



# QUANG VIET ENTERPRISE CO., LTD.

4438.TW / 4438.TT



台北總部



越南古芝廠

QVE-VIETNAM, 1996



中國嘉興廠

QVC-CHINA, 2003



越南前江廠

QVT-VIETNAM, 2011



越南隆安廠

QVE-II-VIETNAM, 2017



新莊金漢總部

KHM, 2018  
金漢新莊總部



中東約旦廠

QVA-Jordan, 2017



羅馬尼亞廠

BSP-ROMANIA, 2017



沭陽羽絨廠

TOD-CHINA, 2014

## Macquarie Taiwan Corporate Day Presentation

21-22 November, 2018



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# Company Overview

- Establishment : October 1995
- Capital : NT \$1.04 billion (US \$34 M)
- Chairman : Mr. Yang, Wen-Hsien  
CEO : Mr. Charles Wu
- Employees worldwide :  
Taiwan : 210 employees, Overseas : 17,249 employees  
(19,829 including KHM)
- QVE started the mass production on October 30, 1996 and has entered into it's 21<sup>th</sup> year which, is an important milestone. Beginning of this year, QVE is vertical integration company to provide one-stop solution to customers from raw materials (Top One Down & Feather Co., Ltd. & Formosa Taffeta Co., Ltd) to manufacturing.



# QVE Group Profile



**QVN (Cu Chi, Vietnam)**

**Date Established: Oct. 1996**  
**Land Area: 60,000 M<sup>2</sup>**  
**Number of workers : 6,500**  
**Production lines: 115 Lines**



**QVE TPE HQ**



**QVC (Jia Xing, China)**

**Date Established : Mar. 18, 2003**  
**Land Area : 55,000 M<sup>2</sup>**  
**Number of workers : 2,200**  
**Production line : 80 Lines**



**QVT (Tien Giang, Vietnam)**

**Date Established : July. 30, 2010**  
**Land Area : 81,000 M<sup>2</sup>**  
**Number of workers : 6,000**  
**Production line : 125 Lines**



**QVL (Long An)**

**Date Established : Q1, 2017**  
**Land Area : 45,000 M<sup>2</sup>**  
**Number of workers : 2,500 (Forecast)**  
**Production Line : 50 Lines (Forecast)**



**TOD (Shu Yang, China)**

**Date Established : Feb. 02, 2014**  
**Land Area : 20,118 M<sup>2</sup>**  
**Number of workers : 99**





# New subsidiary-BSP

## Biancospino S.R.L



**Location: Breaza, Romania**  
**Date Established: Oct. 1998**  
**Number of workers : 450**  
**Production lines: 12 Lines**



# New subsidiary-Atlanta(QVA)

## Atlanta Garment Manufacturing Company



**Location: Amman, Jordan**  
**Date Established: 2003**  
**Number of workers : 1,000**  
**Production lines: 12 Lines**



# New subsidiary-Vietnam(KHM)

## King Ham M Industrial Co., Ltd.



**新莊金漢總部(KHM)**

**Location: Xinzhuang, Taiwan**

**Date Established: May 1991**

**Number of workers : 80**



**越南金鴻廠(VN-1)**

**Location: Hồ Chí Minh, Vietnam**

**Date Established: 2003**

**Number of workers : 1,200**

**Production lines: 24 Lines**



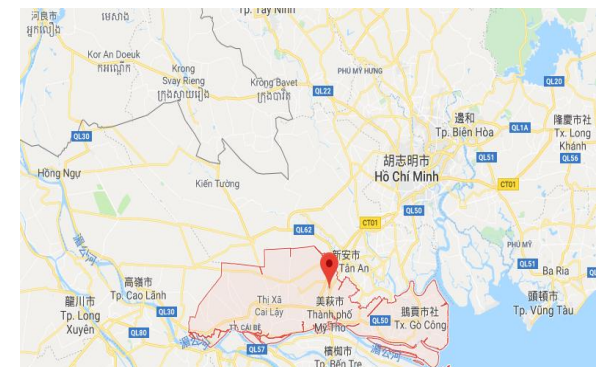
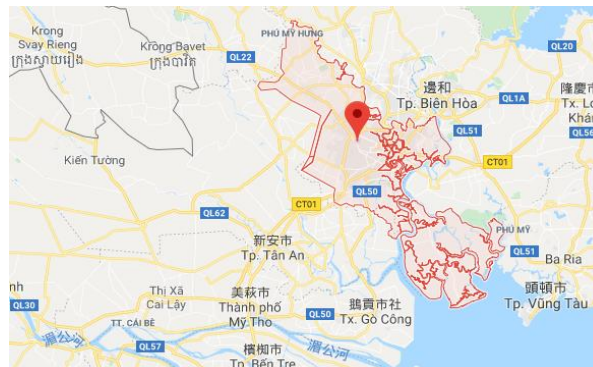
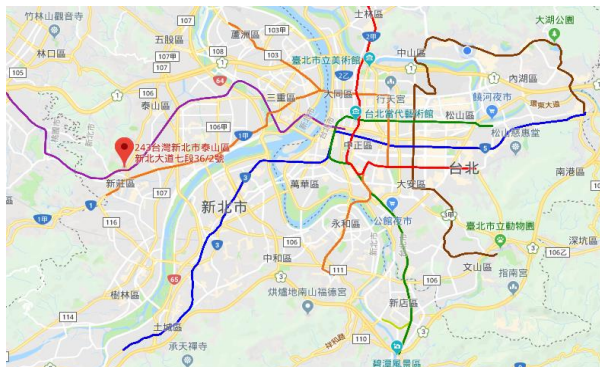
**越南金漢廠(VN-2)**

