

# COVER SHEET

SEC Registration Number

					1	0	7	4	3	2
--	--	--	--	--	---	---	---	---	---	---

Company Name

I	O	N	I	C	S	,	I	N	C	.	A	N	D	S	U	B	S	I	D	I	A	R	I	E	S

Principal Office (No./Street/Barangay/City/Town/Province)

C	i	r	c	u	i	t	S	t	r	e	e	t	,	L	i	g	h	t	I	n	d	u	s	t	r	y
a	n	d	S	c	i	e	n	c	e	P	a	r	k	o	f	t	h	e								
P	h	i	l	i	p	p	i	n	e	s	I	,	B	o	.	D	i	e	z	m	o	,				
C	a	b	u	y	a	o	C	i	t	y	,	L	a	g	u	n	a									

Form Type

1	7	-	Q
---	---	---	---

Department requiring the report

--	--	--	--

Secondary License Type, If Applicable

--	--	--	--

## COMPANY INFORMATION

Company's Email Address

<b>ronan.andrade@ionics-ems.com</b>
-------------------------------------

Company's Telephone Number/s

<b>(049) 508-1111</b>
-----------------------

Mobile Number

<b>0917-869-5688</b>
----------------------

No. of Stockholders

<b>738</b>
------------

Annual Meeting  
Month/Day

<b>06/11</b>
--------------

Fiscal Year  
Month/Day

<b>03/31</b>
--------------

## CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

<b>RONAN R. ANDRADE</b>
-------------------------

Email Address

<a href="mailto:ronan.andrade@ionics-ems.com"><b>ronan.andrade@ionics-ems.com</b></a>
---

Telephone Number/s

<b>(049) 508-1111</b>
-----------------------

Mobile Number

<b>0917-869-5688</b>
----------------------

Contact Person's Address

<b>No. 14 Mountain Drive, Light Industry and Science Park II Brgy. La Mesa, Calamba, Laguna</b>
---

**Note:** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17  
OF THE SECURITIES REGULATION CODE AND SRC RULE 17 (2) (B) THEREUNDER

1. For the quarter ended March 31, 2025
2. SEC Identification Number 107432
3. BIR Tax Identification No. 000-124-671-000
4. Exact name of issuer as specified in its charter **IONICS, INC.**
5. Province, country or other jurisdiction of incorporation  
or organization Philippines
6. Industry classification code:  (SEC Use Only)
7. Address of principal office Circuit Street, Light Industry and Science Park of  
the Philippines I, Bo. Diezmo, Cabuyao City, Laguna  
Postal code 4025
8. Issuer's telephone number, including area code (049) 508-1111 and Fax Number (049) 508-111 loc. 309
9. In 1996, the Company changed its principal place of business from Makati, Metro Manila to Cabuyao, Laguna.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the SRC

Title of Each Class	Number of Shares of Common Stock Outstanding
<b>Common</b>	1.00 par value issued 857,974,992 shares and outstanding, 837,130,992 shares (net of 20,844,000 shares of treasury stock).

11. Are any or all of these securities listed on a Stock Exchange?

Yes [ x ]      No [ ]

If yes, state the name of such Stock Exchange and the classes of securities listed therein:

Philippine Stock Exchange

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the SRC and SRC Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [ x ]      No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [ x ]      No [ ]

## PART I – FINANCIAL INFORMATION

### ITEM 1. Unaudited Interim Condensed Consolidated Financial Statements

The unaudited interim condensed consolidated financial statements including notes thereto are filed as part of this report (pages 10-40).

These unaudited interim condensed consolidated financial statements include the accounts of the Parent Company and its wholly-owned subsidiaries, Ionics Properties, Inc. (IPI), Synertronix, Inc. (SI), Ionics Circuits Limited (ICL), Iomni Precision, Inc. (Iomni), Ionics Products Solutions, Inc. (IPSI) and the 97%-owned Ionics EMS, Inc. (EMS) and a Subsidiary (EMS-USA). All intercompany balances have been eliminated in the consolidation.

### ITEM 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Below are the Consolidated Key Financial Ratios for the three months period ended March 31, 2025 and for the year ended December 31, 2024:

	March 31, 2025	December 31, 2024
Revenue Growth	11.94%	9.60%
Gross Profit Margin	10.12%	10.02%
Net Income Margin	3.26%	2.87%
Return on Equity	1.32%	4.59%
Current Ratio	1.80:1	1.88:1
Quick Asset Ratio	0.82:1	0.:1
Leverage Ratio	0.38:1	0.31:1
Debt-to-Equity Ratio	0.80:1	0.75:1
Asset-to-Equity Ratio	1.80:1	1.75:1
Interest Rate Coverage Ratio	4.22:1	3.30:1

1. **Revenue Growth**

Revenue growth is computed from current revenue less revenue of the prior period divided by revenue of the prior period. The result is expressed in percentage.

2. **Gross Profit Margin**

Gross profit margin reflects the management’s policies related to pricing and production efficiency. This is computed by dividing gross profit by the total revenue for the period. The result is expressed in percentage.

3. **Net Income Margin**

Net income margin is the ratio of the Group’s net income for a given period. This is computed by dividing net income by the total revenue for the period. The result is expressed in percentage.

4. **Return on Equity**

Return on equity ratio is the ratio of the Group’s net income to equity. This measures the management’s ability to generate returns on their investments. This is computed by dividing net income by total equity. The result is expressed in percentage.

5. **Current Ratio**

Current ratio is the ratio of the Group’s current resources and its current obligation. This is computed by dividing current assets by current liabilities.

6. **Quick Asset Ratio**

Quick asset ratio is the ratio of the Group's current assets to its current obligations. This is computed by dividing sum of cash and cash equivalents, marketable securities and receivables by current liabilities.

7. **Leverage Ratio**

Leverage ratio determines the Group's cost mix and its effects on the operating income. This is computed by dividing net debt by the sum of total equity and net debt.

8. **Debt-to-Equity Ratio**

The debt-to-equity ratio is used to measure the Group's financial standing and ability to repay its obligations. This is computed by dividing total liabilities by equity.

9. **Asset-to-Equity Ratio**

The asset-to-equity ratio shows the relationship of the total assets of the Group to the portion owned by shareholders. This indicates the Group's leverage (debt) used to finance the Group. This is computed by dividing total assets by equity.

10. **Interest rate Coverage Ratio**

Interest rate coverage ratio is the ratio of the Group's ability to meet its interest payment. This is computed by dividing the sum of income before income taxes and finance costs by the finance costs.

As of the filing date, the management of the Group is not aware of:

- a) any known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity;
- b) any events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation;
- c) all material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period;
- d) any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures except for the approved capital expenditures;
- e) any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/ revenues/ income from continuing operations
- f) any significant elements of income or loss that did not arise from the issuer's continuing operations; and,
- g) any seasonal aspects that had a material effect on the financial condition or results of operations.

The causes for any material change from period to period, which shall include vertical and horizontal analyses of any material item, were disclosed in page number 5 to 7 of this report.

### **CONSOLIDATED FINANCIAL POSITION**

As of March 31, 2025, the consolidated assets of the Group amounted to US\$119.77 million which is US\$2.26 million higher than the US\$117.50 million as of December 31, 2024. The increase in the Group's total assets was due to the increase in receivables, prepayments and other current assets and investment property.

Current ratio is 1.85:1 for the three months ended March 31, 2025 and 1.88:1 for the year ended December 31, 2024 while debt-to-equity ratio is 0.75:1 in December 31, 2024 and 0.80:1 in three months ended March 31, 2025.

Below is the summary of Statements of Financial Position accounts with 5% or more increase (decrease):

	<b>Percentage increase (decrease)</b>	
	<b>March 31, 2025 vs. December 31, 2024</b>	<b>December 31, 2024 vs. December 31, 2023</b>
<b>ASSETS</b>		
Cash and cash equivalents	(23)	43
Receivables	48	N/A
Contract assets	1	13
Inventories	(11)	(7)
Advances to suppliers	(6)	155
Prepayments and other current assets	20	(37)
Financial assets at FVOCI	N/A	(8)
Property, plant and equipment – net	(5)	(20)
Investment properties	2	N/A
Right-of-use assets	(17)	(47)
<b>LIABILITIES</b>		
Accounts payable and other liabilities	13	(13)
Contract liabilities	32	(19)
Bank loans and long-term debt	(12)	(10)
Lease liabilities	(15)	(46)
Income tax payable	80	44
Net pension liabilities	N/A	N/A

**As of March 31, 2025 (03.31.25 vs 12.31.24)**

Cash decreased due to partial payment of working capital loans. Receivables increased due to higher sales for the quarter and invoices for aging material brought back by customers. Inventories decreased due to customer buy back of aging materials and the increase in consumption resulting from higher turnkey sales. The decrease in advances to suppliers was attributable to the delivery of materials covered by advanced payments and controlled material ordering for the quarter. The increase in prepayments and other current assets was due to prepayments made during the period. Property and equipment decreased due to depreciation during the quarter. Right-of-use assets (ROU) decreased due to amortization for the quarter. The increase in accounts payable and accrued expenses is related to the increase in raw materials. Contract liabilities increased due to additional advance payment for aging materials. Bank loans and long-term debt decreased due to payments made during the quarter. Lease liabilities decreased due to the payment of lease amortization for the quarter. Income tax increased due to provision of income tax during the quarter.

**As of December 31, 2024 (12.31.24 vs 12.31.23)**

Cash increased due cash flows generated from operations. Contract assets increased due to higher level of work in process and finished goods. Inventories decreased due increase in consumption due to higher turnkey sales. The increase in advances to suppliers was due to advance payment made to suppliers. The decreased in prepayments and other current assets was due to amortization of prepayments during the year. Assets held for sale increase due to reclassification of the recoverable value of machinery and equipment of Iomni to this account. Financial Assets at FVOCI decreased due to fair value loss recognized as of December 31, 2024. Property and equipment decrease due to depreciation during the year and reclassification to asset available for sales and impairment made by Iomni. Right-of-use assets (ROU) decreased due to amortization for the year. The decrease in accounts payable and accrued expenses is attributable to the payment made to suppliers and controlled material ordering. Contract liabilities decreased due to return of customers advanced payment and application against receivable. Bank loans and long-term debt decreased due to payments made during the year. Lease liabilities decreased due to rental payment for the year. Income taxes increased due to provision of income tax during the year.

