



CIRTEK HOLDINGS PHILIPPINES CORPORATION

Company Presentation

Outline

-  **Industry overview**
-  **Company overview**
-  **Product offerings**
-  **Company strengths**
-  **Plans and programs**
-  **Financial summary**
-  **Key investment merits**
-  **Summary of offer terms**



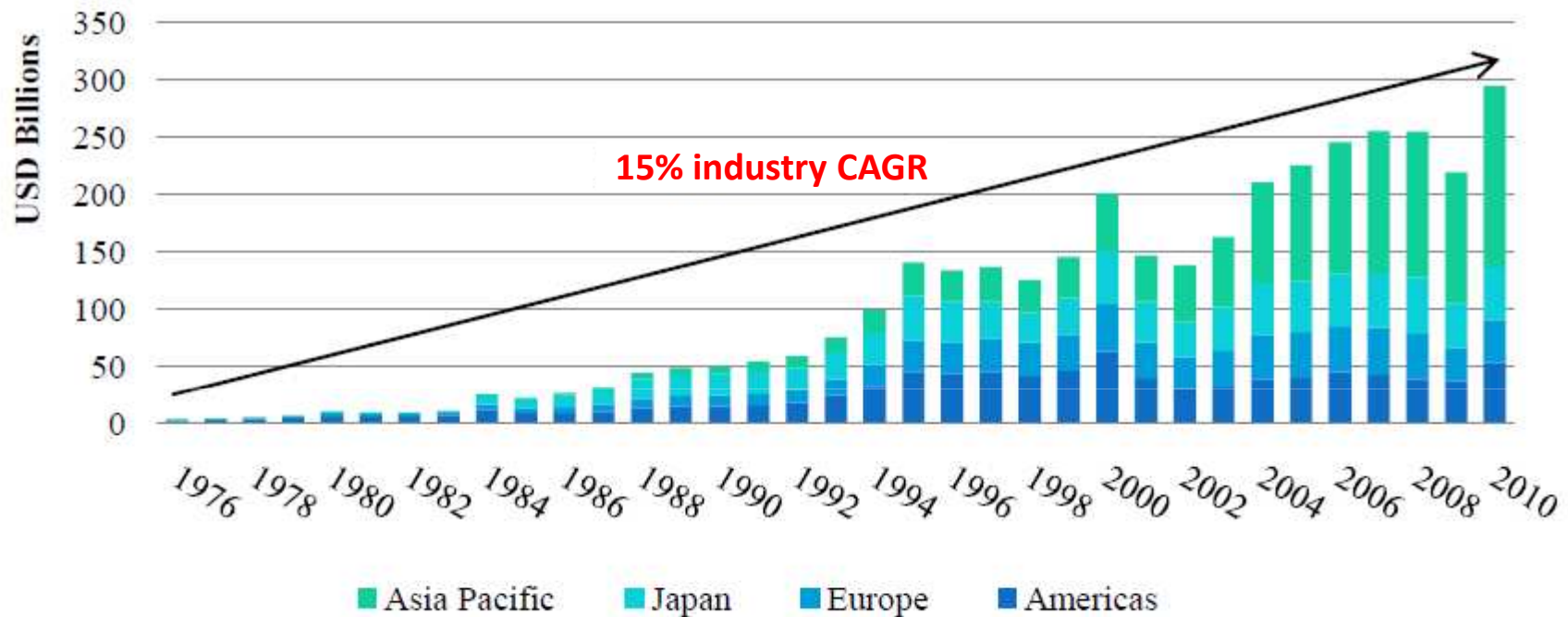
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Industry overview

Global Semiconductor Billings (1976 - 2010)



- Semiconductor industry grew at a compounded average annual growth rate of **15%** from 1976 to 2010 ^{[1] [2]}
- Outsourcing growth will increase **10.7%** in 2011, with double digit growth of **10.8%** continuing in 2012 ^[3]
- Total outsourcing revenue is **\$60B** which is **20%** of Global semiconductor billing ^[3]

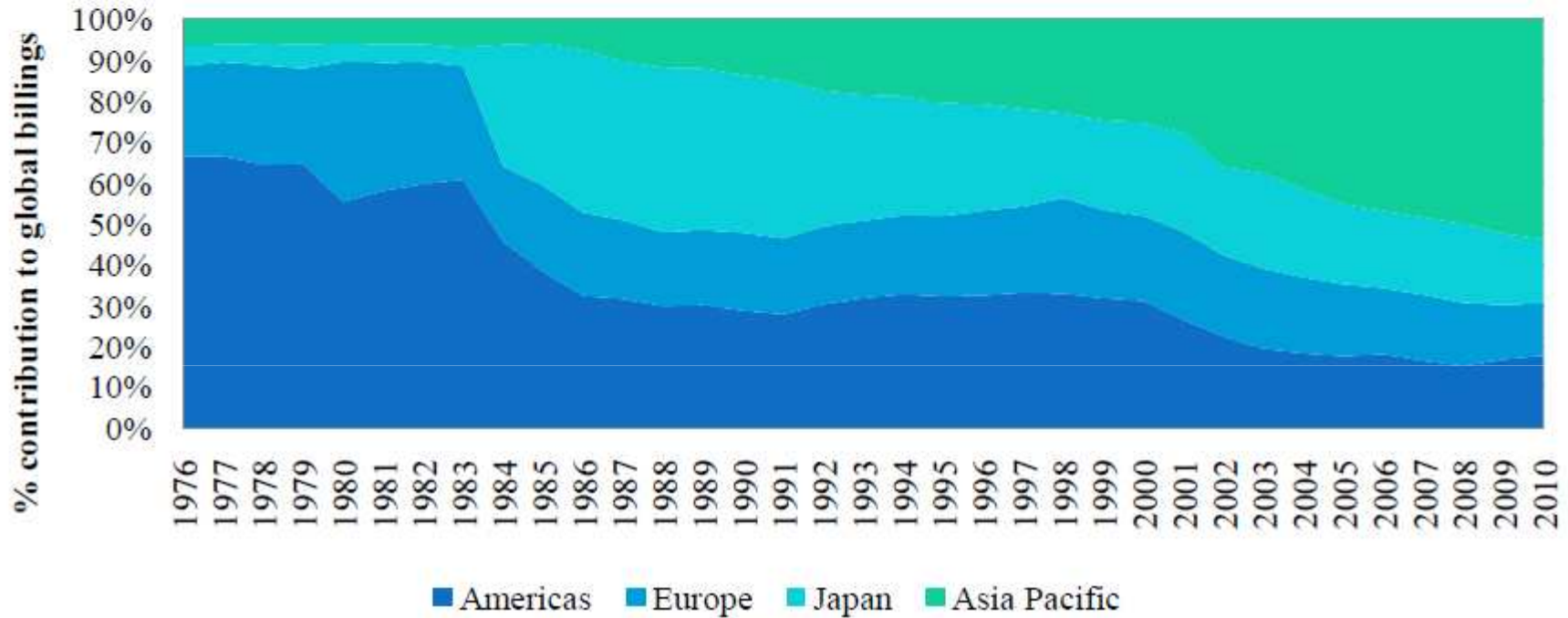
Notes:

