

## Hot Topics

## TECO Joins Top 100 Taiwan Brands, Polishing Motor Gold Standard Status

TECO's world-renowned motors came home with the gold again, this time bagging a spot among the Top 100 Taiwan Brands on the country's centennial birthday year. Companies winning a place among the Top 100 Taiwan Brands have come to represent Taiwan's competitiveness and the close relation between the country's economic development and local brands.

### Rigorous Selection Process

In celebration of the centennial of the Republic of China, the Bureau of Foreign Trade, Ministry of Economic Affairs, commissioned the Taiwan External Trade Development Council (TAITRA) to hold the "Top 100 Taiwan Brands" selection activity. The 100 winners were picked through a professional assessment process taking seven months to complete.

Over the past half-century, TECO has grown rapidly to become one of the top-three large industrial motor brands in the world. It also occupies the industry's top spot in many markets, including Taiwan, Southeast Asia, and Australia, amply attesting to Taiwan's technology achievement and bringing pride to Taiwan as a globally powerful homegrown brand. ●



TECO joins the ranks of the Top 100 Taiwan Brands. Industrial Product and System Automation Sector Vice Chief Executive Lin Hong Hsiang (right) receives the award from Premier Wu Den-yih

## Mos Burger Celebrates 20th Birthday with 200th Restaurant

Mos Burger opened its 200th restaurant in Taiwan on June 18 this year, coinciding with the company's 20th anniversary. The anniversary and restaurant opening were jointly celebrated at an event attended by Mos Burger Chairman Theodore Huang and Japan's Mos Food Services President and CEO Sakurada Atsushi, who traveled from Japan with his family to join the occasion.

Since opening its first restaurant in Taiwan 20 years ago, Mos Burger has grown to become a popular fast food chain on the island. The company polished its brand during a food safety scare in Taiwan thanks to its insistence on using natural, safe and healthy ingredients and setting up its own labs to ensure quality. ●



(From left) Deputy Representative of Japan's Interchange Association Masami Tanabe, Mos Burger Chairman Theodore Huang, Former Taipei Mayor Huang Ta-chou, KMT Honorary Chairman Wu Poh-hsiung and Mos Burger Japan President and CEO Atsushi Sakurada jointly celebrate Mos Burger's 20th anniversary.

## UFIDA and ITTS Team Up to Tap Taiwan's ERP Market

In respond to the arrival of cloud computing and the ECFA era, China ERP heavyweight UFIDA and its sole agent in Taiwan, Information Technology Total Services (ITTS), plan to jointly expand services to companies in Taiwan, mainland China, and Hong Kong to provide new services such as coordinated business operations in the three areas, IFRS difference, and group consolidated financial statement preparation. The two companies also create new business opportunities related to the ECFA for companies in Taiwan, mainland China, and Hong Kong and help them to heighten their competitive advantage.

ITTS Managing Director Kao Shang-wei said that opening measures related to the ECFA will pose more operational challenges for enterprises in Taiwan, mainland China, and Hong Kong. UFIDA's solutions and ITTS' professional ERP service experience can have a clear effect on enterprise operations. ITTS is also confident that it can provide the professional ERP services needed by Taiwan clients in different market segments. ●

## TECO Spotlight

# TECO's Green Energy Era

*TECO Group Chairman C.K. Liu said in an interview that TECO, now in its 55th year, would build on its past foundation in the mechanical & electrical engineering industry by developing in the wind power sector, rooting the group's future development in new energy.*

## Soaring High in the Wind Turbine Business

TECO began to reap revenues from the wind power industry this year. The company's wind turbines enjoy a price advantage over European and

U.S. brands, while their quality is reliably higher than low-priced alternatives from mainland China. Furthermore, TECO has broad strengths that enable it to provide turnkey wind power solutions, from wind turbine development and manufacturing to assembly, operation and maintenance.

In addition to the previously announced letter of intent signed for the sale of 100 wind turbines, which is steadily being finalized, TECO recently secured an order from Vietnam for 30 wind turbines. Twelve of the turbines are slated for delivery before the end of the year and the remainder will be shipped before 2012. TECO has signed letters of intention for international cooperation on 100 wind turbines and expects triple-digit shipments next year to power its wind turbine business higher.

