



*Management corner*

**Say no to bribing and taking bribes, let's build up an honest commercial environment together**

**Hansen**

**From his speech at a forum for small-sized suppliers**



Dear fellow business partners of Absen:

Good afternoon!

The year 2011 will soon come to an end. Whilst reviewing our work together for the first half of the year, we are going to plan ahead for the next year, as well as the next three to five years. We should take this opportunity to exchange our views on certain matters related to directions and principles.

At the moment Absen has over 300 suppliers, 800 employees and over 3,000 customers worldwide. Moreover, next year we expect to have 2000 to 3000 employees. Well, you too have tens of thousands of employees, and hundreds or thousands of suppliers behind you. Then how should we well organize these thousands of employees? How should we well manage our customers, and expand our business together? I think that in order that a team, an enterprise to expand properly, the leader should set a good example, and try to influence the people around him with his convictions and methods. I am confident that I can do this well. I hope what I say today will also influence everybody here, and then in turn influence your staffs and your suppliers, so that together we can build up an honest commercial environment.

### **Absen is a company with beliefs, organization, ideals and convictions.**

In 1996, I borrowed 500 Yuan from my classmate and headed south to Shenzhen. In 2001 together with Director Mr. Ren and Director Mr. Deng we pooled together 100,000 Yuan and started Absen. We did not have any background, but from the early difficult times to the present when we have annual sales of over 3 billions, we cannot boast that we have achieved too great a success, but I think at least we have found our own path and established ourselves, and have laid a solid foundation.

On 18<sup>th</sup> Sept this year our company had our 10<sup>th</sup> anniversary, and we held a warm and spectacular birthday party. We were trying to recall the hardships we have experienced in building up our business in the past 10 years. There were tears and laughter, and emotions ran high. If there had not been steadfastness in our pursuit of our goals, we would not have today's success. And we believe with our beliefs and steadfast ideals, we would do even better in the next ten years! We have even greater business that awaits us to further develop, and this is why we can have reached our present situation step by step.

As I have said before, there are many companies in China that have three no's: no development strategy, no brand name, and no company culture. Since you have chosen to work together with us, we should try to learn from each other, support each other and progress together. We welcome you to visit our website more to see how we proclaim our company culture, see what Absen is all about, and what sort of convictions we have, and what kind of methods we use in our expansion. If you read carefully, perhaps you can somehow feel how different we are from others. Perhaps when you visit Absen, communicate with Absen staffs, browse through the Absen website, or when you see how Absen proclaim our company culture, you will feel that

we are a team that “has beliefs, organization, ideals, and convictions.”

## **The relationship between Absen and its suppliers**

### **Suppliers are like Absen’s own factories**

As far as we are concerned suppliers are just another Absen’s own factories. What differences do they have from our own factories? They are the fact that we have not directly paid for your rent, and that we have not directly paid for your employees. I think these are the only differences, and the rest is all the same. So as far as I am concerned, your factories are our factories, the quality of your products is the quality of Absen’s products. Since Absen’s products are now exported to over 110 countries all over the world, including USA, Japan, Germany and other developed countries, the products are no longer just simple products, they represent the quality of Chinese products.

In the past, the impression people had about Chinese-made goods was that of low prices and low quality. We should try to change this impression, and this requires the cooperation between yourselves and Absen. We assemble the parts you supply into finished products and export them to different parts of the world. We hope these parts are okay, so please remember: your quality represents China’s quality, represents the Chinese self confidence, and represents the Chinese national pride. So considering all these, please in no way use poor quality materials, or those that cannot meet required standards. Please provide the materials according to the quality standard required by our company.

### **The relationship between Suppliers and Absen is not just that of sellers and buyer**

We care about your development. I often say to our purchasing and management staffs: Do not exploit our suppliers. Our suppliers are our partners, and are just another of our factories. The costs for our suppliers are those of Absen.

Our relationship is not simply that between seller and buyer. We care about our suppliers’ development. We do care about your costs. We not only buy your products; we are also quite willing to share with you our management methods, company culture, and convictions etc., including even our staffs. Absen spends a lot on developing human resources. For example we spent over 600,000 Yuan on a management course called EDP Drucker Management Program, where over 60 company staffs received training for free. In the recent five years, we have sent a few dozens of company staffs to study at Tsinghua University and Peking University. We are willing to share with you our management methods. In the near future we will selectively pick some suppliers who have worked smoothly with our company for a long time to join our training programs, or send our company’s senior management staffs to provide training for them.

