

2022 Q3 consolidated sales amounted NT\$7.24 billion and EPS reached NT\$6.85, surpassing the 2021 EPS of NT\$6.39.

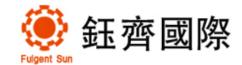
Q3 gross margin increased by 24.2%, operating margin by 17.1%, and profit margin after tax by 17.9%, all breaking the records.

The cumulative revenue for the first three quarters stood at NT\$17.97 billion with the cumulative EPS reaching NT\$14.94, hitting a record high.

October 19, 2022, Douliu

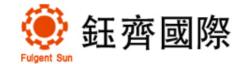
Fulgent Sun International (Holding) Co., Ltd. (Fulgent Sun, TWSE: 9802) today announced its operating results of the self-prepared financial report for 2022 Q3.

- The 2022 Q3 consolidated sales amounted to NT\$7.24 billion (YoY 74.4%/ QoQ 16.7%), an increase of 74.4% on a YoY basis and an increase of 16.7% compared with Q2. Since the first quarter of 2021, the single-quarter revenue has not only registered positive annual growth for seven consecutive quarters but passed the NT\$7 billion mark in one fell swoop, setting a new record for single-quarter revenue. The cumulative revenue for the first three quarters of 2022 has reached NT\$17.97 billion, significantly surpassing the top two highest annual revenue amounts (NT\$15.54 billion in 2021 and NT\$12.84 billion in 2019) in the past. The 2022 revenue is set to hit a record high.
- Looking at the profit performance in Q3, the gross profit reached NT\$1.76 billion (YoY 137.8%/QoQ 25.6%); operating margin stood at NT\$1.24 billion (YoY 206.2% /QoQ 26.3%); net income before tax was NT\$1.64 billion (YoY 307.4% / QoQ 32.9%); net income after tax attributable to the parent company was NT\$1.30 billion (YoY 279.3%/QoQ 35.8%); earnings per share after tax reached NT\$6.85 (YoY 272.5%/QoQ 33.9%). The gross profit, operating margin, net income before tax, and net income after tax attributable to the parent company all hit record highs. The Q3 EPS has even surpassed the 2021 EPS (NT\$6.39) and the 2020 one (NT\$5.06). With a further look at the Q3 gross margin, operating margin, and net profit margin attributable to the parent company, they reached as high as 24.2%, 17.1%, and 17.9%, respectively. The Q3 gross margin increased greatly by 1.7% compared to Q2. Moreover, the effect of economies of scale directly raised the operating margin by 1.3%. The three single-quarter financial indicators have set new records. The Group's overall profit growth rate is significantly higher than the revenue growth rate. Also, the return on assets and the return on equity both achieved record highs at 25.45% and 48.40%, respectively.
- The cumulative gross profit for the first three quarters reached NT\$4.13 billion (YoY 112.8%); operating margin amounted to NT\$2.85 billion (YoY 199.4%); net income before tax was NT\$3.56 billion (YoY 288.3%); net income after tax attributable to the parent company was NT\$2.79 billion (YoY of 250.6%); earnings per share after tax reached NT\$14.94 (YoY 248.3%). The EPS after tax for the first three quarters of 2022 have been better than any annual EPS in the past (the top two highest annual EPS were NT\$7.81 in 2019 and NT\$6.39 in 2021). Furthermore, regarding the



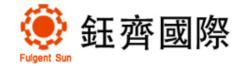
profit ratios for the first three quarters, the gross margin, operating margin, and net profit margin attributable to the parent company reached 23.0%, 15.9%, and 15.5%, respectively, which also hit new highs for the same period of the past years. Both the return on assets and the return on equity rose to 18.26% and 34.78%, respectively.

- Regarding the proportion of output values of our production sites for the first three quarters of 2022, Vietnam accounted for 51.4%, China 27.7%, and Cambodia 20.9%, which are not significantly different from the first half of the year. With the demand for mass production orders in the coming year, we will continue to implement a plan to expand the production capacity of our factories in Vietnam, Cambodia, China, while striving to raise the output value per capita. Meanwhile, we will also officially launch a plan to construct a new factory in Indonesia. As for the proportion of revenue from our sales regions (destinations designated by brand clients), the revenue in Greater Europe accounted for 48.04%, while the markets in the Americas have grown year by year, with the revenue for the first three quarters increasing slightly to 42.11%. Europe and the United States are still our main sales regions, with the combined revenue accounting for 90%. Regarding the information on our brand clients, we have mass-produced products as an OEM for more than 50 brands, of which the top three account for more than 90%. In summary, Fulgent Sun has achieved operating synergy with the factories and sales regions distributed around the world and an optimized product mix.
- In recent years, the Group's revenue and profits have soared. It is not only attributable to the positive development trend of the outdoor sports and leisure industry but the fact that the Group has continued to expand the scale of software and hardware since 2018, been committed to talent cultivation, successfully worked with nearly 20 new international brand clients, and implemented a variety of intelligent automation projects. Overall, the Group's medium- and long-term group capital expenditure and production capacity plan is based on our comprehensive judgment of long-term structural needs rather than short-term factors. Therefore, how to provide many international brand clients with safer and more reliable new products with greater growth potential and capacity plans to develop partnerships on the basis of mutual benefit and co-existence is a critical issue. We will continue to adopt the business foundation and the development strategies developed for years.
- Due to the severe pandemic situation, the production in 2021 Q2 was greatly impacted. Meanwhile, production, sales, and profits were negatively affected. However, since the resumption of operations in the second half of 2021, although we have been faced with many external system risks, our operating performance since 2021 Q3, with employees' unremitting efforts, has surpassed expectations and hit new highs quarter by quarter. However, the public still has stereotypes about all shoe-making OEMs and the shoes they make. In fact, Taiwan's footwear industry must have its own unique competitive advantages to be able to survive in the global shoe



OEM market for a long time and play a critical role. Different brands and OEMs also have their own unique business models and partnerships. There are no winners or losers. The differences between both sides lie in product positioning and consumer groups.

