



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

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Subject: Test-Rite International reports 11th consecutive quarterly earnings growth

Test-Rite reported IFRS based 1Q13 consolidated revenue of NT\$8.9bn, down 5.0% YoY. However, net profit increased 13.4% YoY to NT\$245mn while basic EPS also improved 13.6% YoY to NT\$0.5 per share. Excluding FOREX, TLM and one-time items, revenue from recurring businesses increased by 3.4% to NT\$ 8.9 bn. Recurring net income increased 24.9% to NT\$ 227 mn (recurring EPS of NT\$ 0.43). This is the 11th consecutive YoY increase of our quarterly net income.

The growth in net income can be attributed to improving earnings outlook from TR USA, our trading subsidiary servicing the North American market, and retail operation in China. Our 100% owned TR USA contributed earnings of NT\$ 27.1 mn during the quarter vs. a loss of NT\$ 2.5mn in 1Q12. Separately, Hola China's losses totaled NT\$ 11.5 mn in 1Q13, a decline of 66.2% YoY. Hola China's loss was reduced for the fifth consecutive quarter.

Please see Figure 1 for our consolidated P&L.

Figure 1 –Test-Rite IFRS based Consolidated P&L for 1Q13

(NT\$mn)	1Q13	1Q12	YoY%
Turnover	8,869	9,331	-5.0%
Gross profit	2,577	2,656	-3.0%
Gross margin	29.1%	28.5%	2.1%
Operating Expense	(2,302)	(2,406)	-4.3%
Operating profit	275	250	10.0%
Operating margin	3.1%	2.7%	15.7%
Non-operating income/loss	1	50	-98.0%
Pre-tax profit	276	300	-8.0%
Net profit	248	227	9.3%
Other net profit	20	(3)	766.7%
Total net profit	269	224	20.1%
Net profit attribute to TRIC	245	216	13.4%
Recurring Net profit attribute to TRIC	227	181	24.9%
EPS(attributed to TRIC)(NT\$)	0.50	0.44	13.6%
Recurring Fully-diluted EPS(Aft-tax)	0.43	0.35	24.9%

* FOREX in 1Q13 was NT\$ 18.4mn and NT\$ 13.8mn in 1Q12. One-time expense related to disposal Jiashan Warehouse gain in 1Q12 was NT\$20.7mn; TLM's net profit in 1Q13 was zero and NT\$ 22.6mn in 1Q12.

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