## TECO's Global Deployment

TECO has been active in expanding its global presence. The company has four production bases in Texas USA, Wuxi (Jiangsu, China), Jiangxi, and Guanyin (Taiwan). These facilities provide ample production capacity to support the company's development in the US, Taiwan, Southeast Asia and mainland China markets.

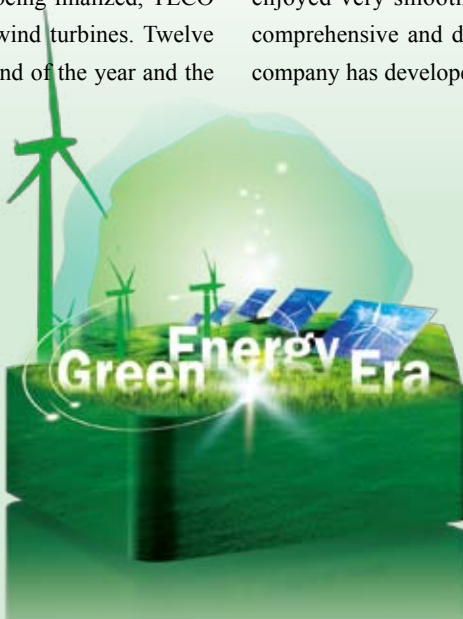
In the US, TECO continues to help Germany's DeWind with OEM operations. In Taiwan, the company has two to three enterprise-use wind turbine orders. And in Southeast Asia, TECO has formed cooperation ties with Vietnam and is actively in talks over business opportunities in Thailand and Indonesia.

Last year, mainland China was the largest market for the installation of wind turbines. TECO anticipates an order volume of over 150 turbines from the China, though this will need to occur in conjunction with investment in local plant establishment and job creation policies that are currently under negotiations.

## Advancing in the Electrical Vehicle Field

TECO and Japan electric vehicle leader SIM-Drive have enjoyed very smooth cooperation ties. TECO has also formulated a comprehensive and diversified electric vehicle development plan. The company has developed automotive motors of various specifications and applications, from two-wheeled vehicles and cars to freight trucks.

TECO also has started mass production of hub motors for electric vehicles and is in related talks with buyers in Shanghai, Anhui and Sichuan. The company has been approached by electric motorcycle and automobile businesses in Southeast Asia requesting products for testing. Motors and mechanical & electrical engineering industry have always been the cornerstone of TECO's development, and with the electric vehicle trend looking good, so also are TECO's prospects bright in the automotive motor sector. ●



# TECO Picked as "Jiangsu Famous Trademark"

Thanks to intensive cultivation of the mainland market and business branding efforts, TECO was recently recognized as a "Jiangsu Famous Trademark."

In order to win the Jiangsu Famous Trademark badge, a trademark must not only be well-known in the local market, but also meet market share, product quality and quantity, and public trademark awareness criteria to pass the rigorous application process.

In recent years, TECO has vigorously protected and promoted its trademark. This time, the company applied for the Jiangsu Famous Trademark in the name of Wuxi TECO Electric and Machinery. The company won the famous trademark designation in the categories of electric motors for machinery and driving motors other than for land vehicles. The company was presented with the famous trademark certificates in February this year, further affirming TECO's long-term business and achievements in both product quality and volume. In future, TECO will continue to faithfully uphold its product and company reputation and remain dedicated to enhancing its brand image. ●



## Universal Vision

# U.S. Congressman John R. Carter visits TWMC


U.S. Representative John R. Carter was elected last year to his fifth term representing Texas' Thirty-First Congressional District in the U.S. House of Representatives. Recently, he made a visit to TECO-Westinghouse Motor Company in Round Rock, Texas to meet with President Vincent Tang and the Executive Staff. Congressman Carter was interested in seeing the great products made in Round Rock for the military and commercial markets and to learn more about TWMC involvement in the wind industry.