1. Data based on SIA (Semiconductor Industry Association)
2. Tabulated by WSTS (World Semiconductor Trade Statistics)
3. Gartner Research (March 2011 / ID:G00211512)



Industry overview

Contribution to Global Semiconductor Billings (1976 - 2010)



- Total billings contribution continuously increased from **6%** in 1976 to **54%** by end of 2010 from **Asia Pacific region** ^[1]

Notes:

1. Data based on SIA (Semiconductor Industry Association)



Industry overview

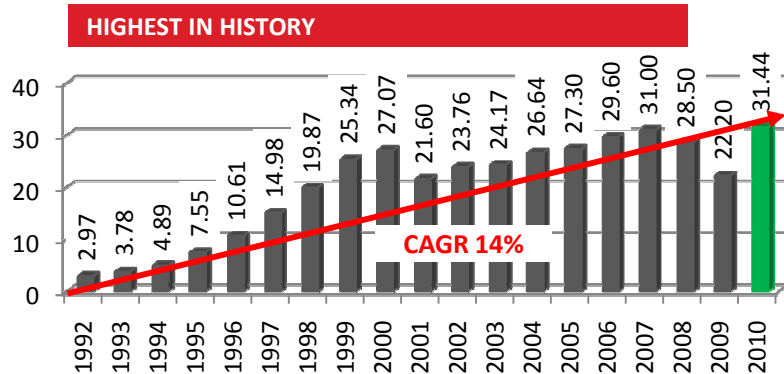
Philippine Electronics Export

In USD billions

	2008	2009	2010
Total Electronics export	29	22	31
Semiconductors	21	16	22

- Electronics is **61%** of total **Philippine Export** in 2010
- Semiconductor is **69%** of total **Electronics Export** in 2010
- Semiconductor **export** is up by **37.5%** in 2010

ELECTRONICS EXPORTS
HISTORICAL 1992 to 2010



Semiconductors are the largest sub-sector contributor to Philippine exports

Notes:

1. SEIPI data (January 2011)

Characteristics of the industry

- 1 Philippine Electronics **job creation** in 2010 is over 25,000
- 2 Fast pace **High Technology** driven
- 3 **High Quality** Standard / Environmental friendly
- 4 **Increasing global outsourcing** trend 2011-10.7%; 2012-10.8%
- 5 **Major segment** in the Supply chain



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Company overview

History

Incorporated in 2011, it is the holding Company of two wholly-owned subsidiaries

CIRTEK has grown to provide **world class turnkey solutions** that include services from **package design development**, wafer probe, wafer back grinding, assembly and packaging and final testing of semiconductor devices up to drop shipments to our Customer's end users.

Competitive pricing and **easily adaptable to customers needs**



CIRTEK TODAY



25 years experience outsourced assembly & testing solution provider



High quality products, while providing production flexibility



Competitive pricing and adaptable to customers' needs.



Profitable despite several economic downturns



Growing client base composed of companies located around the world



Cirtek Holdings Philippines Corporation

Company overview



Cirtek assembles and tests semiconductor devices at its manufacturing complex located on a 20,000 square meter property in Biñan, Laguna.



Its manufacturing facility is composed of two buildings, with a total floor area of 14,100 square meters

