

HYUNDAI ELEVATOR

QUARTERLY NEWSLETTER

Vol.09 / MARCH 2017



COVER STORY

The Globalization Strategy of Hyundai Elevator Takes Off

How Hyundai Elevator Won the Large-Scale Medical Complex Project

HOT ISSUE 1

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The Globalization Strategy of Hyundai Elevator Takes Off

How Hyundai Elevator Won the Large-Scale Medical Complex Project



Hyundai Elevator successfully secured the new contract for the Security Forces Medical City (SFMC) to provide elevators and escalators to be installed in the complex. This project is a large-scale medical complex to be built in the capital of the Kingdom, Riyadh. Hyundai Elevator has been engaged in active sales activities in the Kingdom of Saudi Arabia since 2014, when the company started to expand its business to the Kingdom. This new contract is the fruit of the efforts over the past years. This cover story will outline how the company won the SFMC project, which will turn the Kingdom's capital into a medical city.

'SFMC,' a project to ensure the health of the Kingdom

Saudi Arabia, the world's largest oil producer, is a country that bridges Europe, Africa, and Asia and accounts for half of the total oil production of the entire world. The government of the Kingdom is focusing its resources and efforts on building up the medical sector and social welfare facilities. The background of this strategic move is based on the forecast of the exponential aging of the country in addition to the increase in the total population. The demand for medical services will be further fueled by the fact that around 35% of the total Saudi population is diagnosed with obesity. The government of the Kingdom responded to this problem by establishing a plan to build up the Kingdom's medical infrastructure and increase the amount of resources invested. As a result, the government is to build SFMC, which is a massive compound medical complex in the capital city, Riyadh.

SFMC is the largest medical complex among the six gulf countries, composed of 400,000m² of medical facilities, 500,000m² of residential areas, and 200,000m² assigned for parking spaces. And, this is the site where the products of Hyundai Elevator are to be installed. The number of elevators and escalators to be installed in SFMC is 284 and 24, respectively. These include 7 geared elevators of 2,000kg or up, 10 gearless elevators, and 78 MRL elevators, where a larger proportion of the products are larger-sized models. The success of being awarded this project, which is the biggest project ever won by Hyundai Elevator in Saudi Arabia, is all the more significant as Hyundai Elevator had

to compete with and see off global big names, such as Thyssenkrupp, Kone, Otis, and Schindler.

The customized services and technical capabilities recognized in the world market

Winning the SFMC contract was due to the joint efforts of the Overseas Business Division in South Korean HQ and Saudi Arabia agency. Whenever there were requests from the customer, the Saudi Arabia agency's representatives responded to them with prompt feedback. And, the Overseas Business Division provided active cooperation in answering technical inquiries and making suggestions. The agility in the customized response to the customer was why the company could be successful in this competition. In addition, the energy saving system, optimized hoistway design, and network monitoring system which considered user convenience as the top priority were recognized as original technical capabilities of the company and were positively appreciated by the client.

Hyundai Elevator will continue to provide the visitors of SFMC with comfort and convenience with high technology and quality products.



Mr. Yaldrum (MD) & Mr. Sameer Khan (GM) of Saudi Arabia agency

The behind story - The fruit of a long wait was sweet.

We received the first inquiry for this project in August 2014. The product approval certificate was issued in October 2015, and the contract was signed in April 2016. However, due to plunging oil prices and the global economic downturn, the final PO (Purchasing Order) Registration took place after eight more months. That is two full years of waiting. The project was massive in its size, which drew attention from many colleagues within the company. With the support and interest from our colleagues, we were able to win this contract. We thank you for continued support and interest in our project until the completion of the SFMC project!

- Mgr. Nadia Chung, Middle East team

HDEL Vision House

In 2017, Hyundai Elevator announced its new vision slogan, "Go Global!" and started its grand journey to reach the goal of being one of the Global Top 7 by the year of 2020. The core values and the behavioral norms of the vision are represented in Vision House, where we can get a view of the new vision of Hyundai Elevator.



Meaning

- Expand to global market for sustainable growth with No. 1 position in Korea solidified
- Achieve global Top 7 in 2020, breaking away from 2nd-tier group



Service Excellence

- "Provide the kindest customer service and second-to-none customer response"
- Serve customers always with kindness based on instinctive behavior and intuitive understanding
- Respond promptly to customer requests. Furthermore, we provide a pro-active service that relieves customers of the need to make requests.



