



**Issued by: Test-Rite International Co. Ltd (Ticker: 2908 TT/ 2908 TW)**  
**Subject: Monthly Consolidated Sales results for November 2017**

**Date: December 11<sup>th</sup>, 2017**

Test-Rite Group reported consolidated revenue of NT\$2.97 bn, an increase of 16.8% YoY. The consolidated revenue showed NT\$34 bn Year-to-Date, an increase of 4.8 % YoY. (Please see Figure 1 for the details of consolidated revenue).

Consolidated Trading revenue showed NT\$1.34 bn, an increase of 68.1% YoY; NT\$ 15.3 bn YTD, an increase of 26.2% YOY. Traditional trading sales in North America is doubled due to increasing demands of Walmart and Hillman, showing an increase of 131% YoY. Agency business also rebounds after months of inventory adjustments. The replenished orders has contributed 121% YoY growth of the shipment. The fourth quarter of trading should be able to remain in a growing trend. However, strong Taiwanese dollar will offset partial of its growth. (Please see Figure 2 for the details of shipments breakdown)

Consolidated Taiwan retail business reported NT\$1.36 bn, an increase of 0.1%; NT\$ 15.3 bn YTD, a decrease of 4.5% YOY. While winter is coming, the continuous rainy and cold weather in November has largely increased the demands of warm products. HOLA has 5% YoY growth and the brand agency of Wedgewood and Frette also has nearly 20% growth YoY. In the meantime, the sales proportion of E-commerce keeps going up. It has accounted for 6.2% of the consolidated Taiwan retail business. The massive non-store items increased in the official website has created significant long-tail effects. Both TLW and HOLA had significant online sales growth at 87% and 96% YoY separately.

HOLA China reported revenue of NT\$215 mn, a decrease of 33.5%; NT\$ 2.49 bn Year-to-date, a decrease of 23.1% YOY. Revenue showed lower due to decreased number of stores. Test-Rite Group currently operates 27 TLW (DIY) stores, 2 Crate & Barrel stores, 25 HOLA stores in Taiwan, and 26 HOLA stores in China. It has been 7 Stores less in China in comparison to the last year.

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**Figure1: Test-Rite Group November Consolidated Sales**

<b>Consolidated Breakdown by BU(NT\$'000)</b>	<b>2017*</b>	<b>2016</b>	<b>YoY% chg</b>
Total retail sales	1,571,060	1,678,543	-6.4%
-Taiwan retail sales ▲	1,356,232	1,355,496	0.1%
-HOLA China sales^	214,828	323,047	-33.5%
Trading sales◎	1,337,032	795,393	68.1%
-Principle trading shipments	1,313,744	783,196	67.7%
-Agency commission revenue	23,288	12,197	90.9%
Other sales#	65,132	72,272	-9.9%
<b>Consolidated Sales in November</b>	<b>2,973,224</b>	<b>2,546,208</b>	<b>16.8%</b>
Accumulated total retail sales	17,785,669	19,263,813	-7.7%
-YTD Taiwan retail sales ▲	15,299,473	16,028,713	-4.5%
-YTD HOLA China sales^	2,486,196	3,235,100	-23.1%
Accumulated trading sales◎	15,328,843	12,145,880	26.2%
-YTD principle trading shipments	15,007,312	11,815,957	27.0%
-YTD agency commission revenue	321,531	329,923	-2.5%
Accumulated other sales#	859,577	1,016,970	-15.5%
<b>Accumulated Consolidated Sales</b>	<b>33,974,089</b>	<b>32,426,663</b>	<b>4.8%</b>

\*2017 figures are not audited Note: According to Taiwan GAAP, Test-Rite will recognize agency shipment as commission revenue.

◎TR trading sales includes principal trading sales and commission revenue from agency business.

▲Taiwan Retail sales included TLW, HOLA, Décor House, TLW Service, Test Rite Brand Agency, and Test Rite C&B.

#Other sales included Life 1 Plaza and Chung Cin.

^Based on exchange rate RMB: NTD of 4.4962:1 for November 2017. HOLA CN sales included HOLA China.

**Figure2: TR Trading Consolidated Shipment Volume**

<b>Shipment Volume</b>	<b>2017</b>	<b>2016</b>	<b>YoY% chg</b>
Principal trading shipment	1,313,744	783,196	67.7%
Agency business shipment	779,005	352,782	120.8%
-Agency shipments	507,134	255,045	98.8%
-Order management shipments	271,871	97,737	178.2%
<b>Total Shipment in November</b>	<b>2,092,749</b>	<b>1,135,978</b>	<b>84.2%</b>
Principal trading shipment–Accumulated	15,007,312	11,815,957	27.0%
Agency business shipment–Accumulated	11,115,628	10,408,412	6.8%
-Agency shipments	6,598,725	7,127,459	-7.4%
-Order management shipments	4,516,903	3,280,953	37.7%
<b>Total Shipment–Accumulated</b>	<b>26,122,940</b>	<b>22,224,369</b>	<b>17.5%</b>

\*Agency Shipments recognize 4-5% as commission revenue; Order management shipments is lower in commission