CHROMA ATE INC.

2017.2Q Earnings Conference Call

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31st July, 2017

Disclaimer

Chroma

This presentation contains some forward-looking statements that are subject to substantial risks and uncertainties. Typically, these statements contain words such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “plan”, “forecast”, “project”, “predict”, “potential”, “continue”, “may”, “should”, “will”, and “would” or similar words. You should consider these forward-looking statements carefully because such statements are only our expectations or projections about future events, and actual results may differ materially from those expressed or implied by such statements. The forward-looking statements in this presentation include, but are not limited to, growth rates for various markets estimated by third party sources, future products and technology development, widespread market acceptance of the hosted delivery model, future revenue growth and profitability. You should be cautioned that the forward-looking statements are no guarantee of our future performance. The forward-looking statements contained in this presentation are made only as of the date of this presentation and we undertake no obligation to update the forward-looking statements to reflect subsequent events or circumstances, except as required by law.

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Agenda

- Corporate Profile
- Financial Review
- Operation Highlights
- Q&A

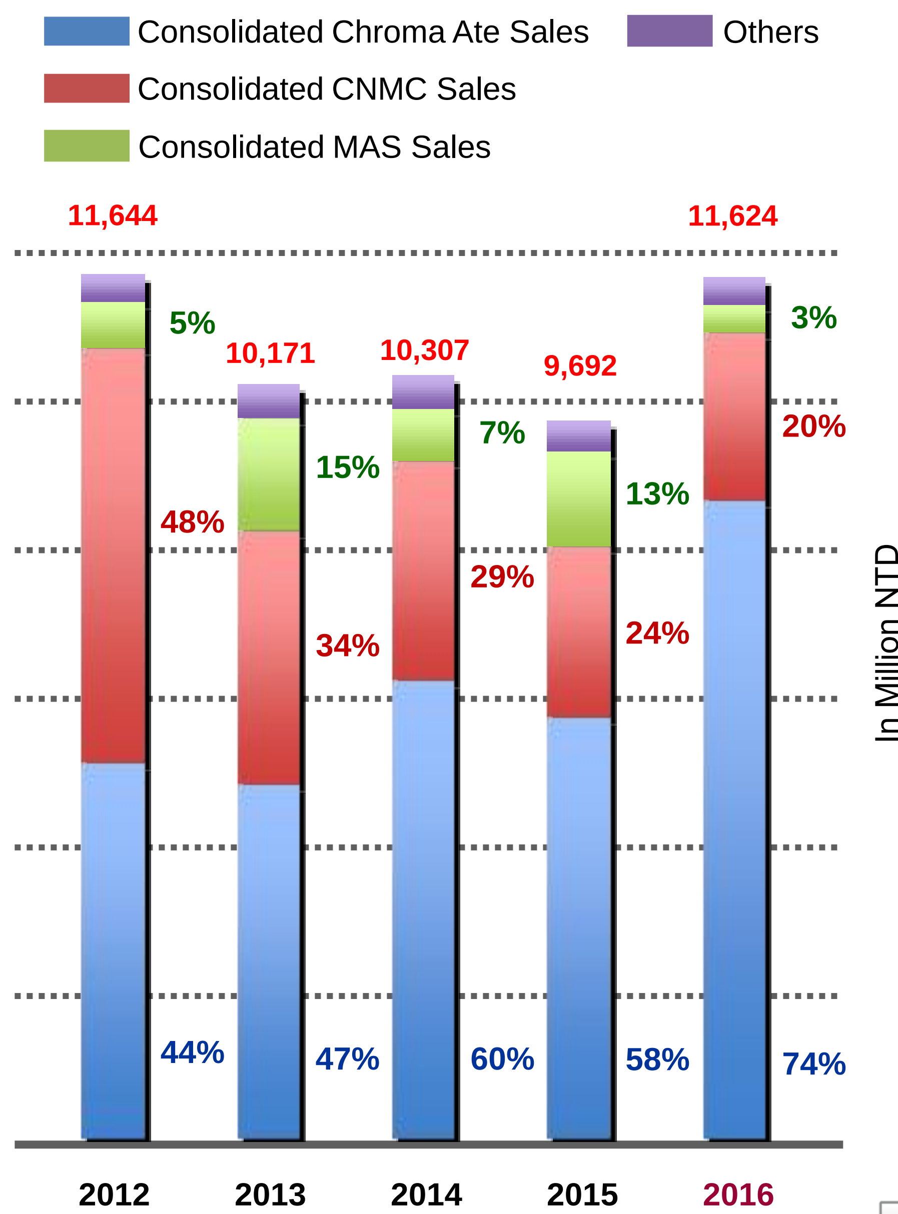
CORPORATE

PROFILE

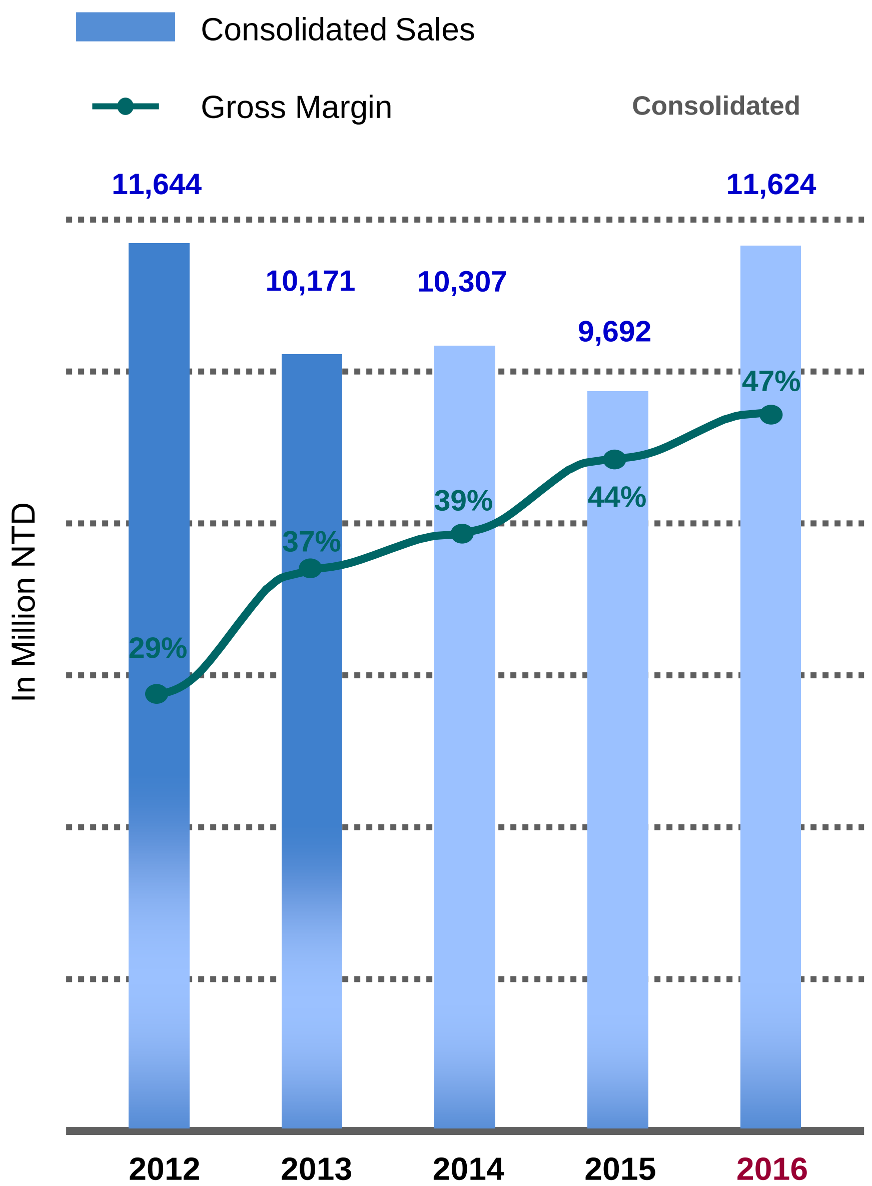
Corporate Profile

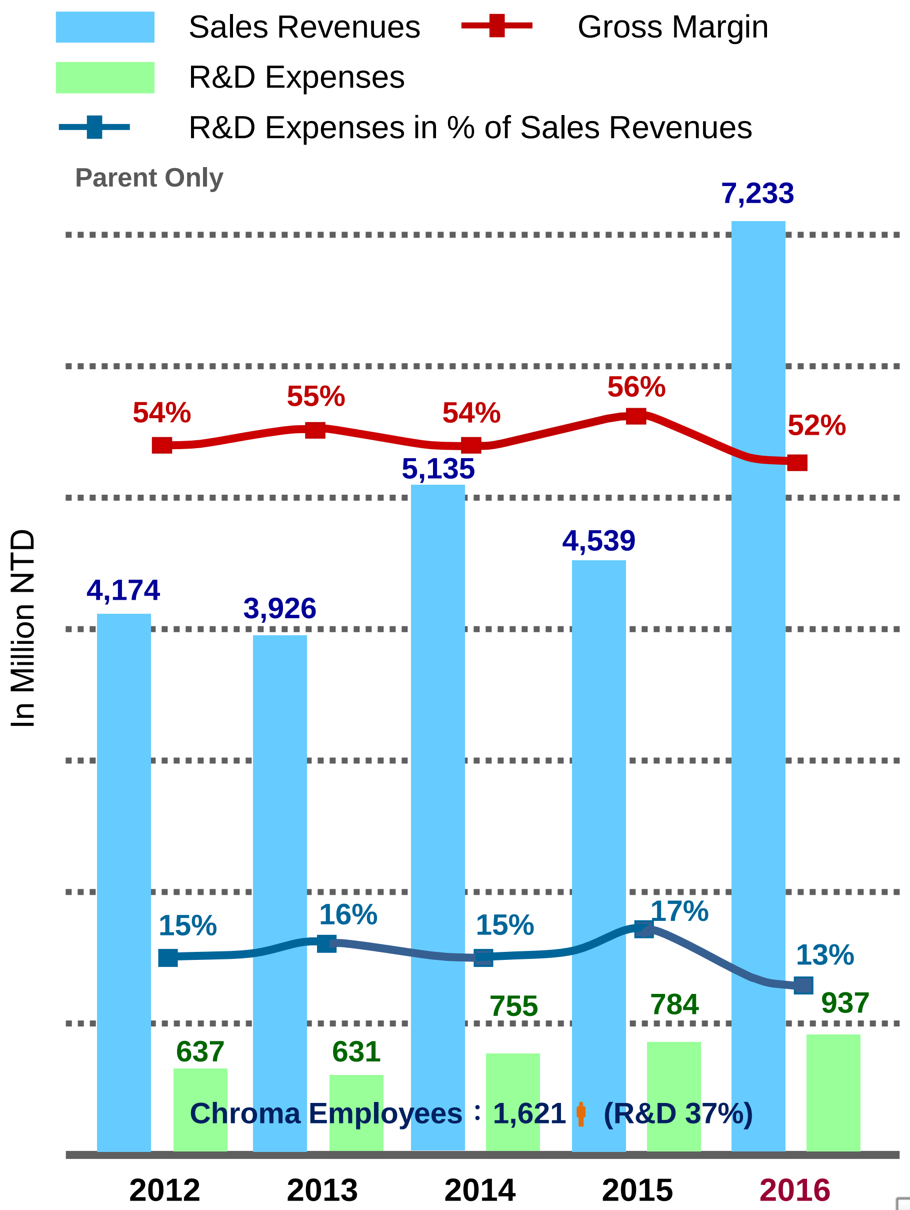
Chroma

- Chroma Group founded in 1984, a world leading own brand turnkey test & automation solution provider, specialized in electronics test and measurement instruments and ATS (auto test system). Businesses cover test and measurement instruments and ATS for various industries, and a turnkey solution as an integration of Test and Measurement , Automation and MES (manufacturing execution system).
- Key success: Precision, Reliability, Innovation
- Chroma group encompass business unit of Chroma Ate Inc., Modular Assembly System (MAS) and Chroma New Material Corp (CNMC).
- 2016 Consolidated Sales : NT$ 11.6 billion
- 2016 Net Income: NT$1.7 billion
- Chroma Group total of 2,636 employees (as June, 2017)
- Chroma Wins Fifth National Innovation Award – Distinguished Enterprise Innovation Award.