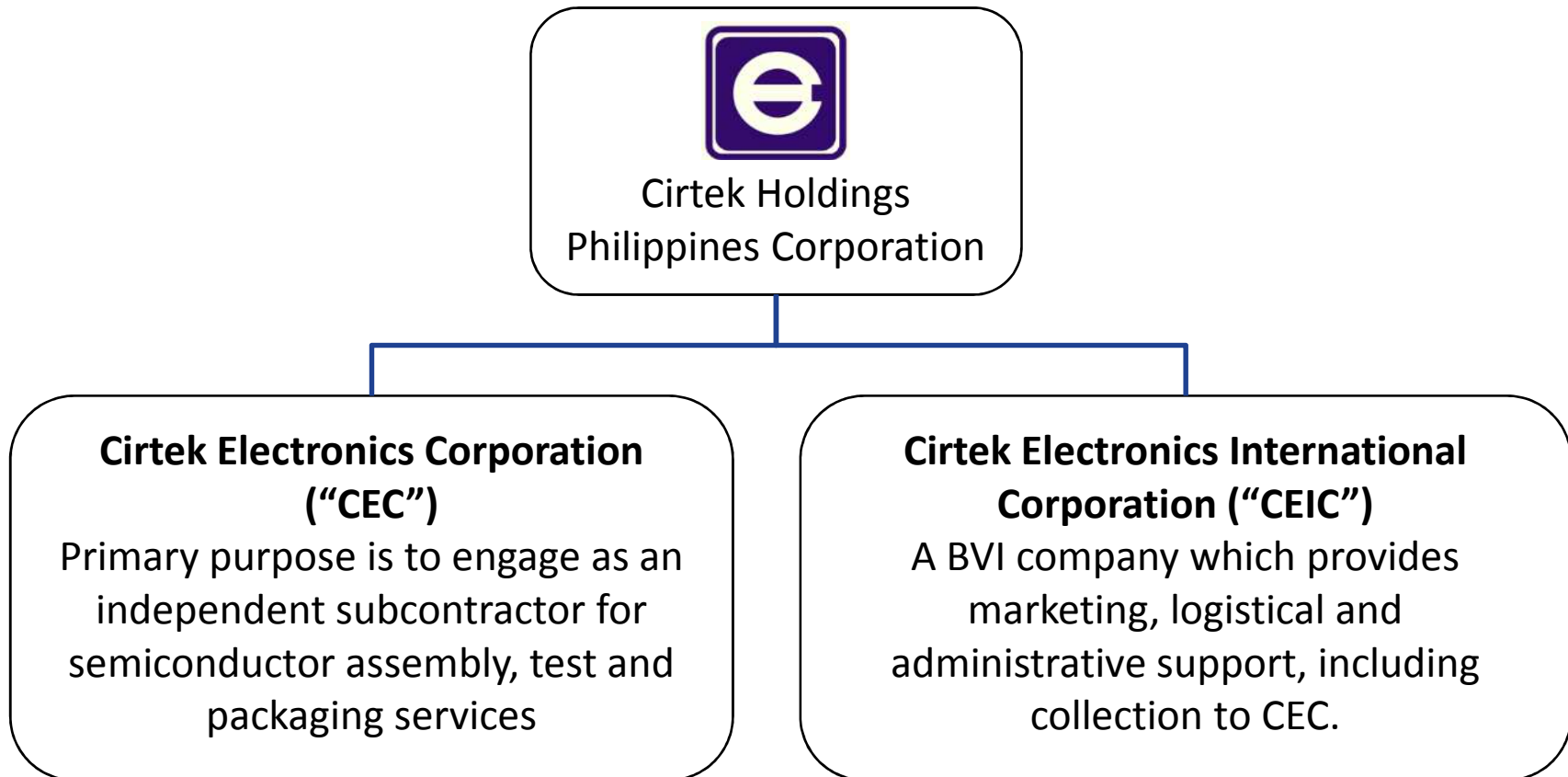


the Philippine Economic Zone Authority (PEZA) approved CEC's registration as an ecozone export enterprise at the Laguna Technopark for the manufacture of standard integrated circuits, discrete, hybrid and potential new packages.



Company overview

Company Structure



Company overview

Directors

Jerry Liu

Chairman and President

Nicanor P. Lizares

Vice President and Director

Ernst Fritz D. Server

Independent Director

Martin Ignacio P. Lorenzo

Independent Director

Nelia Tan Liu

Director

Anthony S. Buyawe

Treasurer/CFO, Compliance Officer, and Director

Jorge S. Aguilar

Director

Tadeo F. Hilado

Corporate Secretary

Brian T. Liu

Assistant Corporate Secretary



Company overview

Business Strategies

1

Partnership with Customer to grow business together

To develop partnership with its existing and potential customers to provide **world class quality solutions** through **management expertise** focused on specific applications customized to meet customers specification, high reliability and multi chips products.

2

Captive Line Development

To offer **dedicated or captive line models** for assembly and test services in order to efficiently produce the customer's mature and stable products **through shared investment**

3

Technology Development

To continuously focus on **Innovations** and **re-Engineering** in its production and assembly techniques and capabilities, and to co-develop new technologies with customers

4

Mergers and Acquisitions

To actively seek **strategic investments** opportunities such as, alliances, joint ventures, and/or acquisitions that will be consistent with the Company's overall business strategies



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- **Product offerings**
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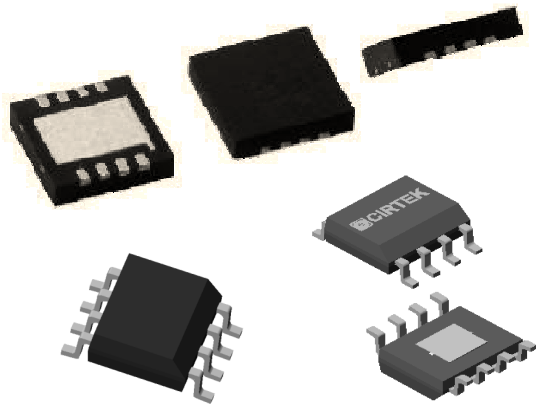


Product offerings

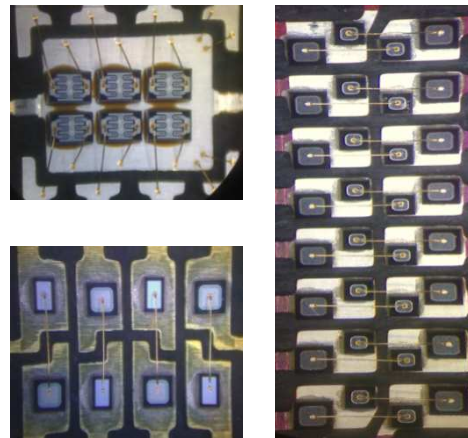
➔ Protection packages

⇒ Products designed to protect electronic devices from damaging voltage or current spikes