**Location: Tiền Giang, Vietnam**

**Date Established: 2013**

**Number of workers : 1,300**

**Production lines: 28 Lines**



# Major Products

- Down Jackets
- Primaloft Jackets, Thermoball Jackets, Padding Jackets
- Softshell Jackets, Seam Sealed Jackets, Bonding Jackets, Spring Light Jackets, Pants, Shorts
- Goose Down, Duck Down
- Knitted garments

Unit : In Thousands of New Taiwan Dollars

Year Products Project	2017		2016	
	Net operating revenue	%	Net operating revenue	%
Down Jackets	4,345,256	42.59%	4,639,112	51.32%
Thermoball, Primaloft, Padding Jackets	3,188,783	31.25%	2,679,100	29.64%
Others	2,669,616	26.16%	1,720,606	19.04%
<b>Total</b>	<b>10,203,655</b>	<b>100.00%</b>	<b>9,038,818</b>	<b>100.00%</b>





# QVE/ QVT Product Category-Sports Wear Brand



Adidas



Adidas



Adidas



Adidas



Adidas



Puma



Puma



NIKE



NIKE



NIKE



Reebok



Reebok



Converse



New balance



9 New balance



Under Armour



Under Armour



# QVE/ QVT Product Category-Outerwear Brand



The North Face



The North Face



The North Face



Merrell



Patagonia



Patagonia



Patagonia



Patagonia



Mont-Bell



Mont-Bell



Arc'teryx



Arc'teryx



Ralph Lauren 10



Ralph Lauren



Helly Hansen



Mammut

# Milestone



1997

2005

2006

2007

2008

2009

NIKE

PUMA

REEBOK

ADIDAS

THE NORTH FACE

PATAGONIA



2011

2013

2014

2015

2016

2017

MONTBELL

TIMBERLAND  
Merrell

ARC'TERYX  
Ralph Lauren

COLUMBIA

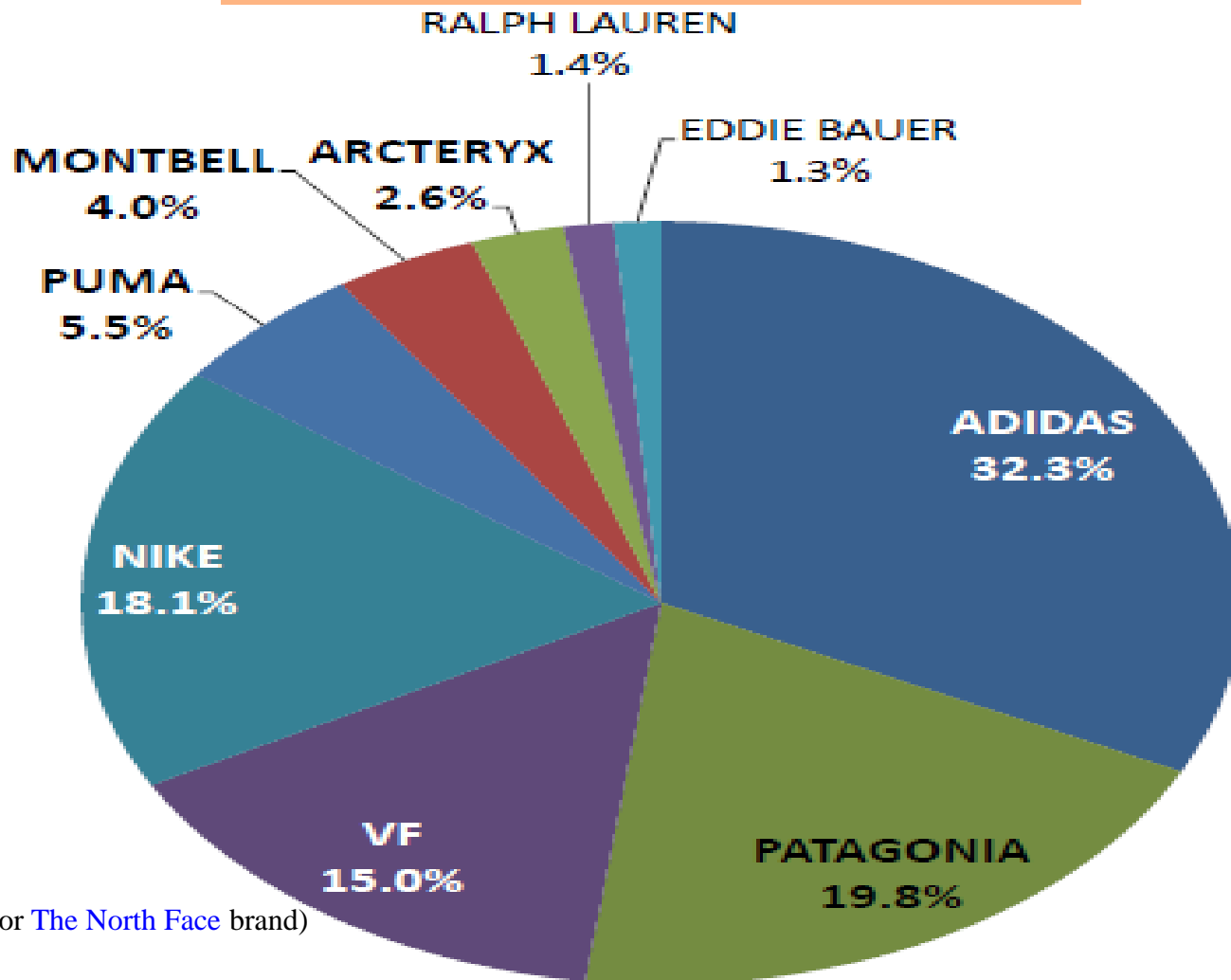
HURLEY

AIGLE  
Converse



# Major Customers

2017 Yearly



(PS : VF for [The North Face](#) brand)