Everyone of you here is a boss, and will fully understand what should be done at

different stages when your company has expanded to 20 people, 100 people and 500 people, or when your sales have reached 10 millions, 50 millions, and 1 billion. At every different stage, what the boss feels and what things are done are different. In this respect we have done quite a lot of reviews, and have accumulated related experiences. We are willing to share them with our suppliers. We keep saying that we should give our customers the greatest values possible. We treat our suppliers as our customers, and our purchasing staffs also have the mentality that suppliers are their customers, and not just simply suppliers.

Absen is a company that is quite willing to share things with others. If you are willing to accept, we are willing to help to improve the work of our suppliers. Looking ahead, when the conditions are right we are also willing to consider investing in our suppliers' business. With our integration with you and our support, you might become the No.1 in our business within a few years. Yesterday when I was onboard my plane to Beijing I read on the newspaper one of the suppliers of Sany Heavy Industry will soon be listed on the stock exchange because of the support from Sany Heavy Industry. So right here I hope you will have a new understanding and attitude towards Absen, and hopefully with interaction like this you can be inspired. Hopefully working together with Absen you will not only have the present, but have a bright future too.

### **Be honest, and be an open-book person**

I hope everybody will be an open-book person. Then what is an open-book person? He is a person who does not lie, and he is honest, and he starts being honest right now.

If each of you suppliers likes to work with Absen on a long term basis, then you have to be like an Absen person, who is honest. When giving price quotation suppliers have to be honest, and should not quote 3 Yuan for something when it should actually be 1 Yuan. When replying on date of delivery please also give real and correct date of delivery. If it really takes 10 days then say 10 days. We have to work according to our planned schedule. If you say 3 days is enough just to win the order, but then eventually cannot deliver in 3 days, 4 days, and can only deliver in 10 days, then your style is at odds with ours, and all kinds of problems will arise. We at Absen would very much like to understand and support every one of you, so please be an open-book person, and be honest.

### **Do not ever give our purchasing people rebates**

One month ago an unpleasant incident happened at our company. A supplier gave one of our purchasing staffs 3400 Yuan rebate. The next day the company fired that staff. Such behavior is the biggest taboo in Absen.

Purchasing is a job, just like any other jobs. A purchasing staff is just like a driver. If today I let him drive my car, will he drive the car to his own home? Purchasing is

like being a cashier. When the company lets her keep some money, will she take the money home? This is obviously not right. That purchasing staff should be the same. The Company has already given him the salary for what his job should earn him, why should he still accept the supplier's rebate? This kind of matters is really beyond my comprehension! Maybe I have been influenced by the western culture too much. Such kind of behavior is, in the eyes of the Americans, unimaginable, because they know, whatever a person does, God knows. They respect their business the way they respect God.

Gentlemen, you too have employees, and I believe your companies also face similar problems. Your companies need to expand, and in the course of expansion will also encounter such problems. When your staffs accept rebates, or have the intention to accept rebates, what would you do? You would try to get someone related to you to do purchasing, and you would not get a professional purchasing manager to do the job, and you can just get your wife, brother, brother-in-law, niece, etc to do purchasing. You think they will be loyal to you, but you may have forgotten that purchasing is actually a highly demanding professional job. It cannot be done properly by anyone. You can ask any of the purchasing staffs of Absen. All of them are recruited from the human resources market, and they are all professional purchasing managers. None of them has any family ties with the directors.

## **The taking bribes by purchasing staffs can cause great damage to a company**

### **Giving rebates increases production costs, causing damage to the positioning of the product**

The cost of producing a product originally is 1 Yuan, but when giving 20 cents rebate, will become 1.2 Yuan. Just think about this: where does the competitiveness of your product lie? When we purchase products, we first consider quality, followed by price. We try to buy products that are both good in quality and cheap in price. We try to get prices that are reasonable, or even low, and these are the principles in purchasing. This is especially so after we have been systemized, and this is just like tender business. Just consider that if you give the purchasing staffs rebate, your product costs get higher, and you lose your competitiveness in price already. When the market knows that your products are expensive, and should not be purchased, then the positioning of your company products will become distorted.