## **CONSOLIDATED RESULTS OF OPERATIONS**

The summarized revenues and net income (losses) of the Group for the three months ended March 31, 2025 and 2024 are presented as follows (amounts in US Dollars):

COMPANY	March 31, 2025 (3 months)					March 31, 2024 (3 months)				
	REVENUE			Operating Expenses	NET INCOME (LOSS)*	REVENUE			Operating Expenses	NET INCOME (LOSS)*
	Sales	Rent income	Total			Sales	Rental Income and Other Income	Total		
Parent	–	176,210	176,210	154,161	1,481,900	–	167,788	167,788	206,031	(184,664)
EMS and a Subsidiary	25,965,588	–	25,965,588	1,086,169	478,590	23,054,281	–	23,054,281	966,550	260,711
IPI	–	811,726	811,726	44,310	448,091	–	875,698	875,698	42,436	541,285
ICL	–	–	–	2,031	(2,335)	–	–	–	1,958	(4,804)
Iomni	677,218	30,669	707,887	43,498	(11,301)	532,323	30,669	562,992	37,516	(249,895)
Synertronix	–	–	–	–	–	–	–	–	–	–
IPSI	–	–	–	492	(187)	–	–	–	521	(930)
<b>TOTAL</b>	<b>26,642,806</b>	<b>1,018,605</b>	<b>27,661,411</b>	<b>1,330,661</b>	<b>2,394,759</b>	<b>23,586,604</b>	<b>1,074,155</b>	<b>24,660,759</b>	<b>1,255,012</b>	<b>361,703</b>
Eliminations	(304,007)	(373,528)	(677,535)	(41,970)	(1,531,581)	(200,428)	(354,901)	(555,329)	(111,654)	203,379
<b>Consolidated</b>	<b>26,338,799</b>	<b>645,077</b>	<b>26,983,876</b>	<b>1,288,691</b>	<b>863,177</b>	<b>23,386,176</b>	<b>719,254</b>	<b>24,105,430</b>	<b>1,143,358</b>	<b>565,082</b>

\*Net income attributable to equity holders of the Parent Company.

The Group's sales increased by US\$2.95 million from US\$23.39 million for the three months ended March 31, 2024 to US\$26.34 million for the three months ended March 31, 2025 due to the ramped up of sales from turnkey customers. The gross profit increased by US\$0.52 million or 24% from US\$2.21 million for the three months ended March 31, 2024 to US\$2.73 million in March 31, 2025.

Operating expenses increased by US\$0.15 million from US\$1.14 million for the three months ended March 31, 2024 to US\$1.29 million for the three months ended March 31, 2025 primarily due increase in commission as a result of higher sales subject to commission. Interest expenses decreased by US\$0.09 million from US\$0.42 million for the three months ended March 31, 2024 to US\$0.33 million for the three months ended March 31, 2025 due to lower loan balance and lower interest rates. The Group reported net foreign exchange loss of US\$0.01 million for the three months ended March 31, 2025 from net foreign exchange gain of US\$0.002 million for the three months ended March 31, 2024 due to depreciation of Philippine Peso versus US\$.

With the foregoing, the Group reported an increase in the consolidated net income attributable to equity holders of the Parent Company from US\$0.57 million for the three months ended March 31, 2024 to US\$0.86 million for the three months ended March 31, 2025.

## **INDIVIDUAL RESULT OF OPERATIONS**

### **Ionics, Inc.**

The Parent Company reported a net income of US\$1.48 million due to recognition of dividend income from IPI. The Parent Company also recognized impairment provision of US\$0.01 million representing the net loss of Iomni for the three months ended March 31, 2025 versus net loss of US\$0.19 million of the same quarter of 2024.

The individual performances of the subsidiaries for the nine months ended March 31, 2025 and 2024 are as follows:

### **Ionics EMS, Inc. and a Subsidiary**

IEMS revenue increased by US\$2.91 million from US\$23.05 million for the three months ended March 31, 2024 to US\$25.97 million in the same quarter of 2025 due to the ramped up of sales from Turnkey customers. With the increase in sales, gross profit increased by 25% or US\$0.41 million from US\$1.64 million for the three months ended March 31, 2024 to US\$2.05 million in the same period of 2025.

Operating expenses increased by US\$0.12 million from US\$0.97 million for the three months period ended March 31, 2024 to US\$1.09 million in the same period of 2025 primarily due to increase in commission. Interest expense decreased to US\$0.07 million for the three months period ended March 31, 2025 from US\$0.36 million in the same period of 2024 due to lower loan balance. IEMS reported net foreign exchange loss of US\$0.08 million in the same period of 2025 from net foreign exchange gain of US\$0.07 million for the three months ended March 31, 2024 due to depreciation of Philippine Peso versus US\$.

With the foregoing, IEMS reported an increase in net income of US\$0.22 million from US\$0.26 million for the three months ended March 31, 2024 to US\$0.48 million for the three months as of March 31, 2025.

#### **Ionics Properties, Inc. (IPI)**

IPI contributed rent income of US\$0.81 million and US\$0.88 million for the three months ended March 31, 2025 and 2024, respectively. Net income decreased from US\$0.54 million for the three months ended March 31, 2024 to US\$0.45 million for the three months ended March 31, 2025.

#### **Ionics Circuits, Limited (ICL)**

ICL reported a net loss amounting to US\$0.002 million and US\$0.005 million for the three months ended March 31, 2025 and 2024, respectively. This is due to the lower share in net losses of investees.

#### **Iomni Precision, Inc. (Iomni)**

Iomni's revenue increased to US\$0.71 million for the three months ended March 31, 2025 from US\$0.56 million for the three months ended March 31, 2024. As a result of the increase in sales, Iomni reported a gross profit of US\$0.41 for the three months ended March 31, 2025 and US\$0.07 million for the three months ended March 31, 2024.

Operating expenses amounted to US\$0.04 million for the three months ended March 31, 2025 and 2024, respectively.

With the foregoing, the Company's performance resulted to a net loss of US\$0.01 million for the three months ended March 31, 2025 and net income of US\$0.25 million for the three months ended March 31, 2024.

#### **Synertronix, Inc. (SI)**

SI reported nil and net loss of US\$9 for the three months ended March 31, 2025 and March 31, 2024, respectively.

#### **Ionics Products Solutions, Inc. (IPSI)**

IPSI reported nil in and net loss of US\$930 for the three months ended March 31, 2025 and March 31, 2024, respectively.

### ITEM 3. Additional Requirements

#### Financial Soundness Indicator

Below are the financial ratios that are relevant to the Group for two comparative periods:

a. Liquidity Ratio

	<b>March 31, 2025</b>	December 31, 2024
Current ratio	<b>1.80:1</b>	1.88:1
Quick asset ratio	<b>0.82:1</b>	0.72:1
Debt-to-equity ratio	<b>0.80:1</b>	0.75:1
Asset-to-equity ratio	<b>1.80:1</b>	1.75:1

b. Profitability Ratio

	<b>March 31, 2025</b>	December 31, 2024
Interest rate coverage ratio	<b>4.22:1</b>	3.30:1
Profitability ratio		
Gross profit margin	<b>10.12%</b>	10.02%
Operating income margin	<b>5.34%</b>	5.47%
Net income margin	<b>3.26%</b>	2.87%
Revenue growth	<b>11.94%</b>	9.60%



## PART II - OTHER INFORMATION

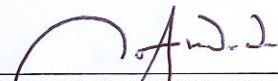
As of and for the three months period ended March 31, 2025, the Group:

- a) has not experienced any suspension of its operations;
- b) has no contract of merger, consolidation or joint venture, contract of management, licensing, marketing, distributorship or similar agreement was signed;
- c) has no offering of right, granting of stock options and corresponding plans; and
- d) has not done any transfer of assets during the quarter.

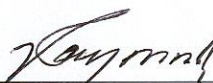
### SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ISSUER : IONICS, INC.

  
RONAN R. ANDRADE  
Chief Finance Officer

May 15, 2025  
Date

  
RAYMOND MARIA C. QUA  
President and Chief Executive Officer

May 15, 2025  
Date

# IONICS, INC. AND SUBSIDIARIES

## UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	Unaudited March 31, 2025	Audited December 31, 2024
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash (Notes 3, 4, 5 and 23)	US\$7,431	US\$9,651
Receivables (Notes 3, 6 and 23)	27,502	18,556
Contract assets (Notes 3 and 7)	7,908	7,829
Inventories (Note 8)	29,850	33,477
Advances to suppliers	2,750	2,939
Prepayments and other current assets	730	610
Noncurrent assets held for sale	465	465
Total Current Assets	76,636	73,527
<b>Noncurrent Assets</b>		
Financial assets at FVOCI (Notes 3, 9 and 23)	2,749	2,752
Investments in associates (Note 10)	663	660
Property, plant and equipment (Note 11)	20,047	21,004
Investment properties (Note 12)	18,263	17,980
Right-of-use assets (Note 20)	837	1,006
Deferred tax assets – net	16	19
Other noncurrent assets (Notes 4 and 23)	560	553
Total Noncurrent Assets	43,135	43,974
	US\$119,771	US\$117,501
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and other liabilities (Notes 3, 4, 13 and 23)	US\$19,673	US\$17,362
Contract liabilities (Note 7)	6,748	5,118
Current portion of bank loans and long-term debt (Notes 3, 4, 14 and 23)	13,596	15,598
Current portion of lease liabilities (Notes 3, 4, 20 and 23)	554	637
Dividend payable (Note 24)	1,561	121
Income tax payable	366	203
Total Current Liabilities	42,498	39,039
<b>Noncurrent Liabilities</b>		
Bank loans and long-term debt - net of current portion (Notes 3, 4, 14 and 23)	5,126	5,782
Lease liabilities - net of current portion (Notes 3, 4, 20 and 23)	392	470
Net pension liabilities	3,617	3,501
Deferred tax liabilities - net	224	223
Other noncurrent liabilities (Notes 3, 4, 13 and 23)	1,315	1,301
Total Noncurrent Liabilities	10,674	11,277
Total Liabilities	US\$53,172	US\$50,316

