

## **Fulgent Sun International Holding Co is to distribute a cash dividend of NT\$5.5 per common share for 2019, with a dividend yield of 5.37%**

**Sales for February 2020 climbed 64.78% year-on-year to NT\$922 million, while accumulated sales for the first two months of 2020 increased to NT\$1.99 billion**

**Fulgent Sun will diversify its orders, and improve production and selling strategies to avoid international risks**

*2020 / 03 / 09, Douliu*

Fulgent Sun International (Holding) Co., Ltd. ( “Fulgent Sun” , TWSE: 9802) today announced its board of directors has proposed distributing a cash dividend of NT\$5.5 per common share for 2019, a dividend yield of 5.37% based on the closing share price of NT\$102.5 in Taipei on Monday, March 9. The company decides to maintain a high payout ratio of 70%, thanks to a solid financial status and abundant capital reserves.

Sales for 2019 climbed 27.5% annually to a record NT\$12.84 billion. Consolidated net income jumped 72.2% year-on-year to a record NT\$1.28 billion, while earnings per share grew 53.1% annually to NT\$7.81, as a result of finding new resources and cutting down expenditure. Strong performance also showed in each quarter of 2019. Overall gross margin increased 1.7 percentage points to 19.7%, while the operating profit margin also rose 3 percentage points to 11.3%. As net income reported significant growth, return on equity and return on assets improved to 17.24% and 10.82% respectively. Judging from the above, the company has reached a new milestone. The company will not stop growing, and continue to strengthen operations and management while also saving momentum for future development.

As Fulgent Sun's operation and company structure keeps improving, annual sales have risen 114% since 2012. In order to raise production and management efficiency, the company recently has been actively embracing smart production and focusing on automation. The company also works on talent training programs to strengthen innovation and creativity. The capacity of the company's factories in Vietnam since 2019 surpassed those in China for the first time, as a result of diversifying orders, equipment upgrade, and the strategy of distributing production bases evenly. The company's overall capacity outside of China improved to more than 60% in 2019, suggesting it can distribute capacity efficiently according to demand. Sales for February 2020 grew 64.78% annually to NT\$922 million, compared with NT\$560 million a year earlier. Sales for the first two months of 2020 increased 10.75% year-on-year to NT\$1.99 billion, thanks to adaption to production and selling strategies and avoiding systematic risk.

Fulgent Sun remains a cautious optimistic outlook for the first half of this year. Although the new coronavirus (COVID-19) delayed the resumption of work in China, which led to production inefficiency among upstream suppliers, while logistics was also affected due to customs and traffic delay, sales of Fulgent's spring and summer shoes are still expected to outgrow over the same period of 2019, as only part of the company's orders were delayed. The majority of orders will be stable based on make-to-order contracts while the operation remains as usual. The company is also optimistic about the autumn and winter shoes for the first half of this year, with overall orders are expected to break previous records. The management team has been over the years dedicated to the continuing growth and staying competitive. The company is expected to rise gradually and steadily on the back of robust mid- and long-term momentum. The team will definitely share business interests and results with the company's shareholders, employees, and stakeholders who have been long supporting Fulgent Sun.

(Table 1) Fulgent Sun consolidated sales report

(In NTD '000)

Period \ Year	2020	2019	YOY
February	922,216	559,650	64.78%
January - February	1,985,749	1,793,079	10.75%

(Table 2) Fulgent Sun dividend policy in three years :

(In NTD)

Period \ Year	2019	2018	2017
Cash dividend	5.5	3.63	4.11

## 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.