

Fulgent Sun (9802) Announces FY2018 3Q Financial Result

Fulgent Sun: 2018 3Q, staged plant capacity allocation has been successful.

Gross profit margin and Operating profit margin, both increase over the previous quarter and year.

EPS of NT\$1.45(+YoY 70.6%), reaching historical high.

EPS of NT\$3.77 in the first three quarters of 2018, be optimistic for operating performance.

2018/10/16, Douliu

Fulgent Sun International (Holding) Co., Ltd. ("Fulgent Sun", TWSE: 9802) today announced its unaudited results for 3Q 2018.

Key Points:

- Fulgent Sun's 2018 3Q unaudited consolidated sales reached NT\$2,591million, with the Gross profit margin of 17.1%, the operating profit margin of 7.9%. The net profit attributed to parent company arrived at NT\$211million and the EPS arrived at NT\$1.45(70.6% growth over the same period of last year). The operating profit margin and net profit were reaching same period of historical high. Accumulated revenue in the first three quarters of 2018 reached NT\$7,375 million and operating income reached NT\$560 million. The net profit attributed to parent company at NT\$550 million and EPS of NT\$3.77. It was the second highest in history.
- The plant capacity allocation project actively implemented in the mid-term of off-season in 2018. It has been gradually achieve according to the original plan. The overall profit and economies of scale of the Group have actually entered another stage of growth cycle. Although the Autumn/Winter shoes were at the time of order, it was relatively conservative due to capacity allocation not that perfect, resulting in a slight decrease in revenue in the third quarter compared with the same period last year. After the initial stage of the adjustment of the learning curve, the profitability has been increasing month by month. Although it is still not mature, the single-quarter gross profit margin and operating profit margin have reached 17.1% and 7.9%. We got rid of the short-term profit fluctuation caused by the capacity allocation in the second quarter. At the third season of the industry's traditional off-season, it has set a new record for profit for the same period of the previous year. Based on past experience rules and orders, there is still space for growth and improvement in the future. Optimistic looking forward to the overall operating performance of the shoes in the second half of this year and Spring/Summer of 19 years shoes.
- Since the establishment of the Group in 1995, it has been inevitable that short-term financial report fluctuations occur due to the lack of economies of scale, the adjustment of branded product portfolios, the shifting of capacity in the plant, industrial characteristics results in obvious

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shipments peak and low. After years of active investment and layout, the Group's core competitiveness and overall operation have indeed increased year by year and become more solid and stable. The annual revenue and total assets have reached the NT\$10 billion in 2017. The EPS has reached more than NT\$5 in 2016 and 2017. The average rate of cash dividends in the past six years has also maintained a level of more than 70% since the company listed in the public. Looking forward to the future, the company continues to be optimistic about the future performance of the global outdoor sports and leisure industry. Response to the brand customer order demand to multi-distribute the production order layout, and continue to focus on improving automation and manufacturing towards smart manufacturing for the major target. As a whole, the Group's long-term growth momentum can be expected.

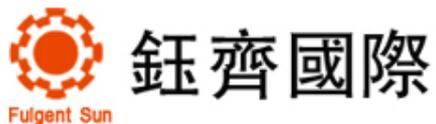
	2018/Q3	2017/Q3	YoY	2018/Q1-Q3	2017/Q1-Q3	YoY
Consolidated Sales	2,590,501	2,718,905	-4.7	7,375,242	7,638,339	-3.4
Gross Profit	441,891	424,795	4.0	1,272,027	1,526,191	-16.7
Gross Profit Margin(%)	17.1%	15.6%	—	17.2%	20.0%	—
Operating Expenses	236,165	241,432	-2.2	711,585	690,007	3.1
Operating Expense (%)	9.1%	8.9%	—	9.6%	9.0%	—
Operating Income	205,726	183,363	12.2	560,442	836,184	-33.0
Operating Profit Margin(%)	7.9%	6.7%	—	7.6%	10.9%	—
Non-operating Revenue & Expenses	82,323	-36,886	-323.2	115,776	-65,962	-275.5
Net profit attributed to parent company	210,922	122,867	71.7	549,818	624,898	-12.0
EPS	1.45	0.85	70.6	3.77	4.44	-15.1

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



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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.