



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

Date: August 30, 2012

Re: Test-Rite Int'l's 2Q12 earnings result announcement

2Q12 net income total NT\$114mn, up 18.1% YoY

Net income for 2Q12 totaled NT\$ 114 mn, up 18.1% YoY with basic EPS of NT\$ 0.22, an increase of 15.8% YoY. Excluding net FOREX gains and one-time items, net income during the period totaled NT\$107 mn up 16.0% YoY. Fully-diluted EPS, excluding net FOREX and one time items, was NT\$0.21, up 21.4% YoY. Please see Figures 1 & 2 for a detailed breakdown of our 2Q12 results.

Trading Business

Parent revenue (Trading business) totaled NT\$ 2.84bn, a decline of 18.2% YoY, as total shipments from our trading operations declined 14.5% YoY during the period to NT\$ 3.6 bn. This decline can be attributed to 1) typical seasonal slowdown of our traditional trading business and 2) longer than expected adjustment period for inventory level by our global retail customers. Operating profit in 2Q12 decreased by 17.1% to NT\$ 97 mn while our overseas trading subsidiaries reported a net loss of NT\$39 mn during the period vs. a profit of NT\$6 mn in 2Q11.

Retail Businesses - Taiwan

Taiwan retail businesses, including TLW (DIY) and Hola Taiwan, saw revenue growth by 0.5% YoY to NT\$ 3.8 bn in 2Q12 but net profit increased by 49% YoY to NT\$ 44 mn. Contributions from Décor House retail center and cost control are key reasons earnings improvement. We currently operate 23 TLW stores and 20 Hola stores in Taiwan.

Retail Businesses - China

Hola China posted sales of RMB 176.2 mn in 2Q12, up 1.2% YoY with same-store sales growth of 1.4% in 2Q12. However, net loss was reduced by 29.6% to NT\$ 50 mn during period on the back of gross margin improvement by 2.6 ppt to 37.1% and lower rental expenses as Hola China trimmed its selling space by 11.5% compared to 1H11. Excluding a NT\$1.6mn change related to store closure, Hola China's losses would be further reduced to NT\$48.4mn, a decline of 31.8% YoY. Hola China currently operates 27 stores.

Tung Lung Metal

Tung Lung Metal (8705 TT), a 68.27% held subsidiary of Test-Rite, reported 2Q12 revenue of NT\$ 845.6 mn, grow 1.4% YoY. Net profit was NT\$ 57 mn compared to NT\$ 15 mn in 2Q12, with growth 291.0%.

Sophia Tong
Group CEO
TEL: 886-2-8791-5888

Hannis Chang
CFO & Deputy Spokesperson
TEL: 886-2-8791-5888

For further information, please contact
Jack Chang
Spokesperson/ IR Officer:
TEL: 886-2-8791-5349
Email : investor@testritegroup.com

Amelia Yang
Investor Relations Office
TEL: 886-2-8791-5861
Email : investor@testritegroup.com



Figure 1 –Test-Rite Parent only P&L 2Q12

(NT\$m)	2Q12	2Q11	YoY % chg
Turnover	2,837	3,469	-18.2%
Gross profit	584	652	-10.4%
Operating profit	97	117	-17.1%
Non-operating income/loss	37	6	567.9%
Pre-tax profit	134	123	9.6%
Net profit	114	97	18.1%
EPS(Aft-tax)	0.22	0.19	15.8%
Diluted EPS(NT\$)	0.22	0.19	15.8%
Fully diluted EPS (NT\$)	0.22	0.18	23.6%
Net profit ex one time charge and FOREX	107	92	16.0%
Fully-dilluted EPS(Aft-tax)ex FOREX and one time charge	0.21	0.17	21.4%
Gross margin	20.6%	18.8%	
Operating margin	3.4%	3.4%	
Pre tax margin	4.7%	3.5%	
Net profit margin	4.0%	2.8%	

* One-time expense for closing one store in HOLA CN is NT\$1.6 mn in 2Q12; FOREX in 2Q12 is NT\$9mn. and NT\$5mn. in 2Q11.