If you supply goods to us, and suppose rebates are involved in each case, there would be problems. The extra costs will be added to your prices, and the positioning of our products will be distorted, and the products may not be able to be sold because of their high prices. And even if they can be sold, the sales volume may be affected---perhaps originally we should have sold 10,000m<sup>2</sup>, now because of higher costs we can just sell 5,000m<sup>2</sup>. Gentlemen, if we can just sell 5,000m<sup>2</sup>, the purchase volume we buy from you will be cut in half, so in fact it will indirectly affect your

sales volume. Gentlemen, do you think it is worthwhile?

### **Giving bribes can derail company policies, harm company's future, and eventually harm the suppliers**

Originally our company policies could have enabled us to sell our products in USA. This we are pretty sure of. However because of giving bribes, what you supply us have problems and fail to meet the required standard. If we have sold the product to USA, and the customer has discovered the problem, even just like a question of a screw problem, our company could have to suffer a lot of money. Then our products can no longer be sold to USA, and without the sales volume we naturally do not need to purchase from you any more. Or if the prices are too unreasonable, too expensive, which eventually results in our pricing our products too high, then our products also cannot be sold. And the sales volume will drop, and the purchasing volume will also drop. Why? Often it is because there are rebates involved, which distorts company policies, and so because of some small gains big losses are suffered, ruining the more important matter of company expansion.

### **The ways of giving and taking bribes seriously damage a company's company culture**

What is the company culture of Absen? In the Absen's golden triangle values, "Honesty, gratitude and reliability" are the core values. Can there still be honesty when there is bribe taking? Giving bribes seriously damages the company's company culture. If all the suppliers are like this, how can this company still expand?

What is the core competitiveness of our company? We do a lot of thinking to find out why this company can expand. And the answer is that we have very good company culture. We uphold the golden triangle values as our company culture, as the core values and the 8 principles of management and operation. The 6-word Absen spirit is the spiritual food that supports Absen staffs. If these are destroyed, no longer exist, we can no longer survive. It is just like a computer. If the operating system is not functioning, can the computer still be used regardless how good the hardware is? Can it still function, and perform tasks? Our company culture is our operating system. Therefore please do not infect our operating system with viruses. Please do not pollute and destroy our operating system.

### **Giving rebates harm the interests of tens of thousands of shareholders**

Right now there are 53 employees in the company who hold shares of the company, and there are 54 shareholders from the fund manager companies. When this company is publicly listed there will be tens of thousands of shareholders. Come to think of it, if you give our purchasing staff rebates, and harm our company interests, it will be harming tens of thousands of shareholders' interests. This means that you will anger lots of people and become their enemies.

### **Giving bribes will destroy the rules of the game**

If you have received bribes from others, you will have to do things for them. If

you have given our purchasing staffs rebates, I think our purchasing staffs will definitely go easy on you. With this you have broken the rules of the game. The purchasing staffs will certainly demand less from you. Then soon there will be a fake low-quality product, or there will be a high-priced product. You may have the present, but will you have tomorrow? If this is a game, and you have broken the most fundamental game rule, how can this game still go on?

**The supplier business is itself an enterprise, and your profit should be spent in your company's expansion**

The money that you spend on giving rebates is originally part of your profits, and should be spent in rewarding your employees, expanding your factories, doing research and development, improving your quality, or sharing with your shareholders. If you have given it to the purchasing staffs, how can you do the items I have just mentioned? If you do not give them rebates, and your quality is good, technology is good and your prices are competitive, and we will still purchase from you. This is called fair competition.

**The personal harm to the purchasing staffs who take rebates is also great**

**Whatever you have done, you will learn from it.**

In our company there is a saying, "Whatever you have done, you will learn from it". For example a person has been a thief, suddenly made a fortune, then he will have learned to be a thief. He will steal the next day, and the day after too. If he is not caught the first time, twice, or ten times he will become regular thief, and continue to steal, until he is caught one day. So when you have given a small rebate, he will like to take 100 Yuan, the day after another 100 Yuan, and on and on, until it reaches 5000 Yuan and he will be caught and sent to jail. You see, if he is jailed, who will look after his wife and children? And his parents? Are you not doing harm to them?

**Whatever kind of person you are, whatever kind of people will be around you**

Say you are a boss, and in order to secure an order, you give rebates, you bribe when selling things. Do you know what the purchasing staffs will do? Your suppliers will also use the same ways to bribe your own purchasing staffs. The purchasing staffs of your purchasing staffs will also be like that, and a whole chain is established. You are the origin; whatever kind of person you are, whatever kind of people you will have around you. Gentlemen, do you really want your own purchasing staffs to be so messy?