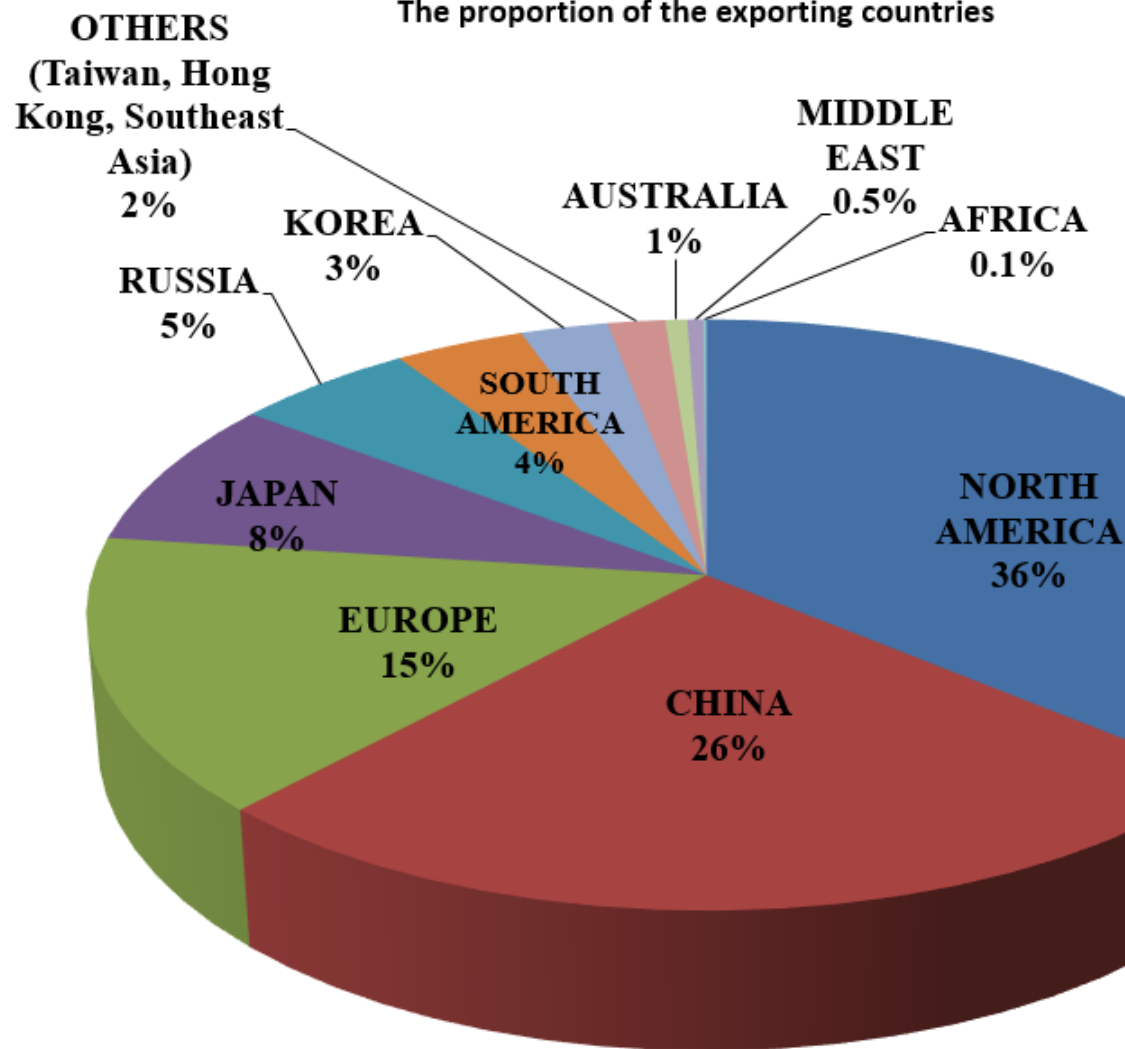
**SPORTS WEAR 53% , OUTDOOR WEAR 47%**



# Major Customers

## Exporting Countries

The proportion of the exporting countries



# WHY CHOOSE QVE?

## Strengths Introduction



# Strengths Introduction

- Vertical Alignment with Material Suppliers
- Multi Countries Location – GSP+ from 2019 Tax free
- High-end down jacket production base - Biancospino ROMANIA
- Middle/High-end Knitwear production base - Atlanta JORDAN
  - King HamM VIETNAM(VN-1 & VN-2)
- Innovative R&D and Strategic Business Development
- Market Share & Partnership
- Steady Customer Growth Lead by Outstanding Management Team



# Vertical Alignment with Material Suppliers

- Our subsidiary company – TOP ONE DOWN & FEATHER CO.,LTD is able to provide consistent and on-time delivery of duck down and goose down, providing an competitive price of the raw material.
- Formosa Taffeta Co.,Ltd is our main fabric supplier and is also one of our prominent shareholders, holding 20% stock with QVE.
- Formosa Taffeta Co.,Ltd has four factories located in three countries (Taiwan/ Vietnam / China), and is able to support QVE factories in China and Vietnam to provide on-schedule delivery and at a competitive price.
- Formosa Taffeta Co.,Ltd is an expert in down-proof fabric, providing competency in R&D skill and finest quality.
- High-end Japan Fabric Suppliers – Toray, Teijin, Toyota, Mitsui.
- High-end USA Fabric Supplier – Gore.
- High-end USA Padding Supplier – Primaloft.