Global Competence

- "Hold a dominant position among global competition through continuous innovation of cost and quality"
- Ensure global competitiveness in cost and quality through new ideas and continuous R&D investment
- Product differentiation and localization through innovation with respect to non-cost competitiveness



Respect Talent

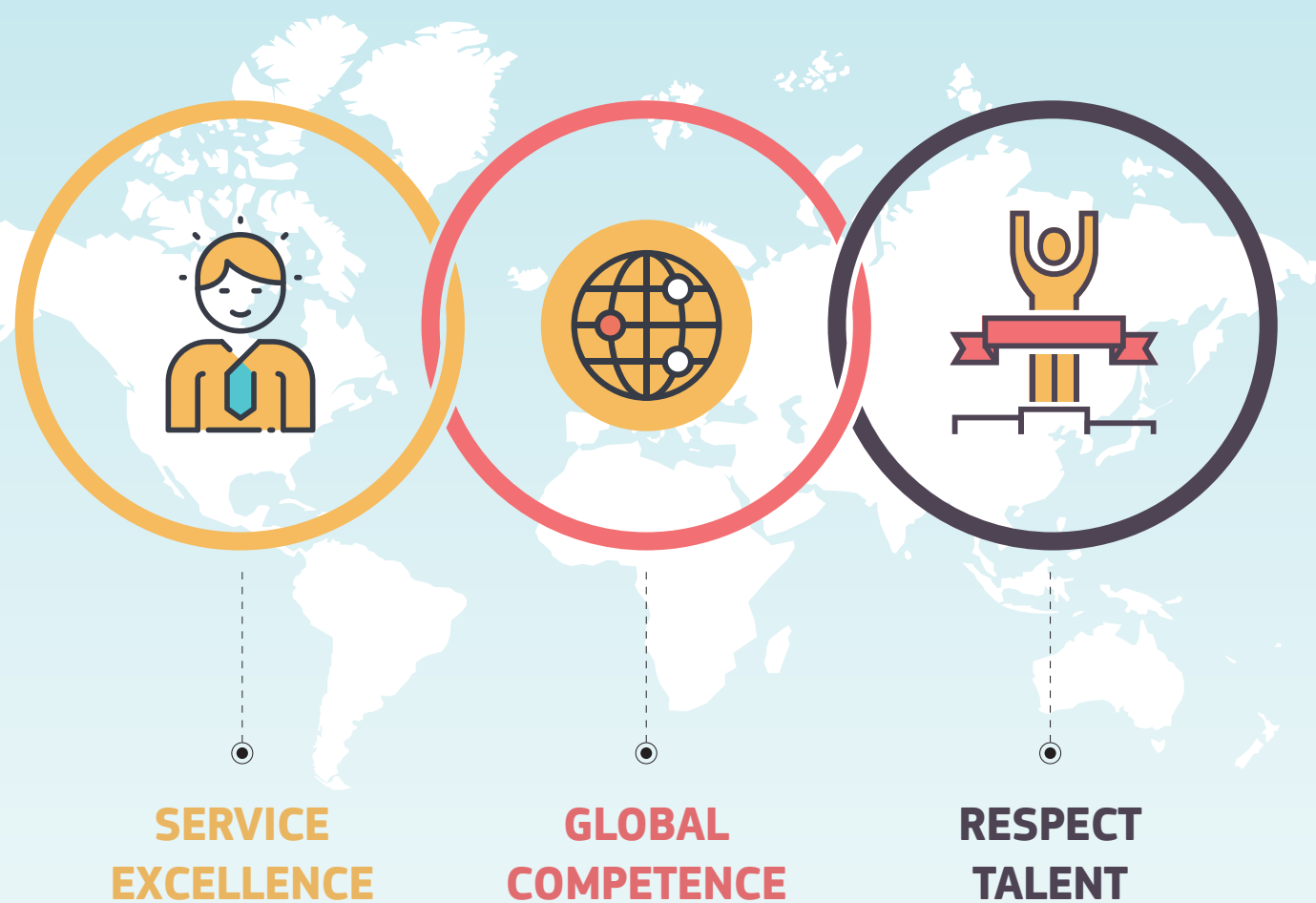
- "Respect talents and develop them as the best"
- Evaluate employees fairly and provide them with a reasonable and rational reward system based on their performance
- Create a great work place

- Place the utmost priority on the safety of customers, employees, and partners' employees
- Be honest to myself, honest to my company, honest to my customers, and finally honest to society
- Transparent and fair competition

Hyundai's Core Values for 'Go Global'

Global elevator companies announced their Investor Relation reports of 2016. Reviewing their operational results, we drew out the implications associated with our core values to be a global company.

