



CORPORATE PHILOSOPHY



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Foreword

Aurora, in Chinese, means “the rising sun” and the English definition is “the break of dawn”. Both meanings symbolize glory and hope as well as vitality and energy.

Founded in 1965, Aurora Group, maintaining its founding spirit, has since established a sound corporate culture while sustained steady growth through the concerted efforts of associates.

As the Aurora Group began to expand, the number of affiliated subsidiaries also increased significantly. In order to instill the values of Aurora, we published **Aurora’s Corporate Philosophy** in 1984, developed from our years of experience and summarized the key factors for our continuous growth, and it serves as the guiding principles for all associates of Aurora.

Customers are the lifeblood of a corporate survival. Therefore the 13th edition aims to urge our associates to uphold the philosophy of “Customers First” and treat the customers’ needs as the top priority. Our purpose is to create values for our customers and strive to exceed customer expectation, thereby building a trustworthy Aurora Group that continues to seek sustainable business growth.

“Finding the right people” is the top priority to realize our corporate philosophy. The “Aurora Associates’ Common Traits” serves as criteria for selecting the right candidates who possess the qualities to fulfill our mission.

Aurora’s Corporate Philosophy is published to serve as internal guiding principles for continuing our corporate culture and spirit and to share with the public our knowledge and experiences. It is also a sample of our commitment of giving back to society.

Aurora’s Corporate Philosophy

Customer Satisfaction

Associate Contentment

Giving Back to Society

Pursuing Sustainable Business

Aurora Associates’ Common Traits

Honest and Upright

Moral and Ethical

Lawful and Pragmatic

Positive Thinking

Proactive and Optimistic

A Team Player

Learning and Innovative

Professional and Confident

Leadership

Focus on Execution

Chapter I Customer Satisfaction

Aurora is an enterprise in pursuit of “Customer Satisfaction”

Customer is the lifeline of enterprise survival. Outstanding management should continuously cultivate, accumulate, and give back to customers.

To attain Customer Satisfaction, we should uphold the philosophy of “Customers First”, offering comprehensive services and earning customers’ trust and, in turn, generating value for customers and exceeding their expectations.

Sincerity and Passion - Earn Customer Trust

Customer service requires a spirit of passion to solve customers’ problems. A cordial smile, humble demeanor, attentive etiquette, and neat appearance are also means to express respect for customers. Our attentive manner and humble professionalism allow customers to feel our sincerity and honesty.

When servicing and meeting the expectations of customers, we stand by our promises with high moral and ethical standard. We protect customers’ interests with openness. We do not make promises to customers that we can’t deliver for short-term gains.

Stand Behind Our Products and Services - No Compromise

To receive excellent reputation, we need our customers to experience that we stand behind our products and services and we do not compromise on anything less. In turn, a positive cycle of customer attraction and retention will be fostered through word of mouth.

Aurora strives to offer our customers the best products and services at reasonable prices and to promptly resolve their complaints. We spare no expenses in making sure that we provide the highest level of services and creating the highest value propositions to our customers.

Quality Focused - Refined Service

Quality is a common global language and prerequisite to customer satisfaction. We not only emphasize quality in the products and services we provide, but also strive to achieve the highest work quality, seeking perfection in everything we do. Besides ensuring things are done right the first time, we also deliver refined service through innovation, efficiency, and work quality.

Aurora places our customers' needs first by prioritizing their feedbacks and resolving their problems by all means necessary. At the same time, with advanced technology, our sales platforms ensure that we provide quality and efficient pre-sale, in-sale, and after-sale services to deliver the highest service level to our customers.

In addition, we should continuously sharpen our professional competencies; provide customers with the best solutions in order to expand our scope of services.

Create Value Propositions - Achieve Customer Satisfaction

Creating values for customers is the only way to earn customer trust, boost the sense of pride in associates, and enhance organizational commitment.

We value our commitment to our customers and, accordingly, establish strict product standards and service protocols. In addition to providing top-quality products, we offer customers the best solutions with our innovative service and expertise in order to cater to their needs.

Great customer feedback is attributed to the diligent work of our associates. With full attention to teamwork and complete focus on generating values for our customers through professionalism and enthusiasm, we will be able to exceed customers' expectations and achieve customer satisfaction. When our associates earn the trust and respect of the customers, they will have a sense of achievement at work that is also the foundation of Associate Contentment.

Chapter II Associate Contentment

Aurora is an enterprise in pursuit of “Associate Contentment”

Every associate has a vision and great expectation towards the future.

To accomplish Associate Contentment, we are devoted to caring and understanding their needs by establishing robust systems for associates in realizing their dreams.

Altruism - Establish Robust Systems

Our human resources policies are built based on open-door, equal opportunity, clear delegation of responsibilities and promptness in reward and reprimand. With altruism in mind, Aurora has established systems that are fair, legitimate, and adhere to our corporate philosophy, which allow our associates to thrive.