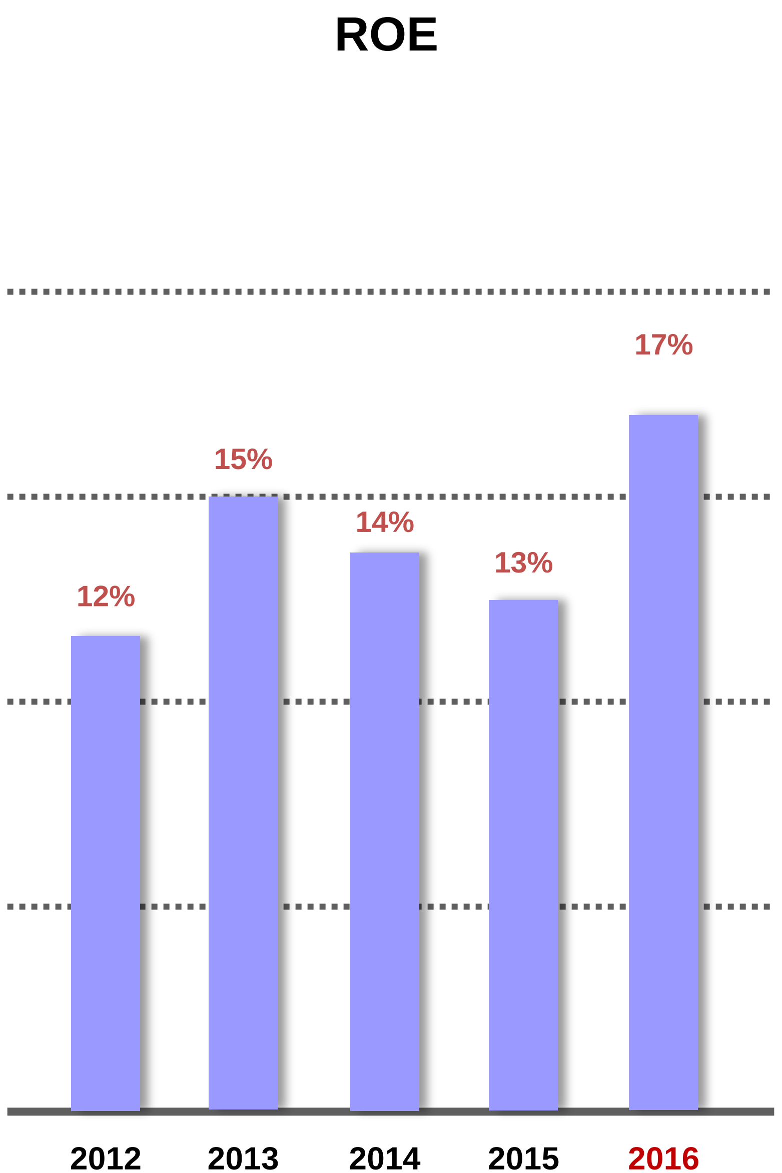
Financial Performance

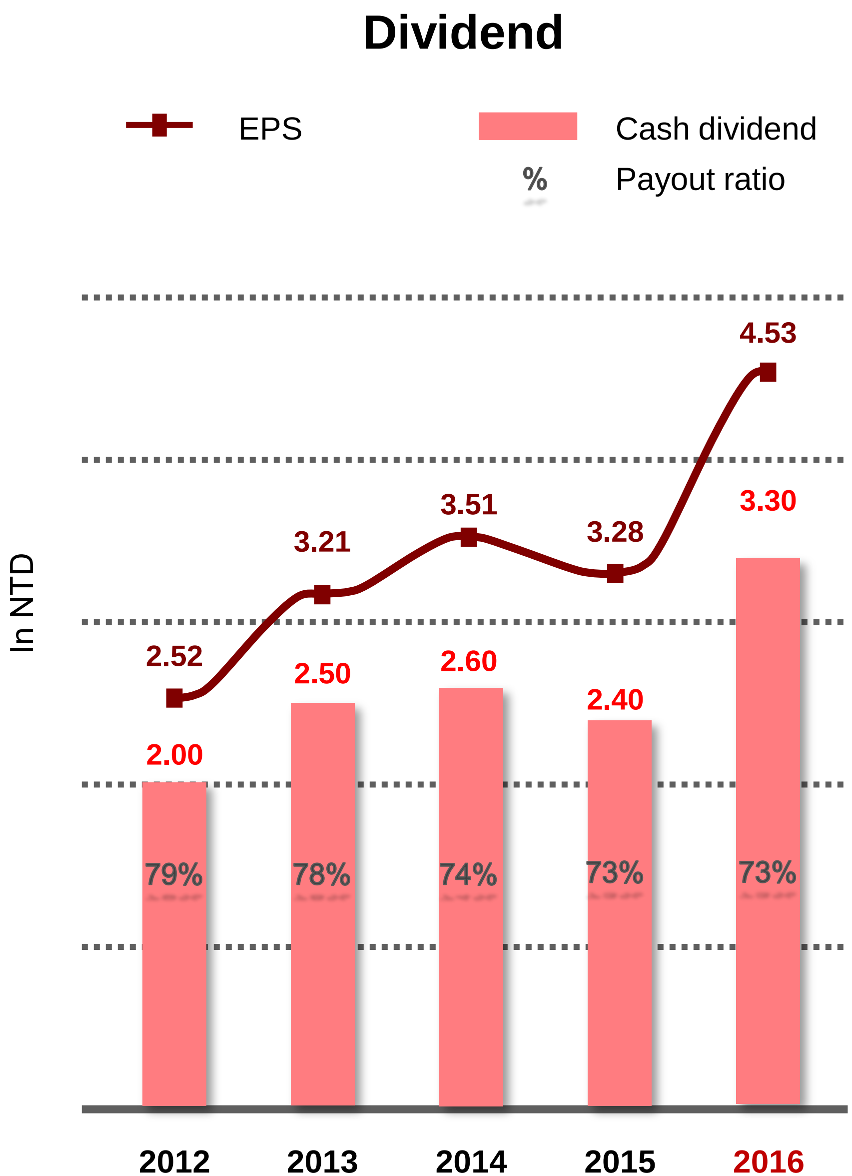




Financial Performance

Chroma





Chroma Global Network

Chroma

Global Employees：2,636, Branch Offices x 24, Distributors x 96

US :
Irvine/
Foothill Ranch, CA

Europe :
Netherlands
Germany

Hong Kong :
Neworld

SE Asia: Singapore
India / Thailand / Vietnam
Malaysia / Philippines /
Indonesia

Japan: Shin-Yokohama

China : Beijing / Nanjing / Shanghai / Suzhou
Chongqing / Xiamen / Shenzhen / Dongguan

FINANCIAL REVIEW

Year 2017.1H Condensed Consolidated Income Statement

Chroma

Condensed Consolidated P&L (In Million NTD, except for EPS in NTD)	2017.1H	%	2016.1H	%	YoY %
Net Sales	**5,760**	**100%**	**5,292**	**100%**	**9%**
Consolidated Sales of Testing Equipment Business	4,327	75%	3,856	73%	**12%**
Consolidated Sales of MAS	242	4%	138	2%	**75%**
Consolidated Sales of New Material	1,000	18%	1,104	21%	**(9%)**
Others	191	3%	194	4%	**(2%)**
Cost of Goods Sold	(2,944)	(51%)	(2,815)	(53%)	**5%**