	Unaudited March 31, 2025	Audited December 31, 2024
<b>Equity</b> (Note 4)		
Equity attributable to the equity holders of the Parent Company:		
Capital stock	US\$17,633	US\$17,633
Additional paid-in capital	9,072	9,072
Retained earnings	42,883	43,483
Other comprehensive income (loss):		
Unrealized losses on financial assets at FVOCI (Note 9)	(1,334)	(1,331)
Exchange differences	914	913
Other reserves	(897)	(897)
Adjustment to non-controlling interests	(943)	(943)
Treasury shares	(1,365)	(1,365)
	65,963	66,565
Noncontrolling interests	636	620
Total Equity	66,599	67,185
	US\$119,771	US\$117,501

*See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.*

# IONICS, INC. AND SUBSIDIARIES

## UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands, Except Earnings (Loss) per Share)

	2025 January to March (3 months)	2024 January to March (3 months)
<b>REVENUE</b> (Note 22)		
Revenue from contracts with customers	US\$26,339	US\$23,386
Rental income	645	719
	<b>26,984</b>	<b>24,105</b>
<b>COST OF SALES AND RENTAL SERVICES</b>		
Cost of sales (Note 15)	23,977	21,680
Cost of rental services (Note 16)	277	218
	<b>24,254</b>	<b>21,898</b>
<b>GROSS PROFIT</b>	<b>2,730</b>	<b>2,207</b>
<b>OPERATING EXPENSES</b> (Note 17)	<b>1,288</b>	<b>1,138</b>
<b>OTHER INCOME (EXPENSES)</b>		
Share in net income (loss) of associate (Note 10)	(3)	6
Finance costs (Note 18)	(325)	(417)
Others - net (Note 19)	(66)	84
	<b>(394)</b>	<b>(327)</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>1,048</b>	<b>742</b>
<b>PROVISION FOR INCOME TAX</b>	<b>169</b>	<b>169</b>
<b>NET INCOME</b>	<b>879</b>	<b>573</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		
<b>Items that may be reclassified to profit or loss:</b>		
Exchange difference	9	(85)
<b>Items that may not be reclassified to profit or loss:</b>		
Share in other comprehensive income of associate (Note 10)	(8)	6
Fair value gain on financial assets at FVOCI (Note 9)	(3)	620
	<b>(2)</b>	<b>541</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>US\$877</b>	<b>US\$1,114</b>
<b>NET INCOME ATTRIBUTABLE TO:</b>		
Equity holders of the Parent Company	US\$863	US\$565
Noncontrolling interests	16	9
	<b>US\$879</b>	<b>US\$573</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		
<b>ATTRIBUTABLE TO:</b>		
Equity holders of the Parent Company	US\$861	US\$1,100
Noncontrolling interests	16	14
	<b>US\$877</b>	<b>US\$1,114</b>
<b>BASIC/DILUTED EARNINGS PER SHARE</b> (Note 21)		
For net income for the year attributable to ordinary equity holders of the Parent Company	<b>US\$0.00105</b>	<b>US\$0.00069</b>

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statement

## IONICS, INC. AND SUBSIDIARIES

### UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

	Attributable to the Equity Holders of the Parent Company										
	Capital Stock	Additional Paid-in Capital	Retained Earnings	Unrealized Gains (Losses) on Financial Assets at FVOCI (Note 9)	Other Reserves	Adjustment to Non- Controlling Interest	Exchange Difference	Treasury Shares	Total	Non- Controlling Interest	Total
	For the period ended March 31, 2025										
<b>Balances as of January 1, 2025</b>	<b>US\$17,633</b>	<b>US\$9,072</b>	<b>US\$43,483</b>	<b>(US\$1,331)</b>	<b>(US\$897)</b>	<b>(US\$943)</b>	<b>US\$913</b>	<b>(US\$1,365)</b>	<b>US\$66,565</b>	<b>US\$620</b>	<b>US\$67,185</b>
Net income	–	–	863	–	–	–	–	–	863	16	879
Other comprehensive income (loss)	–	–	–	(3)	–	–	1	–	(2)	–	(2)
Dividends declared	–	–	(1,463)	–	–	–	–	–	(1,463)	–	(1,463)
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>(600)</b>	<b>(3)</b>	<b>–</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>(602)</b>	<b>16</b>	<b>(586)</b>
<b>Balances as of March 31, 2025</b>	<b>US\$17,633</b>	<b>US\$9,072</b>	<b>US\$42,883</b>	<b>(US\$1,334)</b>	<b>(US\$897)</b>	<b>(US\$943)</b>	<b>US\$914</b>	<b>(US\$1,365)</b>	<b>US\$65,963</b>	<b>US\$636</b>	<b>US\$66,599</b>
	For the period ended March 31, 2024										
Balances as of January 1, 2024	US\$17,633	US\$9,072	US\$40,473	(US\$1,124)	(US\$731)	(US\$943)	US\$1,012	(US\$1,365)	US\$64,027	US\$549	US\$64,576
Net income	–	–	565	–	–	–	–	–	565	9	574
Other comprehensive income (loss)	–	–	–	620	–	–	(85)	–	535	6	541
Total comprehensive income (loss)	–	–	565	620	–	–	(85)	–	1,100	15	1,115
<b>Balances as of March 31, 2024</b>	<b>US\$17,633</b>	<b>US\$9,072</b>	<b>US\$41,038</b>	<b>(US\$504)</b>	<b>(US\$731)</b>	<b>(US\$943)</b>	<b>US\$927</b>	<b>(US\$1,365)</b>	<b>US\$65,128</b>	<b>US\$564</b>	<b>US\$65,692</b>

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

# IONICS, INC. AND SUBSIDIARIES

## UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Amounts in Thousands)

	2025 January to March (3 months)	2024 January to March (3 months)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	US\$1,048	US\$743
Adjustments for:		
Depreciation and amortization (Notes 11, 12, 15, 16, 17 and 20)	1,531	1,724
Finance costs (Note 18)	325	417
Share in net losses of associates (Note 10)	3	6
Movement in net pension liabilities	116	(147)
Interest income (Note 19)	(2)	(3)
Impairment loss on property and equipment	–	122
Operating income before working capital changes	3,021	2,867
Changes in working capital:		
Decrease (increase) in:		
Receivables	(8,946)	(1,833)
Contract assets	(79)	(891)
Inventories	3,627	(2,821)
Prepayments and other current assets	(120)	(222)
Advances to suppliers	189	(467)
Other noncurrent assets	(7)	6
Increase (decrease) in:		
Accounts payable and other liabilities	2,271	5,137
Contract liabilities	1,630	24
Other noncurrent liabilities	14	1
Net cash generated from operations	1,600	1,801
Interest received	2	2
Income taxes paid	–	–
Net cash provided by operating activities	1,602	1,803
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of:		
Property and equipment (Notes 11 and 14)	(173)	(239)
Investment properties	(528)	(54)
Financial assets at FVOCI (Note 9)	–	–
Return of investment	–	1
Net cash (used in) provided by investing activities	(701)	(293)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Availments of (Note 3):		
Commercial loans		
Bank loans	5,000	7,000
Payments of (Note 3):		
Commercial loans	(7,000)	(7,000)
Lease liabilities	(161)	(231)
Bank loans	(296)	(243)
Long-term debt	(362)	(334)
Interests	(302)	(375)
Cash dividends to stockholders	–	(2)
Net cash used in financing activities	(3,121)	(1,167)
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(2,220)</b>	<b>343</b>
<b>CASH AT BEGINNING OF PERIOD</b>	<b>9,651</b>	<b>6,764</b>
<b>CASH AT END OF PERIOD (Note 5)</b>	<b>US\$7,431</b>	<b>US\$7,107</b>

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

## **IONICS, INC. AND SUBSIDIARIES**

### **NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Amounts in Thousands, Except Earnings (loss) per Share)

---

#### **1. Corporate Information**

Ionics, Inc. (the Parent Company) is a domestic corporation incorporated under the laws of the Philippines and registered with the Securities and Exchange Commission (SEC) in September 1982. The Parent Company started commercial operations in July 1987 and engaged in electronic manufacturing services business. In September 1999, the Parent Company transferred its primary manufacturing business to a majority owned subsidiary, Ionics EMS, Inc. (EMS), which was subsequently listed in the Singapore Exchange Securities Trading Limited (Singapore Exchange). However, on March 2, 2010, the Parent Company and EMS jointly announced the proposed voluntary delisting of EMS from the Singapore Exchange. Consequently, the Parent Company's primary purpose was amended from a manufacturing company to a holding company.

The Parent Company is listed in the Philippine Stock Exchange.

The principal place of business and registered office address of the Group is Circuit Street, Light Industry and Science Park of the Philippines, Bo. Diezmo, Cabuyao City, Laguna.

The unaudited interim condensed consolidated financial statements were approved and authorized for issue by the Board of Directors (BOD) on May 13, 2025.

---

#### **2. Summary of Significant Accounting Policies**

##### Basis of Preparation

The unaudited interim condensed consolidated financial statements of the Group have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as of December 31, 2025.

The unaudited interim condensed consolidated financial statements are presented in United States (US) Dollar, which is also the Group's functional currency. All amounts are rounded to the nearest thousand US\$ (US\$000), except earnings (loss) per share or unless otherwise indicated.