Congressman Carter has provided significant support to TWMC in securing more than \$2 Million USD in funding from the Department of Defense (DOD) Office of Naval Research (ONR) for development of a High Temperature Superconducting (HTS) Trapped Field Magnet (TFM) motor for use on Navy Ships. This Phase 1 effort will allow TWMC to provide the Navy with a fuel efficient motor at an affordable price. Further sustaining TFM motor research, Congressman Carter most recently supported a Phase 2 proposal which was approved and allocated an additional \$800,000 USD to TWMC to build and test a TFM pole.

Increased activity in the Wind industry has also drawn the Congressman's interest. TWMC recently received orders from DeWind Co. for 55 turbines. TWMC is the assembly contractor for nacelles and hubs for DeWind, a DSME subsidiary. 50 turbines will ship to



*U.S. Congressman John R. Carter (right) visited TECO-Westinghouse Motor Company, and pictured with President Vincent Tang.*

Oklahoma for two different wind farms and 5 will be shipped to Nova Scotia for the Wind Energy Institute of Canada (WEICAN). 

# TECO Unveils Innovative Boat Engine



*Mr. Jim Misage (second from right) and Dr. Kao Kuan-chung (first from left) joined other guests at the launching ceremony for the Ocean Research No. 5.*


Ocean Research No. 5, the first 2,700-ton-class pelagic research ship built in Taiwan, was recently launched at a ceremony, marking an important milestone in Taiwan's oceanic research. The day was significant as well for TECO, which designed and built the propulsion motors powering the vessel.

With its higher tonnage, the Ocean Research No. 5 can conduct seabed research in waters up to 6,000 meters deep, representing a major breakthrough for Taiwan's oceanic R&D. One of the ship's key components is an AC/DC main propulsion motor designed by TECO-Westinghouse Motor Company (TWMC). Under the leadership of TWMC Marine Business Leader Mr. Jim Misage and Global R&D Center vice president Dr. Kao Kuan-chung, TECO developed the world's first marine-use AC/DC hybrid engine

meeting the special demands of marine research vessels.

## High Efficiency, Low Noise

Mr. Misage said that this hybrid system fully meets budget, efficiency and power demands, combining the silence of a DC propulsion motor and the propulsion efficiency of an AC motor. The system is designed to meet the underwater sound and vibration standards required for seabed survey on ocean research ships. The motor system has undergone testing and complies with ICES209 international sound standards, fully meeting the strict cost, power, and noise specifications for the Ocean Research No. 5.

TWMC's main propulsion motor specifications are: AC 1,081KW and DC 751KW. The AC power is used for high-speed cruising and the DC power for deep-sea exploration. The system is notable for its low sound, well-complemented high speed and low speed operation, cost effectiveness, energy saving, and ability to meet environmental demands. The system is also a global pioneer for electric AC/DC motors designed for ocean research ship use. 



### TWMC's main propulsion motor:

*Specifications: AC 1,081KW and DC 751KW. The AC power is used for high-speed cruising and the DC power for deep-sea exploration.*

*Features: 1) Low sound, well-complemented high speed and low speed operation, cost effectiveness, energy saving, and ability to meet environmental demands; 2) A global pioneer for electric AC/DC motors designed for ocean research ship use.*

## TECO Highlights

## TECO in the News (2011.07~2011.08)

## \*Industrial Product &amp; System Sector

**Peak season for TECO's consumer appliance and heavy electric businesses**

TECO has enjoyed brisk demand in its TECO's consumer appliance and heavy electric businesses in the second half of the year. The company received an order from Vietnam for delivery of 10 wind turbines before the end of the year. The order is expected to add nearly NT\$800 million to the company's fourth-quarter revenue, boosting full-year income above last year's level and lifting profits to a record high. TECO noted that the second half of the year is a peak period for consumer appliance demand, while revenue contribution from air conditioners is highest during the hot second and third quarters. The fourth quarter is traditionally the peak sales season for consumer appliances, while the heavy electric and motor sectors have relatively less pronounced off and peak seasons. (8/9 Economic Daily News)

**TECO aims for offshore wind power generation contract**

Taiwan's first offshore wind power generation project will be put up for tender next month. Domestic wind power companies, including TECO Electric and Machinery, are expected to be the main beneficiaries of the project. Wind power related business is roughly expected to amount to at least NT\$500 billion in future, creating new opportunities for domestic enterprise development. (7/20 Economic Daily News)

**Bright product prospects for Industrial Product and System Automation Sector**

Following FA product shortages after the Japan earthquake in the first half of the year, Taiwan has seen a clear turn-around in orders for machine tools, shoemaking machinery, and other electrical machinery through year-end. The Industrial Product and System Automation Sector at industry leader TECO Electric and Machinery expects several of its products, such as frequency converters, servo motors and drivers, to greatly benefit in the second half of the year.