Packages



Internal Configuration



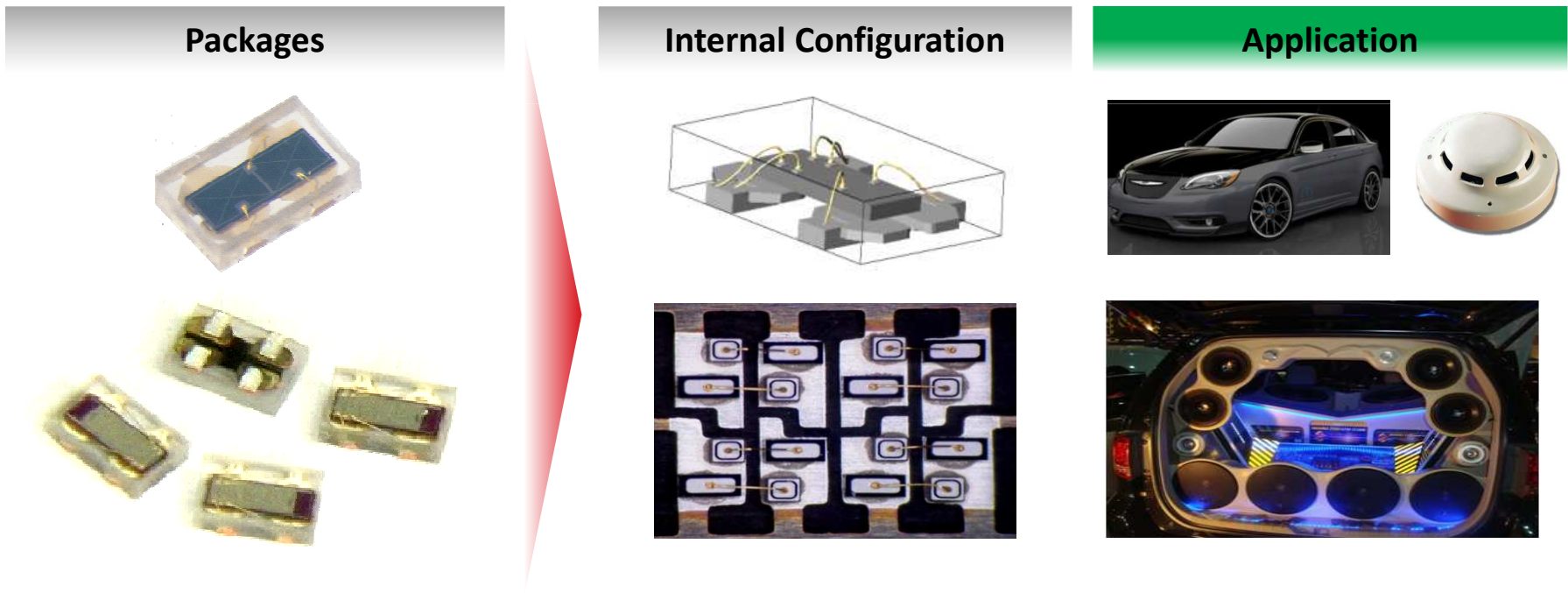
Application



Product offerings

➔ Light sensor packages

➔ Packages for optical devices which can sense the intensity of light and trigger its automatic switching on or off.

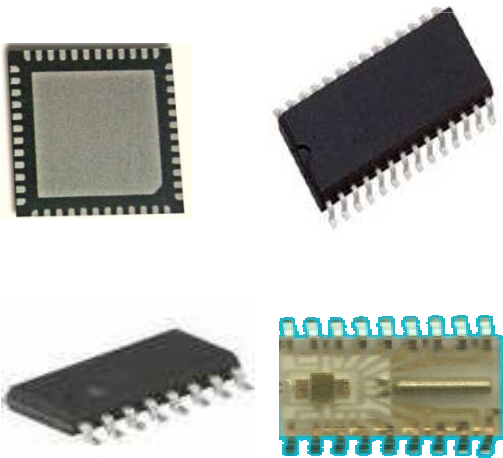


Product offerings

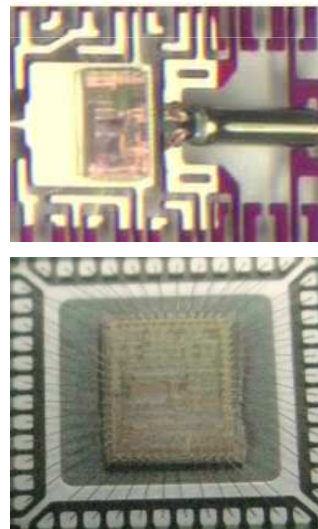
➔ Real time clock

⇒ For use in precision time keeping devices which contain features like calendars, time of day, trickle charger, and others

Packages



Internal Configuration



Application

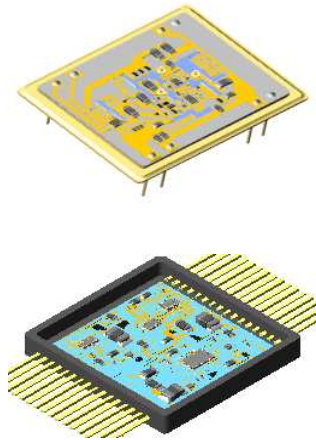


Product offerings

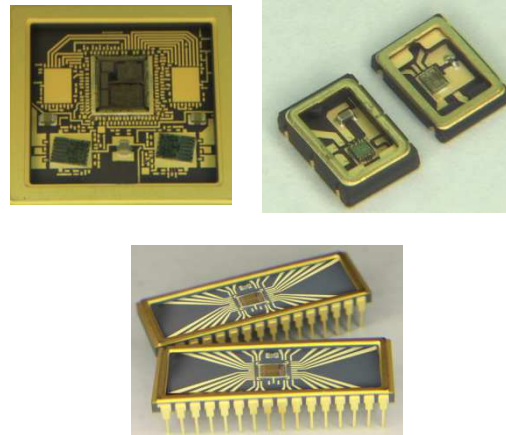
➔ Voltage control oscillators

➔ Electronic oscillators which are designed to be controlled in oscillation frequency by a DC voltage input.