The following are the wholly and majority-owned subsidiaries of the Parent Company as of March 31, 2025 and December 31, 2024:

<b>Subsidiaries</b>	<b>Country of Incorporation</b>	<b>Principal Activity</b>	<b>Effective Percentage of Ownership</b>
ICL	Cayman Islands	Investing	<b>100%</b>
IPI	Philippines	Leasing	<b>100</b>
Iomni	Philippines	Manufacturing	<b>100</b>
SI	Philippines	Manufacturing	<b>100</b>
IPSI	Philippines	Retailing	<b>100</b>
EMS	Philippines	Manufacturing	<b>97</b>
USA	United States of America	Manufacturing	<b>97</b>

#### New Standards, Interpretations and Amendments

The accounting policies adopted in the preparation of the Group's unaudited interim condensed consolidated financial statements are consistent with those of the Group's annual consolidated financial statements for the year ended December 31, 2024, except for the adoption of the following new and amended accounting pronouncements which became effective January 1, 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

### **3. Financial Risk Management Objectives and Policies**

#### *Risk management structure*

All policy directions, business strategies and management initiatives emanate from the BOD. The BOD convenes in quarterly meetings and in addition, is available to meet in the interim should the need arises.

The Group has adopted internal guidelines setting forth matters that require BOD approval. Under the guidelines, all new investments, any increase in investment in business and subsidiary and any divestments require BOD approval.

The normal course of the Group's business exposes it to a variety of financial risks such as credit risk, liquidity risk and market risks which include foreign currency risk exposures.

The Group has various financial assets such as cash and cash equivalents, receivables (excluding advances to managers and employees), financial assets at fair value through other comprehensive income (FVOCI) and refundable deposits (included under "Other noncurrent assets"). The Group's principal financial liabilities consist of accounts payable and other liabilities (excluding nonfinancial liabilities), bank loans and long-term debt, lease liabilities, and security deposits (included under "Other noncurrent liabilities"). The main purpose of these financial liabilities is to raise funds for the Group's operations. The Group's policies on managing the risks arising from the Group's financial instruments follow:

#### Credit Risk

Credit risk is the risk of loss resulting from the failure of a borrower or counterparty to perform its obligations during the life of the transaction. This includes the risk of non-payment by banks and customers, failed settlement of transactions and default on contracts. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. The



Group's credit risk management involves entering into arrangements only with counterparties with acceptable credit standing and that are duly approved by the BOD. The Group does not hold any collateral from its customers thus, the carrying amounts of cash and cash equivalents, receivables, financial assets at FVOCI and refundable deposits approximate the Group's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

*Trade receivables, rent receivables, other receivables from customers and contract assets*

The Group's trade receivables, other receivables from customers and contract assets are monitored on a regular basis. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due of the customer with loss pattern. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

Generally, trade receivables, rent receivables and other receivables from customers and contract asset are written-off when deemed unrecoverable and are not subject to enforcement activity. The maximum credit exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

*Other financial assets*

Credit risk from balances with banks and financial institutions is managed in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty limits are reviewed and approved by the BOD and are updated when necessary.

Cash and cash equivalents are placed in various banks. Amounts are held by banks that have good reputation and low probability of insolvency. These are considered to be low credit risk investments.

*Risk concentration of the maximum exposure to credit risk*

An industry sector analysis of the Group's maximum exposure to credit risk is as follows:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Consumer electronics	<b>US\$13,753</b>	US\$10,185
Telecommunications (Telecom)	<b>15,251</b>	10,129
Banks and financial intermediaries*	<b>7,423</b>	9,643
Computer peripherals	<b>4,567</b>	4,944
Real estate	<b>849</b>	542
Others**	<b>1,448</b>	1,030
<b>Total</b>	<b>US\$43,291</b>	<b>US\$36,473</b>

\*Excludes cash on hand amounting US\$0.01 million as of March 31, 2025 and December 31, 2024.

\*\*Excludes nonfinancial assets amounting to US\$0.10 million and US\$0.03 million as of March 31, 2025 and December 31, 2024, respectively. .

The Group has concentration of credit risk due to sales to significant customers. The Group's financial instruments are broadly diversified along industry, product and geographic lines, and transactions are entered into with a range of counterparties, thereby mitigating any significant concentration of credit risk.

The tables below summarize the credit quality of the Group's financial assets (gross of allowance for impairment losses):

March 31, 2025					
	Minimal Risk	Average Risk	High Risk	Credit Impaired	Total
Cash and cash equivalents*	US\$7,423	US\$–	US\$–	US\$–	US\$7,423
Receivables					
Trade receivables	22,034	–	–	20	22,054
Other receivables from customers	4,262	–	–	–	4,262
Rent receivables	467	–	–	–	467
Advances to managers **	134	–	–	–	134
SSS claims receivables	21	–	–	–	21
Others	482	–	–	–	482
Contract assets	7,908	–	–	–	7,908
Other noncurrent assets					
Refundable deposits	560	–	–	–	560
	US\$43,291	US\$–	US\$–	US\$20	US\$43,311

\*Excludes cash on hand amounting to US\$0.01 million.

\*\*Nonfinancial assets and advances to employees amounting to US\$0.10 million.

December 31, 2024					
	Minimal Risk	Average Risk	High Risk	Credit-Impaired	Total
Cash in banks*	US\$9,643	US\$–	US\$–	US\$–	US\$9,643
Receivables					
Trade receivables	14,741	–	–	18	14,759
Other receivables from customers	2,973	–	–	–	2,973
Rent receivables	542	–	–	–	542
Advances to managers	61	–	–	–	61
SSS claims receivables	18	–	–	3	21
Others	113	–	–	–	113
Contract assets	7,829	–	–	–	7,829
Other noncurrent assets					
Refundable deposits	553	–	–	–	553
	US\$36,473	US\$–	US\$–	US\$21	US\$36,494

\*Excludes cash on hand amounting to US\$0.008 million.

The Group classifies credit quality risk as follows:

*Minimal risk* - accounts with a high degree of certainty in collection, where counterparties have consistently displayed prompt settlement practices, and have little to no instance of defaults or discrepancies in payment.

*Average risk* - active accounts with minimal to regular instances of payment default, due to ordinary/common collection issues, but where the likelihood of collection is still moderate to high as the counterparties are generally responsive to credit actions initiated by the Group.

*High risk* - accounts with a low probability of collection and can be considered impaired based on historical experience, where counterparties exhibit a recurring tendency to default despite constant reminder and communication, or even extended payment terms.

The Group maintains cash and cash equivalents with various financial institutions that management believes to be of high credit quality. The Group's policy is to invest with financial institution from which it has outstanding loans and loan facilities.

The following tables below summarize the staging considerations (other than trade receivables, other receivables from customers and contract assets subject to provision matrix) of the Group's financial assets as at:

March 31, 2025				
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Credit-impaired)	Total
Cash in banks*	US\$7,423	US\$–	US\$–	US\$7,423
Receivables				
Advances to managers	134	–	–	134
SSS claims receivables	21	–	–	21
Others	482	–	–	482
Other noncurrent assets				
Refundable deposits	560	–	–	560
<b>Total</b>	<b>US\$8,620</b>	<b>US\$–</b>	<b>US\$–</b>	<b>US\$8,620</b>

\*Excludes cash on hand amounting to US\$0.01 million

December 31, 2024				
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Credit-impaired)	Total
Cash in banks*	US\$9,643	US\$–	US\$–	US\$9,643
Receivables				
Rent receivables	542	–	–	542
Advances to managers	61	–	–	61
SSS claims receivables	18	–	3	21
Others	113	–	–	113
Other noncurrent assets				
Refundable deposits	553	–	–	553
<b>Total</b>	<b>US\$10,930</b>	<b>US\$–</b>	<b>US\$3</b>	<b>US\$10,933</b>

\*Excludes cash on hand amounting to US\$0.008 million.

Set out below is the information about the credit risk exposure on trade receivables, other receivables from customers and contract assets using a provision matrix as at:

March 31, 2025:

Trade receivables									
	Contract Assets	Days past due							Total
		Current	<30 days	30-60 days	61-90 days	91-120 days	121-150 days	>150 days	
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%	0%	
Estimated total gross carrying amount at default	US\$7,908	US\$15,662	US\$5,431	US\$289	US\$591	US\$–	US\$–	US\$81	US\$22,054
	–	–	–	–	–	–	–	–	–
Other receivables from customers									
Expected credit loss rate		0%	0%	0%	0%	0%	0%	0%	
Estimated total gross carrying amount at default		4,083	116	58	5	–	–	–	4,262
		–	–	–	–	–	–	–	–
Total expected credit loss		US\$–	US\$–	US\$–	US\$–	US\$–	US\$–	US\$–	US\$–

December 31, 2024:

December 31, 2021

		Trade receivables							
		Days past due							
	Contract Assets	Current	<30 days	30-60 days	61-90 days	91-120 days	121-150 days	>150 days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%	0%	
Estimated total gross carrying amount at default	US\$7,829	US\$10,680	US\$2,774	US\$832	US\$351	US\$–	US\$–	US\$122	US\$14,759
	–	–	–	–	–	–	–	–	–
		Other receivables from customers							
Expected credit loss rate		0%	0%	0%	0%	0%	0%	0%	
Estimated total gross carrying amount at default		2,720	241	10	1	–	–	1	2,973
		–	–	–	–	–	–	–	–
Total expected credit loss		US\$–	US\$–	US\$–	US\$–	US\$–	US\$–	US\$–	US\$–

### Liquidity Risk

Liquidity risk is the risk of not being able to meet funding obligations such as the repayment of liabilities or payment of asset purchases. Short-term funding is obtained to finance cash requirements for operations and capital expenditures. Amount of credit lines are obtained from designated banks duly approved by the BOD. Surplus funds are placed with reputable banks to which the Group has outstanding loans and loan facilities. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and highly liquid marketable securities and adequate committed lines of funding from major financial institutions to meet the short and longer-term liquidity requirements of the Group.