# Multi Countries Location – GSP+ from 2019 Tax free

**GSP+** (Generalized System of Preferences) – Duty free exports to the Europe region.

Russia : **FTA**, Korea: **FTA**, Japan: **FTA** (Free Trade Agreement)





# High-end down jacket production base - BSP ROMANIA

## Nov.29.2016



中華民國105年11月30日 星期三 主編/何政學 編輯/林廷龍

### 廣越插旗東歐 業績補

#### 砸2.8億買羅馬尼亞羽絨衣廠51%股權 躍精品供應鏈 下一步併購越南廠商

【台北報導】廣越企業(4338)完成收購丹麥品牌第一階、丹麥品牌(29)日通過購買羅馬尼亞Biancospino S.R.L.公司51%股權，總交易金額為11.2萬歐元(約新台幣3.84億元)，不僅是國內首家進軍歐洲生產高階精品，也成為繼波蘭摩多品牌Moncler、Barbary以及Zegna等品牌羽絨服飾供應商。

廣越表示，若在今年內完成收購，將可併入今年12月營收，廣越昨日股價收151.5元，下跌3元。

廣越總經理張朝榮的心願之一，就是打造歐洲奢侈品牌，而歐洲高階羽絨服飾在歐洲製造，幾乎只限至亞洲，才會運往歐洲。而Biancospino S.R.L.為歐洲奢侈品牌高階羽絨服飾的領先製造商之一。

廣越併購羅馬尼亞Biancospino S.R.L.公司，廣越總經理張朝榮(右)與Biancospino董事長Antonio Barbary代表簽署協議/提供

對於明年業績展望，廣越最大客戶Adidas是重要，其次則是北美運動戶外品牌第二大寶，目前Adidas公布第三季財報表現亮麗，廣越預計今年全年淨利將增加在7.5億元至10億元區間，明年上半年有機會完成。

Moncler、Armani、Barbary以及Zegna等，該廠員工約300人、年產能為70萬件、年產值約1,500萬美元，屬歐洲品牌工廠。

某國際品牌商併購總經銷商，目前正按部就班洽談中，明年上半年有機會完成。

廣越併購羅馬尼亞Biancospino S.R.L. 投資金額 811.2萬歐元(約新台幣2.84億元)  
 持股 取得股權51%  
 預計高階客戶 Moncler Armani Barbary等  
 年產年產值 1500萬美元(約新台幣4.79億元)  
 單廠 廣越一舉進軍歐洲奢侈品牌供應鏈，也是國內首家進軍歐洲生產高階精品之工廠

### 新產能開出 儒鴻聚陽明年營運看升

#### 廣越取得羅馬尼亞Biancospino S.R.L.公司經營權，毛利提升並布局歐洲

【台北訊】廣越企業(4338)昨日公告，以總金額1.12億元，取得羅馬尼亞Biancospino S.R.L.公司51%股權，將可併入今年12月營收。

儒鴻今年前9月每股淨利2.23元，年減22.7%；單季前3個月每股淨利1.13元，年減22.5%。廣越企業今年每股淨利6.93元，年增8%。

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## Un grup taiwanez a cumpărat o fabrică de confecții din Prahova cu 450 de angajați care produce pentru Armani sau Moncler

Like Share 3 people like this. Be the first of your friends.

11 ian 2017

Autor: Mădălina Panaetu



Printre clienții companiei Quang Viet Enterprise se numără nume precum Armani, Moncler, Paul & Shark și Eden Park

Valoarea tranzacției s-a ridicat la 8,1 milioane de euro pentru 51% dintr-o companie cu afaceri de 15 mil. euro și un profit de 2,5 mil. euro.

Quang Viet Enterprise, cu sediul în Taipei (Taiwan), a achiziționat 51% din acțiunile producătorului de confecții Biancospino S.R.L. cu sediul în Breaza (județul Prahova).

Tranzacția a avut o valoare de 8,1 milioane de euro, conform unui comunicat al companiei taiwaneze citat de Reuters. Acționarul majoritar al Biancospino era Antonio Bembo, conform datelor de la Registrul Comerțului.

Biancospino a avut în 2015 (ultimetele date disponibile pe site-ul Ministerului de Finanțe) o cifră de afaceri de 64,7 milioane de lei (15 mil. euro), un profit net de 11 milioane de lei și aproape 450 de angajați.

### Citeste si:

- Producătorul de confecții Secuciana: Încheiem anul 2016 pe profit după opt ani consecutivi de pierderi
- Drama unui producător de confecții din Argeș: De doi ani avem disponibile 450 de locuri de muncă și refuzăm frecvent comenzi pentru că nu găsim personal