Packages



Internal Configuration



Application



Product offerings

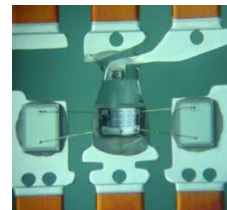
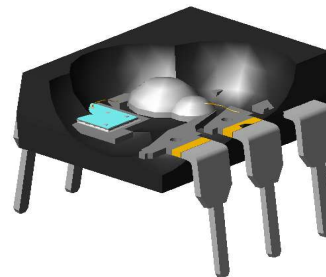
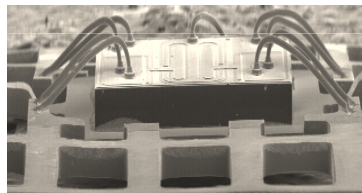
➔ Electronic relays

➔ Products from this line are used in controlling high voltage and high power equipment.

Packages



Internal Configuration



Application

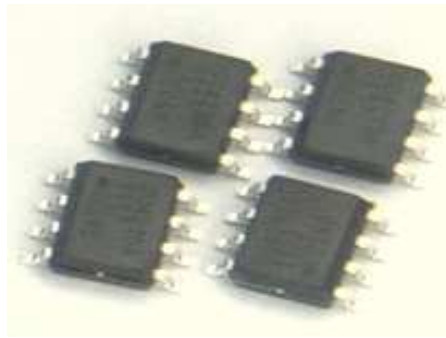


Product offerings

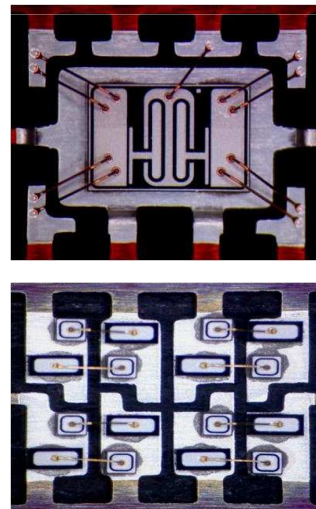
➔ Power management devices

⇒ Used in a wide range of power management applications from telecommunications, portable devices, and computers.

Packages



Internal Configuration



Application



Outline

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- **Company strengths**
- Plans and programs
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- Summary of offer terms



Company strengths

- 1 Certified to the latest quality standards
- 2 Solid management team and expertise
- 3 Ability to adapt to customers' needs
- 4 Full turnkey solutions
- 5 Growing customer base of diverse clients
- 6 Strong brand name and proven track record
- 7 A PEZA-registered entity



Company strengths

1

World Class Quality standards



Cirtek's manufacturing practices are designed to be compliant with industry requirements and **to exceed customer's expectation.**



Manufacturing applies **latest quality system standards**, which include ISO 9001, ISO 14001, QS-9000/TS-16949



Company strengths

2

Solid Management Team and Expertise



Management team is composed of **highly experienced** individuals from various semiconductor and OSAT companies.



The Cirtek Team has over **150 years of combined management** and **engineering package design expertise** specific to semiconductor industry.



Lean organization and **prudent decision making**.



Focused and **goal oriented**.



Company strengths

3

Ability to adapt to customer's needs



Technical abilities which provide customers a full range of turnkey solutions

Customer requirements

- World class quality standards
- Excellence in manufacturing
- Clean room (Class 10K) facility and practice 5S (Japanese) Discipline
- On-time Delivery
- Competitive pricing
- Flexibility / Responsiveness



Customer satisfaction as evidenced by the awards received from several customers



Company strengths

4

Full Turnkey Solution



Provide vertically **integrated manufacturing solutions** to its customers.

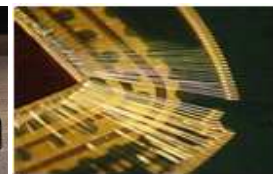
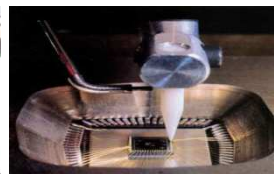
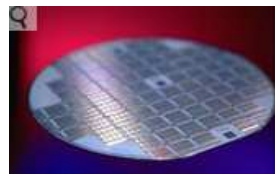
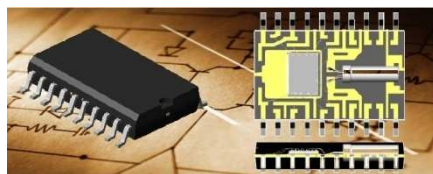
Package Design &
Development