Implemented in 1975, Aurora's “Responsibility Center System” stipulates five major management goals including market, talent, service, capital, and profit via the spirit and model of intrapreneurship, enabling our associates to learn how to conduct business planning and target management. Moreover, the system helps our associates to understand, analyze and apply operational data, as well as to implement business planning that foster self-motivation, hence, allowing them to become well-rounded candidates for management.

In addition to helping associates set career goals and encourage them to achieve their goals, we have established a fair evaluation system for associates with outstanding performance to receive timely recognition and career advancements and to provide assistance to those who lag behind on their goals.

Our time-proven “Business Profit Sharing System” encourages all associates to create more profit, share the profit base on meritocracy, and most importantly, motivate them to act like business owners.

Joyful and Fun - Inspire Learning and Growth

Apart from monetary rewards and career advancement, we believe our associates’ emotional well-beings are equally important. Aurora has created a fun and joyful work environment with open communication and opportunities for self-growth. We strive to create a great place to work where associates are inspired to be the best they can be.

Supervisors should lead by example, treat others with virtue and create a joyful work atmosphere. By motivating the passion and potential of associates, their every action is directed toward building a competitive, yet, fun working environment. This encourages associates to learn and grow, and boost self-confidence and sense of achievement.

The success of associate is the success of the supervisor, and hence, the success of the enterprise. Supervisors should care for associates, give them timely encouragement and assistance, selflessly train successors and establish a relationship of mutual trust that foster camaraderie.

Associates should acknowledge that they are all internal customers of each other by maintaining good communication and positive interactions; furthermore, they should be proud of team achievements, value teamwork, and give their full support and service, because this is the only way to facilitate seamless teamwork. By doing so, work will naturally become joyful and growth will follow.

Nurture Talents - Fulfill Associates’ Dreams

Talents are the key to corporate development, and corporate growth is a result of accumulated talents.

Nurturing talents entails assigning suitable jobs based on the characteristics and career objectives of individual associate. Comprehensive education and training are in place to enhance associates’ knowledge and skills.

We value on-the-job training, therefore, we promote internship and substitutes and implement job rotation for associates to demonstrate their potentials. Through prompt recognition of outstanding associates and a well-established talent pool, we are able to nurture and promote talents through the ranks with multiple skills, enabling outstanding associates to realize their dreams.

Corporate growth and associate development complement each other. In order for a corporate to stay successful and continue to grow, it is imperative to uphold the concept of talents first. Additionally, a fair and just appraisal system must be implemented to allow associates with ambition and enthusiasm to unleash their full potential and envision their future. As a result, associates are proud to be a member of Aurora and the corporate takes pride toward its associates. This deep sense of belonging is the realization of Associate Contentment.

Chapter III Giving Back to Society

Aurora is an enterprise persists in “Giving Back to Society”

As part of society, an enterprise must give back to society while advancing corporate competitiveness and pursuing operational performance, thus fulfilling its duty as a good corporate citizen.

Ways to give back to society include:

- Create employment opportunities, nurture talents for society;
- Provide quality products and exceptional services to improve living quality, while being mindful of environmental protection;
- Maximize long term return for our shareholders and thus stimulate economic development;
- Fulfill tax obligations to provide the government with financial resources for public welfare;
- Participate and spearhead charity efforts to create positive social awareness.

Honest Governance - Increase Corporate Governance Capacity

An enterprise can only achieve trusts and respects from its society and continue to make business improvements if it operates with integrity, provides information transparency with effective governance.

We believe in honest governance and implement various policies and systems to ensure that businesses are conducted with integrity and high ethical standards. By strengthening our legal foundation and internal audits, we have formed an effective mechanism for checks and balances, enhancing our corporate governance ability and fulfilling corporate social responsibilities with good faith.

Corporate Culture - Contribute Positive Value to Society

A sound corporate culture brings positive influence on associates’ behaviors, inspires their passion and creativity, motivates them to accomplish their goals and make positive contributions to society.

We believe that corporate education is just as important as family and school education. We educate associates on interpersonal relationships, personal conducts, respect for work and on becoming effective team players, so that they can become integral and competent contributors to society.

In terms of R&D, manufacturing, and the workplace environment, we value environmental protection and innovation. Through effective management systems, we cherish and protect resources while creating high value products and

services to improve living standards and contribute towards development of a sustainable environment.

Cultural Charity - Promote and Cultivate Humanities

Culture is an important element for improving human civilization and quality of life. Preservation, documentation and education of cultural developments can persist through history and can traverse through time.

In 1971, we published the inaugural issue of “Aurora Monthly,” a non-profit monthly publication. The publication contains current business practices, sharing management knowledge, as well as promoting and cultivating the appreciation of art and literature. The purpose of this publication is to facilitate interactions and learning among businesses and society.

In 2010, we participated in the World Expo Shanghai under the theme of “Chinese Jade Culture, Interpreted in Modern Day City.” In 2013, we established the Aurora Museum for the purpose of “Protection, Succession and Devotion” of ancient Chinese artifacts. All these efforts were aimed to protect historical artifacts, promote academic research and cultural activities, and enrich cultural literacy and contents of life and, thus, promote and cultivate humanities.

Encourage Acts of Doing Good - Establish Philanthropic Programs

Philanthropic undertakings promote positive energy and actions in our society.