- Looking back on the past, despite the China-US trade war, the impact of the global COVID-19 pandemic, geopolitical and economic fluctuations, concerns about inflation, and other external challenges, Fulgent Sun has been optimistic about the medium- and long-term growth trend of the livelihood consumption industries. Particularly in the outdoor functional shoe market with high technical thresholds and featuring a wide variety in small quantities, the management team is convinced that a crisis is a turning point, so the Group has not stopped the actions to increase production capacity (but will adjust the speed and extent). Thus, within fewer than five years from 2018, the cumulative capital investment has reached 3.5 share capital, the number of employees in the Group has steadily increased from more than 21,000 in early 2018 to more than 43,000 in October 2022, and the Group's revenue has also soared from NT\$10 billion in 2018 to NT\$17.9 billion for the first three quarters of 2022, indicating the effective increase in the production capacity and the successful increase in the output value per capita (the increase in revenue is greater than the increase in the number of employees); the increase in profit is far greater than the increase in revenue.
- Looking ahead to the future, with the continuous optimization of our multi-brand development strategy, the flexible order-acceptance model (a wide variety in small quantities), as well as the successful expansion of the Group's production capacity in recent years, the Group's overall development abilities and production and sales scale have been improved significantly, enabling us to meet more new clients' stricter requirements, thereby achieving economies of scale. More importantly, as most of the shoes developed and mass-produced are outdoor functional shoes, positioned as mid-to-high-end shoes, there must be rigid demand from specific consumer groups. Therefore, the number of orders placed and the quantity of goods purchased by brand clients are both positive and healthy, which will further push this year's revenue and profit to a higher level. To sum up, the total profit from the production and sales of shoes in the spring and summer of 2022 has reached a new high on a year-on-year basis. Although the 2022 autumn and winter shoes have not yet been all shipped out, the relevant profit data has indicated the outstanding performance. Regarding the 2023 spring and summer shoes, we have received a large number of orders and finalized a scheduling plan. The total monetary amount of orders received is higher than the 2022 spring and summer shoes. We have also begun to accept orders for the 2023 autumn and winter shoes, which are planned to be produced and shipped in the second quarter of 2022. With new mass production orders received from both old and new brand clients for each season, we are positive and optimistic about the future.



(Appendix) Fulgent Sun (9802) Q3 2022 Unaudited Financial Results:

• (In NTD '000; %)

	2022/Q3	2021/Q3	YoY	2022/1-9	2021/1-9	YoY	2022/Q2	QoQ
Consolidated Sales	7,238,216	4,149,813	74.4	17,965,182	11,046,030	62.6	6,199,851	16.7
Gross Profit	1,754,767	737,941	137.8	4,132,511	1,942,396	112.8	1,397,137	25.6
Operating Expenses	517,834	333,996	55.0	1,280,607	989,911	29.4	417,808	23.9
Operating Profit	1,236,933	403,945	206.2	2,851,904	952,485	199.4	979,329	26.3
Non-operating Revenue & Expenses	401,082	(1,860)	-21663.5	709,524	(35,365)	-2106.3	252,886	58.6
profit before tax	1,638,015	402,085	307.4	3,561,428	917,120	288.3	1,232,215	32.9
Net Income	1,295,883	341,568	279.4	2,793,550	796,461	250.7	954,320	35.8
Net Income attributed to parent company	1,295,883	341,651	279.3	2,793,585	796,852	250.6	954,320	35.8
EPS	6.85	1.84	272.5	14.94	4.29	248.3	5.12	33.9
Gross Profit Margin (%)	24.2%	17.8%	+6.4 percentage point	23.0%	17.6%	+5.4 percentage point		+1.7 percentage point
Operating Expense Ratio(%)	7.1%	8.0%	_	7.1%	9.0%	_	6.7%	_
Operating Profit Margin (%)	17.1%	9.7%	+7.4 percentage point	15.9%	8.6%	+7.3 percentage point		+1.3 percentage point
Net Income attributed to owners of the parent Ratio (%)	17.9%	8.2%	_	15.5%	7.2%	_	15.4%	_

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 50 international well-known brand customers. The headquarters is located at Douliu City, Yunlin County, Taiwan. There are six factories spread throughout China, Vietnam, and Cambodia.

Disclaimer:

This document and the accompanying information contain forward-looking statements. Except for the facts that have occurred, all statements about the future operations, potential events, and prospects of Fulgent Sun (hereinafter referred to as "the Company"), including but not limited to forecasts, targets, estimates, and business plans, are forward-looking. Forward-looking statements are prone to be affected by various factors and uncertainties, resulting in considerable differences from the reality. Such factors include but are not limited to price volatility, demand, exchange rate movement, market share, market competition, changes in laws, finance, and the regulatory framework, international economic and financial market situation, political risks, estimated costs, as well as other risks and variables beyond the Company's control. Such forward-looking statements are predictions and evaluations made depending on the current situation, and the Company shall not be held responsible for any update of such statements in the future.