



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

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Subject: Test-Rite 4Q20 and FY2020 Earnings Results Announcement

Test-Rite reported revenue of NT\$11 billion in 4Q20, a 21.3% increase YoY, net profit after tax of NT\$158 million, and basic EPS of NT\$0.31, showing a significant increase of 14.7% YoY. Revenue in 2020 was NT\$41.8 billion, a 9.8% increase YoY, while net profit after tax came in at NT\$792 billion, with basic EPS of NT\$1.6.

On a consolidated basis, our revenue in 4Q20 and 2020 was NT\$11 billion and NT\$41.79 billion, up 21.3% and 9.8% YoY, respectively. Operating margin and net margin in 4Q20 and 2020 were 1.7% and 2.7% and 1.4% and 1.9%, respectively. Under the challenge of COVID-19, our revenue increased significantly and drove the operating profit and net profit after tax to grow. It showed that no matter how the external environment changed, Test-Rite strove to build a stable enterprise structure in response to the external challenges.

Our trading unit's revenue was NT\$23.1 billion and the total shipment amount was NT\$ 35.7 billion in 2020, an increase of 20.5% and 10.3% YoY, respectively. Even though the COVID-19 pandemic remained ravaging in the world, the shipments continued to show steadily. As the need of anti-COVID-19 products increased greatly, Test-Rite set up a special team in charge of epidemic prevention products and used our powerful global sourcing capabilities to respond to the strong demand from overseas customers. In addition to the development of new products, our customers continued to pull in existing epidemic prevention products to meet the strong demand.

Our Taiwan retail business reported revenue of NT\$16.6 billion in 2020. Due to the epidemic, people worked and stayed at home for a long time, driving our retail business revenue to increase by 4.4% YoY. In the post-pandemic era, people changed their lifestyles and focused on how to elevate their quality of life. Therefore, it promoted the sales of online and offline channels. Our TR Plus website sales continued to grow, which registered revenue NT\$1.8 billion in 2020, up 34% YoY. According to Taiwan's Department of Statistics, total sales in two housing-related industries, namely Housing Products and Accessories, fell by 8.6% in 2020. Even though Taiwan's retail market remained sluggish, Test-Rite delivered a stellar performance in 2020.

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Figure 1 – Test-Rite IFRS-based consolidated P&L for 4Q20 and 2020

(NT\$mn)	4Q20	3Q19	YoY%	2020Q1-Q3	2019Q1-Q3	YoY%
Consolidated sales	10,906	9,781	11.5%	30,794	28,994	6.2%
COGS	(8,180)	(7,315)	11.8%	(22,713)	(21,135)	7.5%
Gross profit	2,726	2,466	10.6%	8,081	7,859	2.8%
Operating expense	(2,362)	(2,298)	2.8%	(7,121)	(7,227)	-1.5%
Operating profit	364	168	116.7%	960	632	51.9%
Non-operating income/loss	(14)	(46)	-70.3%	(98)	(677)	-85.6%
Pre-tax profit	351	122	186.4%	863	(45)	2001.1%
Net profit	260	172	51.2%	644	(29)	2320.7%
Other net profit	15	(94)	-116.0%	(73)	(106)	31.1%
Total net profit	275	78	252.6%	571	(135)	523.0%
Net profit attributable to TRIC shareholders	256	166	53.7%	633	(37)	1789.3%
NT Dollar (After Tax)						
Basic EPS	0.52	0.33	57.6%	1.28	(0.07)	1928.6%
Diluted EPS	0.52	0.33	57.6%	1.28	(0.07)	1928.6%
Gross margin	25.0%	25.2%	-0.2%	26.2%	27.1%	-0.9%
Operating margin	3.3%	1.7%	1.6%	3.1%	2.2%	0.9%
Pre-tax margin	3.2%	1.3%	2.0%	2.8%	-0.2%	3.0%
Net margin	2.3%	1.7%	0.6%	2.1%	-0.1%	2.2%