We encourage our associates to become social volunteers and active participants in local charitable activities as helping others often brings happiness and contentment. The aim is to spread the positive influence by engaging in philanthropy.

Through the Y.T. Chen Charitable Trust, we have engaged in long-term philanthropic undertakings and continued to implement programs such as emergency relief and assistance, support for disadvantaged groups, and talent cultivation. In 2015, we founded the "Spreading Good Award", providing steady and long-term resources to various non-profit organizations, which helps to encourage innovations and nurture social welfare talents, with the intention to advance their abilities so they can utilize their resources to the fullest.

Social progress is the cornerstone for corporate survival and development. We need to take solid actions to requite society and fulfill our social responsibilities in order to create a better macro environment so that Aurora can strive to Pursue Sustainable Business.

Chapter IV Pursuing Sustainable Business

Aurora is an enterprise persists in” Pursuing Sustainable Business”

Aurora seeks to Pursue Sustainable Business in the belief that only by maintaining good operation can we serve our customers and take care of our associates in the long run. Therefore, we uphold the ideal to “Pursuing Sustainable Business”.

Full Associate Participation - Foster Self-Motivated Management

An enterprise is a team, and business operation is a long-term competition. Everyone works together for the same conviction, which leads to enterprise’s continuous growth.

We encourage total participation to evoke associates’ enthusiasm and to live up to their potentials. Each department establishes an independent platform and associates also proactively recommend improvements for the system and business processes. At the same time, they are held accountable for the implementation and outcomes of their businesses in an environment that fosters self-motivated management culture.

Pragmatism and Innovations - Optimize Business Platforms

Pragmatism means to achieve what is promised. To be pragmatic in management, one needs to constantly evaluate organizational conditions, optimize performance analysis, propose effective improvement solutions, and stay driven in order to achieve management goals and further enable associates to feel joy and sense of achievements from surpassing such goals.

Under the principle of pragmatism, enterprises must also continue to innovate. Innovations occur not only in concept enhancements but also improvements in business processes. We engage in exchanges and interactions with outside professionals, introduce cutting-edge information technology to integrate resources within the group and enhance organizational efficiency by refining various systems and platforms. Emphasis is placed on making them simpler, clearer, and easier to understand and use.

Building Brand Value and Maintaining Goodwill

To an enterprise, a brand speaks its soul and reputation accumulates goodwill, and together they form the enterprise's blue ocean strategy. Instead of vicious price competition, we continuously strive to achieve the highest level of customer satisfaction.

At Aurora Group, accumulating brand value and maintaining goodwill are the key objectives of our associates, hence, it is imperative that we continue persevering and striving towards building a trustworthy enterprise.

Reformation and Creativity - Realization of the Future

Reformation is to be constantly aware of the changes in competitive landscape while upholding management principles and culture; facing new era with fresh thinking and renew strategies.

Creativity means to maintain an entrepreneurial spirit and aggressively charter into and cultivate new business territories.

Business segments should develop their vision by adopting innovative and reformative approaches. They should draw up short, medium, and long-term strategies and emphasize advance investment in order to implement and manage these visions, thereby ensuring success in long-term development.

Aurora Family - Pursuing Sustainable Business

The term “Aurora Family” means that associates of all ethnic background and nationalities share a common belief and work together to build a family-like relationship with strong camaraderie where everyone treats one another as brothers and sisters.

As members of the “Aurora Family”, associates should value business ethics and organizational disciplines and uphold the Aurora culture. All associates not only contribute but also share the accomplishments of others, creating an environment that benefits as a whole.

For Aurora to Pursue Sustainable Business, we must cultivate stronger successors for each generation for future management.

Epilogue

Fulfilling "Customer Satisfaction", " Associate Contentment" and "Giving Back to Society" is Aurora's mission

For over five decades, Aurora Group works diligently and continues to thrive. We are grateful for the support and recognition of our customers, as well as the concerted efforts and contributions of all associates.

Our accomplishments demonstrate that **Aurora's Corporate Philosophy** stands the test of time, therefore, we must recognize and fully comprehend the essence of our corporate philosophy.

To continue to achieve sustainable and quality growth, we must strive to surmount to challenges under adverse conditions, act with urgency and remain responsive to changes.

Looking into the future, **Aurora's Corporate Philosophy** continues to be the foundation for our mission and provides the roadmap for all associates; we shall employ pragmatic and innovative business approach, retain entrepreneurial spirit, have the courage to change course when needed, hence, become a highly effective and fast-moving organization. Together, we fulfill:

"Customer Satisfaction"
" Associate Contentment"
"Giving Back to Society"

Editions

February, 1984 Founding Edition
February, 1985 Second Edition
December, 1986 Third Edition
March, 1991 Fourth Edition
March, 1993 Fifth Edition
October, 1995 Sixth Edition
August, 2001 Seventh Edition
October, 2005 Eighth Edition
May, 2007 Ninth Edition
August, 2012 Tenth Edition
October, 2015 Eleventh Edition
November, 2016 Twelfth Edition
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