

Fulgent Sun shareholders approved cash dividends of NT \$4.1 per share, rewrites the historical record, the cash dividend yield reached 6.6%

Fulgent Sun announces its unaudited sales for May 2018 was NT\$832 million (- YoY 13.52%, +MoM 18.41%)

2018/06/08, Douliu

The Fulgent Sun International (Holding) Co., Ltd. ("Fulgent Sun", TWSE: 9802) held a 2018 shareholders' meeting at Yunlin Technology-based Industrial Park Service Center (No.26, Kegong 2nd Rd., Douliu City, Yunlin County) at nine o'clock in the morning. The meeting hosted by Wen-Chih, Lin, Chairman, at which the shareholders approved the 2017 business report, financial statements, the appropriation of the earnings, and the distribution of a cash dividend of NT\$4.1 per share. It rewrites the historical record. The cash dividend yield reached 6.6% based on the closing price NT\$61.9 per share from today.

The Company's operating revenue broke through NT\$10,000 million to reach NT\$10,388 million in 2017, which sees an increase of 14.41% compared with the previous year. The sales revenue of outdoor shoes accounted for 88.0% of the operating revenue, and the sports shoes accounted for 10.0%. In Profit performance, with the management team actively promotes production efficiency and strengthens the overall effectiveness of the management of various functional units, the gross profit margin and operating profit margin reached 19.8% and 10.9% in 2017. It drove net income to reach NT\$796 million, annual growth rate of 14.78%, and EPS of NT\$5.65, both setting the highest record in history for the company.

Fulgent Sun's unaudited sales for May 2018 was NT\$832 million on a consolidated basis, an increase of 18.41 percent from April 2018, a decrease of 13.52 percent from May 2017. Unaudited consolidated sales for January through May 2018 totaled NT\$3,697 million, a decrease of 4.56 percent compared to the same period in 2017. If we don't consider the value of the New Taiwan dollar appreciation factor, in US dollar terms, it will be the same as last year. The fall/winter new shoes shipment is expected to reach peak between June and July. The overall scale of operation will continue to increase. In addition, due to the depreciation trend of RMB and NTD exchange rates against the U.S. dollar in April and May, it will help alleviate the pressure in sales and gross margins on exchange rates. It will also have the opportunity to recover some of the foreign exchange valuation losses in the first quarter. .

Looking forward, Fulgent Sun continues to operate mid-to-long term with stable growth as the principle. Although the volatility in the global economic environment and demand and supply of production and sales gap have always existed, the company still maintains a neutral and long-term positive view of the global sports and leisure atmosphere. As the customer demand for outdoor shoes continues to increase driving the overall order visibility keep 3 to 4 months. Before the capacity adjustment plan is completed, the order-taking strategy will be more prudent and conservative. In addition, based on corporate growth initiatives and in order to meet the needs of branded customers, steady expansion of

Announces 2018 Shareholders' Meeting & Monthly Sales for May 2018

production capacity has been a major business objective of the Group. In recent years, the focus of the expansion is still on the Cambodian and Vietnam plant sites. As the scale of production capacity is increased, the Company will continue to strengthen the introduction of automated intelligent production, and gradually optimize the production processes, which can achieve the dual effects of reducing manpower demand and increasing the yield rate, and then shift the resources to the Group's growth momentum in the future.

Fulgent Sun consolidated sales report

(In NTD '000)

Year Period	2018	2017	YOY
May	832,053	962,150	-13.52
January to May	3,697,424	3,874,192	-4.56

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.