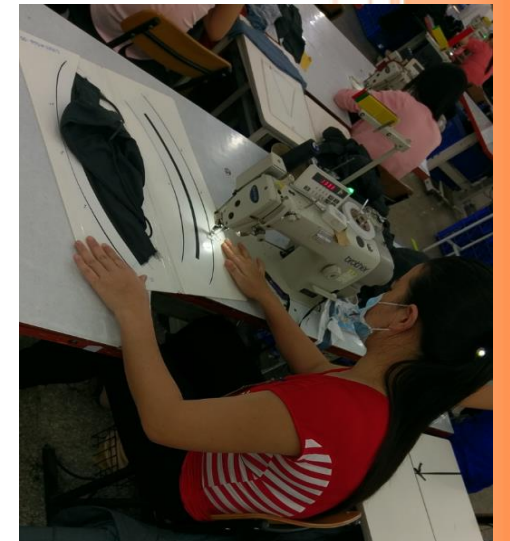
# Innovative R&D

Fully utilize special templates to attain high quality and high efficiency

**A**ccuracy, **C**onsistency, **E**asy

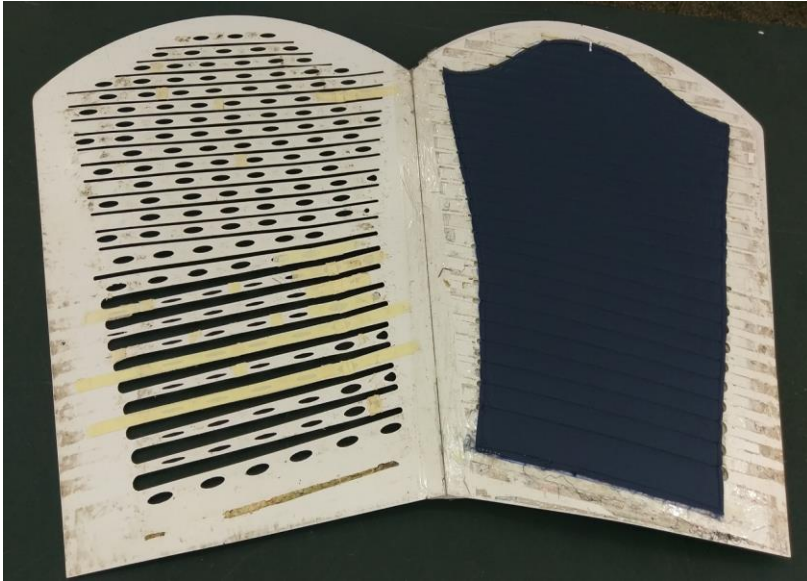


Auto sewing for all kinds of stitchingline



# Innovative R&D

Utilize of advanced technology Embroidery Machinery for consistent quality and productivity



# Innovative R&D

Customized Machines to produce Top Quality for **GORE-TEX®**



GORE-TEX授權認證



# Innovative R&D

## Fully Automated Cutter Machine – Gerber



Gerber Auto Cutter Machine Capacity:

QVN: 4 sets

QVT: 6 sets

QVC: 2 sets

QVL: 2 sets



# Innovative R&D

## Auto Filling Machine - 3rd Generation



Made With  
VideoShow



# Innovative R&D

## Speed Factory – INA Computerized Production Hanger System





# Innovative R&D

Speed Factory – INA Computerized Production **Hanger System**



Made With  
VideoShow



# Market Share & Partnership

QVE is an award-winning jacket manufacturer, produce high technique and finest quality products including down jackets, innovative jackets and thermal jackets for world famous sports and outdoor brands.

In this global competitive analysis, this chart illustrates the amount of production by QVE against the competitor companies as follows :

Market Share Rate Of Production of Branded Down Jacket		
CLIENT(BRAND)	QVE	Competitor (Y company)
Nike Group	50%	0%
Adidas Group	70%	5%
Puma Group	50%	0%
VF Group (The North Face)	35%	35%
Amers Group (Arc'teryx)	20%	30%
Patagonia Group	50%	50%
Mont-bell Group	50%	0%



## Steady Customer Growth Lead by Excellent Management Team

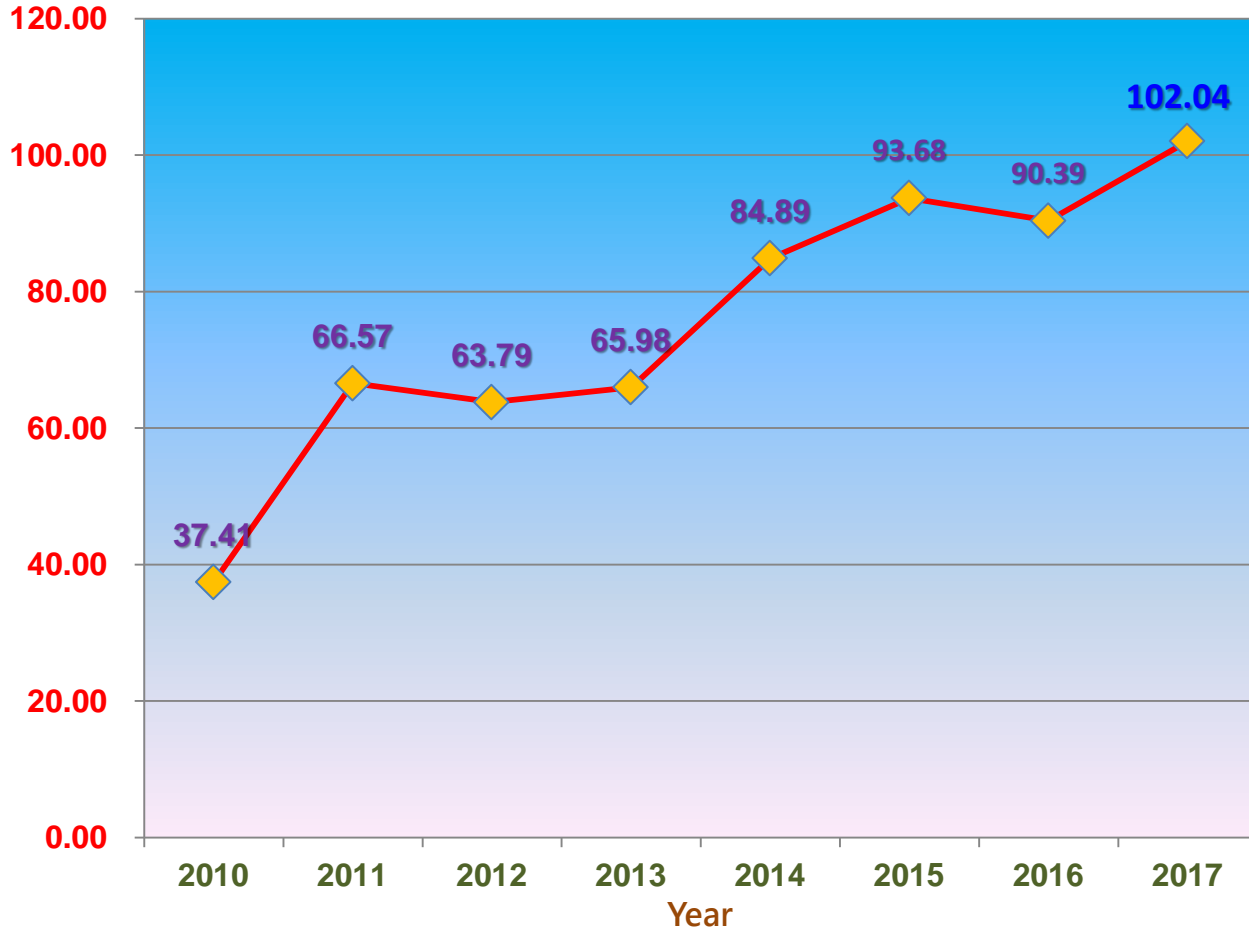
- Since 2014 till present and even for 2017, there's a steady gain of new clientele clinched by QVE to establish an increment production to assure stable development while meeting market trend and our commitment to customers' needs.
- The dedicated team at QVE has continuously seek to excel in re-enhancing the techniques, quality of output, innovation and factory efficiency with vigorous research and studies to aid our clients to meet the boundless consumers' needs.