**Taking rebates and giving rebates are no different from stealing**

Money that should originally be the company's, that should be the company's rightful profit, eventually has been spent in giving to the purchasing staffs. The

purchasing staffs have taken money that they should not have taken. Now is that not stealing? Getting for oneself what one should not get is called theft. I am sure everybody here does not want to be a thief, and also does not want people around him to be thieves.

### **If someone asks for a rebate, what should a supply do?**

In case our purchasing staffs ask for rebates from you, firstly, refuse him determinedly. You have to tell him clearly there is no such a thing. Secondly, report him. If he gives you any more troubles, you can complain to me or Mr. Ding. We always read your mail, please remember these two points.

I said at the suppliers meeting last year that we required the suppliers' lawyers also co-sign the "Framework Agreement". Someone then said "I am the legal representative. I am the boss, isn't my signature sufficient?" Let me explain it here. I find that many bosses are too busy, and they do not read the contracts carefully before signing. We do not want any more problems. You should read from the clause from the "Framework Agreement" that in case the rebates to the purchasing staffs have reached a certain amount of money, all the money for the goods will not be paid at all. If I have sufficient evidence, I can win any lawsuit because of this. That is why I asked your lawyers to co-sign the agreement.

Therefore, please read carefully this clause, which cannot be altered. Then all of you can decide on this: what benefits there are if I do not do this thing, and what harms there are if I do it.

### **Please do not give gifts to our purchasing staffs at festivals**

From now on for any ordinary day or festivals like New Year, Mid-Autumn, National Day, please do not give gifts to our company. Please do not give gifts to our purchasing staffs.

We Chinese value friendship, and I fully understand how you feel about this. But let me tell you this, I have never given any gift to anybody in the past 10 years in Shenzhen. If you want to give one purchasing staff one box of moon-cakes, then you should give each company staff a box of moon-cakes, because all these people are equal; they just have different job responsibilities. If you feel you have lots of money, and leading too good a life, I suggest you treat everyone the same; if you feel you have made too much money, you are welcome to send money to our Finance department, the more the better, be it 500 Yuan, or just 200 to 200 Yuan is also fine, to show your appreciation. Remember this, maintaining a good relationship is understandable, and I realize that. You can also write me a letter, giving us some suggestions. This will be quite precious for Absen.

We should set a good example for others in this society. I do not care what others do, but at least we do not bribe, and we can hold our head up high. I do not take bribes,

and I have not taken a single cent from any supplier in the past 10 years with this company. And right up to the present when the company is so big, the same is still true. I believe the same goes for Mr. Ding, because we believe in the same value, that of setting a good example for others, otherwise how can you expect others to believe you? And how can we expand? It is because others believe me, and why do they believe me? It is because I can hold my head up high. This is what is meant by setting a good example, and being totally open.

Here I have to emphasize again: purchasing is only a job, and definitely not a big money-making job as someone may say. Some time ago the company was recruiting a human resources manager, and I asked a question randomly at the end, "How do you consider the purchasing job?" His reply was, "It is a big money-making job". And I sent him off right away. He would not be suited to working in Absen. If he looks at the purchasing job this way, how can he do his human resources job well? The company has already paid the purchasing job with salary, bonuses, and will conduct performance review. The purchasing staffs should not have any reason whatsoever to get any more benefits. And you suppliers should not have any obligation to give them any more benefits. This is a concept that can enable you to become a respectable person, as well as to have a promising and happy future. You should have managed yourself well, including both your mind and behavior, because only when a person has self-respect he can have respect from others.

We understand that for big American companies, purchasing is a very simple job. Their procedure and system are quite well developed. There is no way the purchasing staffs can take rebates, and they do not even know what rebates are. Within our own circle we should get rid of the bad custom of giving rebates. On this point Wanke is doing pretty well. Wang Shi said this at a public occasion, "Wanke does not bribe. I just buy land, I market, and I submit tenders. When the government sells land, I buy; when it does not sell, I do not buy, and I do not participate. We do not bribe, so Wanke can be No.1. This is the very first rule of the game, the commercial rule of the game. We as the descendants of the Chinese race should have ideals, integrity, confidence, and should try to establish a national brand name through our efforts. I have great passion for this, and I have great confidence too. I hope I can have your support, thank you!