Assembly &
Packaging



Test, Pack & drop ship
to end Customers



Higher productivity / efficiency



Lower cost



Faster time to market



Cirtek Holdings Philippines Corporation

Company strengths

5

Growing customer base of diverse clients

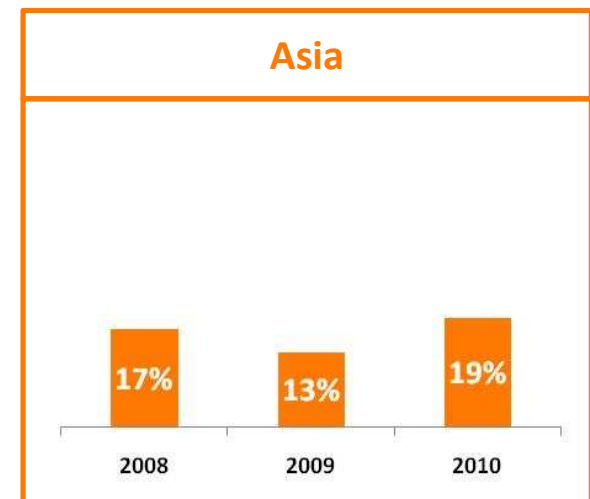
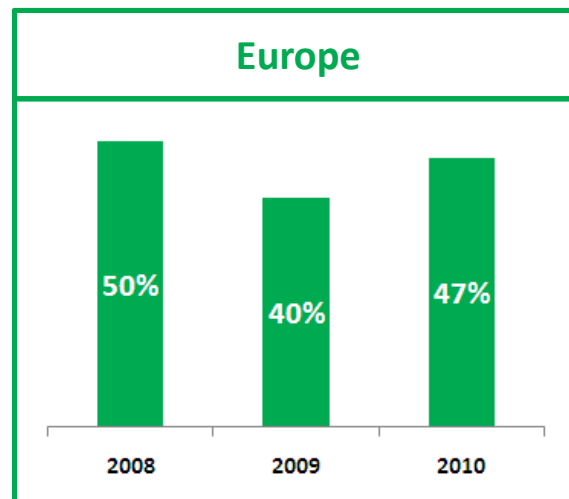
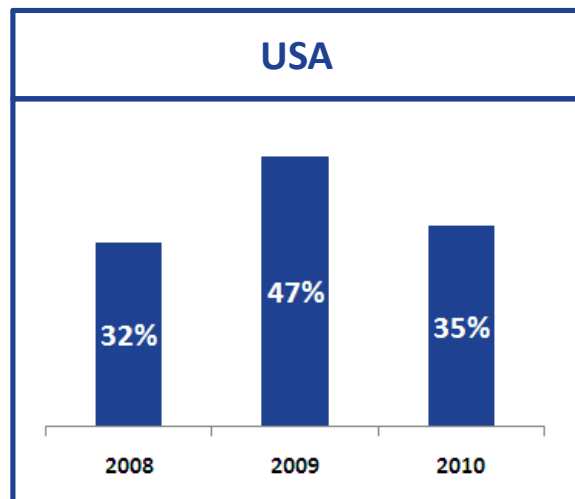


A growing portfolio of customers. CHPI currently has 42 customers around the world



The Company's customers are located in various countries, with the bulk of revenues contributed by customers located in Europe and the USA

% Contribution to revenues per region



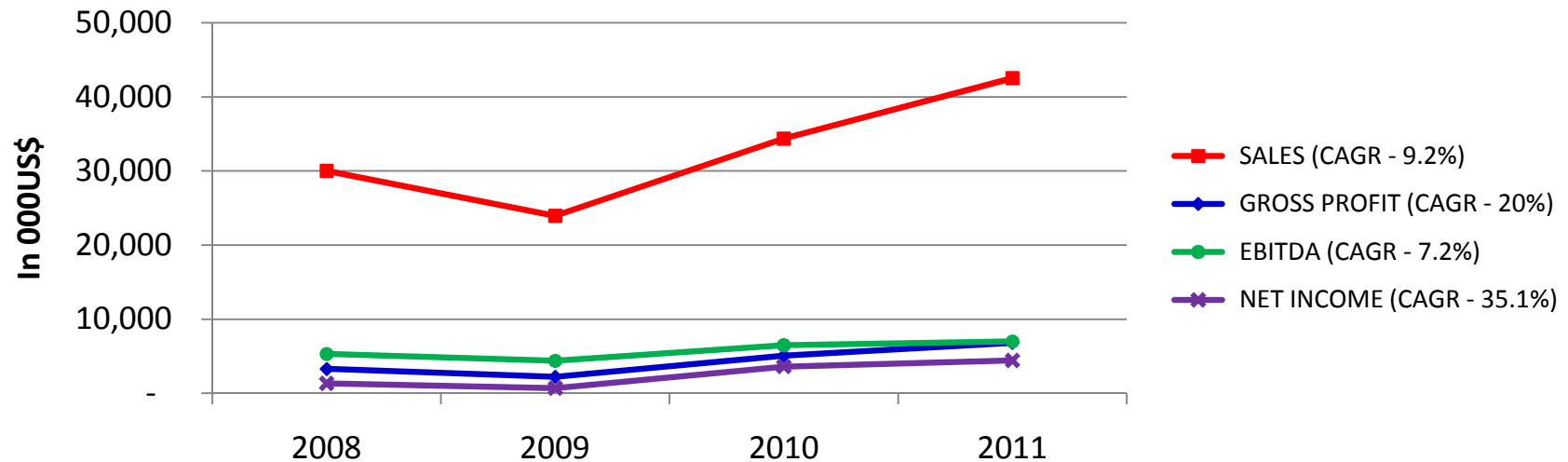
Company strengths

6

25 Years Proven Track Record

- ✓ Continuous production **growth** and **generating employment**.
- ✓ Financially **strong**.
- ✓ Delivering **profit** and **dividend** every year.

Cirtek Historical Profit & Loss 2008 - 2011



Company strengths

7

A PEZA-registered entity



As a PEZA*-registered entity, the Company enjoys certain incentives like tax holidays, duty free importation of materials and reduced power rate vis-a-vis non-registered entities which enables it to price its products competitively.