# Operation Overview

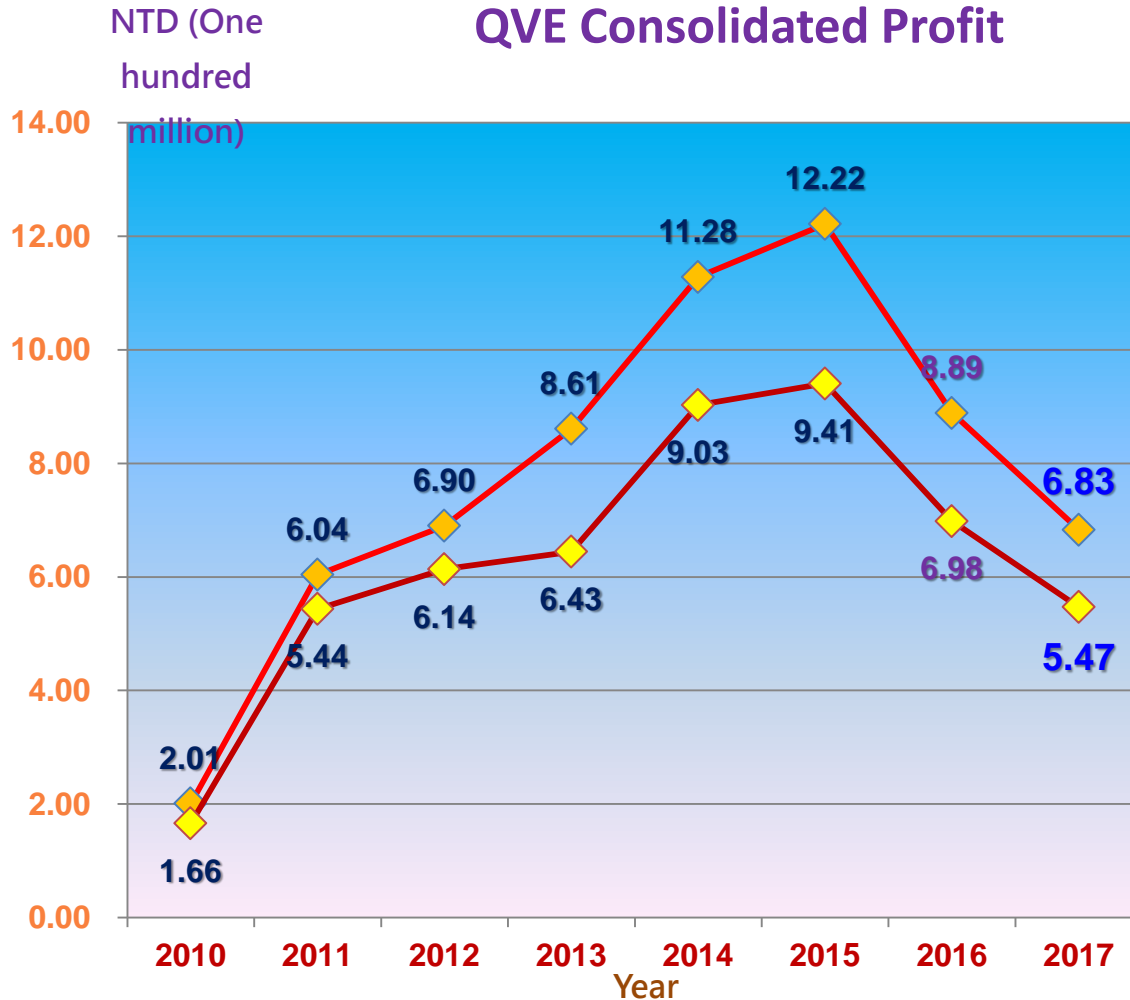
## QVE Consolidated Revenue

NTD (One hundred million)



Year	Consolidated revenue (Thousand)	Remark
2010	3,741,311	Provided By company
2011	6,657,044	
2012	6,378,609	
2013	6,597,920	Per Audit
2014	8,488,545	Per Audit
2015	9,368,010	Per Audit
2016	9,038,818	Per Audit
2017	10,203,655	Per Audit

