

## News Release

### 2015 Third Quarter Report

**Issued by: BizLink Holding Inc. (TWSE code: 3665)**

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BizLink Holding Inc. (TAIEX: 3665) announced today a CPA audited Third Quarter 2015 consolidated net sales revenue of NT\$ 2.15 billion (approx. US\$ 67.41 million), an increase of 10.51% YoY\* (in NT\$) with a gross profit margin of 26.06% and NT\$ 2.27 EPS (approx. US\$ 0.071).

This quarter's product composition compared with the previous one saw the automobile sector grow by 4 percentage points while IT fell by 3 percentage points. Early mass production of energy storage harnesses and docking stations have not yet hit optimal efficiency as they are new products in their respective sectors. Consequently while gross profit margins were lower, they remained reasonable and have ample room to grow in the following months.

In comparison with the same period last year, net profits increased by 14.09% (in NTD), but gross margin fell by 3.24%. This can be attributed to IT being a larger portion of the product mix—increasing 5% from 42%—combined with automobiles decreasing 3% from 34%. The gross margin of vehicle harnesses being on average higher than that of IT products, the change in ratio of the two categories had an effect on overall gross margin. On the bright side, docking station products are on the high end of the profit margin spectrum within IT, and are projected continued growth.

#### **Third Quarter Update:**

- IT products accounted for 47% of revenue, a decrease of 4 percentage points QoQ.

The main growth driver was the Docking Station segment, having maintained its momentum from Q2. The pull-in of Adapters (dongles) to commercial tablet customers in the USA recovered in Q3 due to transition to a new generation of models, bringing revenue to a record high in September.

- Motor vehicle harness sales revenue increased 4 percentage points to 31%.

A few customers had their annual factory vacation in August, negatively impacting revenue. This was slightly balanced out by August being high demand season for sport utility vehicles. Pull-in from Electric Vehicles ramped up and is expected to remain consistent in the fourth quarter.

Harnesses for power storage equipment went into mass production in August and deliveries in

September made contributions to revenue, with demand expected to continue in the following months. The overall outlook for this segment remains optimistic.

- Revenue in Medical Equipments maintained a stable 10%.
- The contribution of Consumer Electronics and Photovoltaic products remained flat, each contributing 1%.

#### **Outlook for the Subsequent Two Quarters:**

- The outlook for Docking Stations remains optimistic due to the continued expansion of product lines and enthusiastic adoption of slimmer and more compact notebooks. New Docking Station models will be introduced in the future.
- Adapters will continue to be bundled with commercial tablets and notebooks. Consequently, the global new cycle of product launches will sustain demand.
- Our client's Electronic SUVs and power storage products will commence delivery in the fourth quarter of 2015. These segments are expected to contribute significantly to revenue growth in that quarter.

\* 2014 Q3 consolidated revenue was NTD 1,949,011 thousand (approx. USD 64,983 thousand) (CPA audited)

In USD Thousand	
YoY	Net Sales
2014 Q3.	64,983
2015 Q3.	67,417
Change %	10.50%

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#### **Press Contact**

Tom Huang, Investor Relations Manager

[ir@bizlinktech.com](mailto:ir@bizlinktech.com)

+886-2-82261000#662

Sam Tsai, Deputy of Spokesperson

[ir@bizlinktech.com](mailto:ir@bizlinktech.com)

+886-2-82261000#660