Written by Jaeho Lee, Research Fellow, Hyundai Research Institute



Last February, global elevator companies announced their Investor Relation reports which stated the financial results of 2016. According to the reports, Hyundai Elevator is estimated to be ranked in the global top eight in terms of the revenue. In the most recent two years, Hyundai has overtaken Toshiba Elevator, which allowed Hyundai go up from rank nine to eight. Subsequently, Hyundai plans to catch up with Fujitec and raise its rank to seven by 2020. To achieve this goal, Hyundai has set up a new vision structure which consists of the three core values of 'Service Excellence, Global Competence, and Respect Talent'.

The first core value is 'Service Excellence'. Global top companies have great strength in the service area. The top three companies, Otis, Schindler, and KONE, obtained around 50% of their revenue from service sectors whereas Hyundai got less than 20%. Last year, some large markets for new installations, such as China, stagnated; however, top players could overcome this difficulty with their service excellence which acted as a kind of buffer.

The second core value is 'Global Competence'. Top companies launched new products and services through innovative R&D and technical cooperation with ICT companies. Recently, KONE is preparing to launch a new maintenance system employing the artificial intelligence of IBM Watson. Thyssenkrupp adopted Microsoft's augmented reality system, HoloLens, which enables a

remote service to be operated by skilled workers. With these distinguished products and services, they were able to achieve a high operating margin. In 2016, Otis achieved 18.1% of its operating profit rate to revenue, Schindler 11.7% and KONE 14.7% whereas Hyundai achieved an operating profit of 10.4%.

The third core value is 'Respect Talent'. Global companies have made ceaseless efforts to build great workplaces for employees. Otis set up 'Employee opportunity' as its core value; its keywords are listening, respect, commitment, lifelong learning, and diversity in individuals and cultures. Also, Schindler has implemented a core value of 'Commitment to people development'; KONE values 'Winning Together'.

Many analysts forecasted that the year of 2017 will be a difficult year. They have concluded that the Chinese market has reached saturation and competition will become intensified. Recently, Toshiba group is considering selling off its elevator business. Indeed, the disposal issue of Toshiba Elevator has created uncertainty in the market.

Nevertheless, we believe that Hyundai has the tenacity and ability to overcome these kinds of difficulties.

We will continue to strive to develop Hyundai into a global company, and in order to do so we should keep in mind the three core values of 'Service Excellence, Global Competence, and Respect Talent'.

GO GLOBAL!

Hyundai Elevator won the Gold Prize of iF Design Award



Hyundai Elevator won the Gold Prize of the 2017 iF Design Award with its near-future elevator concept design titled 'ANYVATOR.' The iF Design Award is a design award of International Forum Design of Germany and recognized as one of the most prestigious design awards there is. Hyundai Elevator won the Gold Prize in the 2017 edition of iF Design Award with its ANYVATOR. ANYVATOR is designed to have a large screen display that has a multi-touch feature, so that multiple users may designate the floor they want to travel to at the height of their eyes. Hyundai Elevator's parking signal device was awarded the main prize too. The parking signal device facilitates intuitive recognition of information by applying color, text and graphic.



Fresh 2017, Recruits Joined the HQ



The new batch of 38 recruits for 2017 joined the company to be the next generation leaders of Hyundai Elevator. These 38 new recruits completed their training program for 7 weeks and have been assigned to their new posts new positions available in the HQ in South Korea including the Icheon factory, Seoul office, and other local offices since February 24.

Hyundai Elevator R&D Center Published an Academic Paper Regarding Rope sway in JSV.

The researchers of Hyundai Elevator R&D Center published an academic article titled 'Dynamic modeling and experiments on the coupled vibrations of buildings and elevator ropes' in a renowned global academic journal, JSV (Journal of Sound and Vibration) Vol. 390 (p.164-191).

This SCI(Science Citation Index)-equivalent publication is recognized as a major achievement of Hyundai Elevator resulting from the research efforts of the company on elevators. With this study, Hyundai Elevator completed the rope sway technology development for sky-scrapers in 2016 and is currently developing the control and operation system using this new invention.



2017 'Shanghai Business Plan Workshop' and 'General Convention of Dealership in China' held

Shanghai



On February 17, 'Shanghai Business Plan Workshop' and 'General Convention of Dealership in China' were held in Wanxin Hotel (Pudong, Shanghai). The Business Plan Workshop announced the business performance of 2016, forecast for the Chinese market this year, the business plan for 2017 and execution plans. '2017 General Convention of Dealership in China' was joined by 200 dealers in China. The event, which started with the greeting speech by CEO Bob Jang, included the presentation on the dealership incentive program and presentation of the awards for dealers who showed outstanding performances in 2016.