# Operation Overview



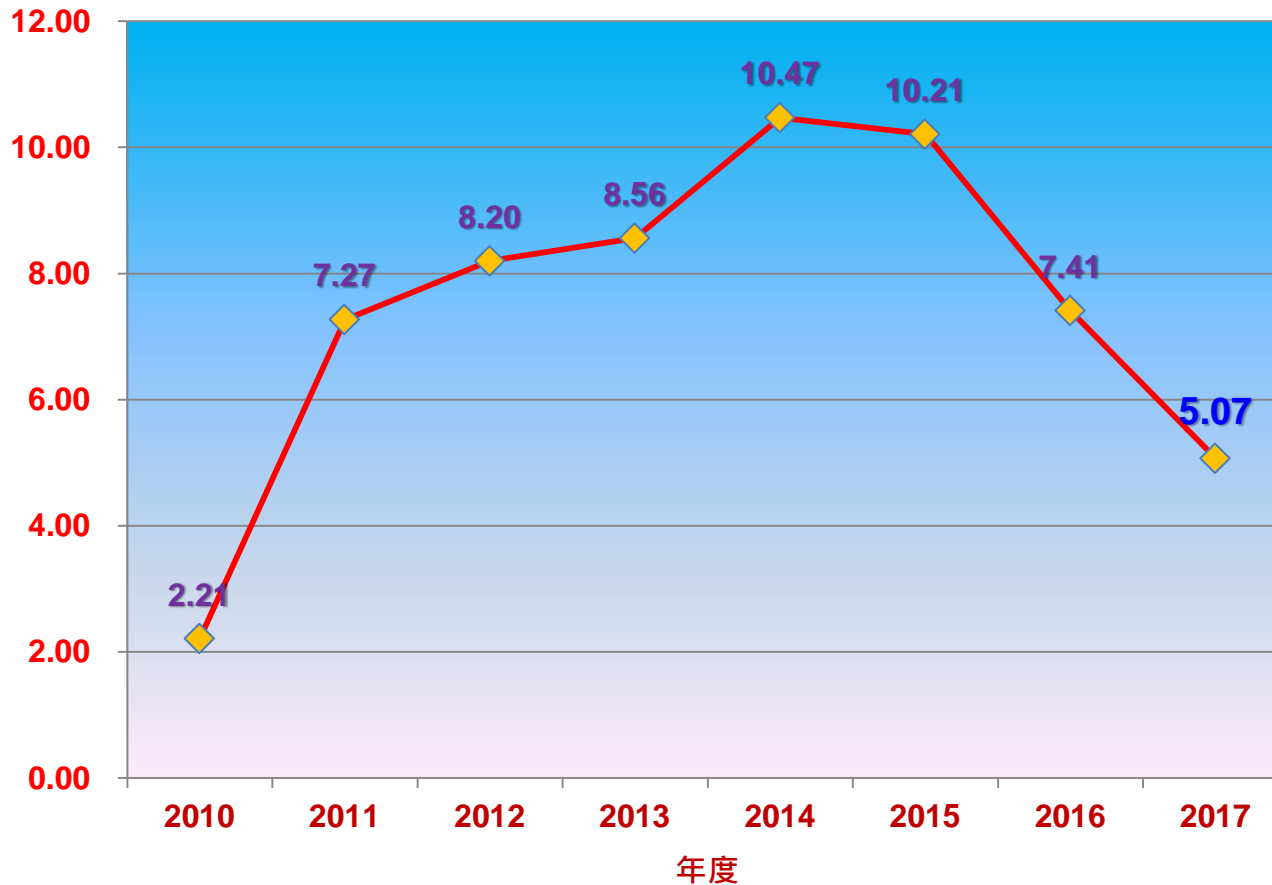
Year	Income before income tax (Thousands)	Capital (Thousands)	Remark
2010	201,007	290,799	Provided By company
2011	603,957	363,498	
2012	689,964	454,373	
2013	860,710	645,247	Per Audit
2014	1,128,222	802,034	Per Audit
2015	1,221,518	922,339	Per Audit
2016	888,707	1,037,639	Per Audit
2017	682,996	1,037,639	Per Audit

Year	Net income (Thousands)	Capital (Thousands)	Remark
2010	165,915	290,799	Provided By company
2011	543,643	363,498	
2012	613,693	454,373	
2013	643,356	645,247	Per Audit
2014	902,865	802,034	Per Audit
2015	940,594	922,339	Per Audit
2016	698,307	1,037,639	Per Audit
2017	546,996	1,037,639	Per Audit

# Operation Overview

## QVE Calendar Year EPS

NTD (dollar)



Year	EPS(dollar)	Capital (Thousands)
2010	2.21	290,799
2011	7.27	363,498
2012	8.20	454,373
2013	8.56	645,247
2014	10.47	802,034
2015	10.21	922,339
2016	7.41	1,037,639
2017	5.07	1,037,639

# Operation Overview

Item/Year	2017		2016	
	Amount(Thousands)	%	Amount(Thousands)	%
Operating revenue	10,203,655	100.00%	9,038,818	100.00%
Operating costs	8,780,573	86.05%	7,525,810	83.26%
<b>Gross profit</b>	<b>1,423,082</b>	<b>13.95%</b>	<b>1,513,008</b>	<b>16.74%</b>
Operating expenses	767,744	7.53%	778,757	8.62%
<b>Operating income</b>	<b>655,338</b>	<b>6.42%</b>	<b>734,251</b>	<b>8.12%</b>
Non-operating income and expenses	27,658	0.27%	154,456	1.71%
<b>Income before tax</b>	<b>682,996</b>	<b>6.69%</b>	<b>888,707</b>	<b>9.83%</b>
Income tax expense	136,000	1.33%	190,400	2.11%
<b>Net income</b>	<b>546,996</b>	<b>5.36%</b>	<b>698,307</b>	<b>7.72%</b>
<b>EPS ( dollars )</b>	<b>5.07</b>		<b>7.41</b>	

Source : Consolidated financial statements audited by Deloitte Taiwan



# Operation Overview

Item/Year	2018 / Jul~Sep		2017 / Jul~Sep	
	Amount(Thousands)	%	Amount(Thousands)	%
Operating revenue	6,142,558	100.00%	4,886,882	100.00%
Operating costs	4,988,565	81.21%	3,992,067	81.69%
<b>Gross profit</b>	<b>1,153,993</b>	<b>18.79%</b>	<b>894,815</b>	<b>18.31%</b>
Operating expenses	312,669	5.09%	184,630	3.78%
<b>Operating income</b>	<b>841,324</b>	<b>13.70%</b>	<b>710,185</b>	<b>14.53%</b>
Non-operating income / (expenses)	( 5,716)	( 0.10%)	41,580	0.85%
<b>Income before tax</b>	<b>835,608</b>	<b>13.60%</b>	<b>751,765</b>	<b>15.38%</b>
Income tax expense	177,112	2.88%	157,202	3.22%
<b>Net income</b>	<b>658,496</b>	<b>10.72%</b>	<b>594,563</b>	<b>12.16%</b>
<b>EPS ( dollars )</b>	<b>5.97</b>		<b>5.68</b>	

