

### CORPORATE GOVERNANCE PRACTICE

The Group commits to maintaining and ensuring a high level of corporate governance standards and continuously reviews and improves our corporate governance and internal controls practices. Set out below are the principles of corporate governance as adopted by the Company during the reporting year.

### DISTINCTIVE ROLE OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER (“CEO”)

The positions of Chairman and CEO are held by Mr. YANG, Tou-Hsiung and Mr. YANG, Kun-Hsiang respectively.

The Chairman of the Board of Directors (the “Board”) is responsible for leading the Board of Directors in establishing and monitoring the implementation of strategies and plans to create values for shareholders.

The CEO is responsible for managing the operation of the Group’s businesses, proposing strategies to the Board and the effective implementation of the strategies and policies adopted by the Board.

### THE BOARD

As of 31 December 2013, there were 11 members on the Board, which are the Chairman, the CEO, 3 other Executive Directors, 2 Non-Executive Directors (“NED”) and 4 Independent Non-Executive Directors (“INEDs”).

The INEDs are considered by the Board to be independent of the management and free of any relationship that could materially interfere with the exercise of their independent judgments. The Board considered that each of the INEDs brings his own relevant expertise to the Board and its deliberations.

None of the INEDs has any business or financial interests with the Group nor has any relationship with other directors and confirmed their independence to the Group.

The Board met regularly during the year. The Board’s primary purpose is to set and review the overall strategic development of the Group and to oversee the achievement of the plans to enhance shareholders’ value. Daily operational decisions are delegated to the Executive Directors. The Board met four times during the year and the Directors’ attendance is shown in the table on page 35. The NED and INEDs may take independent professional advice at the Company’s expense in carrying out their functions.

### 企業管治常規

本集團一直致力確保企業管治標準維持於高水平，並持續檢討及改善企業管治及內部監控常規。以下為本公司於報告年度內採納的企業管治原則。

### 主席及行政總裁的分工

董事會主席及行政總裁分別由楊頭雄先生及楊坤祥先生擔任。

董事會主席負責領導董事會制訂及監控業務策略與計劃的推行，務求為股東締造更高的企業價值。

行政總裁負責管理集團業務運作、向董事會提呈策略方針，以及落實推行獲董事會採納的策略及政策。

### 董事會

於二零一三年十二月三十一日，董事會由十一位成員組成，分別為主席、行政總裁、其他三位執行董事、兩位非執行董事及四位獨立非執行董事。

董事會認為，各獨立非執行董事均為與管理層並無關係的獨立人士，其獨立判斷不會受到重大影響。此外，董事會認為，各獨立非執行董事均為董事會事務及其決策貢獻本身的相關經驗。

獨立非執行董事並無涉及本集團的任何業務及財務利益，且與其他董事亦並無任何關係，並已向本集團確認彼等為獨立人士。

年內，董事會定期舉行會議。董事會的主要功能為制訂及檢討本集團的整體策略發展，以及監督業務計劃成效以提升股東價值。日常營運決策乃授予執行董事。年內，董事會舉行了四次會議，而董事的出席記錄見第35頁所載表內。非執行董事及獨立非執行董事在執行彼等的職務時，可諮詢獨立專業人士的意見，費用概由本公司承擔。

### **AUDIT COMMITTEE**

The Company has established an Audit Committee with written terms of reference as suggested under the former Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). The Audit Committee comprises Mr. CHAO, Pei-Hong, Mr. KO, Jim-Chen, Mr. CHEN, Joen-Ray and Mr. HSIEH, Lung-Fa, all Independent Non-executive Directors. The chairman of the Audit Committee is Mr. CHAO, Pei-Hong. Each member brings to the Committee his valuable experience in reviewing financial statements and evaluating significant control and financial issues of the Group who among themselves possess a wealth of management experience in the accounting profession, commercial and legal sectors.

The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors, and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Audit Committee held two meetings to review interim and annual financial results and reports in respect of the year ended 31 December 2013 and significant issues on the financial reporting and compliance procedures, internal control and risk management systems, scope of work and appointment of external auditors, connected transactions and arrangements for employees to raise concerns about possible improprieties.