Gross Profit	**2,816**	**49%**	**2,477**	**47%**	**14%**
Operating Expenses:					
Selling and General & Administration	(1,235)	(21%)	(1,102)	(21%)	**12%**
Research & Development	(571)	(10%)	(482)	(9%)	**18%**
Operating Income	**1,010**	**18%**	**893**	**17%**	**13%**
Non-Operating Income (Expenses), net	(29)	(1%)	23	-	**n/a**
Income (Loss) Before Tax	981	17%	916	17%	**7%**
Income Tax	(189)	(3%)	(173)	(3%)	**9%**
Net Income	**792**	**14%**	**743**	**14%**	**7%**
Other Comprehensive Income (Losses)	(178)	(3%)	(94)	(2%)	**89%**
Comprehensive Income	**$ 614**	**11%**	**$ 649**	**12%**	**(5%)**
Net Income (Losses) Attributable To:					
Shareholders of the Parent	804	14%	764	14%	**5%**
Noncontrolling Interests	(12)	-	(21)	-	**(43%)**
	$ 792	**14%**	**$ 743**	**14%**	**7%**
EPS (Basic) ●	**$ 2.05**		**$ 2.02**		**1%**
EPS (Diluted)	**$ 1.99**		**$ 1.89**		**5%**

● Basic EPS is based on weighted average outstanding shares of 391 million in 2017 and 377 million in 2016.