Source : Consolidated financial statements reviewed by Deloitte Taiwan





# Operation Overview

Item/Year	2018 / Jan~Sep		2017 / Jan~Sep	
	Amount(Thousands)	%	Amount(Thousands)	%
Operating revenue	10,245,644	100.00%	7,597,891	100.00%
Operating costs	8,392,127	81.91%	6,363,483	83.75%
<b>Gross profit</b>	<b>1,853,517</b>	<b>18.09%</b>	<b>1,234,408</b>	<b>16.25%</b>
Operating expenses	757,428	7.39%	550,548	7.25%
<b>Operating income</b>	<b>1,096,089</b>	<b>10.70%</b>	<b>683,860</b>	<b>9.00%</b>
Non-operating income / (expenses)	( 46,440)	( 0.46%)	35,098	0.46%
<b>Income before tax</b>	<b>1,049,649</b>	<b>10.24%</b>	<b>718,958</b>	<b>9.46%</b>
Income tax expense	234,608	2.28%	150,335	1.98%
<b>Net income</b>	<b>815,041</b>	<b>7.96%</b>	<b>568,623</b>	<b>7.48%</b>
<b>EPS ( dollars )</b>	<b>7.24</b>		<b>5.36</b>	

Source : Consolidated financial statements reviewed by Deloitte Taiwan



# Operation Overview

## Future Business Plan

QVE has four main factories in Vietnam and China, and M&A two new subsidiaries - Romania(BSP) & Jordan(Atlanta - QVA) respectively, total of 357 production lines, capacity of 950,000 pieces per month. However, the current production is still not able to catch up with the growing order demand from our customers. QVE plans to expand QVT and QVL as top priorities, and M&A new subsidiary KHM two factories : VN-1 & VN-2 totally 52 production lines. Production line as shown below:

Factory	2017 Production Line	2018 Increase	2019 Increase	2020 Increase	2020 Total
QVN (Vietnam)	115	+0	+0	+0	115
QVT (Vietnam)	125	+20	+10	+10	165
QVC (China)	80	+0	+0	+15	95
QVL (Vietnam)	15	+20	+20	+5	60
BSP (Romania)	+12	+0	+0	+4	16
Atlanta(Jordan)	+10	+0	+2	+2	14
VN-1 (金鴻)	+0	+24	+0	+4	28
VN-2 (金漢)	+0	+28	+6	+0	34
<b>Total</b>	<b>357</b>	<b>+92</b>	<b>+38</b>	<b>+40</b>	<b>527</b>



QVT



QVL



# Seasonal Products & Industry Characteristics

- The main selling products are seasonal **down jackets** for **autumn and winter seasons**. Raw materials are prep ready during end of the year, mass production to begin in beginning of the year, quantities to be delivered from mid-year to October.
- Production of thin jackets and trousers will begin during winter period for spring and summer wear. This is to coincide with the Chinese four seasons: plowing in the spring, weeding in summer, harvesting in autumn, depository/hibernating in winter.
- The operating revenue of the four quarters' as per following: **1<sup>st</sup> Quarter: 9%, 2<sup>nd</sup> Quarter: 23%, 3<sup>rd</sup> Quarter 45% and 4<sup>th</sup> Quarter: 23%**. The operating revenue for 1<sup>st</sup> quarter is generally lowest, while the 2<sup>nd</sup> quarter is liable to balance it. The 3<sup>rd</sup> and 4<sup>th</sup> quarters will usually have massive output delivery and is accountable to be the key highlight of the year. These are some of the **key characteristics** of **down jackets industry**.
- Due to seasonal factors, we have to **plan our production pipeline**. The ideal cooperation with our clients would be to **pre-order in advance** which can lessen the production pressure during peak season and making sure on-time delivery. This is a **win-win solution** for customers and QVE.



# Business Development

- As the OEM for the world's leading sports and outdoor brands, we are constantly exploring partnership with other **well-known fashion brands** (ex: Ralph Lauren, Porsche Design, Ferrari... etc) to create value add to them. We are also actively exploring partnership with **luxury brands** (ex: Moncler, Paul & Shark, Zegna... etc). We believe that our revenue will grow with the increase in customers' base.
- In particular, we have been **certified by** the United States **GORE-TEX** to authorize us to produce GORE-TEX series for our clients, which will definitely create an infinite pool of potential products. **Montbell, Aigle, Nike, Patagonia, New Balance** and other well-known brands have placed their orders with us, and we are actively seeking for other brands to join the wagon.
- On Oct 27, 2017, we have **signed a share purchase agreement to acquire a 60% stock with Atlanta Garment Manufacturing Company**, and continue to expand market share in the global middle high-end knitwear market. Atlanta Company became our Jordanian subsidiary in Jan 2018.



# Business Development

- QVE has exclusively developed the **new synthetic jacket - Micro Puff series** with Patagonia at 2017. Micro Puff series also **won the best insulation jacket award of 2017 Outdoor show in Germany** and had received many positive feedback from market.
- **Thermoball, the new generation prototype** leading to new trends and technologies. It helps TNF **evolves from traditional grid system** and developed more active and energetic styles on sport wares.
- For the steady development of the company's business, we have touch base with high-end outdoor brand Mammut and sportswear leading brand Under Armor many years ago, and expect to ship next year. In addition to sportswear and knitwear, **Under Armor** currently urgently needs to expand its functional jacket market, which is exactly what our company specializes in.
- **Mammut**, high-end outdoor brand from Switzerland, is known for its top craftsmanship. Each product provides maximum comfort at the same time, able to withstand the harsh environment test. Our R&D technology has ensured top quality to keep in pace with the world's top partners.