26<sup>th</sup> Sept., 2011

## **Set a good example, build up and practice the Absen values system**

- an interview with Mr. Deng Jiang Po, vice president of Absen

Chen Wen Jing

At the 10<sup>th</sup> Absen anniversary forum, of Absen's 3 founding persons Mr. Ding Yan Hui and Mr. Ren Yong Hong were both present to interact with staff members, but Mr. Deng Jiang Bo was no where to be seen. Why did he not attend such an important occasion? Where had he gone? Mr. Ding later provided the reason on the spot: since Mr. Deng has taken over the International Sales Department to expand its business, he is always on business trip to Europe in September, so that he can only send his email greeting to attend the annual company anniversary party on 19<sup>th</sup> Sept., as the special way to celebrate the occasion with the colleagues.

Some time ago, the writer interviewed this director who is "always absent at the company anniversary party".



**Among the middle and senior management in Absen, you are the one who is always right at the forefront of the international sales battlefield. Apart from helping your staff members to achieve impressive results, on the cultural front, what is the message that you want to convey to your customers most?**

Mr. Deng: I feel that a company is like a person. He must have his own character, values, and global visions. I believe in the course of his purchasing, your customer

needs to know what kind of person you are, and what kind of company yours is. What you are after, and what your company is after. He begins from getting to know you, then knowing your company, and your company products and the rest. When I present myself to the customer, I want to show him where our company soul lies. For example, I want to show him that “Honesty, gratitude and reliability” are our company’s core values, are what our company is most after basically. For example, that “Let the world shine brightly” is our vision. Therefore, what we convey to our customers is --- We are such and such a company, such an enterprise. Such a company will produce such products, and will provide such services. I think they are all closely connected to each other.

It can be said that building up a relationship between two companies is just like building up a relationship between two people. It takes mutual acceptance before it can work. So what does it take before there can be mutual acceptance? It is being straightforward, and being honest. Whether it is building up a relationship with a supplier or a customer, my experience is that, first open up yourself, let others know about you, then with your own way and methods, try to know what the other side thinks, needs and what his values are. What is more important in such a process is conveying a culture. I think this kind of cultural conveyance, values conveyance, and global visions conveyance is very important.

**Can you share with us some very meaningful incidents in the course of giving help to the sales team?**

Mr. Deng: I think interacting with our colleagues is quite meaningful.

Just take Amy for example. When I took over the Internationals Sales Department, there were only 4 people including myself. At the time Amy was just an ordinary salesperson for the north-west Europe region. Just having been with the company for over two years, Amy’s time was neither short nor long, and her results were just okay, not too outstanding. To change such a person into a manager, and even hope that she can move ahead, was a very meaningful process for me. Why? Because I was seasoning and molding a person.

When we were on business together, we chatted freely onboard our plane. Naturally I had my motive. Our topics ranged from the past industry history, its present history and situation to human nature, life, and values. I noticed that in the process, from the time we went out and returned together, she had undergone a great change. How was it manifested? At the time she was in charge of everything for the northwest Europe region. She had in her possession all the information about the good customers, which few other people could have access to, and she was not willing to disclose. However after two business trips with me together, without my doing anything, she took the initiative to share the information with me, and she just kept one or two customers.

Communicating like that, from the business point of view, maybe for her was just a little assistance, but for her self-discovery I think I had given her lots of

inspiration. Such inspiration did not only help her with her work, as even if one day she had left Absen, she would realize that such things could benefit her for the rest of her life. Some viewpoints just changed her values, and the ways she viewed life.

Another thing that I consider very meaningful is building a relationship with customers, and creating values for them.

Whenever I am with the customers, I often wonder: what is it that I can provide to the customers? What values can I create for them? What contribution can I bring to society? Take this example. There are some big customers who have not worked with us in the beginning. They do not know much about this industry, and they also have not so correct idea about Absen. And I understand that they always do not get what they need with the products they have spent their money on. The products are also of low quality, or they have spent too much money on their products so that their profits have been adversely affected. I firmly believe that the Absen products can give these customers greater value, so I start from scratch and pay them the first visit. After some in-depth communication with them they have come to know more about us, more about our products, and then subsequently after our practical deeds, they have truly realized we are indeed a company that abides by “honesty, gratitude and reliability”. Whatever we do never deviates from our value system. This then changes how they view us, and prompts them to purchase from us and work with us on a long term basis. And when I see that due to working with Absen their company results and profits have vastly improved and gone up, I feel very proud and happy.