The tables below show the maturity profile of the financial assets and liabilities, based on its internal methodology that manages liquidity based on remaining contractual maturities as at:

	March 31, 2025					
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
<b>Financial assets</b>						
Cash and cash equivalents	US\$7,431	US\$–	US\$–	US\$–	US\$–	US\$7,431
Receivables <sup>1</sup>	13,219	20,297	–	–	–	33,516
Refundable deposits <sup>2</sup>	–	–	–	560	–	560
	20,650	20,297	–	560	–	41,507
<b>Financial liabilities</b>						
Accounts payable and other liabilities <sup>3</sup>	5,973	13,272	–	–	–	19,245
Bank loans and long-term debt <sup>4</sup>	–	9,560	3,246	6,168	–	18,974
Lease liabilities <sup>5</sup>	–	347	978	4,061	–	5,386
Security deposits <sup>6</sup>	–	–	–	636	–	636
	5,973	23,179	4,224	10,865	–	44,241
<b>Liquidity gap</b>	<b>US\$14,677</b>	<b>(US\$2,882)</b>	<b>(US\$4,224)</b>	<b>(US\$10,305)</b>	<b>US\$–</b>	<b>(US\$2,734)</b>

<sup>1</sup>Excludes nonfinancial assets amounting to US\$0.08 million

<sup>2</sup>Included under noncurrent assets

<sup>3</sup>Excludes nonfinancial liabilities amounting to US\$0.41 million

<sup>4</sup>Including future interest payable amounting to US\$0.33 million

<sup>5</sup>Including future interest payable amounting to US\$0.10 million

<sup>6</sup>Included under accounts payable and other liabilities and other noncurrent liabilities

	December 31, 2024					Total
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	
Financial assets						
Cash in banks	US\$9,651	US\$—	US\$—	US\$—	US\$—	US\$9,651
Receivables <sup>1</sup>	5,456	13,370	5	—	—	18,831
Refundable deposits <sup>2</sup>	—	—	—	553	—	553
	15,107	13,370	5	553	—	29,035
Financial liabilities						
Accounts payable and other liabilities <sup>3</sup>	5,471	11,558	—	—	—	17,029
Bank loans and long-term debt <sup>4</sup>	—	7,073	8,173	5,782	—	21,732
Lease liabilities <sup>5</sup>	—	193	505	502	—	1,200
Security deposits <sup>6</sup>	—	—	—	635	—	635
	5,471	19,458	7,834	8,020	—	40,783
Liquidity gap	US\$9,106	(US\$5,926)	(US\$7,800)	(US\$7,603)	US\$—	(US\$12,223)

<sup>1</sup>Excludes nonfinancial assets amounting to US\$0.085 million

<sup>2</sup>Included under noncurrent assets

<sup>3</sup>Excludes nonfinancial liabilities amounting to US\$0.338 million

<sup>4</sup>Including future interest payable amounting to US\$2.006 million

<sup>5</sup>Including future interest payable amounting to US\$0.233 million

<sup>6</sup>Included under accounts payable and other liabilities and other noncurrent liabilities

In order to manage the liquidity gap, the Group has various sources of financing, either through support of related parties or availment of bank credit lines. The Group finances its cash requirements by obtaining advances from the Ultimate Parent Company and its affiliates.

The Group will apply for additional credit lines as the need arises.

### Market Risk

Market risk is the risk of loss to future earnings, to fair value or future cash flows of a financial instrument as a result of changes in its price, caused by changes in interest rates, equity prices and foreign currency exchange rates and other market factors.

### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to currency risk primarily through purchases that are denominated in a currency other than the functional currency of the Group. The currency giving rise to this risk is primarily the Philippine Peso (₱). It is the Group's policy not to trade in derivative contracts. In addition, the Group believes that its profile of foreign currency exposure on its assets and liabilities is within conservative limits in the type of business in which the Group is engaged.

The table below details the Group's exposure at the reporting date to currency risk arising from forecasted transactions or recognized assets or liabilities denominated in a currency other than the functional currency of the Group.

### Philippine Peso

	March 31, 2025		December 31, 2024	
	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso
Cash	US\$1,145	₱65,516	US\$1,326	₱76,715
Receivables	1250	71,535	1,143	66,088
Financial assets at FVOCI	342	19,555	648	37,471
Refundable deposits	540	30,897	337	19,489

	3,277	187,503	3,454	199,763
Less accounts payable and other liabilities	9,738	557,120	4,566	264,131
Net exposure arising from recognized assets and liabilities	(US\$6,461)	(P369,617)	(US\$1,112)	(P64,368)

The exchange rates used to restate the Group's foreign currency-denominated assets and liabilities follow:

Currency	Source	March 31, 2025	December 31, 2024
Philippine Peso	Bankers Association of the Philippines (BAP) closing rate	US\$0.017479	US\$0.017288

#### *Sensitivity analysis*

The following table indicates the approximate change in the Group's income before income tax in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the reporting date:

Increase (decrease) from year-end exchange rates	2025	2024
Changes in foreign currency exchange rates	1.11% (1.11%)	4.28% (4.28%)
Effect on income (loss) before tax	US\$11.63 (US\$11.63)	US\$31.75 (US\$31.75)

Other than the potential impact on income (loss) before income tax, there is no significant effect on equity.

The sensitivity analysis has been determined assuming that the change in foreign currency exchange rates has occurred at the reporting date and has been applied to each of the Group entities' exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant. The Group does not expect the impact of the volatility on other currencies to be material.

The stated changes represent management's assessment of reasonably possible changes in foreign currency exchange rates over the period until the next annual reporting date. Results of the analysis as presented in the above table represent an aggregation of the effects on each of the entities' income before tax measured in the respective functional currencies, translated into US Dollars at the exchange rate ruling at the reporting date for presentation purposes.

#### Changes in liabilities arising from financing activities:

	March 31, 2025						
	Long-term Debt (Note 14)	Bank Loan (Note 14)	Commercial Loan (Note 14)	Lease Liabilities (Note 20)	Accrued Interest (Note 15)	Dividends Payable	Total
Balances at beginning of year	US\$1,890	US\$6,490	US\$13,000	US\$1,107	US\$53	US\$121	US\$22,661
Non-cash flows activities:							
Availments	—	—	5,000	—	—	—	5,000
Dividends Declared	—	—	—	—	—	1,463	1,463
Accretion of interest (Note 22)	—	—	—	20	284	—	304
Cash flows activities:							
Payments of principal	(362)	(296)	(7,000)	(161)	—	—	(7,819)
Payment of interest	—	—	—	(20)	(282)	—	(302)
Dividend Revaluation	—	—	—	—	—	(23)	(23)
Balances at end of year:	US\$1,528	US\$6,194	US\$11,000	US\$946	US\$55	US\$1,561	US\$21,284

	December 31, 2024						
	Long-term Debt (Note 14)	Bank Loan (Note 14)	Commercial Loan (Note 14)	Lease Liabilities (Note 20)	Accrued Interest (Note 15)	Dividends Payable	Total
Balances at beginning of year	US\$3,267	US\$7,480	US\$13,000	US\$2,047	US\$79	US\$127	US\$26,000
Non-cash flows activities:							
Availments	—	—	—	—	—	—	—
Accretion of interest (Note 22)	—	—	—	123	1,471	—	1,594
Dividends declared	—	—	—	—	—	—	—
Cash flows activities:							
Availments	—	39	37,000	—	—	—	37,039
Payments of principal	(1,377)	(1,029)	(37,000)	(940)	—	—	(40,346)
Payment of interest	—	—	—	(123)	(1,497)	—	(1,620)
Dividend paid	—	—	—	—	—	(6)	(6)
Balances at end of year:	US\$1,890	US\$6,490	US\$13,000	US\$1,107	US\$53	US\$121	US\$22,661

#### 4. Capital Management

The Group's primary objective in managing capital is to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group monitors capital using a leverage ratio, which is net debt divided by the sum of total equity and net debt. Net debt includes bank loans and lease liabilities and accounts payable and other liabilities less cash and cash equivalents. The Group's policy is for its leverage ratio not to exceed 75%. The management continues to monitor and improve on areas of customers' terms to adhere with the policy of leverage ratio.

The leverage ratio as of March 31, 2025 and December 31, 2024:

	March 31, 2025	December 31, 2024
<b>Current liabilities</b>		
Accounts payable and other liabilities*	US\$19,664	US\$16,982
Current portion of bank loans and long-term debt	13,596	15,598
Current portion of lease liabilities	554	637
Dividend payable	1,561	121
	<b>35,375</b>	<b>33,338</b>
<b>Noncurrent liabilities</b>		
Security deposits**	636	635
Bank loans and long-term debt - net of current portion	5,126	5,782
Lease liabilities - net of current portion	392	470
	<b>6,154</b>	<b>6,887</b>
<b>Total debt</b>	<b>US\$41,529</b>	<b>US\$40,225</b>
Less cash	7,431	9,651
<b>Net debt</b>	<b>34,098</b>	<b>30,574</b>
<b>Equity</b>	<b>66,599</b>	<b>67,185</b>
<b>Total equity and net debt</b>	<b>US\$100,697</b>	<b>US\$97,759</b>
<b>Leverage ratio</b>	<b>33.86:1</b>	<b>31.27:1</b>

\*Excluding nonfinancial liabilities amounting to US\$0.48 million and US\$0.323 million as of March 31, 2025 and December 31, 2024, respectively.

\*\* Included under other noncurrent liabilities.

---

**5. Cash**

This account consists of:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Cash on hand	<b>US\$8</b>	US\$8
Cash in banks	<b>7,423</b>	9,643
	<b>US\$7,431</b>	US\$9,651

---

---

**6. Receivables**

This account consists of:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Trade receivables	<b>US\$22,054</b>	US\$14,759
Other receivables from customers	<b>4,262</b>	2,973
Rent receivables	<b>467</b>	542
Advances to managers	<b>134</b>	107
Advances to employees	<b>102</b>	61
SSS claims receivables	<b>21</b>	21
Others	<b>482</b>	113
	<b>27,522</b>	18,576
Less allowance for impairment losses	<b>20</b>	20
	<b>US\$27,502</b>	US\$18,556

---

Trade receivables, other receivables from customers and others are noninterest-bearing and normally collected within 30-180 days credit term.