Balance Sheet Highlights & Financial Ratio

Consolidated (In Million NTD)	2017. June	2016. Dec	+ / - %
Balance Sheet Highlights			
Cash & Short Term Investments	5,902	5,829	1%
Inventory	2,341	1,906	23%
Short Term Debt	1,304	1,012	29%
Long Term Debt	1,207	2,765	- 56%
Shareholders Equity	11,366	10,788	5%
Total Assets	**19,101**	**18,633**	**3%**
Inventory Turnover (Day)	130	104	
AR Turnover (Day)	94	88	
AP Turnover (Day)	115	101	
Net Debt to Equity (%)	Net Cash	Net Cash	
ROE (%) ●	**15%**	**17%**	
ROA (%) ●	**9%**	**10%**	

Cash Position	2017.2Q	2017.1Q	QoQ	2017.1H	YoY
EBITDA	715	435	64%	1,150	4%
Cash Flow from Operation	638	(235)	n/a	403	(32%)
Free Cash Flow ●●	**1,544**	**(476)**	**n/a**	**1,068**	**1087%**

● All ROE + ROA has been annualized.

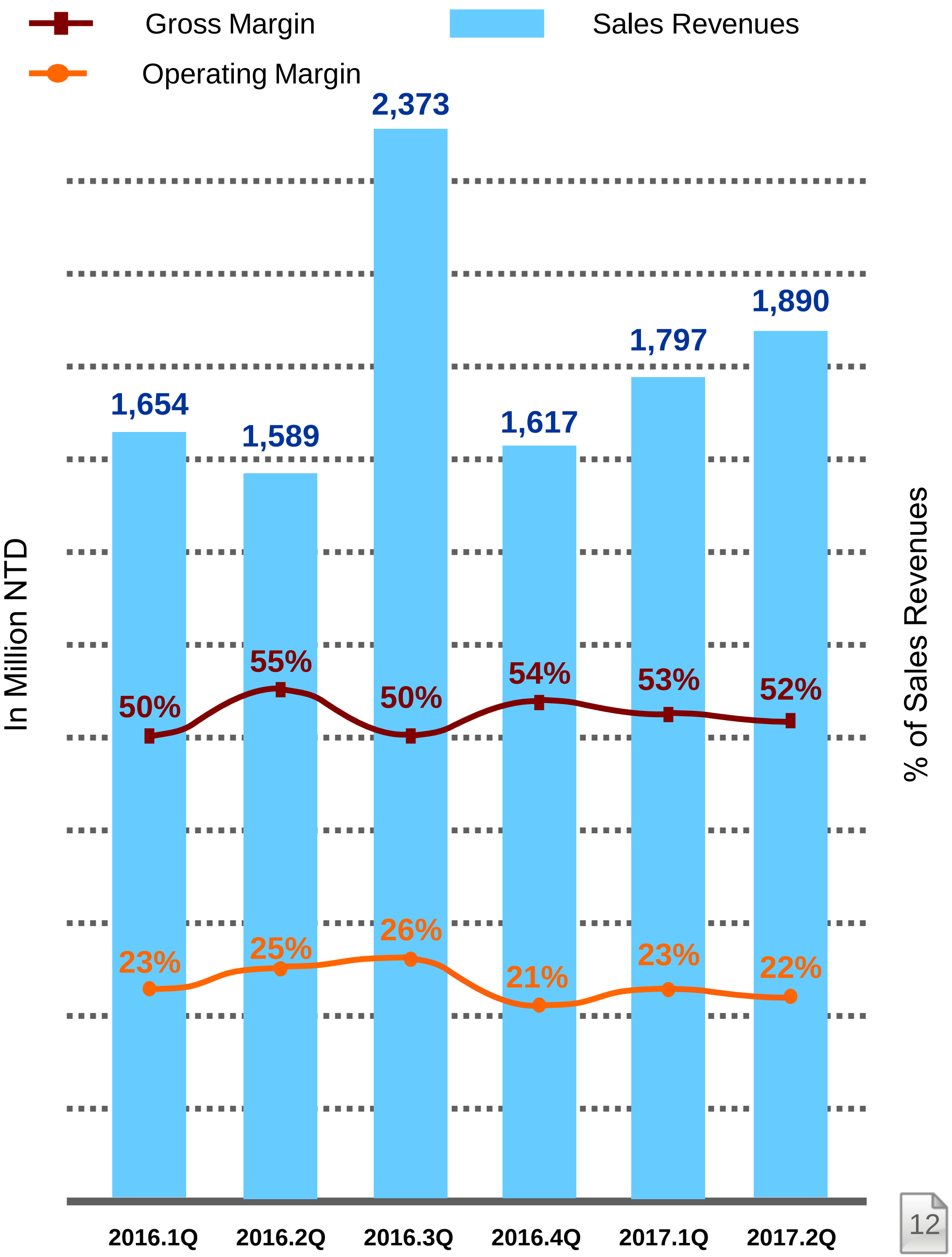
●● Free Cash Flow = Net Cash Provided by Operating Activities + (Net Cash used by Investing Activities)

Quarterly Highlights

Chroma

2017.2Q Key Points

- Sales Revenue: $ 1,890 million, up 5% QoQ, up 19% YoY
- Gross Margin: 52%
- Operating Margin: 22%
- Net Income: NT$ 517 million, up 80% QoQ, up 17% YoY
- 2017.2Q Highlights:
  - The major growth driver is coming from Semiconductor Testing Solutions and Test Instruments & ATS, presented a growth of 67% and 13% YoY respectively.