### **How do you view the opportunities and challenges that await the LED displays and LED lights in the China and oversea markets?**

Mr. Deng: Both the opportunities and challenges exist. In the industry there are companies that have expanded by over 30%, some have expanded by 50% or 60%, but at the same time there are also companies that lose money, shrink, or close down. This is quite normal; as long as there is a market, there is bound to be competition. Companies in any business develop in a parabolic line. There is the infant stage, rising period, peak period, decay period and ending period. All companies undergo such periods of development. If you can foresee your problems, you will have strategies, can analyze and see things better, so can also seize the opportunity and face the challenges well.

For instance, we have been doing corporate strategy planning since 2006. Why did we enter the illumination business last year? Why not the year before last? Why not this year? We had picked an entry time, and just why did we feel that was the right time? Because we had done lots of research, and we felt it was time to do it, so we did it. We also pioneered the neon light production line in the industry. We manufacture the lights for ourselves, and not for sale. In the beginning there were not too many companies who were optimistic about Absen making our own lights. But the facts have proven that we were right. The result is that right now all the publicly listed companies are thinking of manufacturing their own lights. This has completely proven that our strategy adopted five years ago was correct.

**You not only support sales at the battlefield, and manage the sales team, but also are jointly in charge of the research and development center. Under your supervision, there have been many outstanding sales people. Please tell us your management philosophy, and give some examples.**

Mr. Deng:: When I am leading a team, I often use the expression “create value system” to do my managing. I think this is very important.

We all like people who are both capable as well as ethical. Then what is “ethical”? I think what the Absen golden triangle values describe are the ethics of Absen. In selecting people, it is best to have the people who are both capable and ethical. If not possible I will first pick those who are ethical, then those who are capable. Capabilities are not that important, as I can help him acquire them through training. However without ethics we are in trouble. Therefore for my team I much prefer to start by creating ethics as a way of management.

Whenever I interview my staffs, I always talk with him about value system. Accept this? Not accept this? Then just say no to him right away. Accept? Real acceptance or pretension? I will be the judge for that. How can I tell? I can tell from the things that he has done. Just like the way our customers look at us. We say Absen is honest, but which company does not say to others that it is honest? We have no way of finding out? Observe him! Maybe he will not lie in front of me, but he will lie to his colleagues, or to his folks and friends? If he will, then at least he is problematic in terms of honesty. Today in order to hide something he lies to his family, and one day he will lie to his customers, lie to the company, lie to me. This will be hard for him to change. Therefore from these tiny little things, it is quite easy to discover the bigger problems.

Besides, when I am on business trip with many colleagues I will always say yes when they ask me to join in playing cards. Let’s play The Landlord together, Mr. Deng, ok? Yeah, we play the Landlord together. If this guy goes on a business trip with me, and invites me to play the Landlord, I will certainly say yes. Then when I return my conclusion would be: He does not have any work concept, does not think too much, and he likes to waste away his time. From such a small bad habit, and through such small details I can discover all about him. However, I cannot say there is something wrong with his ethics. This is just a small bad habit, spending time on something that is not really important or needed.

During the business trip I would not talk with him about this, but I will when we have returned. What good habits do you have, and bad ones? Where the problems are, etc. I will tell him all these. I am well intentioned; I just want to point out his problems, and help him to get rid of them. If he can change, that is very fine, but what if he cannot? Give him up. Even if I have decided to give up someone, I am actually doing him something good, why? Firstly I have pointed out his problems to him. He may not listen right away, but after he has left, he just might think it over, and think it over again. One day when he has landed on another job, if he is smart enough, he will get rid of his bad habits.

Therefore my management philosophy is: first let him do what he likes, then tackle him later.

**From the year 2001 to 2011 the company's three founding members have all always been united in the pursuit of perfection, and have become a legend in the industry. Looking back, how would you think about the choice of this 3-man partnership? Please tell us the reasons of your success.**

Mr. Deng: Anybody who wants to do something big must have a team. If that is so, what form should the team take? I think one plus one equals more than one, and if one more is added then it will be bigger than N. However, why is it that we three can be together for so long, and can still continue on? I have concluded there are several points.