### **REMUNERATION COMMITTEE**

The Remuneration Committee comprises Mr. KO, Jim-Chen, Mr. CHAO Pei-Hong, Mr. CHEN, Joen-Ray, the Independent Non-executive Directors, and Mr. HUANG, Ching-Jung, the Non-executive Director. The Chairman of the Remuneration Committee is Mr. KO, Jim-Chen.

The primary functions of the Remuneration Committee include determining/reviewing and making recommendations to the Board on the remuneration packages of individual Executive Directors and senior management, the remuneration policy and structure for all directors and senior management; and establishing transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his/her associates will participate in deciding his/her own remuneration.

### **審計委員會**

本公司已成立審計委員會，並按照當時香港聯合交易所有限公司（「香港聯交所」）證券上市規則（「上市規則」）附錄14所載的前企業管治常規守則的建議以書面釐定其職權。審計委員會成員包括所有獨立非執行董事趙培宏先生、柯俊禎先生、陳忠瑞先生及謝龍發先生。審計委員會的主席為趙培宏先生。每位成員為委員會貢獻其寶貴的經驗，審核財務報表及評估本集團重大控制及財務事宜。彼等均於會計專業、商界和法律界擁有豐富的管理經驗。

審計委員會的主要職責為協助董事會審閱財務資料及申報程序、內部監控程序及風險管理制度、審核計劃及與外聘核數師的關係，以及檢討安排，使本公司僱員可以隱密方式關注本公司財務申報、內部監控或其他方面的可能不當行為。

審計委員會共舉行了兩次會議，以審閱中期及截至二零一三年十二月三十一日止年度的年度財務業績及報告，以及有關財務申報及合規程序、內部監控及風險管理制度、外聘核數師的工作範圍及委聘、關連交易的重大事宜，以及可使僱員以隱密方式關注可能不當行為的安排。

### **薪酬委員會**

薪酬委員會成員包括獨立非執行董事柯俊禎先生、趙培宏先生、陳忠瑞先生及非執行董事黃景榮先生。薪酬委員會的主席為柯俊禎先生。

薪酬委員會的主要職責包括釐定／檢討個別執行董事及高級管理人員的薪酬待遇、全體董事及高級管理人員的薪酬政策及架構並就此向董事會提供推薦意見；及設立透明程序以制定薪酬政策及架構，從而確保概無董事或任何彼等的聯繫人士可參與釐定其本身的薪酬。

The Remuneration Committee met once to review and make recommendation to the Board on the remuneration policy and structure of the Company, and the remuneration packages of the Executive Directors and senior management and other related matters.

Details of the amount of Directors emoluments are set out in Note 30 to the accounts and details of the 2003 Share Option Scheme are set out in the Report of Director.

### NOMINATION COMMITTEE

The Nomination Committee comprises Mr. YANG, Tou-Hsiung, Executive Director, Mr. CHAO, Pei-Hong, Mr. KO, Jim-Chen and Mr. CHEN, Joen-Ray, the Independent Non-executive Directors. The Chairman of the Nomination Committee is Mr. YANG, Tou-Hsiung.

The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of directors, making recommendations to the Board on the appointment and succession planning of directors, and assessing the independence of Independent Non-executive Directors.

The Board adopted the board diversity policy ("Board Diversity Policy") in accordance with the requirement set out in the Corporate Governance Code ("CG Code"). Such policy aims to set out the approach towards achieving diversity on the Board.

In assessing the Board composition and recommending candidates of directors to the Board, the Nomination Committee would consider a number of perspectives as set out in the Board Diversity Policy, including but not limited to professional qualifications, regional and industry experience, cultural and educational background, ethnicity, gender and other characteristics.

The Nomination Committee met once to review the structure, size and composition of the Board and the independence of the Independent Non-executive Directors, and to consider the qualifications of the retiring directors standing for election at the Annual General Meeting.