Year 2017.2Q Condensed Income Statement

Chroma

Condensed P&L – Parent Only (In Million NTD, except for EPS in NTD)	2017.2Q	%	2017.1Q	%	QoQ %	2016.2Q	%	YoY %
Net Sales	**1,890**	**100%**	**1,797**	**100%**	**5%**	**1,589**	**100%**	**19%**
Cost of Goods Sold	(908)	(48%)	(850)	(47%)	**7%**	(721)	(45%)	**26%**
Gross Profit	**982**	**52%**	**947**	**53%**	**4%**	**868**	**55%**	**13%**
Operating Expenses:								
Selling and General & Administration	(296)	(16%)	(278)	(16%)	**6%**	(255)	(16%)	**16%**
Research & Development	(261)	(14%)	(252)	(14%)	**4%**	(222)	(14%)	**18%**
Operating Income	**425**	**22%**	**417**	**23%**	**2%**	**391**	**25%**	**9%**
Non-Operating Income (Expenses), net ●	182	10%	(76)	(4%)	**n/a**	136	9%	**34%**
Income (Loss) Before Tax	607	32%	341	19%	**78%**	527	34%	**15%**
Income Tax	(90)	(5%)	(53)	(3%)	**70%**	(84)	(5%)	**7%**
Net Income	**$ 517**	**27%**	**$ 288**	**16%**	**80%**	**$ 443**	**29%**	**17%**
Other Comprehensive Income	(2)	-	(173)	(10%)	**n/a**	(74)	(5%)	**n/a**
Comprehensive Income	**$ 515**	**27%**	**$ 115**	**6%**	**348%**	**$ 369**	**24%**	**40%**
EPS (Basic)	**$ 1.30**		**$ 0.75**		**73%**	**$ 1.17**		**11%**
EPS (Diluted)	**$ 1.27**		**$ 0.72**		**76%**	**$ 1.09**		**17%**

● 100% owned subsidiaries' income - New Material: 10m (YoY ↓ 29%), MAS: 39m (YoY ↑ 179%), .

Year 2017.1H Condensed Income Statement

Chroma

Condensed P&L – Parent Only (In Million NTD, except for EPS in NTD)	**2017.1H**	**%**	**2016.1H**	**%**	**YoY %**
Net Sales	**3,686**	**100%**	**3,243**	**100%**	**14%**
Cost of Goods Sold	(1,757)	(48%)	(1,543)	(48%)	**14%**
Gross Profit	**1,929**	**52%**	**1,700**	**52%**	**13%**
Operating Expenses:					
Selling and General & Administration	(574)	(15%)	(490)	(15%)	**17%**
Research & Development	(513)	(14%)	(434)	(13%)	**18%**
Operating Income	**842**	**23%**	**776**	**24%**	**9%**
Non-Operating Income (Expenses), net ●	106	3%	130	4%	**(18%)**
Income (Loss) Before Tax	948	26%	906	28%	**5%**
Income Tax	(144)	(4%)	(142)	(4%)	**1%**
Net Income	**$ 804**	**22%**	**$ 764**	**24%**	**5%**
Other Comprehensive Income	(175)	(5%)	(94)	(3%)	**86%**
Comprehensive Income	**$ 629**	**17%**	**$ 670**	**21%**	**(6%)**
EPS (Basic)	**$ 2.05**		**$ 2.02**		**1%**
EPS (Diluted)	**$ 1.99**		**$ 1.89**		**5%**

● Non-operating Income included 100% owned subsidiaries' income - New Material: 11m (YoY ↓ 58%), MAS: 33m (YoY ↑ 230%).

Balance Sheet Highlights & Financial Ratio

Parent Only (In Million NTD)	2017. June	2016. Dec	+ / - %
Balance Sheet Highlights			
Cash & Short Term Investment	3,345	3,656	- 9%
Inventory	1,738	1,458	19%
Short Term Debt	1,100	800	38%
Long Term Debt	1,055	2,597	- 59%
Shareholders Equity	11,162	10,617	5%
Total Assets	**17,108**	**16,586**	**3%**
Inventory Turnover (Day)	164	145	
AR Turnover (Day)	105	100	
AP Turnover (Day)	112	91	
Net Debt to Equity (%)	Net Cash	Net Cash	
ROE (%) ●	**15%**	**17%**	
ROA (%) ●	**10%**	**11%**	

Cash Position	2017.2Q	2017.1Q	QoQ	2017.1H	YoY
EBITDA	650	385	69%	1,035	4%
Cash Flow from Operation	11	(66)	n/a	(55)	n/a
Free Cash Flow ●●	**982**	**(326)**	**n/a**	**656**	**n/a**

● All ROE + ROA has been annualized.