Firstly, for the company Mr. Ding is an ideological mentor and a spiritual leader. I do not know how you people look at him, but I think, apart from being a very good salesperson, a very good general manager, a very good management person, he is also a very good mentor and spiritual leader. All these years he has been influencing us continuously. It is his ideas that contribute most to the company, and also what I admire him most for.

Secondly, we share the common goals and values. What kind of value system does our leader have? What kind goals does he want to reach? He has mentioned "Let Absen be China's No.1 brand name, and a world famous brand name, and let the world shine brightly." These are all our common goals. Many people stick together because they all share common goals. However apart from this there is another important reason, and that is there are common values, otherwise there will be no standard for right or wrong, good or bad, and there will be quarrels and dissension. Put it in another way, even though the values are the same, if the goals are different it still will not work. Neither one of them is dispensable.

Thirdly from the angle of human nature, it is because of mutual understanding and tolerance. Each person has different character. I often say "Gentlemen can be together yet remain different". For example when handling a situation I may want to be more tactful, whilst Mr. Ding likes to be more clear-cut and straightforward, but both of us all want to solve the problem. Then what shall we do? We should try to reach a common ground and try to understand each other.

So these three points are what I can conclude, and they make for a standard model, which is basically what it has been all about. Right now I think our partnership has reached a sublime stage, where we understand each other very well. I can now say this, when we are asked the same question, even on different occasions, or when asked by different reporters, and without ourselves being in the same place, we will give almost the same answer.

## Market news

### Despite the earthquake and tsunami, Absen display stands its ground

As most people are aware, on 11<sup>th</sup> March, 2011 Japan's Honshu Island experienced a big earthquake, followed by a tsunami, causing a devastating disaster for Japan. What very few people know about is that, on this very day, the Absen engineering staff had just completed the installation of two sets of LED displays in the Miyagi Prefecture of Japan, and were on their plane flying back to Japan.

Whilst we express our deep sympathy for this disaster, we also wonder about this---has this LED display been buried by the earthquake or washed away by the tsunami? Does it still exist? Can it still be used? To find out about this, I interviewed the concerned staff members of Absen.



Before the earthquake Model: A1688 Dimensions: 0.5m\*2m

#### The things you do not know about this display

According to the Absen sales staff, this customer is a real estate developer from the Miyagi Prefecture of Japan. In August 2010 this customer visited Absen and also some other leading competitors of us. In October the customer returned to Absen and placed the order for a set of double screen display (both water-resistant) product. At that time the customer's aim was to use the resources of his real estate company, to lay the foundation to build up the LED business. That was the customer's first sample order.



At the factory before delivery

Since the customer did not have too much experience with such products, in March 2011 Absen sent our engineer Mr. Rao to provide training for the customer, so that the customer could explain and sell the products to their customers, and clear any simple obstacles that might be encountered. On Mr. Rao's last day in Japan, which was 11<sup>th</sup> March, just one hour before the big earthquake struck, his plane had departed Sendai airport and was away from Japan.



Just one hour before the earthquake struck, Mr. Rao (4 from right) and the customer staffs at Sendai airport

And this Absen light box display was installed at the Ishinomaki City, Miyagi Prefecture of Japan, which was quite near the Fukushima Prefecture, the center of the disaster. After the earthquake, the Absen management and related staffs saw lots of rubbles there, plus the fact that contact with the customer had been lost, were quite worried about the safety of the customer. Two weeks later, Absen finally was able to get in touch with the customer, and found that everyone there was safe, but all their

real estate properties were washed away by the tsunami.

Later the customer was all the time busy with their rebuilding work, so there was no communication with us. Then in September the customer suddenly sent email to the Absen sales staff saying that the display had been found at the seaside and recovered, and surprisingly could still function, except that certain characters could not be properly displayed. There was probably some problem with a system card, and our help was needed. Even though this was a case of force majeure, the company still agreed to send new spare parts to the customer. However, soon the customer had found a local electrical goods store, and with their help the problem was easily solved.



After the earthquake sent us this photo, with time shown on the display

So this LED display which had experienced an earthquake and tsunami, and had been recovered from the seaside could still function normally! This very sight touched everyone on the spot! Quality stems from professionalism. The fact shows that the Absen LED display can not just live up to its promise of being water-resistant, its toughness can even withstand tsunami and earthquake! The Absen LED display, having survived a disaster, can rightly deserve to be called “the tough display” in the LED industry.