



Fulgent Sun (9802) Announces FY2016 4Q Financial Results

Fulgent Sun: 2016 4Q Gross Profit Margin of 19.4%, EPS of NT\$1.62, reaching single-season of high.

Net profit at NT\$700mn, EPS of NT\$5.23 for 2016, reaching historical high.

2017/01/10, Douliu

Fulgent Sun International (Holding) Co., Ltd. ("Fulgent Sun", TWSE: 9802) today announced its unaudited sales for 4th quarter and unaudited results for 2016.

Key Points:

- Fulgent Sun's unaudited sales for December 2016 was NT\$1,100 million on a consolidated basis, an increase of 9.9 percent from December 2015. It drove annual sales growth to be positive. The gross profit margin for 4th quarter was 19.4% and full year was 18% by continuing improving production capacities, improving production efficiency, and customer mix adjustment. The gross profit margin of 4th quarter and full year reached historical high.
- Fulgent Sun's 2016 4Q unaudited consolidated sales reached NT\$2,270million. Net profit attributed to parent company arrived at NT\$220million and EPS arrived at NT\$1.62. Accumulated sales in full year of 2016 reached NT\$9,080million with net profit attributed to parent company at NT\$700million, EPS of NT\$5.23. The net profit and EPS reached historical high since listing.
- 2017 Spring/Summer product shipment is expected to reach peak until January. Fulgent Sun continues to hold an optimistic view on 2017 Q1 outlook and the relevant operating profit trend will continue.

2016 Q4 and full year review

Fulgent Sun's 2016 4Q unaudited consolidated sales reached NT\$2,270million, an increase of 6.7 % from 2016 3Q and an increase of 11.7% from 2015 4Q. Net profit attributed to parent company arrived at NT\$220million and EPS arrived at NT\$1.62. The operating profit reached peak and also reached 4th consecutive quarter of historical high. Accumulated sales in full year of 2016 reached NT\$9,080million with

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net profit attributed to parent company at NT\$700million, EPS of NT\$5.23, increased 5x compared to last year. The results reached historical high since listing. View the important financial data in 2016, the consolidated gross profit margin raised under the effective control of the overall operating expense was the key point which profit growth better than sales growth effective control of the overall operating expense ratio.

Fulgent Sun's average gross profit margin in the first three quarters of 2016 was 17.5%. The gross profit margin for 4th quarter was 19.4% and full year was 18% by improving its production efficiency, customer mix adjustments and production diversification. The gross profit margin of 4th quarter and full year reached historical high. In addition, the outdoor functional shoes accounted for above 90% of revenue in 2016. Non-China production value has reached more than half of production value. It can be clearly seen Fulgent Sun's strategy which is expanding non-Chinese production capacities and enhance the new plant efficiency. Furthermore, the production technology at GORE-TEX and non-GORE-TEX outdoor footwear has been high degree of maturity. It helps to get more recognition by international outdoor sports brand, but also gets the opportunity to create the overall performance in new high record.

Outlook for 2017 Q1 :

The sales of world outdoor shoes continue benefiting from the sports become more prevalent. Major brand customers still take the strategy which maintains the expansion of the market share. Fulgent Sun also hold a positive view of production and marketing structures. Outlook for 2017Q1, 2017 spring and summer shoes of the shipment peak will continue until January 2017. Company continues to remain committed to the 3 key strategy of stable capacity expansion, raising of production efficiency and product mix improvement, so Fulgent Sun hold an optimistic view on 2017 Q1 outlook and the relevant operating profit trend will continue.

Fulgent Sun continues to be committed to taking small-volume, large-variety production with flexible orders. Fulgent Sun works together with international brands on a mutually beneficial basis which developing and manufacturing new shoes. Fulgent Sun will gradually review the product mix and adjust the growth and performance of new production lines to expand non-Chinese plant new production lines. In the same time, Fulgent Sun will strengthen employee training and also exercise strict control on the costs. Outlook for 2017, the business model of group is becoming more mature while management team has to fulfill Corporate Social Responsibility. Fulgent Sun targeted volume increase in 2015, worked on raising quality and profitability in 2016, and then focusing on volume increase while raising quality/profitability in 2017. Fulgent Sun would uphold the spirit of "moral · wisdom · hardworking · patient" to develop operating results more stable and remarkable.

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Fulgent Sun (9802) 4Q 2016 Financial Results :

(In NTD '000)

	2016/4Q	2015/4Q	2016	2015
Consolidated Sales	2,267,357	2,029,116	9,079,845	9,045,958
Net profit	222,834	27,294	702,261	115,397
EPS	1.62	0.21	5.23	0.88

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.