薪酬委員會已舉行一次會議，以審閱本公司薪酬政策及架構，以及執行董事及高級管理人員的薪酬待遇及其他相關事宜，並就此向董事會提供推薦意見。

董事酬金款額之詳情載於賬目附註30，而二零零三年購股權計劃之詳情載於董事會報告。

### 提名委員會

提名委員會成員包括執行董事楊頭雄先生、獨立非執行董事趙培宏先生、柯俊禎先生及陳忠瑞先生。提名委員會的主席為楊頭雄先生。

提名委員會的主要職責包括檢討董事會的組成、制定及擬定提名及委任董事的相關程序、就董事委任及繼任計劃向董事會提供推薦意見，以及評估獨立非執行董事的獨立性。

董事會已按《企業管治守則》之要求採納董事會成員多元化政策。有關政策旨在列明達致董事會多元化的方法。

於檢討董事會的組成及就董事候選人提供建議予董事會的時候，提名委員會將考慮多個列明於董事會成員多元化政策的因素，包括（但不限於）技能、地區、專業經驗、文化與教育背景、族裔、性別及其他特質。

提名委員會已舉行一次會議，以檢討董事會的架構、規模及組成以及獨立非執行董事的獨立性，以及考慮於股東周年大會上候選的退任董事的資格。

### CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision D.3.1 of the CG Code.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") and Written Employee Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

### MEETINGS ATTENDANCE

### 企業管治職能

董事會負責履行《企業管治守則》的守則條文D.3.1條所載的職能。

董事會檢討本公司的企業管治政策及常規、董事及高級管理人員的培訓及持續專業發展、本公司在遵守法律及監管規定、遵守《上市發行人董事進行證券交易的標準守則》（「《標準守則》」）及《僱員明文指引》以及遵守《企業管治守則》及本企業管治報告的披露規定方面的政策及常規。

### 會議出席記錄

		Attendance/Number of Meeting 出席率/會議次數				Annual General Meeting 股東周年大會
		Board 董事會	Audit Committee 審計委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	
<b>Executive Directors</b>		<b>執行董事</b>				
Yang, Tou-Hsiung ( <i>Chairman</i> )	楊頭雄 (主席)	3/4	N/A不適用	N/A不適用	0/1	1/1
Yang, Cheng	楊正	3/4	N/A不適用	N/A不適用	N/A不適用	0/1
Yang, Kun-Hsiang ( <i>CEO</i> )	楊坤祥 (行政總裁)	4/4	N/A不適用	N/A不適用	N/A不適用	1/1
Yang, Chen-Wen	楊辰文	4/4	N/A不適用	N/A不適用	N/A不適用	0/1
Yang, Kun-Chou	楊坤洲	4/4	N/A不適用	N/A不適用	N/A不適用	0/1
<b>Non-executive Directors</b>		<b>非執行董事</b>				
Huang, Ching-Jung	黃景榮	4/4	N/A不適用	1/1	N/A不適用	0/1
Chou, Szu-Cheng	周錫程	4/4	N/A不適用	N/A不適用	N/A不適用	0/1
<b>Independent Non-executive Directors</b>		<b>獨立非執行董事</b>				
Chao, Pei-Hong	趙培宏	4/4	2/2	1/1	1/1	1/1
Ko, Jim-Chen	柯俊禎	4/4	1/2	1/1	1/1	1/1
Chen, Joen-Ray	陳忠瑞	4/4	2/2	1/1	1/1	0/1
Hsieh, Lung-Fa	謝龍發	3/4	2/2	N/A不適用	N/A不適用	0/1

Notes:

附註:

- Mr. YANG, Tou-Hsiung authorized Mr. YANG, Kun-Hsiang to exercise the voting right on the second board meeting. Mr. YANG, Cheng authorized Mr. YANG Tou-Hsiung to exercise the voting right on the third board meeting. Mr. HSIEH, Lung-Fa authorized Mr. KO, Jim-Chen to exercise the voting right on the fourth board meeting.
- Mr. YANG, Tou-Hsiung authorized Mr. KO, Jim-Chen to chair the Nomination Committee meeting.

- 楊頭雄先生授權楊坤祥先生於第二次董事會會議行使表決權。楊正先生授權楊頭雄先生於第三次董事會會議行使表決權。謝龍發先生授權柯俊禎先生於第四次董事會會議行使表決權。
- 楊頭雄先生授權柯俊禎先生主持提名委員會會議。

### DIRECTORS' TRAINING

In respect of code provisions A.6.5 of the CG Code, all Directors of the Company has developed and refreshed their knowledge and skills by reading books and articles relating to legal and regulatory updates.

