



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

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Subject: Test-Rite 1Q22 Earnings Results Announcement

**Test-Rite reported revenue of NT\$9.78 billion in 1Q22, a 15.5% decrease YoY, net profit after tax of NT\$258 million, and basic EPS of NT\$0.52.**

On a consolidated basis, our revenue in 1Q22 was NT\$9.78 billion; gross profit was 2.25 billion; pre-tax profit was 276 million, with basic EPS of NT\$0.52, a decrease of NT\$0.04 from 1Q21. Due to the impact of the COVID-19 pandemic on the domestic and foreign environments, revenue in 2022Q1 saw a 15.5% decrease compared to the same period a year ago. The world was facing a new COVID-19 wave, which continued to affect the global economy due to labor shortages, unstable supply chains, and rising inflation.

Our trading unit's revenue was NT\$5 billion in 1Q22. Due to the European and American customers' adjustment of shipping schedules and the Qingming Festival, the Labor Day, and a COVID-19 lockdown in China that resulted in reduced working days and affected the shipping schedule, 2022Q1 trading revenue experienced a decline from that in 2021Q. Because of the pandemic and the Russia-Ukraine war, the external business environment remained uncertain, leading to rapid fluctuations in the revenue of trading business. Faced with the existing uncertainties, Test-Rite will continue to keep close contact with our customers and use flexible procurement strategies to provide customers with the best supply solutions in response to market conditions.

Our Taiwan retail business reported revenue of NT\$4.29 billion in 2022Q1. Due to the pandemic heating up, the number of customers dropped, leading to a slight decrease in revenue from that in 2021Q1. In the post-pandemic era, people changed their lifestyles and consumption patterns. They spent more time at home, traveled shorter distances, and shopped in the community centers nearby. In the future, Test-Rite will continue expanding community stores. We will link large stores and community stores through satellite store to attract different target audience, which is expected to boost sales.

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Figure 1 – Test-Rite IFRS-based consolidated P&L for 1Q22

(NT\$m)	1Q22	1Q21	YoY%
Consolidated sales	9,782	11,577	-15.5%
COGS	(7,534)	(8,918)	-15.5%
Gross profit	2,248	2,659	-15.5%
Operating expense	(2,192)	(2,350)	-6.7%
Operating profit	55	309	-82.2%
Non-operating income/loss	221	64	242.7%
Pre-tax profit	276	373	-26.0%
Net profit	264	286	-7.5%
Other net profit	124	6	1823.1%
Total net profit	388	292	32.9%
<b>Net profit attributable to TRIC shareholders</b>	258	278	-7.0%
NT Dollar (After Tax)			
Basic EPS	0.52	0.56	-7.1%
Diluted EPS	0.52	0.56	-7.1%
Gross margin	23.0%	23.0%	0.0%
Operating margin	0.6%	2.7%	-2.1%
Pre-tax margin	2.8%	3.2%	-0.4%
Net margin	2.6%	2.4%	0.2%