Below is the movement of the allowance for impairment losses as of March 31, 2025 and December 31, 2024 based on individual impairment (nil for collective impairment):

	<b>Lifetime-ECL credit impaired</b>			
	<b>March 31, 2025</b>			
	<b>Trade receivables</b>	<b>Other receivables from customers</b>	<b>Others</b>	<b>Total</b>
Balances at beginning and end of year	<b>US\$17</b>	<b>US\$1</b>	<b>US\$2</b>	<b>US\$20</b>

---

The Group recovered receivables from customers as of March 31, 2025 totaling US\$0.006 million (nil in 2024), net of transaction costs, recorded under “Others - net” in the unaudited interim condensed consolidated statements of comprehensive income, in which total carrying amount of the outstanding receivables have been fully provided with allowance.



---

## 7. Contract Balances

This account consists of:

	<b>March 31, 2025</b>	December 31, 2024
Contract assets	<b>US\$7,908</b>	US\$7,829
Contract liabilities	<b>6,748</b>	5,118

Contract assets are initially recognized for revenue earned from manufacturing of goods as receipt of consideration is conditional on successful completion of the services. When goods are shipped or goods are received by the customer, depending on the corresponding agreement with the customers, the amounts recognized as contract assets are reclassified to trade receivables. Payments are normally received from customers depending on the credit terms.

For the three months period ended March 31, 2025 and for the year ended December 31, 2024, the Group assessed that there are no expected credit losses on contract assets.

Contract liabilities include short-term advances received for advance ordering of materials and customer advances for aging inventories as part of the buy-back agreement.

The Group applied the practical expedient under PFRS 15 on the disclosure of information about the transaction price allocated to remaining performance obligations given the customer contracts have original expected duration of one (1) year or less.

---

## 8. Inventories

This account consists of:

	<b>March 31, 2025</b>	December 31, 2024
At NRV:		
Raw materials	<b>US\$28,863</b>	US\$32,354
Spare parts and supplies	<b>987</b>	1,123
	<b>US\$29,850</b>	US\$33,477

The Group recognizes a write-down whenever the NRV of inventories is lower than its cost. The related cost of inventories at NRV amounted US\$29.85 million and US\$33.48 million as of March 31, 2025 and December 31, 2024, respectively.

The raw materials and supplies used in the operations amounted to US\$17.21 million and US\$14.94 million for the three (3) months period ended March 31, 2025 and 2024, respectively (see Note 15).

## 9. Financial Assets at FVOCI

This account consists of:

	March 31, 2025	December 31, 2024
Quoted	US\$19	US\$19
Unquoted		
Beginning balance	2,733	2,987
Additional investments	—	(254)
Fair value loss	(3)	—
	2,730	2,733
	US\$2,749	US\$2,752

The Group's investments at FVOCI include investment listed in US NASDAQ stock market, investments in golf/club shares and other non-listed companies which are not held for trading and which the Group has irrevocably designated at FVOCI.

The movements in net unrealized losses on financial assets at FVOCI (net of tax) follows:

	March 31, 2025	December 31, 2024
Beginning balance	(US\$1,331)	(US\$1,124)
Fair value loss	(3)	(207)
Ending balance	(US\$1,334)	(US\$1,331)

## 10. Investments in Associates

The composition of and movements in this account follow:

	March 31, 2025	December 31, 2024
<b>Acquisition cost</b>		
Balance at beginning and end of period	US\$518	US\$518
<b>Accumulated equity in net earnings</b>		
Balance at beginning of period	268	246
Share in net losses	(3)	16
Share in other comprehensive income	(8)	6
Balance at end of period	257	268
<b>Equity in cumulative translation adjustment</b>		
Balance at the beginning of period	(126)	(115)
Exchange differences	14	(11)
Balance at end of period	(112)	(126)
<b>Net book value</b>	<b>US\$663</b>	<b>US\$660</b>

## 11. Property, Plant and Equipment and Noncurrent Asset Held for Sale

The composition of and movements in this account follow:

March 31, 2025								
	Land	Machinery and Equipment	Building, Improvements and Leasehold Improvements	Building and Other Equipment	Tools Plant Airconditioning Systems	Water and Fixtures and Equipment	Transportation Equipment	Total
<b>Cost</b>								
Balances at January 1	US\$2,546	US\$50,025	US\$8,489	US\$11,201	US\$2,392	US\$126	US\$429	US\$75,208
Additions	–	10	9	144	–	–	–	163
Transfer	–	–	–	(10)	–	–	10	–
Disposals/retirements	–	–	–	(30)	–	–	–	(30)
Balances at March 31	2,546	50,035	8,498	11,305	2,392	126	439	75,341
<b>Accumulated Depreciation and Amortization and Impairment Loss</b>								
Balances at January 1	–	35,001	7,434	9,317	2,038	123	291	54,204
Depreciation and Amortization (Notes 15 and 17)	–	825	42	191	42	–	14	1,114
Transfer	–	–	–	(3)	–	–	(3)	–
Disposals/retirements	–	–	–	(24)	–	–	–	(24)
Balances at March 31	–	35,826	7,476	9,481	2,080	123	308	55,294
<b>Net Book Values</b>	<b>US\$2,546</b>	<b>US\$14,209</b>	<b>US\$1,022</b>	<b>US\$1,824</b>	<b>US\$312</b>	<b>US\$3</b>	<b>US\$131</b>	<b>US\$20,047</b>

December 31, 2024								
	Land	Machinery and Equipment	Building, Improvements and Leasehold Improvements	Building and Other Equipment	Tools Plant Airconditioning Systems	Water and Fixtures and Equipment	Transportation Equipment	Total
<b>Cost</b>								
Balances at beginning of year	US\$2,546	US\$53,913	US\$10,549	US\$10,862	US\$2,298	US\$272	US\$463	US\$80,903
Additions	–	134	114	413	55	4	23	743
Retirement	–	(8)	(62)	(77)	(33)	–	–	(180)
Transfer	–	34	(109)	3	72	–	–	–
Impairment (Note 18)	–	(3,583)	(2,003)	–	–	(150)	(57)	(5,793)
Transfer to asset held for sale	–	(465)	–	–	–	–	–	(465)
Balances at end of year	2,546	50,025	8,489	11,201	2,392	126	429	75,208
<b>Accumulated depreciation and amortization</b>								
Balances at beginning of year	–	34,205	9,374	8,505	1,840	272	302	54,498
Depreciation and amortization (Notes 19 and 21)	–	3,528	182	888	193	1	46	4,838
Retirement	–	(8)	(62)	(77)	(33)	–	–	(180)
Transfer	–	21	(60)	1	38	–	–	–
Impairment (Note 18)	–	(2,745)	(2,000)	–	–	(150)	(57)	(4,952)
Balances at end of year	–	35,001	7,434	9,317	2,038	123	291	54,204
<b>Net book values</b>	<b>US\$2,546</b>	<b>US\$15,024</b>	<b>US\$1,055</b>	<b>US\$1,884</b>	<b>US\$354</b>	<b>US\$3</b>	<b>US\$138</b>	<b>US\$21,004</b>

The Group has no unpaid acquisition of property, plant and equipment as of March 31, 2025 and December 31, 2024.

## 12. Investment Properties

The composition of and movements in this account follow:

March 31, 2025				
	Land	Building	Building Improvements	Total
<b>Cost</b>				
Balances at January 1	US\$7,336	US\$14,978	US\$4,788	US\$27,102
Additions	—	—	528	528
Balances at March 31	7,336	14,978	5,316	27,630
<b>Accumulated Depreciation and Amortization</b>				
Balances at January 1	—	4,805	4,311	9,116
Depreciation and amortization (Note 16)	—	129	116	245
Balances at March 31	—	4,934	4,433	9,361
<b>Exchange Reserves</b>	(6)	—	—	(6)
<b>Net Book Values</b>	<b>US\$7,330</b>	<b>US\$10,044</b>	<b>US\$883</b>	<b>US\$18,263</b>

December 31, 2024				
	Land	Building	Building Improvements	Total
<b>Cost</b>				
Balances at beginning of year	US\$7,274	US\$15,247	US\$4,539	US\$27,060
Additions	62	—	249	311
Adjustment	—	(269)	—	(269)
Balances at end of year	7,336	14,978	4,788	27,102
<b>Accumulated Depreciation and Amortization</b>				
Balances at beginning of year	—	4,305	4,073	8,378
Depreciation and amortization (Note 20)	—	527	238	765
Adjustment	—	(27)	—	(27)
Balances at end of year	—	4,805	4,311	9,116
<b>Exchange Reserves</b>	(6)	—	—	(6)
<b>Net Book Values</b>	<b>US\$7,330</b>	<b>US\$10,173</b>	<b>US\$477</b>	<b>US\$17,980</b>

## 13. Accounts Payable and Other Liabilities

This account consists of:

	March 31, 2025	December 31, 2024
Trade payables	US\$14,142	US\$12,194
Accrued expenses	3,986	3,828
Non-trade payables	1,155	974
Unearned rent income	679	667
Security deposit	636	635
Others	390	365
	<b>20,988</b>	<b>18,663</b>
Less noncurrent portion of unearned rent and security deposits*	<b>1,315</b>	<b>1,301</b>
	<b>US\$19,673</b>	<b>US\$17,362</b>

*\*Included under other noncurrent liabilities.*

Accrued expenses consist of:

	<b>March 31, 2025</b>	December 31, 2024
Accrued sales commission	<b>US\$1,223</b>	US\$1,360
Accrued salaries, wages and other benefits	<b>890</b>	462
Accrued utilities	<b>306</b>	394
Accrued professional fees	<b>509</b>	491
Accrued handling charges	<b>399</b>	451
Accrued interest expense	<b>55</b>	54
Accrued taxes	<b>13</b>	13
Accrued rent	<b>17</b>	17
Accrued direct materials	<b>16</b>	26
Accrued contract labor	<b>129</b>	114
Accrued medical and dental expense	<b>111</b>	141
Others	<b>318</b>	305
	<b>US\$3,986</b>	US\$3,828

Other payables mainly include withholding taxes and statutory payables to government which are normally settled within a year.