Shanghai Subsidiary Opened Its Second R&D Center



The second R&D Center of Shanghai subsidiary opened in downtown Shanghai and held its opening ceremony on January 17, to maximize the R&D functions by

focusing on the high-speed elevator models and research projects on escalators, with a design team for local market.

Shanghai Subsidiary Reported H-1 Project Results



Shanghai subsidiary held a presentation to report the results of H-1 Project on March 2. H-1 Project, which was executed over a five-month period from

last October to March, improved the sales process and fulfilled the cost saving goals by 101%. With the new Chinese H-1 Execution Department to be established, it will provide a powerful drive for transformation and innovation.



Indonesian Subsidiary Held a Vision Slogan Sharing Workshop

Indonesia



Indonesian subsidiary held a workshop to share the new vision slogan with all of its employees on January 26. During the workshop, Indonesian subsidiary shared the new vision slogan of Hyundai Elevator, which is 'Go Global' and its core values, along with business goals of the subsidiary for this year. The workshop included a lecture given by an invited lecturer to provide the employees with Motivation Training in order to execute 'Service Excellence,' which is the first of the core values of the new vision slogan.



Malaysian Subsidiary Introduced the Company and Its Elevator Business at Kuala Lumpur University

Malaysia



Malaysian subsidiary visited University Kuala Lumpur on February 15, when the company introduced Hyundai Elevator to the students of Korea College of Elevator who were visiting the university. The lecture was given by Manager Yeongcheon Han and Mr. YK Han of Malaysian Subsidiary. Their presentations touched on the prospects for the domestic and overseas industry, strategies for globalization, key business projects of Malaysian subsidiary, and achievements in the company's business. Also, the presenters introduced how the elevators work and the designs of elevators to the students.

Turkey, Erzurum Healthcare Complex



- **Project Owner** : HEKTAS
 - **Site** : Erzurum
 - **Date of award** : December 2016
 - **Units** : 50 elevators, 6 escalators
 - **Speed** : 1.75m/s-velocity(50 units)
 - **Building Characteristics** : Medical Complex, OB & GY Clinic, Thoracic Clinic, Cardio-vascular center, etc.
-

Vietnam, 219 TRUNG KINH



- **Project Owner** : Bac Ha
 - **Site** : Hanoi
 - **Date of award** : January 2017
 - **Units** : 17 elevators
 - **Speed** : 3m/s-velocity(3 units), 2.5m/s-velocity(2 units), 2m/s-velocity(8 units), 1.75m/s-velocity(4 units)
 - **Building Characteristics** : Apartment, office
-

Indonesia, VOZA Premium Office Tower

- **Site** : Surabaya's Central Business District
 - **Date of award** : December 2016
 - **Units** : 12 elevators
 - **Speed** : 4m/s-velocity(5 units), 3m/s-velocity(4 units) 2.5m/s-velocity(1 unit), 1.75m/s-velocity(2 units)
 - **Building Characteristics** : Multi-function Business Center(Office, Five-star hotel, Convention Center, High-profile restaurants, etc.)
-



Turkey, Inanlar terrace lotus



- **Project Owner** : INANLAR
 - **Site** : Istanbul
 - **Date of award** : January 2017
 - **Units** : 8 elevators, 4 escalators
 - **Speed** : 2.5m/s-velocity(5 units), 1.75m/s-velocity(3 units)
 - **Building Characteristics** : Office, Shopping Center
-

Saudi Arabia, RD-477 project



- **Project Owner** : Attejarat Company
 - **Site** : Riyadh
 - **Date of award** : January 2017
 - **Units** : 15 elevators(Gearless)
 - **Speed** : 1m/s-velocity
 - **Building Characteristics** : Technical College
-

Philippines, BACOLOD CAPITOL CENTRAL MALL



- **Project Owner** : HYCO
 - **Site** : Bacolod
 - **Date of award** : February, 2017
 - **Units** : 4 elevators, 22 escalators
 - **Speed** : 1.5m/s-velocity
 - **Building Characteristics** : Shopping Center
-

"Xin Chào!"*

We are the NE Sales Team!

Starting from this issue, HDEL People will introduce our colleagues who are working in different parts of the world. In the current issue, Vol. 09, HDEL People visited the NE Sales Team in Vietnam subsidiary. Let's learn more about our foreign colleagues and the traditional food they recommend.



Hyundai Elevator Vietnam subsidiary

Vietnamese traditional dress AoZai



Congratulation on Women's Day!