TECO's electrical control team has developed a frequency converter for constant pressure pumps that has earned broad praise

for its high efficiency. The product is one of the shining stars of the Industrial Product and System Automation Sector. TECO has made preparations for the next step, which involves not only expansion in Taiwan and Southeast Asia, but also a broadening of product applications into new sectors, such as hotels, motels, hot spring hotels, and other daily life and commercial areas. (7/14 Commercial Times)

**Strong U.S. demand for TECO's industrial small motors**

Rising motor energy efficiency standards in the U.S. have been fueling demand for TECO's small industrial-use motors. U.S. demand is expected to contribute over US\$100 million in revenue this year for the company, with profits improving over the year before.

TECO Chairman C.K. Liu indicated that global demand is growing for motors meeting higher energy standards. The US transition from the IE3 standard to IE4 is greatly boosting demand for high-efficiency motors, he said. TECO has enjoyed a more than two-fold growth in orders for IE4 efficiency small motors recently, with this one product accounting for orders of more than US\$100 million, indicating that high energy efficiency motors will be a bright niche product in future. (7/5 Economic Daily News)

## \*Consumer Appliance &amp; Service Sector

**Mos Burger to use "carbon footprint" mark**

Carbon reduction is gathering force, and Mos Burger has responded to this environmental protection trend by applying for carbon footprint labels for four of its products, including rice burgers. From the end of the month, the packaging for these products will specify the items' carbon footprints, making Mos Burger the first fast chain in Taiwan to adopt the mark. (8/15 Apple Daily)

## \*IT &amp; Optronics Product Sector

**Taiwan Glass and TECO team up on energy-saving glass**

Traditional industry heavyweights TECO and Taiwan Glass plan to jointly invest NT\$300 million in a factory to make energy-saving glass using nano vacuum technology. The boards of directors of the two companies are expected to approve the project at the end

of August, after which the plant construction will begin. The plant is expected to begin production in the third quarter of 2012. Taiwan Glass has developed low emissivity (low-e) glass technology, while TECO has developed nano research and development nano vacuum insulating glass. By merging the two technologies, the venture partners can develop energy-saving glass building materials. (7/29 Economic Daily News)

## \*Telecommunications &amp; Service Sector

**TECOM seizes cross-strait IOT opportunities**

TECOM Chairman C.K. Liu said that TECOM's has invested nearly NT\$300 million in the research and development of high profit products. The company has decided to collaborate with telecommunication companies on both sides of the Taiwan Strait in the high-margin smart home product sector from the second half of the year. TECOM plans to actively seek procurement orders and tap business opportunities in the cross-strait internet of things (IOT) market, as well as develop operations in the mainland market. (7/9 Commercial Times)

**VMAX turns heads by waiving basic monthly fee**

VMAX introduced a special offer including NT\$0 monthly basic fee, no contract breach penalties, and no prepayment requirement for new subscribers. VMAX Telecom President Teddy Huang said he hoped that the offer would attract 2,000 to 3,000 new customers per month. The offer runs through September 2011 and may be extended to the fourth quarter of 2011. (7/7 DigiTimes) ●

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Executive Editor: Jean Lee

TECO Group Headquarters

5F, 19-9, San Chong Road,

Nan-Kang, Taipei, 115, Taiwan

Website: www.teco.com.tw

Call: 886-2-2655 3333

Fax: 886-2-2655 1668

Editorial: nazumi.lee@teco.com.tw

發行人：東元電機股份有限公司

發行人：鄭兆凱

地址：115台北市南港區三重路19-9號5樓

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