●● Free Cash Flow = Net Cash Provided by Operating Activities + (Net Cash used by Investing Activities)

OPERATION HIGHLIGHT

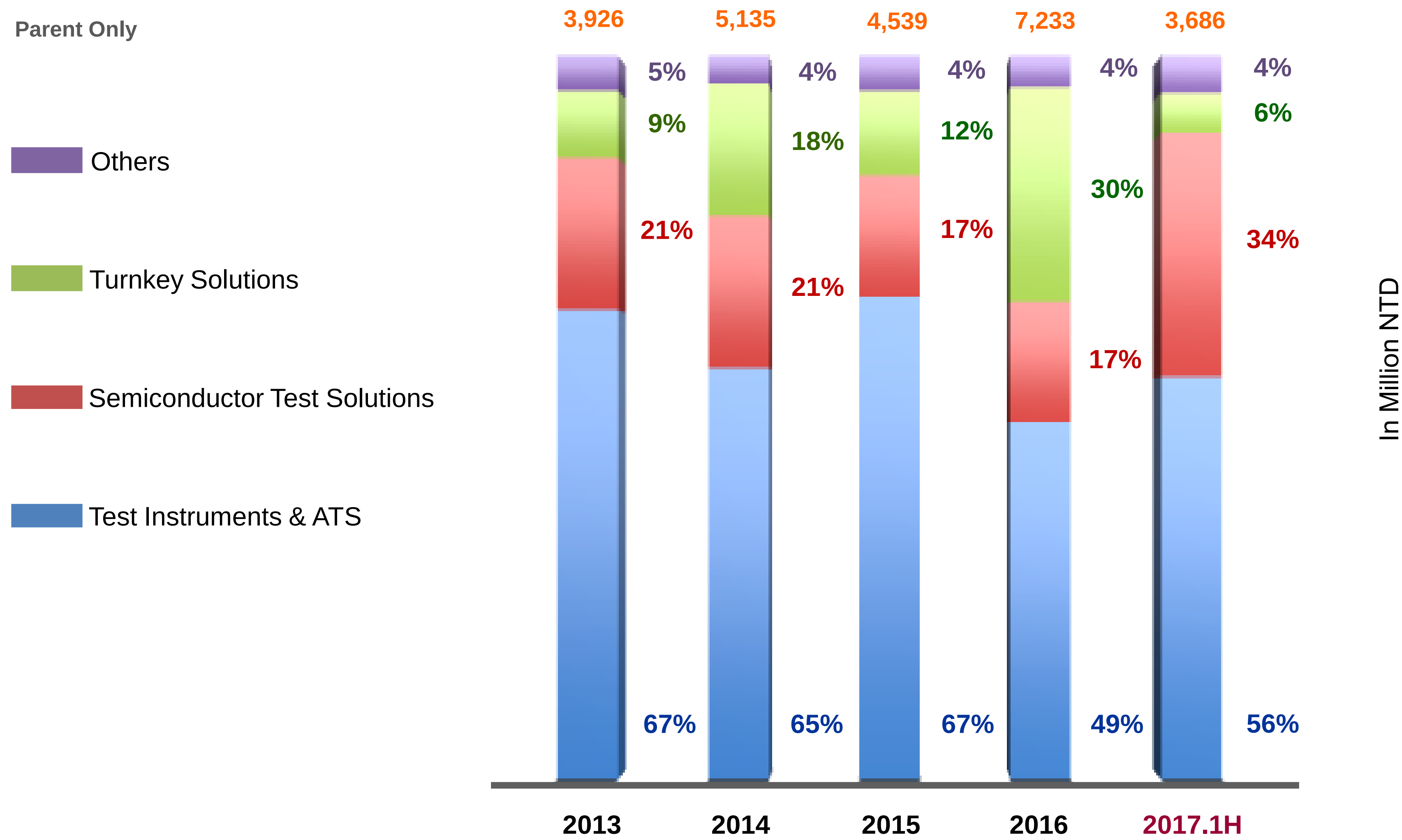
Chroma Ate Inc. Sales Breakdown by Testing Solutions

(Unit: Million NTD)	2017.2Q	%	QoQ	YoY	2017.1H	%	YoY	2016	%
Test Instruments & Automate Testing System (ATS)	1,077	57%	11%	13%	2,049	56%	21%	3,570	49%
Semiconductor Test Solutions	612	32%	(3%)	67%	1,243	34%	143%	1,209	17%
Turnkey Solutions	105	6%	3%	(38%)	206	6%	(77%)	2,143	30%
Service & Others	96	5%	4%	(7%)	188	4%	18%	311	4%
Total	**1,890**	**100%**	**5%**	**19%**	**3,686**	**100%**	**14%**	**7,233**	**100%**

Chroma Ate. Inc. Sales Mix Breakdown (YTD)

Chroma

A Turnkey Solution and Intelligent Automation Line Provider



Sales Breakdown by Consolidated Entities

(Unit: Million NTD)	2017.2Q	%	QoQ	YoY	2017.1H	%	YoY
Chroma Ate. Inc. included overseas affiliates	2,237	75%	7%	15%	4,327	75%	12%
MAS	162	5%	103%	67%	242	4%	75%
New Material	487	16%	(5%)	(9%)	1,000	18%	(9%)
Others	98	4%	5%	1%	191	3%	(2%)
Consolidated Sales	**2,984**	**100%**	**7%**	**11%**	**5,760**	**100%**	**9%**

Year 2017.2H Guidance

- In the first half 2017, the key driver for parent company growth is coming from semiconductor testing solutions, which presented a strong growth of 143% YoY exceed the total sales of semiconductor testing solutions in year 2016. Meanwhile, the core business of Test Instruments and ATS also presented a double digits growth of 21% YoY.