Tax incentives

Entitlement to 5% gross income tax (GIT) incentive. Secure new 4 year income tax holiday (ITH) for new projects

+

Ecozone power rate

Reduction of 12.5% to 13.5% on power cost



Ability to price products competitively

Company savings

* The Philippine Economic Zone Authority (PEZA) is an attached agency to the Department of Trade and Industry tasked to promote investments, extend assistance, register, grant incentives to and facilitate the business operations of investors in export-oriented manufacturing and service facilities located inside selected areas throughout the country



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Plans and Programs

1 Expansion of Manufacturing facility and Capacity

This will enable us to support 400 Million units of additional new business from existing and potential customers.



2 Innovation and Re-Engineering

Sustaining cost reduction program, higher quality product and stable process through automation and re-engineering. To develop new packages through innovation to maximize yield and satisfy or exceed customer expectation.



3 Completion of current projects and programs with customers

Concluding and enabling Cirtek to realize new potential business in the pipe line worth US\$11.8 Million by 2012 and to expand product portfolio.

New Potential business:

- ✓ Power MOSFET QFN
- ✓ Open cavity moisture / pressure sensor for automotive
- ✓ Opto Couplers
- ✓ Exposed Cavity Power Amplifier – HSOP
- ✓ Current protection devices



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Financial Summary

Historical Financials

In USD millions

	As of and for the years ended December 31			For the quarter ended March 31
Income Statement Data	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Net Sales	30,009	23,948	34,370	8,610
Cost of Sales	27,092	21,723	29,293	7,557
Gross Profit	2,917	2,224	5,077	1,052
<i>GP Margin (%)</i>	10	4	15	12
Net Income	1,619	964	3,600	751
<i>Net Profit Margin (%)</i>	5	4	10	9
EBITDA	5,342	4,198	6,475	1,413
<i>EBITDA Margin (%)</i>	18	17	19	16
Balance Sheet Data				
Current Assets	14,942	16,508	20,581	13,156
Current Liabilities	7,574	6,954	8,342	7,896
Total Liabilities	8,572	8,074	9,685	9,292
Total Equity	19,422	19,036	22,136	15,167
<i>Current Ratio (x)</i>	2	2.4	2.5	1.7
<i>D/E Ratio</i>	0.44	0.42	0.44	0.61

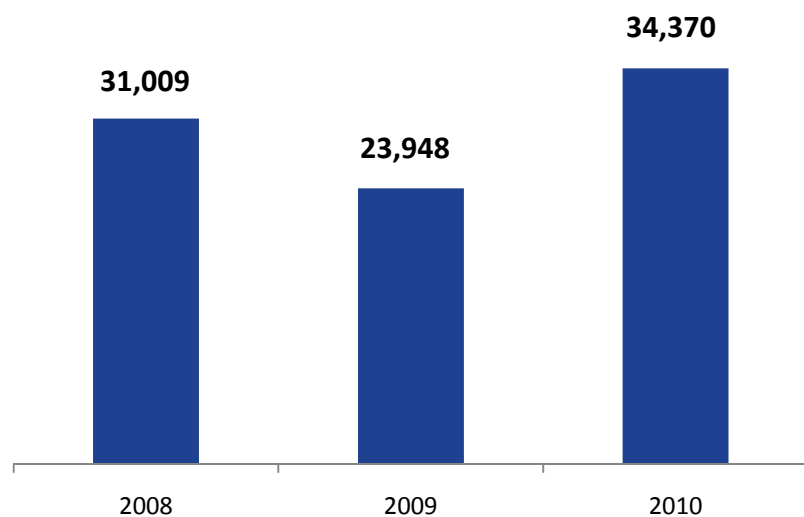


Financial Summary

As of and for the years ended December 31

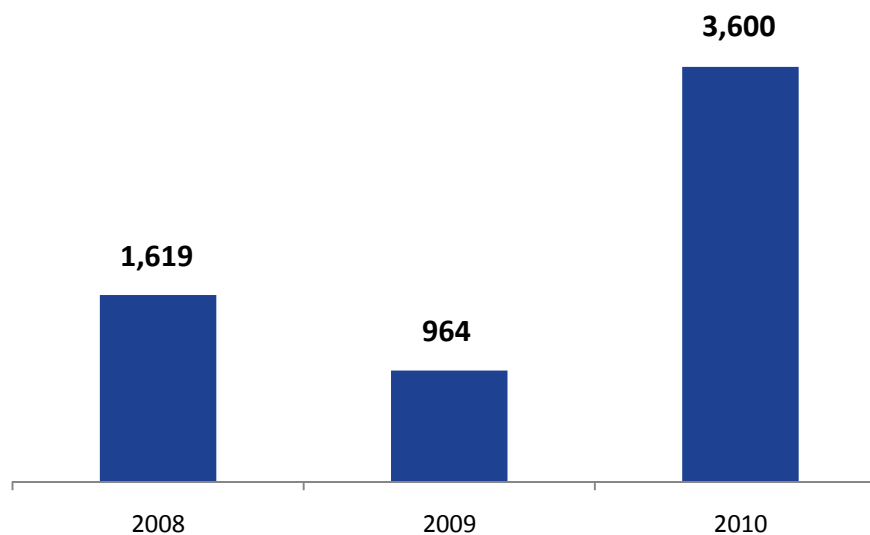
Net Sales

In USD MM



Net Income

In USD MM



- The Company has consistently maintained profitability.
- Focus on efficiency and product and process innovation to enhance product portfolio and improve margins /investment returns to shareholders.