#### 14. Bank Loans and Long-term Debt

This account consists of:

	<b>March 31, 2025</b>	December 31, 2024
Long-term debt		
Current	<b>US\$1,528</b>	US\$1,496
Noncurrent	—	394
Bank loans		
Current	<b>1,068</b>	1,102
Noncurrent	<b>5,126</b>	5,388
Commercial loans		
Current	<b>11,000</b>	13,000
	<b>US\$18,722</b>	US\$21,380
Current	<b>US\$13,596</b>	US\$15,598
Noncurrent	<b>5,126</b>	5,782
	<b>US\$18,722</b>	US\$21,380

The Group entered into short-term and long-term loan arrangements with domestic and foreign financial institutions for its various working capital and capital expenditure requirements.

Long-term debt:

- In February 2023, the Group entered into three (3)-year financing agreements with a supplier with contract prices amounting to US\$4.70 million, accounted as property and equipment, which are subject to 2.11% quarterly interest and will mature on January 31, 2026, respectively. The financing agreements are secured by a chattel mortgage over machineries

and equipment of the Parent Company located at its premises (see Note 10). The Group made payments in relation to these financing agreements amounting to US\$3.17 million. As of March 31, 2025, the carrying values of the outstanding long-term debt relating to this agreement amounted to US\$1.53 million.

#### Bank Loan:

- In 2024, the IEMS entered into credit loan agreements with local banks for the bank loan fleet financing of certain employees with payment terms ranging from three (3) to five (5) years amounting to US\$0.03 million. These loans are subject to monthly interest rates ranging from 0.67% to 0.79% in 2024. As of March 31, 2025 and December 31, 2024, the outstanding balance of these bank loans amounted to US\$0.11 million.
- In 2020, IPI entered into a secured term loan agreement aggregating to US\$8.00 million with a term of ten (10) years (inclusive of the two (2)-year grace period on the principal payment) for the construction of a two (2)-storey build-to-suit production facility to be leased out to its existing third-party lessee (see Note 12). This loan is subject to 3.75% interest for the first five (5) years and for the next five (5) years, interest shall be repriced annually at 12-month LIBOR plus 2.75% spread inclusive of the 10% FCDU withholding tax. The term loan is secured by a real estate mortgage over the land which said build-to-suit production facility is being constructed.
- On December 29, 2020, IPI made its first drawdown amounting to US\$1.53 million, net of transaction costs amounting to US\$0.07 million. On June 2 and March 8, 2021, IPI made additional drawdowns amounting to US\$1.60 million and US\$2.00 million, respectively. On May 20, 2022, IPI made final drawdown amounting US\$0.80 million. These are subject to amortization, payable monthly.

#### Commercial loans:

- In 2025, IEMS made a drawdown for a four (4)-month short term loan with interest rates ranging from 6.30% to 6.32% amounting to US\$3.00 million on February 14, 2025, US\$2.00 million on March 07, 2025 which will mature on June 13, 2025 and July 04, 2025, respectively.
- In 2024, the IEMS made a drawdown for a six (6)-month short term loan with interest rates ranging from 6.59% to 7.50% amounting to US\$2.00 million each on April 11, 2024, May 14, 2024, June 18, 2024, October 11, 2024, November 12, 2024 and December 16, 2024. Out of the US\$12.00 million drawdowns, the IEMS already paid US\$6.00 million. The remaining outstanding balance of US\$6.00 million will mature on April 21, 2025, May 09, 2025 and June 16, 2025.
- In 2024, the IEMS made a drawdown for a four (4)-month short term loan with interest rates ranging from 6.50% to 7.87% amounting to US\$2.00 million on January 31, 2024, US\$5.00 million on February 28, 2024, US\$4.00 million each on April 02, 2024, July 18, 2024 and November 19, 2024, US\$3.00 million each on June 25, 2024 and October 31, 2024. Out of the US\$25.00 million drawdowns, IEMS already paid US\$18.00 million. The remaining outstanding balance of US\$3.00 million and US\$4.00 million will mature on February 28, 2025 and March 19, 2025, respectively.

There are no debt covenants related to these loans.

---

**15. Cost of Sales**

This account consists of:

	<b>March 31, 2025 (3 months)</b>	March 31, 2024 (3 months)
Raw materials and supplies used (Note 8)	<b>US\$17,208</b>	US\$14,935
Salaries, wages, and benefits	<b>4,035</b>	3,736
Depreciation and amortization (Notes 11 and 20)	<b>1,236</b>	1,349
Occupancy cost and utilities	<b>849</b>	971
Handling and freight charges	<b>429</b>	290
Impairment loss	<b>—</b>	122
Other expenses	<b>220</b>	277
	<b>US\$23,977</b>	US\$21,680

---

**16. Cost of Rental Services**

This account consists of:

	<b>March 31, 2025 (3 months)</b>	March 31, 2024 (3 months)
Depreciation (Notes 12 and 20)	<b>US\$260</b>	US\$214
Taxes and licenses	<b>12</b>	1
Other expenses	<b>5</b>	3
	<b>US\$277</b>	US\$218

---

**17. Operating Expenses**

This account consists of:

	<b>March 31, 2025 (3 months)</b>	March 31, 2024 (3 months)
General and administrative expenses	<b>US\$625</b>	US\$597
Selling expenses	<b>663</b>	541
	<b>US\$1,288</b>	US\$1,138

General and administrative expenses consist of the following:

	<b>March 31, 2025 (3 months)</b>	March 31, 2024 (3 months)
Salaries and benefits	<b>US\$333</b>	US\$314
Professional fees	<b>79</b>	61
Occupancy cost and utilities	<b>68</b>	63
Management bonus	<b>47</b>	27
Depreciation (Notes 11 and 20)	<b>26</b>	33

Insurance	18	17
Taxes and licenses	12	20
Membership fees/dues	11	–
Other expenses	31	62
	<b>US\$625</b>	<b>US\$597</b>

Selling expenses consist of the following:

	<b>March 31, 2025 (3 months)</b>	March 31, 2024 (3 months)
Sales commission and agent's professional fee	<b>US\$539</b>	US\$404
Salaries and benefits	<b>81</b>	98
Depreciation and amortization (Notes 11 and 20)	<b>6</b>	4
IT SH/WH Maintenance	<b>5</b>	–
Other expenses	<b>32</b>	35
	<b>US\$663</b>	<b>US\$541</b>

#### 18. Finance Costs

This account consists of

	<b>March 31, 2025 (3 months)</b>	March 31, 2024 (3 months)
Interest on:		
Interest on bank loans (Note 14)	<b>US\$270</b>	US\$307
Long-term debt	<b>35</b>	73
Lease liabilities (Notes 20)	<b>20</b>	37
	<b>US\$325</b>	<b>US\$417</b>

#### 19. Others - Net

This account consists of:

	<b>March 31, 2025 (3 months)</b>	March 31, 2024 (3 months)
Sale of scrap	<b>US\$30</b>	US\$17
Interest income (expense) – net	<b>2</b>	2
Miscellaneous	<b>2</b>	(62)
Foreign currency exchange gains (loss) - net	<b>(80)</b>	85
Bank charges	<b>(20)</b>	(20)
Recoveries of impairment losses (Note 6)	<b>–</b>	62
	<b>US\$66</b>	<b>US\$84</b>



## 20. Leases

The movements in right-of-use assets follow:

	<b>March 31, 2025</b>	
	<b>Building</b>	<b>Total</b>
<b>Cost</b>		
Balances as at beginning of period	<b>US\$4,028</b>	<b>US\$4,028</b>
<b>Balances as at end of period</b>	<b>4,028</b>	<b>4,028</b>
<b>Accumulated Depreciation</b>		
Balances as at beginning of period	<b>3,022</b>	<b>3,022</b>
Depreciation (Notes 15, 16, and 17)	<b>169</b>	<b>169</b>
Balances as at end of period	<b>3,191</b>	<b>3,191</b>
<b>Net Book Values as at end of period</b>	<b>US\$837</b>	<b>US\$837</b>

	<b>December 31, 2024</b>	
	<b>Building</b>	<b>Total</b>
<b>Cost</b>		
Balances as at beginning of period	US\$4,207	US\$4,207
Termination of contract	(128)	(128)
Remeasurements	(51)	(51)
<b>Balances as at end of period</b>	<b>4,028</b>	<b>4,028</b>
<b>Accumulated Depreciation</b>		
Balances as at beginning of period	2,290	2,290
Depreciation (Notes 15, 16, and 17)	732	732
Balances as at end of period	3,022	3,022
<b>Net Book Values as at end of period</b>	<b>US\$1,006</b>	<b>US\$1,006</b>

The rollforward analysis of lease liabilities follow:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Balance at beginning of year	<b>US\$1,107</b>	US\$2,047
Accretion of interests (Note 18)	<b>20</b>	123
Payment of principal	<b>(161)</b>	(940)
Payment of interests	<b>(20)</b>	(123)
Balance at end of year	<b>US\$946</b>	US\$1,107
Current	<b>US\$554</b>	US\$637
Noncurrent	<b>392</b>	470
	<b>US\$946</b>	US\$1,107

In 2021, the Group entered into a lease agreement with a third-party lessor covering office, factory and warehouse building for a period of five (5) years commencing May 1, 2021 and ending April 30, 2026 at a rate subject to 5% annual escalation. The lease agreement terminated on June 30, 2024.

In 2022, EMS entered into another three (3) years lease agreement for office factory warehouse from another third-party starting September 01, 2022 to August 31, 2025.

In 2022, EMS entered into another five (5) year lease agreement for 5,331.36 sqm. office factory warehouse starting September 15, 2022 and will expire on September 14, 2027, and may be extended or renewed upon mutual agreement of the parties.