- The Company expected 2H profitability will be better than 1H due to:

  - ✓ Test Instruments and ATS will remain a steady growth in 2H, mainly contributing from EV market growing the demand of high power electronics testing.

  - ✓ The increasing adoption for Laser Diode (VCSEL) in 3D images and the new SoC/Analog Test System will continue to drive the semiconductors testing solutions sales in 2H, 2017 and carry forward to 2018.

  - ✓ The subsidiary MAS will have a remarkable turnaround in 2H.

Test Instruments & ATS – 1/3

Chroma

TECHNOLOGY

Video /FPD Testing

Independent 8K Graphics Core
HDMI 2.0a / Display Port 1.4
8K Pattern switch time <200ms

8K x 4K@60Hz → 8K x 4K@120Hz

Passive Comp. Testing

Impedance Measurement
Wide Freq. range: 30MHz
DC Bias Current : 0-5A / 100KHz-10MHz

'17 — '17.2H

MARKET

Flat Panel Display — Portable & Wearable Device/IoT

New

8K Video Pattern Generator
2238

New

8K FPD Tester
2918

New

HF LCR Meter
11050-30M
A110502

SOLUTION

Test Instruments & ATS – 2/3

Chroma

TECHNOLOGY

Power Testing

High Precision Accuracy:
0.1%RD + 0.05%RNG
In compliance with
IEC 61000-4-7 harmonic measurement

High Transient Linear Load: 100us
High Power Density: 6kW@4U

Battery Testing

Energy Regenerative & High Accuracy
5V, 60A

Regenerative Design: >85%
Charge/Discharge mode: CC, CV, CP
High power density with competitive cost

’17

’17.2H

MARKET

EV/D2D/OBC/EVSE/HVDC

Battery Cell/ Module/ Pack

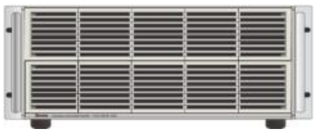
New

Digital Power Meter
66205

New

High Power DC Load
150~1200V,4~24kW
63200E Series

New



Battery Charge & Discharge Tester
17212R

New

Battery Pack Test System
60/100V, 10~80kW
17020E Series

SOLUTION

Semiconductor Test Solutions – 1/3

Chroma

TECHNOLOGY

IC Testing Handler

Robot Application
0.02mm Tolerance

Nitro TEC Engine
to ~ -50˚C

SoC/VLSI Testing

Multi Function SoC Solution
Up to 750Mbps, 2048ch, 128 DPS,
400Msps AWG and 250Msps Digitizer

’17

’17.2H

MARKET

ICs, IoT, MEMS, Sensors, PMIC, MCU

New

Versatile Robotic Handler 3200

New

Hybrid Chiller 3100-CL

New

3680
SoC/Analog Test System

SOLUTION

Semiconductor Test Solution – 2/3

Chroma

TECHNOLOGY

Laser Diode Testing

High Speed Double Side Inspection
15 ms per chip

High Throughput
UPH 3600

Wide Temp. Range : -40C~85˚C
High Stability: ±0.5˚C

High Accuracy TEC. Controller: Up to ±0.01˚C
Auto alignment for fiber-coupled tests

High Density Burn-in Module
256Ch SMU/module, and Spike free

’17

’17.2H

MARKET

Fiber Optical Communication

Wafer → Package → Module

SOLUTION

New

Wafer Chip
Inspection System
7940

CoC/CoS Laser Diode
Characterization System
58620

TO-CAN Package
Inspection System
7925

New

Laser Diode
Burn In System
58604

TOSA/BOSA Temperature
Control System
58691

Semiconductor Test Solution – 3/3

Chroma

TECHNOLOGY

VCSEL Testing

6” VCSEL Wafer
NF & FF Testing (L-I-V)

High Speed Double Side Inspection
15ms per chip

High Accuracy TEC. Controller: Up to ±0.01˚C
High Throughput: UPH 900

High Density Burn-in Module
256Ch SMU/module, and Spike free

’17 ’17.2H

MARKET

3D Image Sensing/ AR/ Autonomous Driving

Wafer → Package

SOLUTION

New

VCSEL Wafer Probing Test System
58635

New

Wafer Chip Inspection System
7940

New

VSCEL Module Characterization System
58621

New

VCSEL Module Burn In System
58604

Turnkey/Smart Factory Solutions

Chroma

TECHNOLOGY

Battery Cell Formation

High current probe up to 200Amp
long life cycle time and reliable contact

IMS

Android Operating System
IoT Gateway

’17

’17.2H

MARKET

Battery Cell Formation

Smart Factory

Prober

Smart Controller
98015

SOLUTION

let's make a better world

Thank You!