

Fulgent Sun (9802) Announces Monthly Sales for July 2018

Fulgent Sun announces its unaudited sales for July 2018 was NT\$1,117 million (+ YoY 16.20%,+ MoM 2.76%). New high in the same period

The Board of Directors approved the cash to increase the capital and issuing convertible corporate bonds

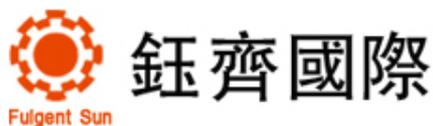
Optimizes the mid- and long-term operation

2018 / 08 / 06, Douliu

Fulgent Sun International (Holding) Co., Ltd. ("Fulgent Sun", TWSE: 9802) today announced its unaudited sales for July 2018 was NT\$1,117 million on a consolidated basis, an increase of 2.76% from June 2018; an increase of 16.20% from July 2017. It was the peak of autumn and winter shoes, and directly drive annual revenue growth rate to resume growth momentum. Unaudited consolidated sales for January through July 2018 totaled NT\$5,902 million, an increase of 0.36 % compared to the same period in 2017.

"Small amount and diverse" has always been the industrial characteristics of outdoor functional shoes which is different from the sports shoes industry. The pursuit of the diversity of OEM brands and multinational production base has always been a major strategic thinking of the company's management team. The Sunbow Plant in Cambodia and the NGOC HUNG in Vietnam started trial production respectively in 2014 and 2015, as well as, more than ten internationally renowned brand customers who have successfully joined the mass production in recent years, are the concrete results of the business strategy. Looking at the capacity allocation of the Group's China and non-China regions, it has gradually grown from 60%:40% in 2015 to 40%:60% in the first half of this year. The Group's main part has been transferred to the Vietnam and Cambodia sites. Under the existing advantages of using mature factories in China, and integrating many of the comparative advantages of different production bases in different countries under the Group, it will be more beneficial to deepen the establishment of long-term stable partnerships with many new and old international brand customers.

Fulgent Sun stressed that the Group has expanded its production and plans since its listing in 2012. The scale of production capacity has gradually increased. The overall gross profit margin of the Group has also increased from 13.0% in 2015, 18.0% in 2016, to 19.8% in 2017. The operating profit ratio also increased from 2.3% in 2015, 7.7% in 2016, to 10.9% in 2017. Although it is necessary to accelerate the adjustment of production capacity allocation in response to the rapid changes in the global situation, which will affect the performance of short-term financial reports, this is a necessary strategy and a necessary process. Although the current new production line in Southeast Asia is not as mature as the



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original production line of the Chinese factory, it still needs to face learning curve costs for new employees. After the establishment of three years, the Sunbow in Cambodia and NGOC HUNG Plant in Vietnam successfully crossed to break-even point in 2016 and 2017 respectively. It can be clearly seen with the mass production economy, the quality of personnel management, and the improvement of the staff's operational proficiency. It will be able to meet the next wave of growth peaks as the Group's capacity adjustments are gradually improved and the development of new customers.

In order to further stabilize the construction of mid and long-term operational growth, the Board of Directors has approved the issuance of the fourth domestic unsecured convertible bond (NT\$1 billion) and the issuance of cash capital increase to issue new shares (6,000 thousand shares) for the repayment of bank loans and enrich working capital. We hope to reinforce the company's overall financial structure and build a medium and long-term competitive advantage with external resources, and return relevant benefits to all employees and shareholders.

Fulgent Sun consolidated sales report

(In NTD '000)

Year Period	2018	2017	YOY
July	1,117,355	961,593	16.20
January to July	5,902,096	5,881,027	0.36

About Fulgent Sun

Fulgent Sun International (Holding) Co., Ltd. ("Fulgent Sun", TWSE: 9802) was established in 1995, principally engaged in foundry production and distribution of sports shoes and outdoor shoes. There are more than 40 international well-known brand customers. Its headquarters is located at Douliu City, Yunlin County, Taiwan. There are six factories which spread throughout China, Vietnam, and Cambodia.

Forward Looking Statements

Some of the statements contained in this press release may be considered forward-looking statements. These statements identify prospective information. Forward-looking statements are based on information available at the time and/or management's good faith belief with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements. These forward-looking statements are subject to a number of factors that may cause actual results to differ materially from the expectations described, which include but are not limited to economic, competitive, market, currency, governmental and financial factors. Fulgent Sun International (Holding) Co., Ltd. assumes no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information except to the extent required by applicable securities laws.