## 21. Earnings Per Share

The basis of income per share calculations attributable to the equity holders of the Parent Company follows (amounts in thousands, except earnings per share):

	<b>March 31, 2025 (3 months)</b>	March 31, 2024 (3 months)
a. Net income attributable to equity holders of the Parent Company	<b>US\$863</b>	US\$565
b. Weighted average number of outstanding common shares	<b>823,072</b>	823,072
c. Basic earnings per share (a/b)	<b>US\$0.00105</b>	US\$0.00069

There were no potential dilutive shares in 2025 and 2024.

## 22. Segment Information

The primary segment reporting format of the Group is by business segments as the Group's risks and rates of return are affected predominantly by differences in the goods produced. Secondary information is reported geographically. The operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The revenues from major customer under the telecom sector amounted to US\$9.74 million for the three months period ended March 31, 2025 and US\$6.49 million for the three months period ended March 31, 2024. Total revenue from these customers exceeds 10% of the total revenues of the Group.

The analysis of the Group's segments by product line follows:

	March 31, 2025 (3 months)						Adjustments and	
	Computer Peripherals	Telecom	Automotive	Consumer Electronics	Real Estate	Others	Eliminations	Total
Sales (external customers)	US\$9,078	US\$4,998	US\$12,139	US\$268	US\$–	US\$160	(US\$304)	US\$26,339
Rental income	US\$–	US\$–	US\$31	US\$–	US\$812	US\$176	(US\$374)	US\$645
Income (loss) from operations	US\$375	US\$646	(US\$58)	(US\$57)	US\$508	US\$36	(US\$8)	US\$1,442
Foreign exchange gain - net	(21)	(30)	(29)	(1)	–	1	–	(80)
Income tax	(35)	(68)	(30)	(3)	(26)	(7)	–	(169)
Dividend income	–	–	–	–	25	1,500	(1,525)	–
Share in net earnings of associates - net	–	–	–	–	–	–	(3)	(3)
Interest - net	(97)	(53)	(134)	(2)	(59)	–	21	(323)
Non-controlling interests	–	–	–	–	–	–	(16)	(16)
Miscellaneous - net	(6)	(3)	(9)	1	–	29	–	12
Net income (loss)	US\$216	US\$492	(US\$260)	(US\$62)	US\$448	US\$1,559	(US\$1,531)	US\$863
Identifiable assets	US\$35,223	US\$15,674	US\$30,478	US\$–	US\$29,730	US\$45,551	(US\$47,127)	US\$109,528
Unallocated assets	–	–	–	–	12	10,231	–	10,243
Total assets	US\$35,223	US\$15,674	US\$30,478	US\$–	US\$29,742	US\$55,782	(US\$47,127)	US\$119,771
Identifiable liabilities	US\$2,241	US\$642	US\$5,201	US\$–	US\$9,411	US\$32,626	(US\$36,698)	US\$13,603
Unallocated liabilities	–	–	–	–	–	59,656	(20,087)	39,569
Total liabilities	US\$2,241	US\$642	US\$5,201	US\$–	US\$9,411	US\$92,282	(US\$56,785)	US\$53,172
Capital expenditures	US\$31	US\$74	US\$45	US\$–	US\$528	US\$14	US\$–	US\$691

Depreciation and amortization	US\$182	US\$766	US\$357	US\$–	US\$251	US\$100	(US\$126)	US\$1,531
March 31, 2024 (3 months)								
	Computer Peripherals	Telecom	Automotive	Consumer Electronics	Real Estate	Others	Adjustments and Eliminations	Total
Sales (external customers)	US\$5,494	US\$6,494	US\$89	US\$11,210	US\$–	US\$300	(US\$200)	US\$23,386
Rental income	US\$–	US\$31	US\$–	US\$–	US\$876	US\$168	(US\$355)	US\$719
Income (loss) from operations	US\$771	(US\$618)	(US\$89)	US\$509	US\$636	(US\$338)	US\$197	US\$1,069
Foreign exchange gain - net	43	18	2	15	–	10	–	87
Income tax	(72)	(6)	–	(53)	(34)	(4)	–	(169)
Share in net earnings of associates – net	–	–	–	–	–	(3)	9	6
Interest - net	(92)	(90)	(2)	(177)	(61)	(5)	9	(417)
Non-controlling interests	–	–	–	–	–	–	(9)	(9)
Miscellaneous – net	–	–	–	(1)	–	(1)	–	(2)
Net income (loss)	US\$650	(US\$695)	(US\$89)	US\$293	US\$541	(US\$341)	US\$206	US\$565
Identifiable assets	US\$19,491	US\$26,751	US\$727	US\$42,363	US\$29,153	US\$43,348	(US\$41,545)	US\$120,287
Unallocated assets	–	–	–	–	–	7,569	–	7,569
Total assets	US\$19,491	US\$26,751	US\$727	US\$42,363	US\$29,153	US\$50,916	(US\$41,545)	US\$127,855
Identifiable liabilities	US\$410	US\$147	US\$20	US\$3,723	US\$9,247	US\$31,254	(US\$24,400)	US\$20,400
Unallocated liabilities	–	–	–	–	–	61,849	(20,087)	41,763
Total liabilities	US\$410	US\$147	US\$20	US\$3,723	US\$9,247	US\$93,104	(US\$44,487)	US\$62,162
Capital expenditures	US\$46	US\$77	US\$–	US\$62	US\$99	US\$10	US\$–	US\$294
Depreciation and amortization	US\$835	US\$329	US\$–	US\$213	US\$198	US\$150	US\$–	US\$1,726

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in the geographical segments are based on the geographical location of its customers.

The following tables represent the Group's total revenue and certain assets based on the Group's geographical segment:

#### Segment Revenue

	March 31, 2025	March 31, 2024
Asia	US\$25,614	US\$21,994
North America	434	741
Europe	936	1,371
	US\$26,984	US\$24,105

#### Segment Assets

	March 31, 2025	March 31, 2024
Asia	US\$116,010	US\$123,600
North America	3,529	3,697
Europe	232	558
	US\$119,771	US\$127,855

#### Revenue from Contracts with Customers

Revenues from contracts with customers are further disaggregated by type, product type and timing of revenue recognition, as management believes it best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

The Group's revenue from manufacturing of goods recognized over time amounted to US\$51.91 million and US\$48.55 million for the period ended March 31, 2025 and 2024, respectively.

## 23. Fair Value Measurement

The Group's financial instruments consist of cash and cash equivalents, receivables (excluding advances to managers and employees), refundable deposits (included under other noncurrent assets), financial assets at FVOCI, accounts payable and other liabilities (excluding nonfinancial liabilities), bank loans, long-term debt, lease liabilities, and security deposits (included under other noncurrent liabilities).

The following table sets forth the fair value hierarchy of the Group's assets and liabilities:

### March 31, 2025

	Carrying value	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Asset measured at fair value:</b>					
Financial assets at FVOCI (Note 9)	US\$2,749	US\$2,749	US\$19	US\$553	US\$2,177
<b>Asset for which fair values are disclosed:</b>					
Other noncurrent assets					
Refundable deposits	560	560	—	—	560
<b>Liabilities for which fair values are disclosed:</b>					
Lease liabilities (Note 20)	946	970	—	—	970
Bank loans and long-term debt (Note 14)	7,722	7,908	—	—	7,908
Other liabilities					
Security deposits	636	636	—	—	636

### December 31, 2024

	Carrying value	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value:					
Financial assets at FVOCI (Note 11)	US\$2,752	US\$2,752	US\$19	US\$553	US\$2,180
Asset for which fair value are disclosed:					
Other noncurrent assets					
Refundable deposits	553	553	—	—	553
Liabilities for which fair values are disclosed:					
Lease liabilities (Note 24)	1,107	1,112	—	—	1,112

	Carrying value	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Bank loans and long-term debt (Note 14)	8,380	9,251	–	–	9,251
Other liabilities					
Security deposits	635	708	–	–	708

The fair values of cash and cash equivalents, receivables, accounts payable and other liabilities and commercial loans (included under “Bank loans and lease liabilities”) approximate their respective carrying values due to the short-term maturities of these instruments.

The estimated fair values of refundable deposits, lease liabilities, long-term debt, bank loans, and security deposits represents the present value of the amount of estimated future cash flows expected to be collected or paid derived using the incremental borrowing rate of the Group for a similar loan.

The estimated fair values of lease liabilities represent the present value of the amount of estimated future cash flows expected to be collected or paid derived using the applicable rates ranging from 5.11% to 5.90% in 2024 and 0.07% to 3.00% in 2023. Fair values of lease liabilities are included within Level 3 of the hierarchy.

For quoted equity investments, the fair value of financial assets is determined using the market prices of the listed shares and the price of the most recent transaction for non-listed shares. Unquoted investments are measured using market approach on its comparable underlying investments with significant unobservable inputs within Level 3 category.

Financial assets at FVOCI measured at fair value based on the quoted market bid prices are included within the Level 1 of the fair value hierarchy.

The fair values of proprietary golf/club shares measured at FVOCI is determined by using the market price of the proprietary golf /club shares and is included in Level 2 of the hierarchy.

The fair values of the non-listed equity investments categorized within Level 3 of the fair value hierarchy have been estimated using the comparable company valuation multiples technique. The market approach is applied using significant unobservable inputs such as quoted prices of the comparable companies under the real estate industries and lack of marketability discount ranging from 10% to 30%. Factors such as revenue growth and earnings before interest, taxes, depreciation and amortization depreciation are considered on the selection of comparable companies. Increase in quoted prices and decrease in lack of marketability discount increase the value of the investments and vice versa.

As of March 31, 2025 and March 31, 2024, there were no transfer between Level 1 and Level 2 of the fair value hierarchy, and no transfer into and out of the Level 3 category.

## 24. Dividends Declaration

On March 14, 2025, the Board of Directors approved the declaration of P0.10 per share cash dividend amounting to US\$1.46 million to all stockholders of record as of 28 March 2025 with payment not later than 25 April 2025.