



Issued by: Test-Rite International Co. Ltd

Date: May 1st, 2010

(Ticker: 2908 TT/ 2908 TW)

Re: Earnings Report of 1Q10

Test Rite: 1Q10 earnings of NT\$0.5 per share, up 150% vs. 1Q09's NT\$0.2 per share

Test-Rite reported 1Q10 revenue of NT\$2.8bn, down 1.8% YoY with net income of NT\$242 million, up 188% YoY for the period. EPS for 1Q10 was NT\$ 0.5. Excluding FOREX gain of NT\$ 90mn, 1Q10 EPS was NT\$ 0.29 vs. 1Q09's NT\$ 0.05 (see Figure 1).

Growth in non-operating income for 1Q10 was mainly driven by the continued recovery of consumer demand in Taiwan that began in 4Q09 and improving operational efficiencies in Hola China. As of April 2010, Test-Rite operates 35 retail outlets in Taiwan and 20 in China. Please refer to Figure 2 for the detailed breakdown of non-operating income contributions.

Figure 1 – Test-Rite's 1Q10 and 1Q09 P&L

(NT\$m)	1Q10A	1Q09A	% chg
Turnover	2,828	2,881	-1.8%
Gross profit	559	527	6.1%
Operating profit	48	97	-50.5%
Non-operating income/loss	224	(23)	n.m.
Pre-tax profit	272	74	268%
Net profit	242	84	188%
EPS	0.50	0.20	150%
Gross margin			
	19.8%	18.3%	
Operating margin			
	1.7%	3.4%	
Pretax margin			
	9.6%	2.6%	
Net profit margin(%)			
	8.6%	2.9%	

Source: Test-Rite Int'l

Figure 2 – Breakdown of non-operating profit

(NT\$m)	1Q10A	1Q09A	% chg
Trading Subsidiaries	(47)	(68)	n.m.
Retail Subsidiaries			
- TR Retail(TW)	230	123	87%
- Hola China	(46)	(88)	-48%
- Life 1 Plaza	(32)	(43)	-26%
- Others	(1)	0	n.m.
Subtotal: Retail Subsidiari	151	(8)	n.m.
Tong Lung Metal	24	19	26%
Other LT Investments	13	5	160%
FX Gain/(Loss)	90	58	55%
Interest income/(loss)	(17)	(26)	n.m.
Others	10	(3)	n.m.
Non-Operating Profit	224	(23)	n.m.

Source: Test-Rite Int'l

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