,822)
Balances at September 30, 2022	\$42,719	\$693	\$193,797	(\$2,621)	\$196,852	(\$1,013)	(\$89)	(\$67,261)	(\$10,072)	\$353,005	\$38,931	\$391,936

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)

	<b>Nine months ended September 30</b>	
	2023 (Unaudited)	2022 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before income tax	(\$86,177)	(\$6,121)
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	18,939	28,944
Interest expense	15,051	10,505
Amortization of right-of-use assets	5,967	6,888
Amortization of intangible assets	1,873	3,713
Unrealized foreign exchange losses (gains)	526	(12,505)
Loss on lease modifications	127	-
Gain on insurance claims	(11)	(408)
Gain on sale of property, plant and equipment	(50)	(191)
Interest income	(1,415)	(294)
Mark-to-market gain on derivatives	-	43
Operating income before working capital changes	38,118	30,574
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Loans and receivables	(7,838)	(19,583)
Inventories	(26,637)	(38,598)
Other current assets	(2,827)	(1,068)
Contract asset	(225)	(8,337)
Increase (decrease) in:		
Accounts payable and accrued expenses	12,003	5,136
Contract liabilities	(1,764)	(68)
Retirement liabilities	(1,349)	(2,550)
Net cash provided by (used in) operations	9,481	(34,494)
Income tax paid	(1,373)	(10,000)
Interest paid	(14,504)	(4,226)
Interest received	1,416	294
Net cash used in operating activities	(4,980)	(48,426)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of:		
Property, plant and equipment	(18,378)	(15,463)
Intangible assets	(217)	(480)
Proceeds from sale of property, plant and equipment	1,120	559
Decrease in other noncurrent assets	(755)	(970)
Net cash used in investing activities	(18,230)	(16,354)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of loans	(5,798)	(16,880)
Availment of loans	27,080	42,727
Payments of lease liabilities	(7,310)	(8,778)
Refund on subscriptions	23	45
Increase in other noncurrent liabilities	368	1,690
Net cash provided by financing activities	14,363	18,804
<b>NET FOREIGN EXCHANGE DIFFERENCE IN CASH AND CASH EQUIVALENTS</b>	(1,857)	10,356
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(10,704)	(35,620)
<b>CASH AND CASH EQUIVALENTS AT JANUARY 1</b>	124,324	159,788
<b>CASH AND CASH EQUIVALENTS AT SEPTEMBER 30</b>	<b>\$113,620</b>	<b>\$124,168</b>