NE Sales team



Scan the QR code to learn more about our Vietnamese subsidiary.

Hyundai - Thanh Cong Elevator Vietnam Co., Ltd is a joint venture between Hyundai Elevator Company and Thanh Cong Group, established on 25 Jan 2014. Our main business is to supply, install, maintain and repair elevators, escalators, conveyors. At present, over 1,000 elevators are installed in Vietnam for famous customers such as Keangnam Landmark 72, Lotte Complex, Dolphin Plaza, Big C supermarket, LG, Samsung Company, ...

And, the Vietnam subsidiary grew significantly in terms of its sales performances in 2014, 2015, and 2016, overperforming its sales goals. As a result, the operation of the Vietnam subsidiary entered the stabilization stage in three years since its foundation due to its outstanding sales capabilities.

Vietnam subsidiary is composed of HR, IC(Internal Control), Finance, NE Sales, SVC Sales, Logistic, Planning, Installation, and Hochiminh office.

Today, we would like to introduce our best team - NE Sales team. The team has 6 members with 1 manager and 5 staffs. The main tasks of our Sales team are to (1) look for sales opportunities with the existing and new customers to sell products and services; (2) contact customers to know their needs and requirements; (3) identify the sales target for each month, each quarter and each year; (4) define Business opportunities with each customer to be considered in the target or forecast list; (5) develop a good rapport with all existing and new customers to know their future plans as well as co-ordinate with the marketing, service and installation Department to achieve the strategic goals.

In order to establish a good organization, in addition to managing tasks effectively with clear objectives, we must pay much attention to building good team spirit through

*Xin Chào

"Xin Chào!" means "Hello" in Vietnamese

**Women's Day

In Vietnam, they celebrate International Women's Day on March 8 and Vietnamese Women's Day on October 20, when the men in the country present their spouses or female colleagues with flowers, letters, or gifts, as a major event of the year.

conducting a variety of outdoor activities such as monthly dinner gatherings and karaoke sessions together, making family visits to share life's joys and difficulties together, organizing birthday parties and preparing gifts, flowers on Women's Day**.

Introduce NE Sales Team members



Nguyen Duc Hoa / NE Sales Manager
Hobbies: Earning money, travelling



Le Trung Tin / Sales Engineer
Hobbies: Reading books, travelling, playing football



Tran Van Loi / Sales Executive
Hobbies: Travelling, playing football, singing



Vuong Toan Quy / Sales Executive
Hobbies: playing tennis, travelling, outing



Dang Thi Lan / Sales Admin
Hobbies: Listening to music, reading book, travelling



Nguyen Thi Quyen / Sales Admin
Hobbies: Reading books, travelling, going on outings

Traditional Food of Vietnam! The Spicy but Sweet Rice Noodle, 'Bun Bo Hue'



We would like to introduce Bun Bo Hue as a special Vietnamese dish. Bun Bo Hue is one of the most popular Vietnamese Food recipes which consists of rice noodles and beef. This food is from the middle area of Vietnam - Hue, a former capital of Vietnam associated with the cooking style of the former royal court. This dish usually includes thin slices of marinated and boiled beef shank and knuckles of pig. It can also include cubes of congealed pig blood. This dish is commonly served with lime wedges, sprigs, diced green onions, raw sliced onions, chili sauce, thinly sliced banana blossom, red cabbage, mint, basil, coriander and bean sprouts.

Hello. Nice to meet you. My name is -

Let's Learn is a section where you can learn the local languages of countries where our local subsidiaries are located. Access the QR code with your smart phone to listen to the language of the country spoken by the members of subsidiaries in a video clip.

안녕하세요. 만나서 반갑습니다.
annyeonghaseyo. mannaseo bangabseubnida.
제 이름은 _____입니다.
Jae ileum-eun _____ibnida.



KOREA



你好。很高兴认识你。
nihǎo. hěn gāoxìng rènshi nǐ.
我的名字叫_____
wǒ de míngzì jiào _____.



CHINA



Olá. Prazer em conhecê-lo.
Meu nome é _____.



BRAZIL



Merhaba. Tanıştığımıza memnun oldum.
Benim adım _____.



TURKEY



Chào bạn. Rất vui được gặp bạn.
Tên tôi là _____.



VIETNAM



Hello. Gembira dapat bertemu dengan anda. Nama saya ialah _____.



MALAYSIA



Halo. Senang bertemu denganmu.
Nama saya adalah _____.



INDONESIA



Let's learn about the rope sway technology of HDEL.



*Ele-Cop is the Service Character of HDEL.



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