



Issued by: Test-Rite International Co., Ltd. (Ticker: 2908 TT/2908 TW)

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Subject: Test-Rite 1Q21 Earnings Results Announcement

**Test-Rite reported revenue of NT\$11.6billion in 1Q21, a 25.6% increase YoY, net profit after tax net profit attributable to TRIC shareholders of NT\$278 million, and basic EPS of NT\$0.56, showing a significant increase of 124% YoY.**

On a consolidated basis, our revenue in 1Q21 was NT\$11.6billion, up 25.6% YoY. Operating margin and Pre-tax margin in 1Q21 was 2.7% and 3.2%. Test-Rite's revenue performed well in 1Q21 and the Operating profit and Pre-tax margin increased significantly compared with the same period last year. It demonstrates that Test-Rite's operating capability is very strong.

Our trading unit's revenue was NT\$6.56 billion in 1Q2021, an increase of 39.9% YoY. Besides new categories, the shipments of existing categories continue to show steady and sustained growth. With the benefit of the early deployment, Test-Rite already launched the east warehouse in US for the inventory storage. Even though COVID-19 outbreak seriously, Test-Rite delivered a stellar performance against the trend in 2021Q1. Even though the current global epidemic remained ravaging, the COVID-19 increases the uncertainty in global economy. Test-Rite continues to encompass the further expansion of sourcing on a global basis, development of a southbound policy to prepare in advance for probably economic recovery from the pandemic.

Our Taiwan retail business reported revenue of NT\$4.52 billion in 2021Q1. Due to the epidemic, people worked and stayed at home for a long time, driving our retail business revenue to increase by 10.7% YoY. In the post-pandemic era, people changed their lifestyles and focused on how to elevate their quality of life. Therefore, it promoted the demand of Home Repair. Our community stores provide the one-stop product sales and services to meet the requirements from customers. Test-Rite not only continues to expand community stores but also remodel the hypermarkets. We link the both stores through community stores acting as the Satellite shops of big stores to seek different target audience. These will likely further support the overall momentum in sales performance.

Linda Lin  
CFO & Spokesperson  
TEL: 886-2-8791-5888

Eric Chang (Please contact for further information)  
Deputy Spokesperson  
Tel: 886-2-8791-5888 ext. 5041  
Email: Eric-JH.Chang@testritegroup.com

Judy Chen  
Investor Relations Principal Specialist  
TEL: 886-2-8791-5888 ext. 5936  
E-mail: investor@testritegroup.com



Figure 1 – Test-Rite IFRS-based consolidated P&L for 1Q21

(NT\$mn)	1Q21	1Q20	YoY%
Consolidated sales	11,577	9,216	25.6%
COGS	(8,643)	(6,746)	28.1%
Gross profit	2,934	2,470	18.8%
Operating expense	(2,625)	(2,259)	16.3%
Operating profit	309	211	46.0%
Non-operating income/loss	64	(49)	NA
Pre-tax profit	373	162	130.1%
Net profit	286	127	125.2%
Other net profit	6	(13)	-146.2%
Total net profit	292	114	156.1%
<b>Net profit attributable to TRIC shareholders</b>	<b>278</b>	<b>122</b>	<b>127.3%</b>
NT Dollar (After Tax)			
Basic EPS	0.56	0.25	124%
Diluted EPS	0.56	0.25	124%
Gross margin	25.3%	26.8%	-1.5%
Operating margin	2.7%	2.3%	0.4%
Pre-tax margin	3.2%	1.8%	1.5%
Net margin	2.4%	1.3%	1.1%