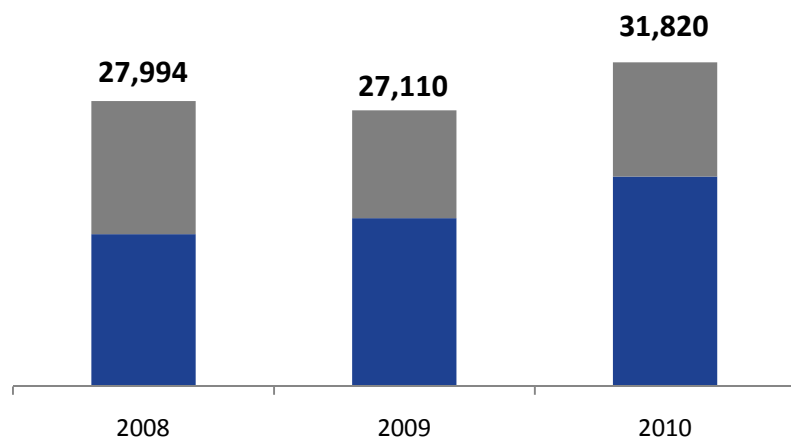


Financial Summary

As of and for the years ended December 31

Total Assets

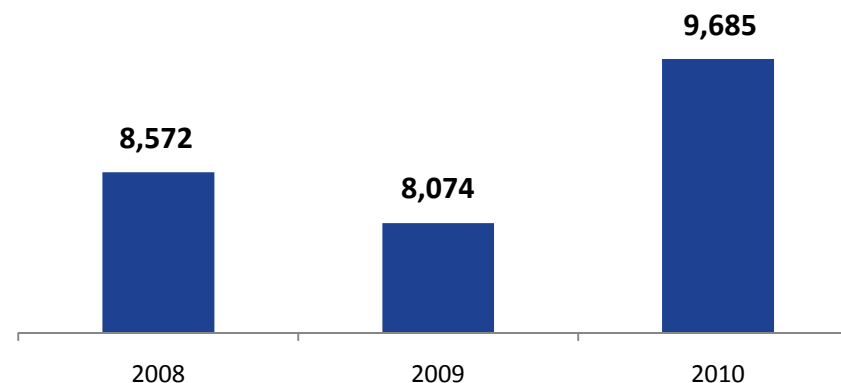
In USD MM



- The Company has maintained a conservative capital structure
- Growth has been funded through internally generated cash
- All tangible assets

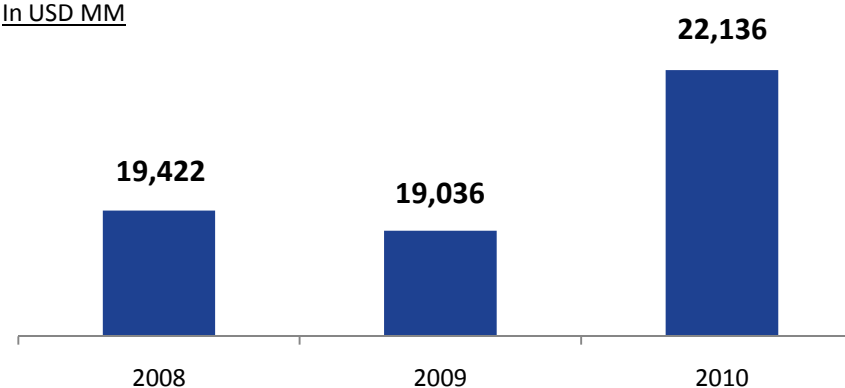
Total Liabilities

In USD MM



Total Equity

In USD MM



Financial Summary

For Three-year Month Period Ended March 31

Three –Month Period Ended March 31

*In USD millions,
except for per share amounts*

	<u>2011</u>	<u>2010</u>	<u>Inc/ (Dec) %</u>
Income Statement Data			
Net Sales	8,610	7,268	18
Cost of Sales	7,557	6,382	18
Gross Profit	1,052	886	19
<i>GP Margin (%)</i>	12	12	
Operating Income	779	558	40
Net Income	751	558	35
<i>Net Profit Margin (%)</i>	9	8	
Earnings Per Share	\$0.006	\$0.005	



Financial Plan

For Three-year Period 2011 to 2013

*In USD millions,
except for per share amounts*

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Income Statement Data				
Net Sales	34,370	42,542	51,595	63,024
Cost of Sales	29,293	35,736	42,746	51,315
Gross Profit	5,077	6,806	8,850	11,709
<i>GP Margin (%)</i>	15	16	17	18
Net Income	3,600	4,441	6,030	8,265
<i>Net Profit Margin (%)</i>	10	10	12	13
EBITDA	6,475	6,985	8,534	10,465
<i>EBITDA Margin (%)</i>	19	16	16	17
Earnings per Share		\$0.024	\$0.033	\$0.045
<i>EPS Growth (In %)</i>	\$0.030	(20)	37	36
Balance Sheet Data				
Current Assets	20,581	23,775	27,949	40,000
Current Liabilities	8,342	10,158	10,936	12,357
Total Liabilities	9,685	11,553	12,154	13,752
Total Equity	22,136	24,130	25,354	33,519
<i>Current Ratio (x)</i>	2.5	2.3	2.5	3.2
<i>D/E Ratio</i>	0.44	0.48	0.48	0.41



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Key investment merits

- ✓ Belongs to the electronics industry, which in turn is the country's largest export contributor. The industry continues to be a major contributor to the Philippine Economy.
- ✓ Weathered the cyclical nature of the semiconductor industry, and has been in operation for 25 years.
- ✓ Produces diversified products which can be used for different end uses.
- ✓ Maintains strong relationships with its customers
- ✓ Strong EPS growth and good dividend history
- ✓ Resilient and profitable financials



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Terms of the offer

Primary Offering

42,163,000.00 common shares

Minimum subscription

100 shares, additional subscription in multiples of 100 shares

Final Offer Price

Up to ₱ 7.00

Par Value

₱ 1.00

Target Listing Date on the PSE

November 18, 2011

