

*Fulgent Sun (9802) Announces FY2018 4Q Financial Result*

**2018 4Q Gross profit margin 20.1%, Operating profit margin 10.2%. Two financial indicators rise to annual peak in two consecutive seasons.**

**Gross profit margin 18%, Operating profit margin 8.3% for 2018.**

**Net profit attributed to parent company arrived at NT\$743 million, up to the second highest in history.**

**EPS NT\$5.10, has exceeded NT\$ 5 for three consecutive years.**

**High dividend policy unchanged.**

2019/01/21, Douliu

Fulgent Sun International (Holding) Co., Ltd. ("Fulgent Sun", TWSE: 9802) today announced its unaudited results for 4Q 2018.

**Key Points:**

- Fulgent Sun's 2018 4Q unaudited consolidated sales reached NT\$2,694 million, with the Gross profit margin of 20.1% (New high in the same period), the operating profit margin of 10.2%. The operating income reached NT\$274 million. The net profit attributed to parent company arrived at NT\$193 million and the EPS arrived at NT\$1.32. Accumulated sales in full year of 2018 reached NT\$10,070 million, with the Gross profit margin of 18.0%, the operating profit margin of 8.3%. The operating income reached NT\$834 million. The net profit attributed to parent company at NT\$743 million. All indicators have reached the second highest in history. The EPS reached at NT\$5.10.
- The plant capacity allocation plan started in the off-season 2018. With the steady improvement of the employee learning curve and the gradual emergence of economies of scale, the overall operational performance of the Group has increased significantly from the second quarter. It has driven the profitability of the fourth quarter to climb the highest peak this year, and also the gross profit margin has reached a record high in the same period of history. In the fourth quarter, increase the one-time operating expenses because of the transfer of treasury shares and the employee purchases for cash capital increase. However, the annual operating expense ratio is also controlled at 9.7%, which is far lower than other peers. It highlights the company's ability to control the operating costs and expenses.

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- The company has adopted the plant capacity expansion plan for many years based on the business objectives of the management team and the growth strategy of the brand customers. The output value of non-Chinese production areas such as Vietnam and Cambodia has increased from 54% at the beginning of 2018 to 60% at the end of this year. Vietnam's total output value is expected to surpass China for the first time this year, and in order to achieve capacity expansion targets and to increase the flexibility of production areas, China/Vietnam/Cambodia will each account for one-third of the Group's production value as a medium-term plan.
- Fulgent Sun was listed since in 2012, the group's sales have increased by nearly 70% and net profit attributed to parent company in the last three years also reached NT\$702 million, NT\$803 million, and NT\$ 743 million respectively. The EPS exceeded NT\$ 5 for three consecutive years. Based on the spirit of sharing business results with all shareholders and employees, the policy of maintaining a high dividend-distribution rate has been maintained over the years. Looking forward to the future, the company continues to be optimistic about the future performance of the global outdoor sports and leisure industry. The Group's capacity expansion plan will still be 10%~15% as the annual growth target, and continue to focus on improving automation and manufacturing towards smart manufacturing.

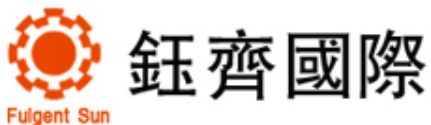
#### Fulgent Sun (9802) 4Q 2018 Financial Results :

(In NTD '000)

	2018/4Q	2017/4Q	YoY	2018	2017	YoY
Consolidated Sales	2,694,909	2,749,812	-2.0	10,070,151	10,388,151	-3.1
Gross Profit	540,992	528,952	2.3	1,813,019	2,055,143	-11.8
Gross Profit Margin(%)	20.1%	19.2%	—	18.0%	19.8%	—
Operating Expenses	267,046	234,286	14.0	978,631	924,293	5.9
Operating Expense (%)	9.9%	8.5%	—	9.7%	8.9%	—
Operating Income	273,946	294,666	-7.0	834,388	1,130,850	-26.2
Operating Profit Margin(%)	10.2%	10.7%	—	8.3%	10.9%	—
Non-operating Revenue & Expenses	-20,342	-45,065	-54.9	95,434	-111,027	-186.0
Net profit attributed to parent company	193,183	178,215	8.4	743,001	803,113	-7.5
EPS	1.32	1.22	8.2	5.10	5.65	-9.7

#### 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



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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.