Figure 2 – Breakdown of non-operating profit 2Q12

(NT\$m)	2Q12	2Q11	YoY % chg
Trading Subsidiaries	(39)	6	n.m.
Retail Subsidiaries			
- TLW	44	30	49.0%
- Hola China	(50)	(71)	-29.6%
- Life 1 Plaza	11	8	28.6%
Subtotal: Retail Subsidiaries	5	(33)	n.m.
Tong Lung Metal	57	15	291.0%
Other LT Investments	0	9	-100.0%
FX Gain/(Loss)	9	5	91.7%
Interest net amount	(22)	(20)	7.9%
Others	28	25	11.2%
Subtotal of Non-Operating income / loss	37	6	567.9%



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

Date: August 30, 2012

Re: Test-Rite Int'l's 1H12 earnings result announcement

1H12 net income total NT\$ 382 mn, up 7.8% YoY

Net income for 1H12 totaled NT\$ 382 mn, up 7.8% YoY and basic EPS was NT\$ 0.77, up 13.2% YoY. Excluding net FOREX gains and one-time items, net income during the period totaled NT\$ 342 mn, a decline of 0.3% YoY, but fully-diluted EPS excluding FOREX gains and one-time items increased 4.3% YoY to NT\$0.67. Please see Figures 1 & 2 for a detailed breakdown of our 1H12 results.

Trading Business

Parent revenue (Trading business) totaled NT\$ 5.7bn, a decline of 17.2% YoY, as total shipments from our trading operations declined 10.3% YoY during the period to NT\$ 7.3 bn. Gross margin increased by 1.3 ppt to 20.1% while operating margin is increased by 0.8 ppt to 3.1%. Operating profit increased by 8.2% to NT\$ 175 mn while our overseas trading subsidiaries reported a net loss of NT\$81 mn, NT\$ 34mn vs. 1H11.

Retail Businesses - Taiwan

Taiwan retail businesses, including TLW (DIY) and Hola Taiwan, saw revenue decrease by 0.2% YoY to NT\$ 7.9 bn in 1H12. However, net profit totaled NT\$ 285mn, an increase of 8.2% YoY. We currently operate 23 TLW stores and 20 Hola stores in Taiwan.

Retail Businesses - China

Hola China posted sales of RMB 378.4 mn in 1H12, up 1.7% YoY with same-store sales growth of 3.6% in 1H12. Despite the temporary closure of our largest outlet (Xiangxia store), net loss declined by 23.8% in 1H12 to NT\$ 88 mn, benefiting from gross margin expansions and lower rental expenses. Hola China currently operates 27 stores.

Tung Lung Metal

Tung Lung Metal (8705 TT), a 68.27% held subsidiary of Test-Rite, reported 1H12 revenue of NT\$ 1.6 bn, up 5.2% YoY, while net profit of NT\$ 79 mn increased 122.5% YoY, benefiting from lower raw material prices in 1H12 and improving demand from the US housing market.

Sophia Tong
Group CEO
TEL: 886-2-8791-5888

Hannis Chang
CFO & Deputy Spokesperson
TEL: 886-2-8791-5888

For further information, please contact
Jack Chang
Spokesperson/ IR Officer:
TEL: 886-2-8791-5349
Email : investor@testritegroup.com

Amelia Yang
Investor Relations Office
TEL: 886-2-8791-5861
Email : investor@testritegroup.com



Figure 1 –Test-Rite Parent only P&L 1H12

(NT\$m)	1H12	1H11	YoY % chg
Turnover	5,726	6,913	-17.2%
Gross profit	1,150	1,292	-11.0%
Operating profit	175	162	8.2%
Non-operating income/loss	249	230	8%
Pre-tax profit	424	392	8.2%
Net profit	382	354	7.8%
EPS(Aft-tax)	0.77	0.68	13.2%
Diluted EPS(NT\$)	0.76	0.68	11.8%
Fully diluted EPS (NT\$)	0.75	0.67	12.8%
Net profit ex one time charge and FOREX	342	343	-0.3%
Fully-diluted EPS(Aft-tax)ex FOREX and one time charge	0.67	0.65	4.3%
Gross margin			
	20.1%	18.7%	
Operating margin			
	3.1%	2.3%	
Pre tax margin			
	7.4%	5.7%	
Net profit margin			
	6.7%	5.1%	

* One-time expense related to disposal Jiashan Warehouse gain in 1H12 is NT\$20mn, and one-time expense for closing one store in HOLA CN is NT\$3.2 mn in 1H12; treasury share expenses totaled NT\$54mn in 1H11. FOREX in 1H12 is NT\$23mn. and NT\$66mn. in 1H11.

Figure 2 – Breakdown of non-operating profit 1H12

(NT\$m)	1H12	1H11	YoY % chg
Trading Subsidiaries	(81)	(34)	140.2%
Retail Subsidiaries			
- TLW	285	263	8.2%
- Hola China	(88)	(116)	-23.8%
- Life 1 Plaza	9	(1)	-1162.5%
Subtotal: Retail Subsidiaries	205	147	n.a.
Tong Lung Metal	79	36	122.5%
Other LT Investments	31	53	-41.6%
FX Gain/(Loss)	23	66	-65.1%
Interest net amount	(47)	(38)	23.9%
Others	38	0	19100.0%
Subtotal of Non-Operating income / loss	249	230	8.2%