All Directors have already provided the training records for the year ended 31 December 2013 to the company secretary.

### COMPLIANCE WITH APPENDIX 14 OF THE LISTING RULES OF THE HONG KONG STOCK EXCHANGE

The Company has complied with the provisions of the CG Code as set out in Appendix 14 of the Rules Governing the Listing Rules on the Hong Kong Stock Exchange during the reporting period.

In respect of code provisions A.6.7 and E.1.2 of the CG Code, Mr. HUANG, Ching-Jung and Mr. CHOU, Szu-Cheng, the Non-executive Directors and Mr. CHEN, Joen-Ray and Mr. HSIEH, Lung-Fa, two of the Independent Non-executive Directors were not in the position to attend the Annual General Meeting of the Company held on 21 May 2013 due to business commitments.

### INDEPENDENCE CONFIRMATION

The Company has received, from each of the Independent Non-Executive Directors, a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-executive Directors are independent.

### NON-EXECUTIVE DIRECTORS

Code provision A.4.1 of the CG Code stipulates that Non-executive Directors shall be appointed for a specific term, subject to re-election, whereas code provision A.4.2 states that all directors appointed to fill a casual vacancy shall be subject to election by shareholders at the first general meeting after appointment and that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

Each of the Non-Executive Directors of the Company is appointed for a specific term of 1 year or 3 years, where Mr. HUANG, Ching-Jung and Mr. CHAO, Pei-Hong were appointed for a term of 1 year and Mr. CHOU, Szu-Cheng, Mr. KO, Jim-Chen, Mr. CHEN, Joen-Ray and Mr. HSIEH, Lung-Fa were appointed for a term of 3 years. Each of the Non-Executive Directors of the Company is subject to retirement by rotation once every three years.

### 董事培訓

就《企業管治守則》的守則條文A.6.5條，本公司全體董事均有透過閱讀有關法律及監管方面的更新資料的書籍及文章以發展並更新其知識及技能。

全體董事已向公司秘書提供其於截至二零一三年十二月三十一日年度內的培訓記錄。

### 遵守香港聯交所上市規則附錄14

於報告期間，本公司已內遵守香港聯合交易所有限公司證券上市規則附錄十四所載之企業管治守則的條文。

就企業管治守則之守則條文A.6.7條及E.1.2條，非執行董事黃景榮先生及周賜程先生及兩名獨立非執行董事陳忠瑞先生及謝龍發先生因業務關係未克出席本公司於二零一三年五月二十一日舉行之股東周年大會。

### 獨立確認

根據上市規則第3.13條，本公司獲得各獨立非執行董事確認其獨立性。本公司認為所有獨立非執行董事均是獨立的。

### 非執行董事

企業管治守則之守則條文A.4.1條訂明非執行董事應以特定任期委任，並須接受重選，而守則條文A.4.2條訂明，所有就填補臨時空缺已獲委任的董事須於獲委任後首個股東大會上接受股東選舉，而每名董事（包括以特定任期委任的董事）最少須每三年輪值退任一次。

本公司各獨立非執行董事均以特定任期（1年或3年）委任，當中黃景榮先生及趙培宏先生的任期為一年，而周賜程先生、柯俊禎先生、陳忠瑞先生及謝龍發先生的任期為三年。本公司各非執行董事須每三年輪值退任一次。

**COMPLIANCE WITH MODEL CODE FOR SECURITIES  
TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2013.

**AUDITOR'S REMUNERATION**

The Audit Committee of the Company is responsible for considering the appointment of the external auditor and reviewing any non-audit functions performed by the external auditor. During the year under review, the Group is required to pay an aggregate of approximately US\$340,000 and US\$25,000 to the external auditor for their audit and non-audit services respectively.

**DIRECTORS' RESPONSIBILITIES FOR ACCOUNTS**

The Directors of the Company acknowledge their responsibilities for preparing the Company's accounts for the year ended 31 December 2013.

The Statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 53 to 54.

**INTERNAL CONTROLS**

During the year under review, the Directors conducted a review of the effectiveness of the internal control system of the Company, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.

