

PRESS RELEASE
FOR IMMEDIATE DISTRIBUTION
January 26, 2015

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Test Rite Announces Establishment of a Distribution Center in Shanghai Free Trade Zone

Taipei – 26 Jan 2015: Test Rite Group (TWSE: 2908), Asia’s second-largest trading company, announced the establishment of a new distribution center in the Yangshan Free Trade Port Area in Shanghai. In addition to providing advanced warehousing management, the center will also support sourcing services, production management, and cross-border e-commerce. An auto parts chain store retailer from the U.S. has already committed to the services of the new distribution center, with an estimated annual shipment to be nearly US\$ 10 mn. Test Rite is expected to benefit as more clients come on board.

Sophia Tong, CEO of Test Rite Group, noted that, “The Chinese government is vigorously promoting the development of Free Trade Zones (FTZs). In addition to setting up FTZs around the coastal provinces, China is also planning to expand the FTZs inland. Test Rite has 37 years of experience in the trading business, but we continue to invest and strengthen various services in support of global trading operations to meet customer needs and enhance the quality of those services. The new distribution center in the Shanghai FTZ is designed to support our clients in implementing more efficient management of their logistics needs. It also goes a long way to improve existing supply chain management systems through advanced product development and management in order to provide a truly comprehensive solution.”

Ms. Tong further stated that while China already is the de facto source of products for multinational retailers in Europe and Americas, many retailers still face difficulties in streamlining their needs in sourcing, production and quality management, inventory warehousing, product packaging, consolidation, pick & pack, assembly, sorting, and on-time shipments. “We established the distribution center to expand the existing scope of services and provide a one-stop facility to fulfill procurement needs, and help our clients and suppliers to save overall sourcing costs while benefiting from value-added services.”

The newly-established distribution center will provide three key value-added services:

(1) Sourcing and production management that allows for the expansion of the existing product development, sourcing, and makers & production management, as well as product quality assurance, quality control, fulfillment management from purchase order to final payment; (2) Advanced warehouse management, which includes a host of value-added services for various products, such as: sorting, storage, pick & pack, labeling, kitting & assembly, repackaging, assisting clients with sales and inventory monitoring and management, replenishment, management of discontinued items, as well as customs and shipping management services to effectively meet the various warehousing needs of the clients. The distribution center can also integrate with global supply chain services, for example, merging products sourced from South-East Asia and India for consolidation, and customized logistical solutions based on the specific conditions of the clients; (3) Warehousing support for cross-border e-commerce of non China based retailers, including Test Rite's own Greater China retail business. This service can improve product availability while reduce tariff burdens.

“Test Rite's Shanghai FTZ distribution center improves inventory turnover for retailers' import products and provides packaging management that complies with international audit and ethical standards. We can also integrate merchandise from South East Asia, India, and China to reduce operating costs, enhance efficiency for on-time production and delivery, and resolve minimum order quantity and quality control issues,” said Ms. Tong. “After launching a vendor financing program in 2012, we have now completed the last piece of the supply-chain puzzle with this distribution center to become a true total-supply-chain solutions provider.”

The response to the new distribution center from retail clients in Europe and America has been encouraging. A US auto parts retailer has been the first client to sign up. Test Rite will continue to strengthen its logistics management capabilities in order to satisfy various supply chain management needs from retail customers. Further development of the Shanghai FTZ operation is in the pipeline with the intention to replicate the model to other FTZs in China.

For more information on Test Rite Group, please visit www.testritegroup.com

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