**COMPANY SECRETARY**

Ms. WONG, Wai Yee, Ella of Tricor Services Limited, external service provider, has been engaged by the Company as its company secretary. Its primary contact person at the Company is Mr. HSIEH, Jau-Hwang, Chief Financial Officer of the Company.

Ms. WONG has taken no less than 15 hours of relevant professional training for the year ended 31 December 2013.

**遵守董事進行證券交易的標準守則**

本公司已採納上市規則附錄10所載的《標準守則》。

本公司已向所有董事作具體查詢，所有董事亦已確認，彼等於截至二零一三年十二月三十一日止整個年度一直遵守《標準守則》。

**核數師薪酬**

本公司審計委員會負責考慮委任外聘核數師及審核外聘核數師所進行之任何非核數之職能。於回顧年度內，本集團需就外聘核數師提供之服務（包括核數及非核數服務）向其支付分別約340,000美元及25,000美元。

**董事對賬目之責任**

本公司各董事承認其有編製本公司截至二零一三年十二月三十一日止年度賬目的責任。

有關本公司的獨立核數師於財務報表的報告責任已載於第53至54頁的獨立核數師報告。

**內部控制**

於回顧年度內，董事已審閱本公司內部控制系統的成效，包括本公司會計及財務申報職能的資源、員工資格及經驗、培訓計劃及預算是否足夠。

**公司秘書**

本公司已委聘卓佳專業商務有限公司（外聘服務機構）的黃慧兒女士出任公司秘書。其於本公司的主要聯絡人為本公司財務總監謝朝煌先生。

於截至二零一三年十二月三十一日止年度，黃女士已完成不少於15小時的相關專業培訓。

**SHAREHOLDERS' RIGHT TO CONVENE AND PUT FORWARD PROPOSALS AT EXTRAORDINARY GENERAL MEETING**

To safeguard shareholder interests and rights, a separate resolution is proposed for each substantially separate issue at shareholder meetings, including the election of individual directors. All resolutions put forward at shareholder meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Hong Kong Stock Exchange after each shareholder meeting.

Pursuant to the Company's Articles of Association, shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

For putting forward any enquiries to the Board of the Company, shareholders may send written enquiries to the Company.

**股東召開股東特別大會及於會上提出議案的權利**

為保障股東的利益及權利，於股東大會上，每項重大事宜（包括選舉個別董事）均會以一項獨立決議案提呈。根據上市規則，所有提呈股東大會的決議案將以按股數投票方式表決，而投票表決結果將於每次股東大會後刊載於本公司及香港聯交所網站。

根據本公司組織章程細則，於遞呈要求日期時持有不少於本公司繳足股本（賦有於本公司股東大會上之表決權）十分之一的股東於任何時候均有權透過向本公司董事會或秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；且有關大會應於遞呈該要求後兩個月內舉行。倘董事會未有於遞呈要求後二十一日內召開有關大會，則遞呈要求的人士可自行以同樣方式作出此舉，而遞呈要求的人士因董事會未有召開大會而合理產生的所有開支應由本公司向遞呈要求的人士作出補償。

如要向本公司董事會提出任何查詢，股東可以書面方式向本公司提出。

### CONTACT DETAILS

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Level 54, Hopewell Centre,  
183 Queen's Road East,  
Hong Kong  
(with attention to the Board of Directors)  
Fax: (852) 2528 3158  
Email: vdi@vedaninternational.com

For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

### LOOKING FORWARD

The Group will keep on reviewing its corporate governance standards on a timely basis and the Board endeavors to take the necessary actions to ensure the compliance with the provisions of the CG Code introduced by the Hong Kong Stock Exchange.

### 聯絡資料

股東可將上述查詢或要求郵寄或發送至：

地址： 香港皇后大道東183號  
合和中心54樓  
  
(註明交董事會收)  
傳真： (852) 2528 3158  
電郵： vdi@vedaninternational.com

為免混淆，股東必須將已妥為簽署的書面要求、通知或聲明或查詢（視情況而定）的正本送達或發送至上述地址，並提供彼等的全名、聯絡資料及身份證明，上述各項方告有效。本公司可能會按照法律規定披露股東資料。

### 展望

本集團將繼續適時檢討其企業管治水平，而董事會將竭力採取所需措施，以確保遵守香港聯交所頒佈的《企業管治守則》條文。